

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1494

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

LESSOR: PAUL HUDSON
8604 W HIGH RIDGE LN
EAGLE, ID 83616-1433

SUPPORT DATA
IN FILE # 61-12354
RECITALS

RECEIVED
FEB 11 2022
DEPARTMENT OF
WATER RESOURCES

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 October 05, 2021.
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)
61-12358	1/14/1963	GROUND WATER	0.16	33.0	8.2
61-12359	1/14/1963	GROUND WATER	0.17	37.1	9.3
61-12355	8/23/1967	GROUND WATER	0.16	38.7	9.7
61-12354	7/10/1972	GROUND WATER	0.16	31.8	7.9
61-12357	4/30/1974	GROUND WATER	0.03	Not Stated	1.4
61-12356	1/4/1980	GROUND WATER	0.07	19.1	4.8
Combined Lease Totals			0.56	149	37.3

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)
61-12358	0.16	33.0	8.2	0.020	4.02
61-12359	0.17	37.1	9.3	0.018	3.99
61-12355	0.16	38.7	9.7	0.016	3.99
61-12354	0.16	31.8	7.9	0.020	4.03
61-12357	0.03	5.4	1.4	0.021	4.00
61-12356	0.07	19.1	4.8	0.015	3.98
Combined Limit Totals	0.56	149	37.3	0.015	3.99

WATER SUPPLY BANK LEASE CONTRACT No. 1494

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. 1494

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

LESSOR: PAUL HUDSON
8604 W HIGH RIDGE LN

EAGLE, ID 83616-1433
By Paul Hudson
Title owner
Date 2-8-2021

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 2/14/22

Lease approved by IDWR HP

Date 2/14/22

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1494

**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): 61-12354, 61-12355, 61-12356,
61-12357, 61-12358, 61-12359**

GROUND WATER	SWNW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NWNW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SENW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SWSW	Sec. 14	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SESW	Sec. 14	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NENW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NESW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NWSW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SWSW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SESW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NESE	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NWSE	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SWSE	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SESE	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NWSW	Sec. 24	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SWSW	Sec. 24	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SESW	Sec. 24	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NESW	Sec. 24	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NWNE	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SWNE	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NWSW	Sec. 14	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NESW	Sec. 14	Twp 01S	Rge 04E	ELMORE County

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1494

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
61-12354	IRRIGATION	03/15	to	11/15	0.16 cfs	31.8 AF
61-12355	IRRIGATION	03/01	to	10/15	0.16 cfs	38.7 AF
61-12356	IRRIGATION	03/15	to	11/15	0.07 cfs	19.1 AF
61-12357	IRRIGATION	03/15	to	11/15	0.03 cfs	5.6 AF
61-12358	IRRIGATION	03/15	to	11/15	0.16 cfs	33.0 AF
61-12359	IRRIGATION	04/01	to	10/31	0.17 cfs	37.1 AF
Totals:					0.56 cfs	149 AF

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	
01S	04E	23												17.3			20		37.3

Total Acres: 37.3

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.
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.

WATER SUPPLY BANK LEASE CONTRACT No. 1494

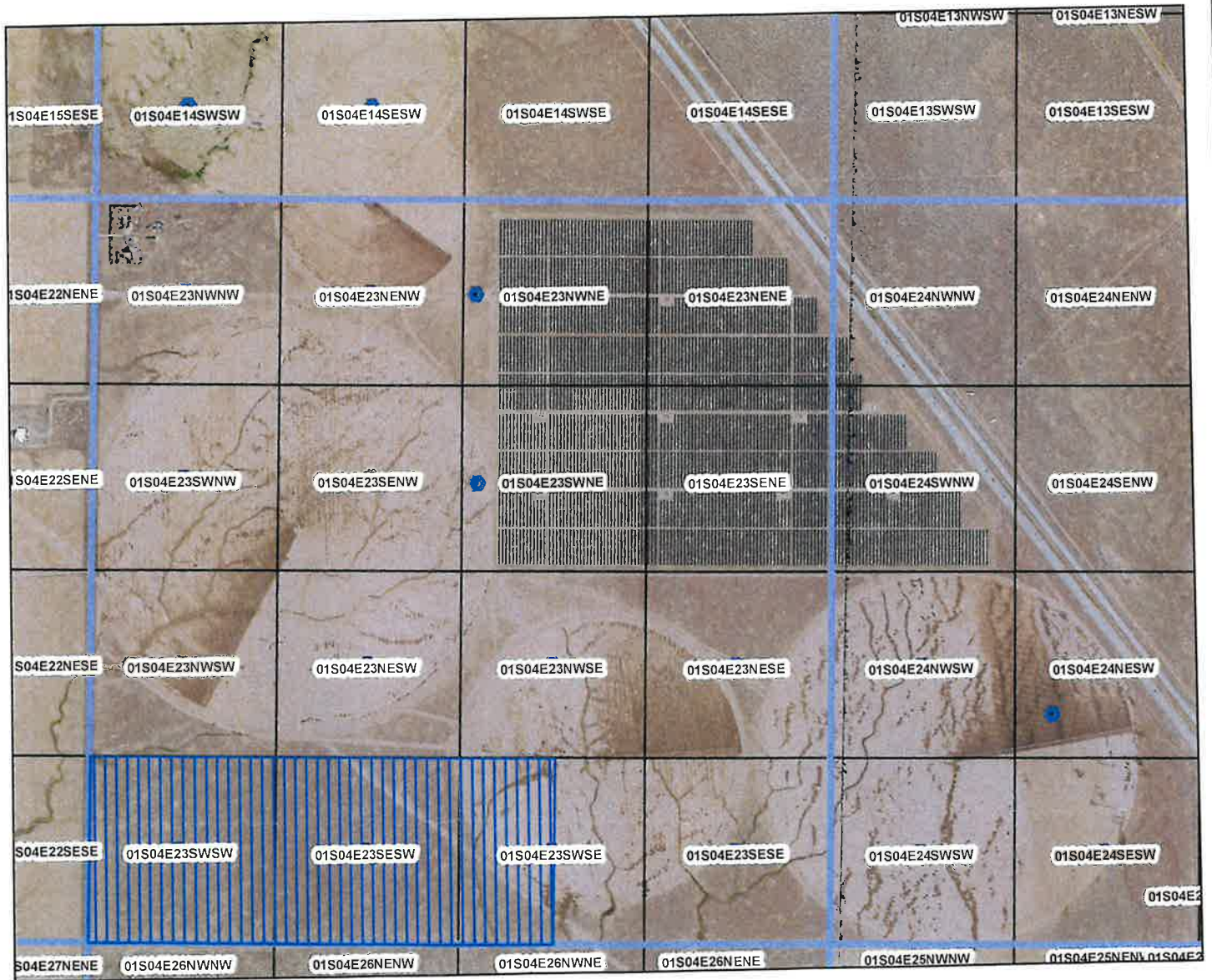
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments 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. The unleased portion of right 61-12354 is limited to the irrigation of 0.4 acres within the authorized place of use in a single irrigation season.
13. The unleased portion of right 61-12355 is limited to the irrigation of 0.4 acres within the authorized place of use in a single irrigation season.
14. The unleased portion of right 61-12356 is limited to the irrigation of 0.2 acres within the authorized place of use in a single irrigation season.
15. The unleased portion of right 61-12357 is limited to the irrigation of 0.1 acres within the authorized place of use in a single irrigation season.
16. The unleased portion of right 61-12358 is limited to the irrigation of 0.4 acres within the authorized place of use in a single irrigation season.
17. The unleased portion of right 61-12359 is limited to the irrigation of 0.4 acres within the authorized place of use in a single irrigation season.
18. The unleased portions of rights 61-12354, 61-12355, 61-12356, 61-12357, 61-12358, and 61-12359 when combined shall not exceed a total diversion rate of 0.03 cfs, a total annual maximum diversion volume of 6.8 af at the field headgate, and the irrigation of 1.7 acres.
19. The unleased portions of rights 61-12354, 61-12356, 61-12357, and 61-12358 when combined shall not exceed a total diversion rate of 0.01 cfs or the irrigation of 0.8 acres.
20. The unleased portions of rights 61-12354, 61-12355, 61-12356, 61-12357, and 61-12358 when combined shall not exceed a total diversion rate of 0.02 cfs, a total annual maximum diversion volume of 5.1 af at the field headgate, and the irrigation of 1.3 acres.
21. The unleased portions of rights 61-12355, 61-12356, 61-12357, 61-12358 when combined shall not exceed a total diversion rate of 0.02 cfs, a total annual maximum diversion volume of 4.4 af at the field headgate, and the irrigation of 1.1 acres.
22. The unleased portions of rights 61-12357 and 61-12358 when combined shall not exceed a total diversion rate of 0.01 cfs, a total annual maximum diversion volume of 1.7 af at the field headgate, and the irrigation of 0.4 acres.

1494

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 2155

61-12354 through 61-12359
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.



◆ Water Supply Bank Lease POD

▨ Water Supply Bank Lease POU

▭ Township/Range

▭ Sections

▭ QQ



0 500 1,000 Feet

STATE OF IDAHO
WATER RESOURCE BOARD

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

RECEIVED
NOV 01 2021
DEPARTMENT OF
WATER RESOURCES

Designated Applicant Paul and Shelia Hudson

(Select one owner – see item 1A on the application)

Water Right No. 61-12358

(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 Section 42-222(2), Idaho Code . |

Department Use Only

Fee Amount \$	Received By:	Date Received:	Receipt #
W-9 received? Yes ☐ No ☐	(Route W-9 to Fiscal)	Name on W-9:	

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 Paul and Shelia Hudson

Mailing Address 8604 W. High Ridge Ln. Eagle ID. 83616-1443
Street City State Zip Code

Email Address Paul@paulhudson.com Phone Number (208) 859-4600

☐ 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 Hal N. Anderson Organization Idaho Water Engineering

Professional Title Managing Partner Email Address hal@idahowaterengineering.com

Mailing Address 2918 N. El Rancho Pl., Boise ID. 83704 Phone Number (208) 830-5525

☐ 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.

Wells, Mainlines and Center Pivots

- 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. All Rights Included

- 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.

- 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. 32.2 a/f in 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.

- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?

If yes, describe.

Transfer No. 78536 in 2016

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: 2021 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.
Zero

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.

Paul Hudson
Signature of Designated Applicant

PAUL HUDSON
Printed Name

9-30-2021
Date

Sheila Hudson
Signature of Authorized Representative

SHEILA HUDSON
Printed Name

9-30-2021
Date

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

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

LESSOR DESIGNATION FORM

RECEIVED
NOV 01 2021
DEPARTMENT OF
WATER RESOURCES

When multiple individuals or business entities jointly own property to which a water right is appurtenant, the parties can use this form to nominate a designated lessor to represent their common interests on a Water Supply Bank lease contract. The signatures of all water right holders are required on this form to elect a designated lessor. The designated lessor is required to provide a completed IRS Form W-9 to receive any payment associated with the rental of a water right under a Water Supply Bank lease contract. **All correspondence and any financial payment associated with the rental of this water right will be directed to the designated lessor.** If additional space is needed to list any other water right holders, attach a second copy of this Lessor Designation Form.

Water Right No(s). 61-12354,61-12355,61-12356,61-12357,61-12358,61-12359

	Designated Lessor	Water Right Co-owner	Water Right Co-owner
Name	Paul Hudson	Paul Hudson	Shelia Hudson
Mailing Address	8604 W. High Ridge Ln. Eagle, ID. 83616-1443	Same	Same
Phone Number	(208) 859-4600	Same	Same
Email Address	Paul@paulhudson.com	Same	Same
Water Right Owner Declaration	As designated lessor, I will represent the interest of all other water right owners on the lease of a water right to the Water Supply Bank.	I authorize the designated lessor to represent me on the lease of a water right to the Water Supply Bank.	I authorize the designated lessor to represent me on the lease of a water right to the Water Supply Bank.
Signature	<i>Paul Hudson</i> <i>Shelia Hudson</i>	<i>Paul Hudson</i> <i>Shelia Hudson</i>	<i>Paul Hudson</i> <i>Shelia Hudson</i>

	Water Right Co-owner	Water Right Co-owner	Water Right Co-owner
Name			
Mailing Address			
Phone Number			
Email Address			
Water Right Owner Declaration	I authorize the designated lessor to represent me on the lease of a water right to the Water Supply Bank.	I authorize the designated lessor to represent me on the lease of a water right to the Water Supply Bank.	I authorize the designated lessor to represent me on the lease of a water right to the Water Supply Bank.
Signature			

**STATE OF IDAHO
WATER RESOURCE BOARD**

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

ATTACHMENT 2

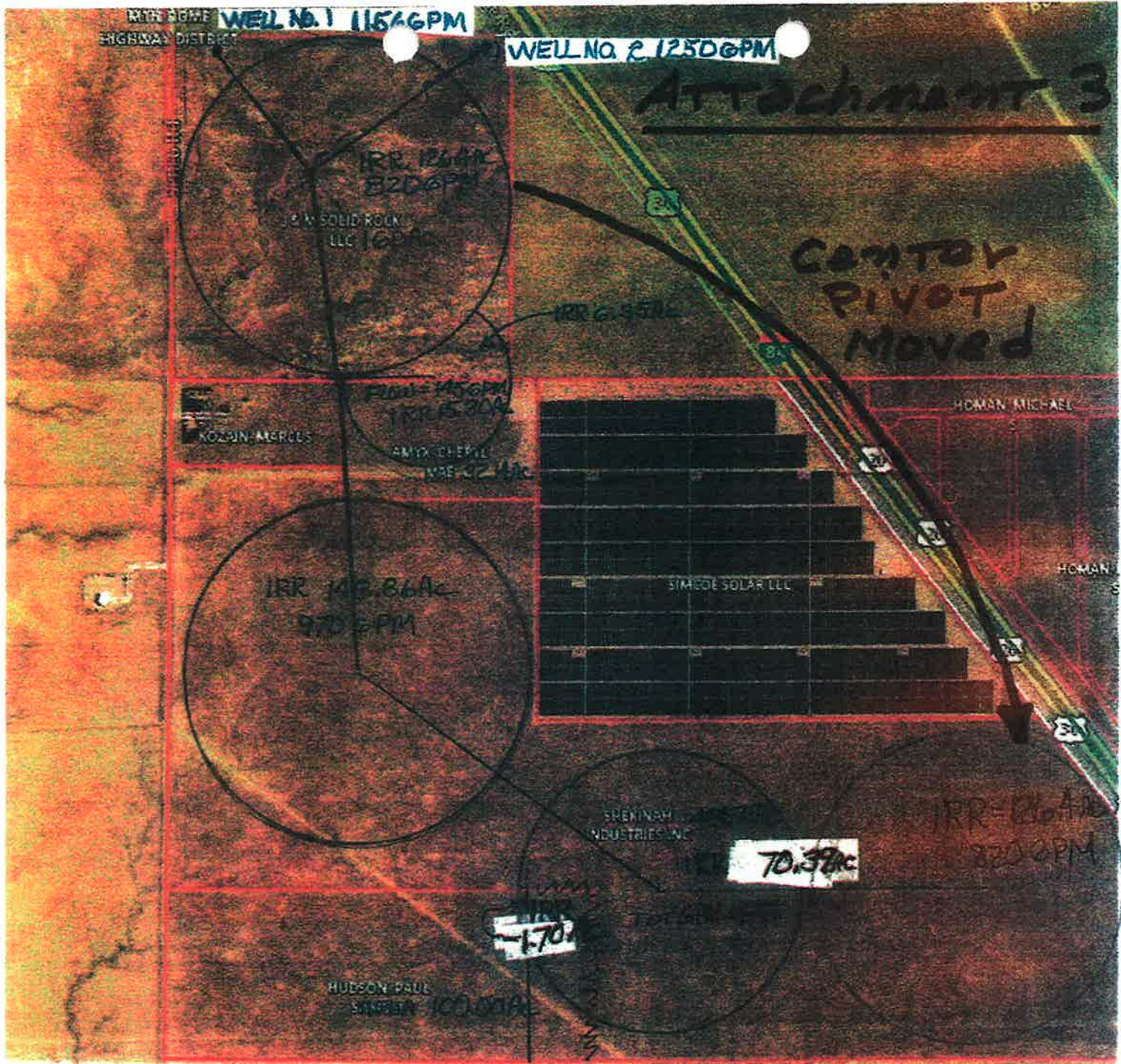
DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

1. <u>Water Right Number</u>	Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
61-12358	irrigation	.16	30.8	7.44
Total Amounts:				

2. Source of water Ground Water tributary to

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
01S	04E	14		SW	NW		Elmore
01S	04E	14		SW	NE		Elmore

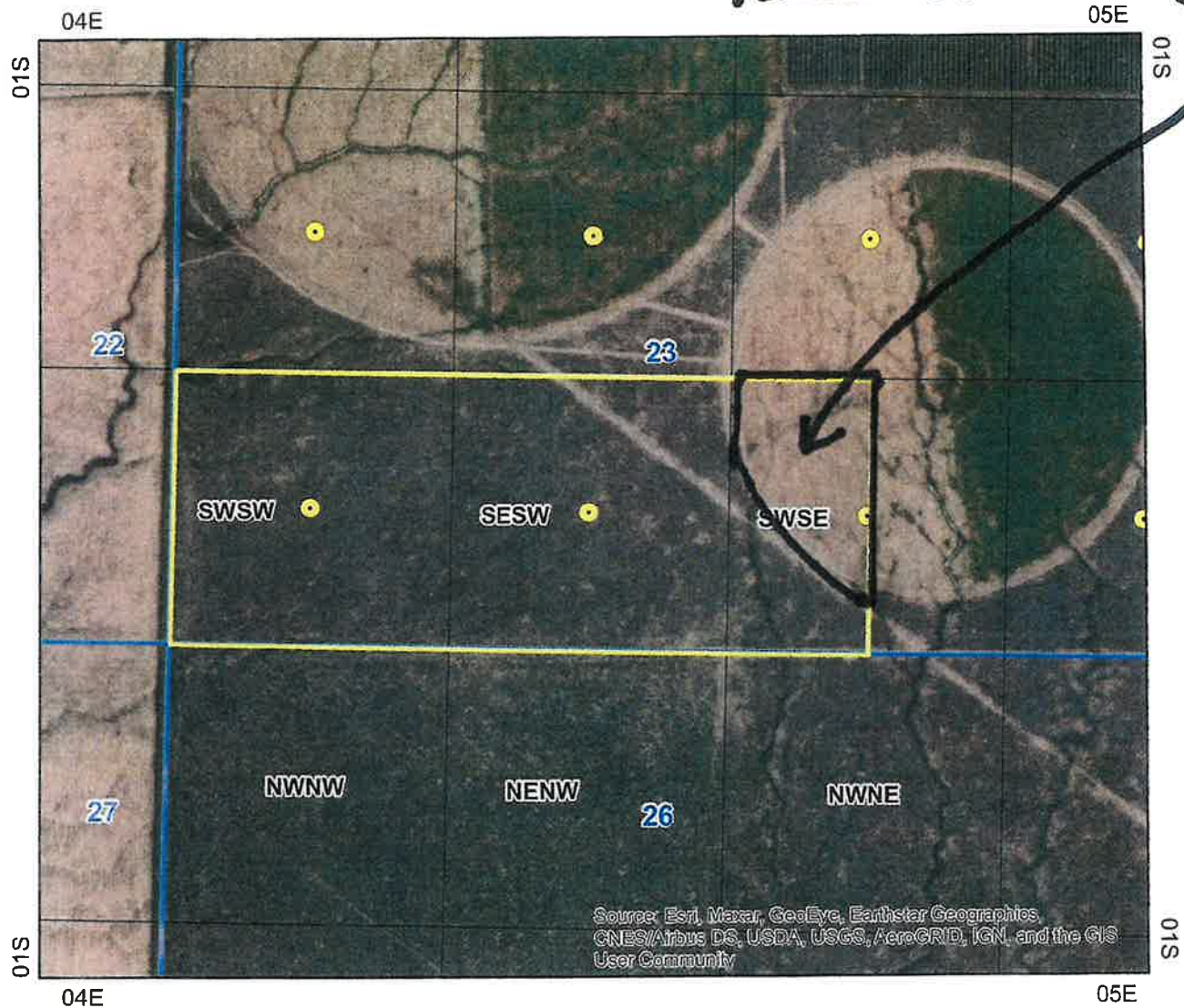


SIMCO WATER PROVE UP

LAND OWNER	Number Of Acres Owned By Entity	Acres Feet Of Water Owned By Entity	Percentage Of Water Owned By Entity	Acres Allotment To Entity Before Water Bank Leases	Acres Of Irrigated Land Leased To Water Bank	Acres Of Irrigated Land Leased From Water Bank	Acres Feet Leased To Water Bank	Acres Feet Leased From Water Bank
Shelburb	481	1923.8315	68.16%	255.30 Acres	44.25 Acres		177.00 Acres Feet	
J&M Solid Rock LLC	160	249.2964	12.88%	62.32 Acres		70.43 Acres		281.72 Acres Feet
Hudson Family Trust	100	155.8925	10.56%	38.97 Acres	28.97 Acres		115.35 Acres Feet	
Amix Trust	32.74	50.0364	3.39%	12.51 Acres		2.79 Acres		11.76 Acres Feet
Total	773.14 Acres	1476 Acres Feet	100%	368.55	73.22 Acres	73.22 Acres	292.35 Acres Feet	292.35 Acres Feet

State of Idaho
Department of Water Resources
Water Right License
POU 61-12354-61-12359
Paul & Shelia Hudson

*Hudson Land to be
idled 37.26 ac.*



- Point of Diversion
- Place Of Use Boundary
- Townships
- PLS Sections
- Quarter Quarters

0 0.1 0.2 0.4 Miles





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

February 15, 2022

PAUL HUDSON
8604 W HIGH RIDGE LN
EAGLE, ID 83616-1433

**RE: WATER SUPPLY BANK LEASE CONTRACT 1494
FOR WATER RIGHTS 61-1235861-12359, 61-12355, 61-12354, 61-12357 & 61-12356**

Dear Lessor:

Water rights **61-1235861-12359, 61-12355, 61-12354, 61-12357 & 61-12356** were 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
Hal Anderson



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

February 1, 2022

PAUL HUDSON
8604 W HIGH RIDGE LN
EAGLE, ID 83616-1433

RE: APPLICATION TO LEASE WATER RIGHTS 61-12358, 61-12359, 61-12355, 61-12354, 61-12357, 61-12356 TO THE WATER SUPPLY BANK CONTRACT 1494

******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: Hal Anderson

Parker, Cody

From: Parker, Cody
Sent: Monday, January 31, 2022 4:05 PM
To: Miller, Nick; Storms, Scott
Subject: WSB Apps for Review

Hey guys,

Here are 2 leases and 2 rentals for the WSB. The leases are two separate suites of splits from the same parents. The rentals propose to use some of the same PODs as the water rights authorize and the irrigation is essentially being moved to parcels adjacent to the water right POU so I don't really see much cause for concern. But, if there is something you guys are concerned about please let me know.

Thanks

Cody Parker

MEMORANDUM

TO: Water Rights 61-12354 through 61-12359
FROM: Cody Parker
RE: Evaluation of WSB Lease Application 2155
DATE: January 25, 2022

WSB Application 2155 proposes to lease portions of water rights 61-12354 through 61-12359 totaling 37.3 acres into the Bank for the 2022 season. 29 acres of the same water rights were previously leased into the Bank for the years 2020 and 2021.

Authority to File

Paul and Sheila Hudson are the owners of record for all water rights involved in the lease. The applicants are listed as the same. Paul Hudson is listed as the designated lessor. No concerns

Water Right Validity

There were no concerns about validity for the previous lease contract. Since no time will elapse between the current contract and the new contract, there will be no concerns about validity at this time.

Injury to Other Water Rights

No injury is anticipated from the nonuse of these rights in accordance with the lease contract.

Enlargement of Use

No enlargement is evident through nonuse of the water rights. All rights appurtenant to the idled acreage have been included in this lease proposal. Proportional amounts of each water right is included to ensure that no individual right is enlarged.

Local Public Interest

None of the available information suggests a conflict with the local public interest.

Beneficial Use/Conservation of Water Resources

The lease proposal appears to be consistent with the conservation of water resources in Idaho.

Department/Watermaster Comments

Watermaster and IDWR Western Region comments were requested.

Hersley, Jean

From: Hal Anderson <hal@idahowaterengineering.com>
Sent: Thursday, November 18, 2021 9:17 AM
To: Hersley, Jean
Subject: Re: J&M Solid Rock and Hudson WSB Lease Applications

Jean,
Sorry, I was not clear, the number of acres for both J&M and Hudson is from the limited acres. --Hal

Hal N. Anderson

Managing Partner
Idaho Water Engineering
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On Thu, Nov 18, 2021 at 8:38 AM Hersley, Jean <Jean.Hersley@idwr.idaho.gov> wrote:

I'm sorry. I'm confused. Is the number of acres from the limited acres or the total acres?

Jean Hersley

Technical Records Specialist II

Idaho Dept Water Resources

(208) 287-4942

From: Hal Anderson <hal@idahowaterengineering.com>
Sent: Wednesday, November 17, 2021 7:13 PM
To: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Subject: Re: J&M Solid Rock and Hudson WSB Lease Applications

Yes, that is correct. Maybe I was a bit too specific on the application, but the rounded acreages are fine. Hal

On Wed, Nov 17, 2021, 1:07 PM Hersley, Jean <Jean.Hersley@idwr.idaho.gov> wrote:

Hal,

The Department needs some clarification on the Water Supply Bank applications you submitted for J&M Solid Rock and the Hudson's.

For J&M: the applications state that they would like to place 55.97 acres (we will round this up to 56 acres) in the Bank. Each water right has its own acres. Is the 56 acres the total from the acre limit of 62.3 acres (if this is the case, is J&M still going to irrigate 6.3 acres?) or the total number of acres the rights equal when the acre limits are added up (which is 68.6 acres)?

For the Hudson's: the applications state that they would like to place 37.26 acres (we will round this to 37 acres) in the Bank. Each water right has its own acres. Is the 37 acres the total from the acre limit of 39.0 acres (if this is the case, are the Hudson's still going to irrigate 2.0 acres?) or the total number of acres the rights equal when the acre limits are added up (which is 43.22 acres)?

I have attached a spreadsheet. Let me know if you have any questions. Thank you.

Jean Hersley

Technical Records Specialist II

Idaho Dept Water Resources

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