RECEIVED
NOV 04 2021
DEPARTMENT OF WATER RESOURCES

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1443

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

LESSOR: DAVID S MC DONALD
PO BOX 5
KETCHUM, ID 83340-0001

LESSOR: H JEAN SLIGAR-SHAKSTAD
3550 E 4000 N
KIMBERLY, ID 83341

LESSOR: RAIN MC DONALD
PO BOX 11
KETCHUM, ID 83340-0001

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 December 17, 2020.

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)
37-23129	5/23/1885	BIG WOOD RIVER, tributary to MALAD RIVER	0.789	Not Stated	171.0
37-26	5/23/1885	BIG WOOD RIVER, tributary to MALAD RIVER	2.370	Not Stated	171.0
37-23128	5/23/1885	BIG WOOD RIVER, tributary to MALAD RIVER	0.789	Not Stated	171.0
37-23131	6/15/1886	BIG WOOD RIVER, tributary to MALAD RIVER	0.342	Not Stated	171.0
37-27	6/15/1886	BIG WOOD RIVER, tributary to MALAD RIVER	1.020	Not Stated	171.0
37-23130	6/15/1886	BIG WOOD RIVER, tributary to MALAD RIVER	0.342	Not Stated	171.0
Combined Limit Totals			**5.652**	**Not Stated**	**171.0**
Combined Lease Totals			**5.652**	**Not Stated**	**171.0**

SUPPORT DATA
IN FILE
37-26

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1443

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)
37-23129	0.789	598.5	171.0	0.005	3.5
37-26	2.370	598.5	171.0	0.014	3.5
37-23128	0.789	598.5	171.0	0.005	3.5
37-23131	0.342	598.5	171.0	0.002	3.5
37-27	1.020	598.5	171.0	0.006	3.5
37-23130	0.342	598.5	171.0	0.002	3.5
Combined Limit Totals	**5.652**	**598.5**	**171.0**	**0.033**	**3.5**

**** The water right elements rentable have been reduced from the water right elements leased to account for combined limits defined volume limit that is based on the regional field headgate irrigation standard of 3.5 afa/acre.***

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, 2021 to December 31, 2025. 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. 1443

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

LESSOR: DAVID S MC DONALD
PO BOX 5
KETCHUM, ID 83340-0001

By _____
Title _____
Date _____

LESSOR: H JEAN SLIGAR-SHAKSTAD
3550 E 4000 N
KIMBERLY, ID 83341

By _____
Title _____
Date Nov 1, 2021

LESSOR: RAIN MC DONALD
PO BOX 11
KETCHUM, ID 83340-0001

By _____
Title _____
Date _____

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By _____ Date 11/23/21
Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR _____ Date 11/23/21

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NOV 22 2021
DEPARTMENT OF WATER RESOURCES

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1443

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

LESSOR: DAVID S. MC DONALD
PO BOX 5
KETCHUM, ID 83340-0001

By _____
Title _____
Date 11-16-21

LESSOR: H JEAN SLIGAR-SHAKSTAD
3550 E 4000 N
KIMBERLY, ID 83341

By _____
Title _____
Date _____

LESSOR: RAIN MC DONALD
PO BOX 11
KETCHUM, ID 83340-0001

By _____
Title _____
Date 11/17/2021

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

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

Lease approved by IDWR _____ Date _____

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1443

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): 37-23129, 37-23131, 37-26, 37-27, 37-23128, 37-23130

BIG WOOD RIVER NWNENE Sec. 19 Twp 01S Rge 18E BLAINE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
37-23129	IRRIGATION	04/15	to	10/31	0.789 cfs	Not Stated
37-23131	IRRIGATION	04/15	to	10/31	0.342 cfs	Not Stated
37-26	IRRIGATION	04/15	to	10/31	2.370 cfs	Not Stated
37-27	IRRIGATION	04/15	to	10/31	1.020 cfs	Not Stated
37-23128	IRRIGATION	04/15	to	10/31	0.789 cfs	Not Stated
37-23130	IRRIGATION	04/15	to	10/31	0.342 cfs	Not Stated
				Totals:	5.652 cfs	Not Stated

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	17E	13																38.0	38.0
01S	17E	24	17.0																17.0
01S	18E	18											29.0 L4	26.0			17.0		72.0
01S	18E	19					18.0	26.0 L1											44.0

Total Acres: 171.0

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.

WATER SUPPLY BANK LEASE CONTRACT No. 1443

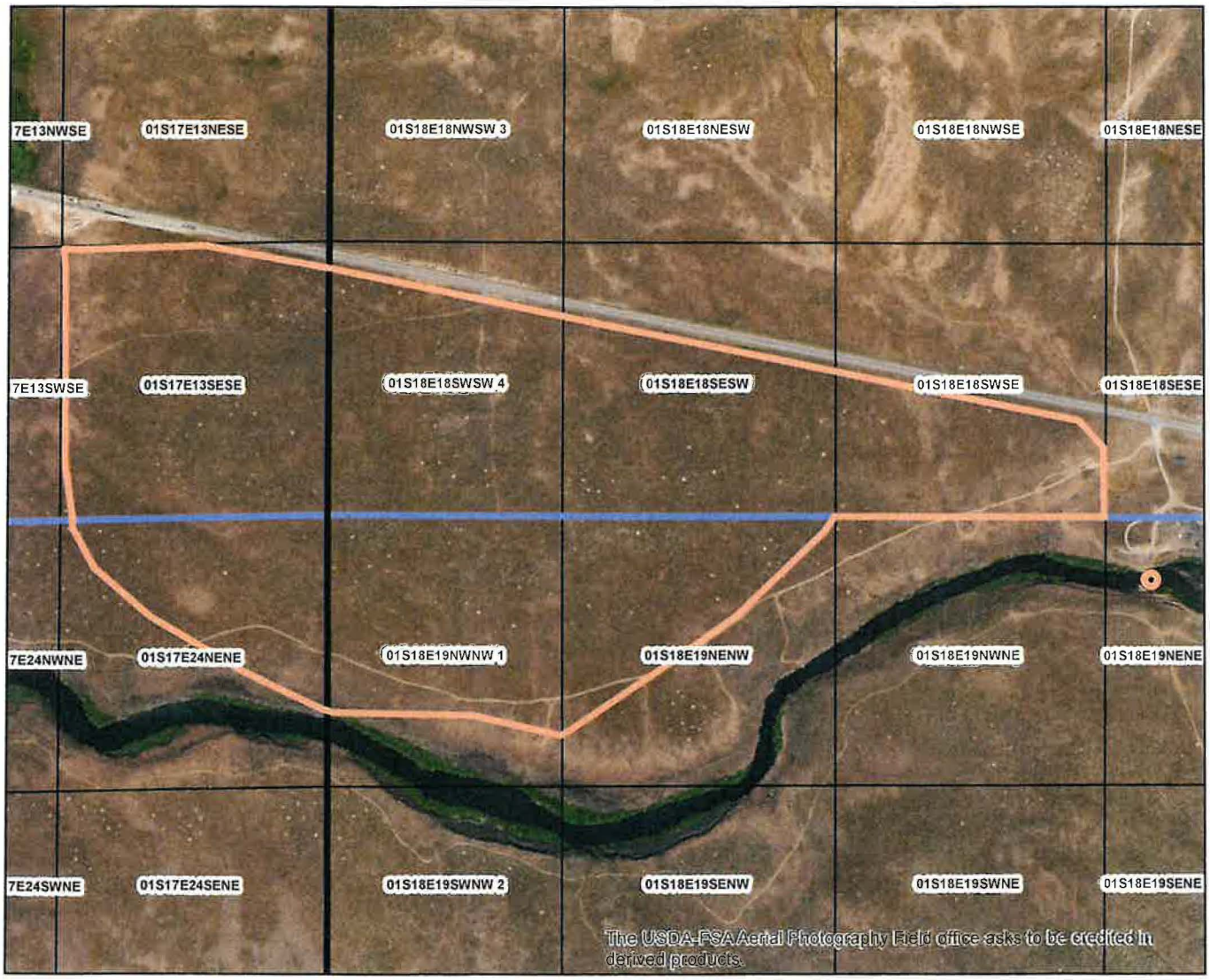
5. While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause 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.
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. This right is subject to regulation by the watermaster of Water District 37.
13. A measuring device and lockable controlling works of a type acceptable to the Department shall be permanently installed and maintained as part of the diverting works.
14. Total rate of diversion includes 0.087 cfs charged for river channel loss. Water right 37-23128 is limited to 0.789 cfs at the point of diversion.
15. Total rate of diversion includes 0.26 cfs charged for river channel loss. Water right 37-26 is limited to 2.379 cfs at the point of diversion.
16. Total rate of diversion includes 0.11 cfs charged for river channel loss. Water right 37-27 is limited to 1.019 cfs at the point of diversion.
17. Total rate of diversion includes 0.038 cfs charged for river channel loss. Water right 37-23130 is limited to 0.342 cfs at the point of diversion.
18. Total rate of diversion includes 0.088 cfs charged for river channel loss. Water right 37-23129 is limited to 0.789 cfs at the point of diversion.
19. Right Nos. 37-26, 37-27, 37-23128, 37-23129, 37-23130 & 37-23131 are limited to the irrigation of a combined total of 171 acres in a single irrigation season.
20. Water Supply Bank Lease Contracts # 1435 & # 1443 are only available to rent in combination.

Idaho Water Resource Board

Water Supply Bank Lease Contract No. 1443

37-26, 37-27, 37-23128, 37-23129,
37-23130 & 37-23131
Effective until December 31, 2025

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
QQ

N

0 500 1,000 Feet

Form 42-1761-1 10/15

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED
DEC 17 2020
DEPARTMENT OF WATER RESOURCES

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

Designated Applicant David McDonald
(Select one owner – see item 1A on the application)

Water Right No. 37-23131
(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.**

MIMUMUM 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 ***all owners*** of the water right to be leased or sold on this application.
1B	☐	☑	An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.
1C	☑	☐	*Notice of Change in Water Right Ownership* 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 $ 500 -	Received By: KM	Date Received: 12.17.202	Receipt # C109674
W-9 received? Yes ☑ No ☐	(Route W-9 to Fiscal)	Name on W-9: David McDonald	

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 David S. McDonald

Mailing Address P.O. Box 5 Ketchum, ID 83340
Street City State Zip Code

Email Address _____ Phone Number _____

☑ 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 Fritz X. Haemmerle Organization Haemmerle Law, P.L.L.C.

Professional Title Attorney Email Address fxh@haemlaw.com

Mailing Address _____ Phone Number _____

☐ 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.

The right has been in the water bank for the last five (5) years.

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.

37-26, 37-27, 3723128, 37-23129, 37-23130 and 37-23131

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.

The water right has been in the water bank for the last five (5) years.

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? Yes ☐ No ☑

If yes, describe.

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 (Year) to 2025 (Year) (maximum lease period 5 calendar years).

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 lease 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.

Signature of Designated Applicant	David McDonald Printed Name	12-15-2020 Date
Signature of Authorized Representative	Fritz X. Haemmerle Printed Name	12/16/2020 Date

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

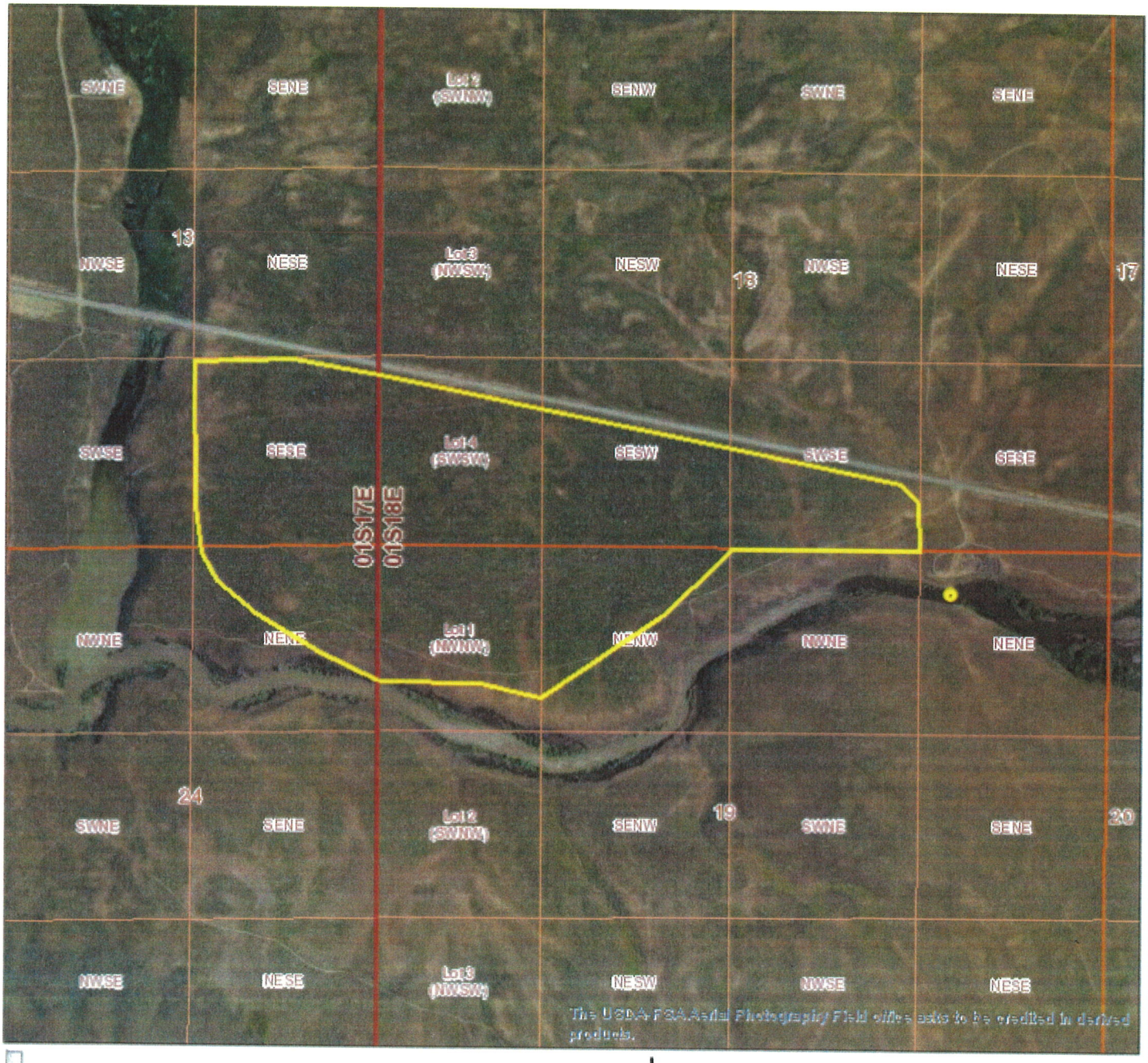
State of Idaho
Department of Water Resources

Water Right

37-27

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



0 0.05 0.1 0.2 0.3 0.4
Miles

Date created: 11/30/2020

Legend

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

N