

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

WATER SUPPLY BANK RENTAL AGREEMENT No. 630

JUL 15 2022

DEPARTMENT OF
WATER RESOURCES

This is to certify that:

JOHN KANELLITSAS
401 CANYON RD
HAILEY, ID 83333-5066

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
37-337A	6/1/1887	GROUND WATER tributary to EAST FORK WOOD RIVER	0.027	2.8	0.8	0.034	3.50
37-8396	9/9/1988	GROUND WATER	0.020	2.8	0.8	0.025	3.50
Combined Limit Totals			0.024	2.8	0.8	0.03	3.50
Combined Rental Totals			0.024	2.8	0.8	0.03	3.50

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2022. Use of rental water shall be authorized as of either the date this rental agreement takes effect or the first day of the rental season of use, in 2022, whichever occurs last.

Annual Rental Fee:

2022: \$56.00

The full fee for the rental of the above-described right(s) is \$56.00 for 2022. The rental fee includes an administrative fee of \$5.60 for 2022.

An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Total Water Use Authorized Under Rental Agreement

Beneficial Use	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate/Acre (CFS/AC)	Volume/Acre (AF/AC)
IRRIGATION	0.024	2.8	0.8	0.03	3.50
Combined Total	0.024	2.8	0.8	0.03	3.50

** The authorized water usage reflects a reduction from the water right elements rented, to account for combined limits*

Detailed water right conditions are attached.

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DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 630

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

Randi Kanellitsas

Signature of Renter

7-4-22

Date

Randi Kanellitsas

Printed Name

owner

Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

[Signature]

By _____

BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date 7/20/2022

Rental approved by IDWR

Angela M. Hansen

Date 7/20/2022

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 630

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER NWSE Sec. 9, Twp 03N, Rge 18E, BLAINE County

BENEFICIAL USE
IRRIGATION

DIVERSION RATE
0.05 CFS

VOLUME
2.8 AF

SEASON OF USE

From To
4/15 10/31

RENTERS PLACE OF USE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
03N	18E	9			0.2											0.6			0.8

Total Acres: 0.8

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
7. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.
8. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
9. Use of water under this agreement may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 37.
10. Diversion of groundwater under right 37-337A is limited to those times water is available for diversion under the right's priority from the East Fork Wood River.
11. A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion.

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12. This rental when combined with all other rights shall provide no more than 0.03 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the place of use.
13. Irrigation use under this agreement is authorized only in connection with a domestic use.

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WATER SUPPLY BANK RENTAL AGREEMENT No. 630

14. This rental agreement does not authorize the construction of a well.
15. This approval authorizes the diversion of ground water within the Big Wood River Ground Water Management Area (BWRGWMA). Use of water under this approval is subject to the provisions of the BWRGWMA Management Plan approved by the director on May 4, 2022.

Idaho Water Resource Board

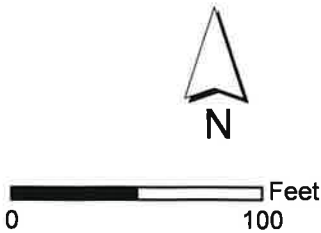
Attachment to Water Supply Bank Rental Agreement No. 630

Effective until December 31, 2022

This map depicts the **rental place of use** pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



-  Authorized Rental Point of Diversion
-  Township/Range
-  Sections
- QQ
-  Authorized Rental Place of Use



STATE OF IDAHO
WATER RESOURCE BOARD

**APPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANK**

RECEIVED

JAN 06 2022

DEPARTMENT OF
WATER RESOURCESApplicant Name: John A. Kanellitsas and Randi S. Kannelitsas

Is this application being submitted with a lease application as a lease/rental package?

Yes ☐ No ☒

If yes, specify companion water rights in Section 4

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. **Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.**

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

Yes

- ☒ Completed *Application to Rent Water from the Board's Water Supply Bank*
- ☒ Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank

Attachment N/A Yes

- | | | |
|----|--|--|
| 2 | ☒ | A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request |
| 3A | ☒ ☐ | Detailed information on a proposed use of rental water |
| 3F | ☒ ☐ | Authorization from the owner/operator of the rental point(s) of diversion |
| 3H | ☒ ☐ | Water modeling to account for the impacts of the rental request |
| 3J | ☒ ☐ | Documents justifying a rate of flow greater than 0.02 cfs/acre |
| 3K | ☒ ☐ | Authorization from the owner/operator of the property at the proposed rental place(s) of use |
| 4B | ☒ ☐ | Explanation of how the rental water will sufficiently accomplish your rental purposes |
| 4C | ☒ ☐ | Explanation of consumptive use amounts for water rights experiencing a change in nature of use |

Department Use Only – Proposed Water Right(s)

37-337A

37-8396

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant John A. Kanellitsas and Randi S. Kannelitsas

Mailing Address	<u>401 Canyon Rd.</u>	<u>Hailey</u>	<u>Idaho</u>	<u>83333-5066</u>
	Street	City	State	Zip Code
Email Address	<u>john.kanellitsas@gmail.com</u>		Phone Number	<u>208-309-2728</u>

B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☒ No ☐
If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative	<u>James P. Speck</u>	Professional Title	<u>attorney</u>
Organization	<u>Speck & Aanestad, A Professional Corp</u>	Relationship to Applicant	<u>attorney</u>
Mailing Address	<u>P.O. Box 987, Ketchum, ID 83340</u>		
Email Address	<u>jim@speckandaanestad.com</u>	Phone Number	<u>208-726-4421</u>

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to irrigate. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:

We need a water right to irrigate in excess of 0.5 acre on our 5 acre lot

B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
0.05 CFS	2.8 AF	0.05 CFS	2.8 AF	0.8 AC

* Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.

C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
April 15, 2022	May 15, 2022	☒ 1	☐ 2	☐ 3	☐ 4	☐ 5	☒ Process application as soon as possible	☐ Return application to applicant

* The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.

** Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):

Well, pump, underground sprinkler irrigation system

- E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
well	ground water	domestic exemption right

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

- F. Has documented consent from all relevant water delivery entities been obtained? Yes ☐ N/A ☒

If yes, include documented consent as **Attachment 3F**.

- G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☐ No ☒

Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

- H. Has water modeling been provided with your rental request? Yes ☐ N/A ☒

If yes, label modeling Attachment 3 H.

Rental applications that require modeling will be returned if modeling is not provided.

- I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

- ☐ Irrigation 0.8 (number of acres) Duration: Subject to IDWR standard seasons of use
- ☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Other: _____ from: _____ (mm/dd) to: _____ (mm/dd)

- J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☐ Yes ☒ No ☐

If yes, justify the rate of flow and attach any supporting documents as **Attachment 3J**. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

The two water rights we want to rent provide for a total diversion rate of 0.05 cfs to irrigate 0.8 acres.

- K. Do you own the land at the proposed rental place of use (POU)? Yes ☒ No ☐

If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it **Attachment 3K**.

- L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

We have been irrigating approximately 1.3 acres and only have the domestic exemption water right

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights?

Yes ☒ No ☐

If yes, specify below the elements of the water rights you are requesting to rent. If no, continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via [IDWR's website](#).

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request.** For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
37-337A	irrigation	0.03	2.8	0.8		0.03	2.8	0.8
37-8396	irrigation	0.02	2.8	0.8		0.02	2.8	0.8
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL	0.05	2.8	0.8
						CFS	AF	AC

**Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.*

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

C. Does your rental request propose to change the nature of use for any water right(s) being rented?

Yes ☐ No ☒

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

- A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☒ No ☐
If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

- B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes ☐ No ☒
If yes, describe:

- C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☒ No ☐
If yes, describe the date and location of the NOV.

A pending NOV dated October 22, 2021 for Lot 9N, Block A, East Fork Subdivision No. 3, Blaine County, Idaho.

- D. Additional Information

DECLARATION

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.


Signature of Applicant

John A. Kanellitsas
Printed Name of Applicant

12/11/21
Date


Signature of Representative

Randi S. Kanellitsas
Printed Name of Representative

12-16-21
Date

Mail to:

Idaho Department of Water Resources
P.O. Box 83700
Boise, ID 83720-0088



John A. Kanellitsas and Randi S. Kannelitsas
Application to Rent Water
Attachment 2



IDAHO DEPARTMENT
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Gary Spackman

July 22, 2022

JOHN KANELITSAS
401 CANYON RD
HAILEY, ID 83333-5066

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 37-377A & 37-8396 AGREEMENT 630**

Dear Renter:

Please find enclosed a receipt in the amount of **\$56.00** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 2.8 acre-feet of water for irrigation of 0.8 acres during 2022. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$50.40 of the rental fee will be paid to the lessor(s) and 10% or \$5.60 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at bank@idwr.idaho.gov or (208) 287-4800.

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosures: Receipt No. C113455
Rental Agreement (copy)

c: Sascha Marston – Fiscal
IDWR Southern Regional Office
Jim Speck
Water District 37
Cherie Palmer



IDAHO DEPARTMENT OF
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Gary Spackman

June 28, 2022

JOHN KANELITSAS
401 CANYON RD
HAILEY, ID 83333-5066

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 37-337A & 37-8396 AGREEMENT 622**

*****TIME SENSITIVE RESPONSE REQUIRED*****

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of \$56.00 per year was calculated based on the current rental rate of \$20.00 per acre-foot times a diversion volume of 724 acre-feet.

Please send a check for \$56.00 for 2022 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing. An annual payment shall be received by the Department prior to the execution of this agreement and prior to January 1 in all subsequent years for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Pursuant to the Water Supply Bank Rules, 90% or \$50.40 of the rental fee will be paid to the lessor(s) and 10% or \$5.60 will be retained by the Department to offset administrative costs for **2022**.

If you have any questions, please contact this office at bank@idwr.idaho.gov or (208) 287-4800.

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosure

c: IDWR Front Desk
Jim Speck

MEMORANDUM

To: Water Right(s) 37-337A and 37-8396

From: Michele Edl

Date: June 13, 2022

Re: Review & Analysis of Application #2260 and Agreement #630 to Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: On January 6, 2022, IDWR received an application to rent water from the water supply bank for irrigation use by John A. Kanellitsas and Randi S. Kanellitsas. James P Speck of Speck & Aanestad is representing the Kanellitsas for this rental application. The application proposes to rent portions of rights 37-337A and 37-8396, to irrigate 0.8 acre in section 9 of Twp 03N Rge 18E.

The requested duration for the rental is one year and is in response to an enforcement action (see E2021-1711). This rental will exhaust the entire leased value of the rights but will NOT provide water sufficient for all the irrigation use that was found.

AUTHORITY TO FILE: According to the available Blaine County parcel data John A. Kanellitsas and Randi S. Kanellitsas own the property containing the place-of-use (POU) and point-of-diversion (POD). Both Kanellitsas signed the application.

The proposed POD is an existing but unrecorded domestic well. No water rights are currently authorized to divert from this well.

WATER RIGHT VALIDITY: On September 24, 2010, Water Right 37-337A was decreed as a surface water right in the SRBA. Transfer 79933 acted on this right and was approved August 21, 2015. The transfer changed the source and POD of the right. The water source was changed from the East Fork of the Wood River to ground water tributary to the East Fork Wood River. The POD was changed from a river diversion to an existing well which was mathematically demonstrated to be hydraulically connected to the river. The WD37 watermaster has control over this right and can curtail it by its surface water priority date.

Licensed right 37-8396 was issued September 29, 1995, for irrigation of 2 acres of pasture. This right was developed as a ground water use to supplement irrigation from the existing surface water right, 37-337A. Transfer 79933 also acted on this right and put limits on Water Rights 37-8396 and 37-337A when they are used together. This right may only be used in connection with a domestic use. The Kanellitsas use of water qualifies it for rental of this right.

Portions of these rights have been leased to the WSB since 2015. The current lease contract expires December 31, 2022.

INJURY TO OTHER WATER RIGHTS: There are two diversions for stockwater use from the East Fork of the Wood River between the lease and rental that could be harmed by the transfer of water upstream. But those rights have junior priority compared to the surface/ground water right 37-337A.

No doubt there are several unrecorded domestic uses diverting from ground water in the vicinity of the well that will deliver this rented water. Lacking information about those neighboring wells,

it's not possible to determine if there will be injury to those domestic uses attributable to this rental. I assume that the wells have been constructed in accord with set-back requirements and will be minimally impacted by this rental.

ENLARGEMENT OF USE: The leased amounts for these 2 rights didn't correctly account for the combined limits that were applied to the rights through Transfer 79933. The data entry for the lease needed to be corrected before this rental was processed. No enlargement is expected through the rental if the appropriate combined use limits are applied.

The conditions which would have identified 37-8396 as supplemental were removed in the transfer. The rental agreement will again limit the elements of the rights to represent their combined use. And the data entry will show that the full leased amounts of both rights have been exhausted by this rental.

Both the lease and rental PODs and POU's are located adjacent to the East Fork of the Big Wood River with approximately 1 mile of riverfront properties separating them. The season of use and field headgate allowances for the lease and rental properties are the same.

LOCAL PUBLIC INTEREST: This application requests rental of surface water which is now ground water managed like surface water and the supplemental ground water which is tied to it. Both are in an area where water for irrigation use is unavailable for much of the irrigation season and are from sources managed by the watermaster for Water District 37. Both the lease and the rental POU's and PODs are also within the Galena Ground Water District.

The district made commitments to a plan for management of the Big Wood River which was approved by all parties after this rental was received. (The Management Plan can be found at this link <https://idwr.idaho.gov/wp-content/uploads/sites/2/groundwater-mgmt/big-wood-gwma-advisory-comm/BWRGWMA-Management-Plan-04292022-Final-Appendices.pdf>)

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The rental appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The rental PODs are subject to Water District 37. Comments were requested from the watermaster and Southern Region.

Southern region manager was not opposed to this rental if it was conditioned to call attention to the requirements of the BWRGWMA management plan. (See condition 15.)

In addition, on 5/24/2022, I called Pat McMahon, the current Chairman of the Galena Ground Water District and briefly discussed the impact of this lease and rental. He stated that he was not opposed to the rental.

Edl, Michele

From: Skinner, Corey
Sent: Wednesday, June 08, 2022 9:54 AM
To: Hansen, Angela
Cc: Edl, Michele; Keen, Shelley; Luke, Tim
Subject: "Temporary" WR approvals in the BWRGWMA

Angie,

As we discussed in our meeting this morning, it seems appropriate to implement some limitations/conditions on "Temporary" WR approvals (temporary WR changes, WSB rentals, etc.) in the BWRGWMA to reflect the approval of the BWRGWMA Management Plan.

- I would suggest that we limit ground water irrigation approvals to the limited period of use of May 1 – September 15 as outlined in the plan (Section B, on page 7 of the plan).
- We should also have a condition making the user aware that they may be subject to the plan. I would suggest something like...

This approval authorizes the diversion of ground water within the Big Wood River Ground Water Management Area (BWRGWMA). Use of water under this approval is subject to the provisions of the BWRGWMA Management Plan approved by the director on May 4, 2022.

Note that Michele also threw out a couple of ideas as outlined in the e-mail below. I am not sure if we want to use the "conservation goals" part in her first suggested condition. The BWRGWMA Management Plan refers to "Management Plan Goals". I am also open to Michele's second condition for multiyear bank rentals.

Corey

From: Edl, Michele <Michele.Edl@idwr.idaho.gov>
Sent: Wednesday, June 8, 2022 9:38 AM
To: Keen, Shelley <Shelley.Keen@idwr.idaho.gov>
Cc: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Subject: RE: WSB rental requested in the Galena GWD

Thank you, Shelley,

There were two conditions (174 and 942) that seem to serve as templates for the general condition(s) I need for this and other WSB rentals in B37.

For a one-year rental agreement an adaptation of 174 would serve. It might look like this:

This right authorizes the diversion of ground water within the Big Wood River Ground Water Management Area (BWRGWMA). Use of water under this right shall be subject to the provisions of the BWRGWMA management plan approved by the director, including its conservation goals.

For multiyear rentals I would consider adding a condition like an adaption of 942 to the agreement. It might look like this:

Prior to December 31 of each year, the Board may review this rental agreement to determine whether it is consistent with the management plan that may be approved for the Big Wood River Ground Water Management Area (BWRGWMA). The Board may cancel this rental agreement if the Board determines it is not consistent with the BWRGWMA plan. If this rental agreement is canceled, the cancellation shall not take effect until December 31 of the year in which the rental agreement is canceled.

Michele

From: Keen, Shelley <Shelley.Keen@idwr.idaho.gov>
Sent: Wednesday, June 08, 2022 8:40 AM
To: Edl, Michele <Michele.Edl@idwr.idaho.gov>
Cc: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Subject: RE: WSB rental requested in the Galena GWD

Michele,

I agree that we should include a condition requiring compliance with the BWRGWMA management plan. Please suggest some language. There may be a standard condition requiring compliance with the Rathdrum Prairie GWMA plan. Perhaps it can serve as a template.

Shelley

From: Edl, Michele <Michele.Edl@idwr.idaho.gov>
Sent: Tuesday, June 7, 2022 4:41 PM
To: Keen, Shelley <Shelley.Keen@idwr.idaho.gov>
Subject: WSB rental requested in the Galena GWD

Shelley,

Tim directed me to contact you with question I have regarding a WSB rental.

- The rental was arranged by Jim Speck to satisfy an NOV
- Its a proposal to rental a GW right which has a SW priority (was formerly EF Big Wood River water) and the right is accompanied by a supplemental GW right.
- Both the lease and rental POD and POU are in the Galena GWD
- The water is not moving very far; little if any impact to the reach between the lease and rental.
- The priority date is fast approaching its traditional cut-off date ~mid to late June

Tim stated that IDWR assumes safe harbor because we haven't heard from Galena that the assessments aren't paid. He also stated that;

Perhaps there should be a general condition noting approval of the management plan and that use of the right should be consistent with provisions of the plan. Users could be directed to contact their local GWD. This might be a good question to direct to Shelley.

I am hesitant to be specific with conditions on this rental. Do we have a general condition to reference the management plan?

Michele

PS Corey Skinner is in the loop and also deferred to you for conditioning.

Edl, Michele

From: James Speck <jim@speckandaanestad.com>
Sent: Thursday, May 19, 2022 9:47 AM
To: Edl, Michele; Skinner, Corey; Luke, Tim
Cc: john.kanellitsas@gmail.com
Subject: RE: water supply bank water rental request
Attachments: 2022.04.05 ltr re BWRGWMA plan requirements.pdf

Michele, Corey & Tim,

Since the portion of 37-8396 in question has been leased to the Bank for some time it should be deemed to be in compliance with the Management Plan. It is only the rental and actual use of this portion of the right that must be in compliance. Since this right is part of the Galena Ground Water District, I believe the rental simply must comply with the attached April 5, 2022 letter. Is this correct?

Jim

From: Edl, Michele <Michele.Edl@idwr.idaho.gov>
Sent: Wednesday, May 18, 2022 5:37 PM
To: James Speck <jim@speckandaanestad.com>
Subject: FW: water supply bank water rental request

Jim,
IDWR's Southern Region manager, Corey Skinner responded to our question as follows:

I would assume the two rights can be used until 37-337A is cut by the watermaster. The remaining groundwater right, 37-8396, should be good if they are in good standing according to the recently approved BWRGWMA Management Plan which states (on page 13 of the plan)...

The Management Plan establishes "safe harbor" from curtailment to participating ground water users who, either individually or through a GWD or Association, implement their respective obligations as described in the Management Plan. See Idaho Code § 42-233b.

The Management Plan can be found at this link <https://idwr.idaho.gov/wp-content/uploads/sites/2/groundwater-mgmt/big-wood-gwma-advisory-comm/BWRGWMA-Management-Plan-04292022-Final-Appendices.pdf>

It is not yet clear to me that Right 37-8396 is in good standing. I will make an effort to confirm that one way or the other, during business hours tomorrow

Sincerely,
Michele Edl

From: Edl, Michele
Sent: Wednesday, May 18, 2022 3:31 PM
To: James Speck <jim@speckandaanestad.com>
Subject: RE: water supply bank water rental request

Jim,
Good afternoon and thanks for your quick response.
With this confirmation, I will open a new rental for the rights.

And I don't know the answer to your question but I'll get it from those who do know.
Michele

From: James Speck <jim@speckandaanestad.com>
Sent: Wednesday, May 18, 2022 2:15 PM
To: Edl, Michele <Michele.Edl@idwr.idaho.gov>; john.kanellitsas@gmail.com
Subject: RE: water supply bank water rental request

Michele,

Yes, my clients want to continue the rental of both water rights for this year. The curtailment does not apply to the ground water right. So that can be used for the entire season, correct?

Jim

From: Edl, Michele <Michele.Edl@idwr.idaho.gov>
Sent: Wednesday, May 18, 2022 1:10 PM
To: john.kanellitsas@gmail.com
Cc: James Speck <jim@speckandaanestad.com>
Subject: water supply bank water rental request

Mr. Kanellitsas,
Earlier this week I was assigned to process your application to rent water from the water supply bank. The purpose of this email is to confirm that you wish to continue the water rental process.

The water right you propose to rent has been curtailed by the watermaster on July 28th on average.
The application states that the desired date to start the water use was May 15 and that date has passed.

Do you wish to continue this water rental process?

Sincerely,
Michele Edl
IDWR
322 E Front St
Boise ID 83720
208-287-4946

GALENA GROUNDWATER DISTRICT

Post Office Box 2761
Sun Valley, Idaho 83353
www.galenagwd.com

April 5, 2022

Dear Galena Groundwater District Member,

Over the past 18 months, the Galena Ground Water District (GGWD) has participated in conversations between multiple organizations and senior water right holders in an effort to establish an agreement which would set forth procedures for the management of the Big Wood River Aquifer. Such an agreement was recently formalized by all parties in a signed term sheet and the Idaho State Department of Water Resources (IDWR) is currently revising the term sheet in order to implement the Big Wood River Ground Water Management Area Management Plan (the Management Plan). The current term sheet and pending Management Plan is a three-year agreement between senior surface water users and junior ground water users that disallows curtailment or water calls on ground water pumping for those water right owners who are a party to this agreement. GGWD is a signatory to this agreement and as such, the membership are participants in the Management Plan and also have "Safe Harbor" provided the GGWD and its members take specific steps to enhance the health of the Big Wood River Aquifer.

- 1. GGWD members shall not irrigate before May 1 or after September 15.**
A September 30th turn off is authorized for specific circumstances, contingent on the water use being within individual groundwater user's reduction targets. Examples of specific circumstances may include potato crops, pasture, or landscape nurseries.
- 2. GGWD members will fallow at least 200 acres in 2022 and increase up to 500 acres by 2024.**
A fallowed acre means an acre of land that has been irrigated using valid groundwater rights that will no longer be irrigated from either a groundwater or surface water source. The location of fallowed acres may change from year to year during the three-year agreement. Fallowed acres shall be identified at the end of year three (2024) and may be stabilized through the Conservation Reserve Enhancement Program (CREP) or other long-term arrangement.
- 3. GGWD will purchase 1,500 acre feet of storage water to partially mitigate for our water use (1,755 AF/yr. total with 17% conveyance loss).** Cost of this water will be determined at the time of sale however, this purchase will cost a minimum of \$90,000.00 annually.

GGWD and its membership are required to implement these strategies in order to adhere to the terms of the term sheet and Management Plan. Idaho Code 42-233b states that water right holders participating in an approved ground water management plan shall not be subject to administration on a time priority basis so long as they are in compliance with the groundwater management plan. Implementation of the Management Plan does not mitigate for the groundwater pumping impacts of any groundwater users not participating in the Management Plan individually or through a GWD or Association, nor does it protect non-participant groundwater users from curtailment under any IDWR administrative process.

Unfortunately, the water outlook for this year is presenting itself as more dire than the 2021 irrigation season, when massive curtailments were issued by IDWR. The curtailment order last year impacted 19 members of the GGWD and, although the water shut-off only lasted about one week, it acutely illustrated the commitment and power of IDWR to take any and all actions in order to preserve this resource for all documented water users. GGWD is a proud signator of the term sheet and is confident that implementing the strategies contained therein and in the Management Plan will secure our water use without the threats of legal action to or curtailment of ground water rights of our membership.

What You Can Do;

Provide Fallowed Acres

If you have property that has been irrigated and will not be this year, please contact us.

Reduce your consumptive use

A 15% reduction in use is the requested number.

Visit our website galenagwd.com

Thank you for your assistance in protecting our water rights, please address any correspondence to galenagwd@gmail.com

Your Board of Directors

Pat McMahon
Pat McMahon

Judd McMahan
Judd McMahan

Peter Atkinson
Peter Atkinson

RECEIVED

JAN 06 2022

DEPARTMENT OF
WATER RESOURCES

JAMES P. SPECK
jim@speckandaanestad.com

DOUGLAS J. AANESTAD
(retired)

SPECK & AANESTAD
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ATTORNEYS

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KETCHUM, IDAHO 83340

TELEPHONE
(208)726-4421
FACSIMILE
(208)726-0752

January 3, 2022

Mary Condon
Water Supply Bank Specialist
Idaho Department of Water Resources
322 E. Front Street, Suite 600
Boise, Idaho 83720-0098

**Re: *Application to Rent Water From the Board's Water Supply Bank
Nos. 37-337A and 37-8396***

Dear Mary:

Enclosed you will find the original and one copy of the above-referenced Application.

Please receipt date-stamp the copy and return the copy to me in the postage prepaid self-addressed envelope I have included for that purpose. Kindly call me right away if you have any questions about this Application.

Thank you.

Sincerely,

SPECK & AANESTAD
A Professional Corporation

By: 

James P. Speck

Enclosure

cc: John and Randi Kannelitsas (w/enclosure) via email