

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1539

This Lease Contract ("**Lease**") is between the Idaho Water Resource Board ("**Board**"), and

LESSOR: SALMON FALLS LAND & LIVESTOCK CO INC
C/O MICHAEL J HENSLEE
95A BELL RAPIDS RD
HAGERMAN, ID 83332-6039

SUPPORT DATA
FILE # 2-7249

RECEIVED
JUL 13 2022
DEPARTMENT OF
WATER RESOURCES

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources and received by the Department on January 12, 2022.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
2-7462	9/29/1969	SNAKE RIVER, tributary to COLUMBIA RIVER	1.25	Not Stated	63.0
2-7249	2/7/1977	SNAKE RIVER, tributary to COLUMBIA RIVER	1.87	Not Stated	101.5
Combined Lease Totals			1.87	Not Stated	152.1

Summary of Water Rights Elements Rentable From the Bank

Water Right	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (Limited) (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
2-7462	1.25	252.0	63.0	0.020	4.0
2-7249	1.87	406.0	101.5	0.018	4.0
Combined Limit Totals	1.87	608.5	152.1	0.012	4.0

** The water right elements rentable have been reduced from the water right elements leased to account for combined limits.*

WATER SUPPLY BANK LEASE CONTRACT No. 1539

2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2022 to December 31, 2022. This Lease shall bind the parties and take effect when both parties have signed it.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
5. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right is administratively changed due to a water right split and renumbering, this lease may be reduced by an equal amount to reflect the water right elements as legally defined under the water right. If a lease contract cannot be reduced sufficient to reflect the legal definition of a water right as amended through a water right split and/or water right transfer, the Board may release the water right from the Water Supply Bank.
6. **ASSIGNMENT OF CONTRACT:** This lease is between the Board and the Lessor, who is the recognized owner or designated representative of the recognized owners of water rights described herein. Should ownership of any part of a water right herein described change during the term of this lease, either through a water right split, a water right transfer, sale of property to which the water right is appurtenant, or through any other recognized water right reassignment, the lease benefits and obligations to the conditions of acceptance for any such water rights will be assigned to the new owners.
7. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1539

IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

LESSOR: SALMON FALLS LAND & LIVESTOCK CO INC
C/O MICHAEL J HENSLEE
95A BELL RAPIDS RD
HAGERMAN, ID 83332-6039

By Michael J. Henslee
Title Vice President
Date 7/11/2022

IDAHO WATER RESOURCE BOARD

322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By Brian Patton
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 7/14/22

Lease approved by IDWR Patton

Date 7/14/22

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1539

ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water rights or portions thereof leased to the bank are described as follows:

Source and Location of Point(s) of Diversion for Water Right No(s): 2-7249, 2-7462

SNAKE RIVER NESE Sec. 7 Twp 08S Rge 14E TWIN FALLS County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
2-7249	IRRIGATION	4/01	to	10/31	1.87 cfs	406.0 AF
2-7462	IRRIGATION	4/01	to	10/31	1.25 cfs	252.0 AF
Totals:					1.87 cfs	608.50AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: 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	
08S	13E	11											23.0	12.3			15.7	10.1	61.1
08S	13E	13		14.7				19.5	14.5										48.7
08S	13E	14	10.4			18.0	13.9												42.3

Total Acres: 152.1

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, or the lease term expires. A right may be released from the bank upon request, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1539

8. Acceptance of a right into 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.
9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. After specific notification by the Department, the right holder shall install a suitable measuring device or shall enter into an agreement with the Department to use power records to determine the amount of water diverted and shall annually report the information to the Department.
13. Place of use does not include federal public lands.
14. The period of use for the irrigation described in this approval may be extended to a beginning date of 3/15 and an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/31 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than originating approval/SRBA partial decree date.
15. The unleased portions of Water Rights 02-7249 and 02-7462 when combined shall not exceed a total diversion rate of 28.02 cfs, a total annual maximum diversion volume of 9,119.52 af at the field headgate.
16. Water shall not be diverted under right 02-7249 unless the flow of the Snake River exceeds flows required by prior downstream minimum stream flow rights.
17. Use of water under this right 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. 02

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1539

2-7249 & 2-7462
Effective until December 31, 2022

This map depicts the **place of use to be idled** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



-  Approved Lease Point of Diversion
-  Approved Lease Place of Use
-  Township/Range
-  Sections



0 1,500 3,000 4,500 Feet

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

JAN 12 2022

DEPARTMENT OF
WATER RESOURCES

**APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK**

Designated Applicant Salmon Falls Land & Livestock Co. INC
(Select one owner – see item 1A on the application)

Water Right No. 2-7249
(One water right per application)

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

Yes ☒ No ☐

This application must be prepared in accordance with the minimum requirement checklist below. Use this checklist to ensure all necessary documentation has been provided. This checklist is part of the lease application and must be included with the lease application. Applications that do not meet the minimum requirements will not be processed and may be returned or denied.

MINIMUM REQUIREMENT CHECKLIST

All items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*

Yes

- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank*.
- ☒ Application filing fee of \$250.00 per water right. If you are submitting more than one lease application and the water rights have an overlapping, common place of use, or a common diversion rate or volume, the total fee for all water rights is \$500.00. For places of use, multiple water rights must be used to irrigate the same lands in order to qualify for the joint filing fee. Individual filing fees are required for water rights that share a common permissible place of use but which cover separate acres within the permissible place of use.
- ☒ Confirmation this form has been printed **single sided**, per requirement of the Water Supply Bank.

Attachment N/A Yes

- | | | | |
|----|-------------------------------------|-------------------------------------|--|
| 1A | ☐ | ☒ | Signatures and contact information for <i>all owners</i> of the water right to be leased or sold on this application. |
| 1B | ☐ | ☒ | An <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant. |
| 1C | ☒ | ☐ | <i>Notice of Change in Water Right Ownership</i> form (accessible from www.idwr.idaho.gov). |
| 1D | ☐ | ☒ | Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity. |
| 2 | ☐ | ☒ | Description of a water right portion offered to the Water Supply Bank. |
| 3 | ☐ | ☒ | A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. You have the option of printing a map using the map tool on IDWR's website at: www.idwr.idaho.gov . |
| 4A | ☒ | ☐ | Written consent from irrigation district or water delivery company. |
| 4G | ☒ | ☐ | Evidence demonstrating the water right has not been forfeited pursuant to <u>Section 42-222(2), Idaho Code</u> . |

Department Use Only

Fee Amount \$ <u>250</u>	Received By: <u>kn</u>	Date Received: <u>1.12.22</u>	Receipt # <u>C111687</u>
W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)		Name on W-9: <u>Salmon Falls Land & Livestock Co Inc</u>	

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

1. CONTACT INFORMATION

- A. This application must be completed by a Designated Applicant who is a current owner of the water right being sold or leased to the Water Supply Bank. If there are additional current owners, those individuals must authorize the Designated Applicant to represent them on this application by completing and signing Attachment 1A of this application package.

Designated Applicant Salmon Falls Land & Livestock Co. Inc

Mailing Address 95A Bell Rapids Rd. Hagerman, ID 83332

Street

City

State

Zip Code

Email Address _____

Phone Number 208-837-6053

☒ The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Applicant is representing additional water right holders who have completed Attachment 1A.

- B. Has the Designated Applicant submitted an IRS Form W-9 to this Department within the last 2 years? Yes ☒ No ☐
If no, complete the form and attach to this application (Attachment 1B).

- C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐
If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

- D. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☒ No ☐
If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1D).

Name of Representative Zach Latham

Organization Brockway Engineering PLLC

Professional Title Hydrologist

Email Address zach.latham@brockwayeng.com

Mailing Address 2016 Washington Ave. N Suite #4 Twin Falls ID 83301

Phone Number 208-736-8543

☐ Send all correspondence for this application to the representative and not to the Designated Applicant.

OR

☒ Send original correspondence to the Designated Applicant and copies to the representative.

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

☐ The full water right is being offered to the Bank.

OR

☒ A part of the water right is being offered to the Bank.

If a portion of the water right is being offered, complete Attachment 2.

3. MAP

Attach a map of the point(s) of diversion and place(s) of use proposed to be idled by this lease application. Make sure the idled 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 idle. If the water right proposed for lease is located within a permissible place of use (PPU) and portions of the PPU will continue to receive water from non-leased water rights, clearly outline on a map the acres within the PPU that will continue to be irrigated, as well as acres that will be idled during the lease term. Label the map **Attachment 3**.

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

- A. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☒
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 4A).
If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to [Section 42-108, Idaho Code](#) and [IDAPA WSB Rule 37.02.03.25.02e](#).
- B. Please provide a description of the current water diversion and delivery system.
Existing pump station and buried mainlines convey water water to place of use.

- C. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank. Portions of 2-7249 and 7462 are being offered for lease to the Water Supply Bank.

- D. Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes ☒ No ☐
Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of \$500.
- E. Will the present place of use continue to receive water from any other source? Yes ☒ No ☐
If yes, explain the relationship between the different water sources and how enlargement of the authorized use will not occur if this water right is leased. Un-leased portions of 2-7249 and 2-7462 will continue to be used at present POU.

- F. Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. See approved IDWR lease contract no. 966 and 1383 (2021).

- G. Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes ☐ No ☒
If yes, describe the circumstances and attach evidence to demonstrate how the water right has not been lost through forfeiture (Attachment 4G). See [Section 42-223, Idaho Code](#) for exceptions to forfeiture. Your application may be denied if forfeiture concerns are not addressed. N/A.

- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?
If yes, describe. Yes ☐ No ☒
N/A.

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE AGREEMENT

- A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☒.

If lease, specify the years when the use of water will be suspended: 2022 to 2022 (maximum lease period 5 calendar years).
(Year) (Year)

- B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.
Current rental rate.

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right, even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture is stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any element of the water right.

Michael J. Henslee
Signature of Designated Applicant

Michael J. Henslee
Printed Name

1/05/2022
Date

Signature of Authorized Representative

Printed Name

Date

Mail to:
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

**STATE OF IDAHO
WATER RESOURCE BOARD**

Complete Attachment 2 if only a portion of the water right is offered to the Bank.

ATTACHMENT 2

DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

1. <u>Water Right Number</u>	<u>Nature of Use</u>	<u>Leased Rate</u> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
<u>2-7249</u>	<u>Irrigation</u>	<u>1.87</u>	<u>406.0</u>	<u>101.5</u>
	Total Amounts:	<u>1.87</u>	<u>406.0</u>	<u>101.5</u>

2. Source of water Snake River tributary to Columbia River

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
08S	14E	7	6	NE	NE	SE	TWIN FALLS

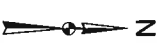


SALMON FALLS LAND & LIVESTOCK CO INC
WATER SUPPLY BANK LEASE 2022

- WSB Lease Areas 2021
- Salmon Falls L&L- PPU

BROCKWAY ENGINEERING, PLLC.
JJJ - Date: 1/4/2022

2019 NAIP AERIAL



The USDA-FSA Aerial Photography Field office asks to be credited in derived products.

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

For the water right on this application, list all owners (individuals or business entities) of the right or the property to which it is appurtenant. All water right holders must sign a Water Supply Bank Lease Application. However, only the Designated Applicant needs to provide a completed IRS Form W-9 (Attachment 1B). **All correspondence and any financial payment associated with the rental of this water right will be directed to the Designated Applicant.** If additional space is needed to list any other water right holders, attach a second copy of Attachment 1A.

If submitting multiple applications, it is only necessary to complete one Attachment 1A for the group of applications. List each water right below.

Water Right No(s). 2-7249 and 2-7462

	Designated Applicant	Applicant #2	Applicant #3
Name	Salmon Falls Land & Livestock Co. Inc		
Mailing Address	95A Bell Rapids Rd, Hagerman ID 83332		
Phone Number	208-837-6053		
Email Address			
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			



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 20, 2022

SALMON FALLS LAND & LIVESTOCK
C/O MICHAEL J HENSLEE
95A BELL RAPIDS RD
HAGERMAN, ID 83332-6039

**RE: WATER SUPPLY BANK LEASE CONTRACT 1539
FOR WATER RIGHTS 2-7462 & 2-7249**

Dear Lessor:

Water rights **2-7462 & 2-7249** was leased into the Water Supply Bank (Bank) as of January 1, 2022, in accordance with the enclosed executed lease contract. **Your water rights, as described on the lease contract, are considered leased into the Bank and should remain unused until they are formally released from the Bank.** More information and further restrictions placed on your water rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The rights will automatically be released from the Bank on **December 31, 2022**, unless the rights are released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water rights from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at www.idwr.idaho.gov. **Please note your water rights may not be available for immediate release if they have been rented or are being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

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

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Western Region
Water District No. 02
Greg Sullivan



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

SALMON FALLS LAND & LIVESTOCK
MICHAEL HENSLEE
95A BELL RAPIDS RD
HAGERMAN, ID 83332-6039

**RE: APPLICATION TO LEASE WATER RIGHTS 2-7462 & 2-7249 TO THE WATER SUPPLY BANK
CONTRACT 1539**

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The right will automatically be released from the Bank on **December 31, 2022**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your right may not be available for immediate release if it has been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

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

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosures: Proposed Lease Contracts

C: Greg Sullivan

MEMORANDUM FOR LEASE 1539 & RENTAL 635

To: Water Right(s) 2-7249 & 2-7462

From: Mary Condon

Date: June 14, 2022

Re: Review & Analysis of Companion Applications to Lease & Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: Applications to lease portions of 2-7249 & 2-7462 received on January 12, 2022, with a companion rental application 2276 for 2022 only. Applications are repeats of previous lease / rental applications for the same acres and portions. The rental fills in wedges of two pivots in section 7, not covered by the water right place of use.

AUTHORITY TO FILE: Water rights offered for lease are owned by Salmon Falls Land & Livestock Company. The applications were prepared by their representative, Zach Latham of Brockway Engineering, and are signed by Michael Henslee, who is listed as the VP of the company on the Idaho Secretary of State website. Parcel data shows they are owners of the land under the water rights and leased acres.

Rental place of use is owned by BLM, and a land use letter from BLM to irrigate approximately 19.4 acres was included referencing permit IDI-31038 but was dated in 2012. After a phone call to the Jarbridge Field Office on 6/16/2022 and the representative to verify the permit is still valid, I received an updated letter extending the permit and the office confirmed it is still valid for the irrigation land use with a buy option. No concerns with authority to file.

WATER RIGHT VALIDITY: Water rights were decreed in 2010, and the same portions have been placed in the bank since 2016, annually or bi-annually, protecting the unused lands from forfeiture. No concerns with validity of the water right and portion offered to the bank and can be used for this rental for the same purpose from the original POD.

INJURY TO OTHER WATER RIGHTS: Lease and rental of this water right should not cause injury to other water rights.

ENLARGEMENT OF USE: The two rights are limited to 2,432 acres, and the current place of use shapefile for the irrigated lands is 2,278 acres, leaving the 152.1 acres of leased land outside of the place of use, intentionally. About two acres remain between the used and unused assigned acres. A review of 2021 imagery shows no new lands developed inside the leased shapefile, and a small amount of spill over irrigation in the unleased shapefile, see section 11, is less than the unirrigated, undeveloped land within the unleased acres. In short, there is no evidence they are irrigating in excess of their allowable acres, and the lessors seem to be complying with their previous lease contracts. WMIS data shows they have not exceeded their combined volume or rate from the POD for the two rights in previous lease/rental years.

No other water rights are used to irrigate the lands under the leased, unleased portions of the two rights or the rental place of use, and the portions offered to the bank are proportionate to their individual and combined limits of the rights. The diversion point is used for these two rights, only. No enlargement is expected through the continued lease and rental of these rights.

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The location for the lease/rental PD is subject to Water District # 02 and is within Western Region. Request for comment sent on June 23, 2022.

Condon, Mary

From: Condon, Mary
Sent: Thursday, June 23, 2022 1:29 PM
To: Whitney, Rob; Miller, Nick
Cc: Hummer, Phill; Bank
Subject: Lease Rental for Salmon Falls Land & Livestock
Attachments: Move Map.pdf; Lease Rental Review Memo - 2-7249 & 2-7462.docx; combined limits.xls

Good afternoon, Rob, and Nick,

Please see the attached companion lease rental review memo and move map for Salmon Falls Land & Livestock, and kindly respond with comments or concerns within 10 days.

Best,
Mary



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED

JAN 12 2022

DEPARTMENT OF
WATER RESOURCES

January 4th, 2022

Ms. Mary Condon
Idaho Water Supply Bank
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Re: WSB Lease and Rental Applications; Portions of 2-7249 and 2-7462 on
Behalf of Salmon Falls Land & Livestock Co Inc.

Dear Mary,

On behalf of Salmon Falls Land & Livestock Co Inc., Brockway Engineering is submitting two water supply bank lease applications which propose to lease 101.5 acres of water right 2-7249 and 63.0 acres of water right 2-7462 for a combined total of 152.0 acres, to the Water Supply Bank for the 2022 irrigation season. Additionally, Salmon Falls Land & Livestock Co. Inc. seeks to rent back 19.4 acres of both previously mentioned water rights, to allow irrigation on a wet pivot crossing on lands owned by the BLM. Identical lease and rental requests were approved by IDWR in 2019 and 2021.

Also enclosed is a check for \$500.00 to cover the cost of the two lease applications. Please copy our office on all correspondence regarding these lease and rental applications. Thank you for your assistance and if you have questions or comments, please don't hesitate to call.

Regards,

Zach Latham
Zach Latham, M.S., Hydrologist

Enc: (2) Salmon Falls Land & Livestock Co Inc. WSB Lease
Applications And Map.
(1) Salmon Falls Land & Livestock Co Inc. WSB Rental Application
And Map.
(1) BLM Letter of Consent; Pivot Crossing.
(1) Brockway Engineering PLLC Check # 16749.

Cc: Mike Henslee

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

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