

WATER SUPPLY BANK LEASE CONTRACT No. 1384

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

LESSOR: BLAINE COUNTY SCHOOL
DISTRICT #61
118 W BULLION ST
HAILEY, ID 83333-8425

SUPPORT DATA
IN FILE # **37-183A**

RECEIVED

AUG 02 2021

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 December 31, 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)
37-577BX	3/24/1883	BIG WOOD RIVER, tributary to MALAD RIVER	0.21	Not Stated	20.8
37-334E	6/30/1884	BIG WOOD RIVER, tributary to MALAD RIVER	0.21	Not Stated	20.8
37-298C	9/18/1885	BIG WOOD RIVER, tributary to MALAD RIVER	0.14	Not Stated	20.8
37-183A	5/1/1888	BIG WOOD RIVER, tributary to MALAD RIVER	0.48	Not Stated	20.8
Combined Limit Totals					20.8
Combined Lease Totals			1.04	Not Stated	20.8

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)
37-577BX	0.09	31.9	9.1	0.01	3.5
37-334E	0.09	31.9	9.1	0.01	3.5
37-298C	0.06	31.9	9.1	0.01	3.5
37-183A	0.21	31.9	9.1	0.02	3.5
Combined Limit Totals	0.45	31.9	9.1	0.05	3.5

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

WATER SUPPLY BANK LEASE CONTRACT No. 1384

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, 2021. 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. 1384

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

LESSOR: BLAINE COUNTY SCHOOL
DISTRICT #61
118 W BULLION ST
HAILEY, ID 83333-8425

By [Signature]
Title Superintendent
Date 7/21/2021

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

By [Signature]
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 8/6/21

Lease approved by IDWR [Signature]

Date 8/6/21

WATER SUPPLY BANK LEASE CONTRACT No. 1384

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): 37-183A, 37-298C, 37-334E, 37-577BX

BIG WOOD RIVER SWNW Sec. 20 Twp 03N Rge 18E BLAINE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
37-183A	IRRIGATION	04/15	to	10/31	0.210 cfs	31.90 AF
37-298C	IRRIGATION	04/15	to	10/31	0.061 cfs	31.90 AF
37-334E	IRRIGATION	04/15	to	10/31	0.092 cfs	31.90 AF
37-577BX	IRRIGATION	04/15	to	11/15	0.092 cfs	31.90 AF
Totals:					1.040 cfs	0.00 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	
02N	18E	4									1.6			9.0		0.7	9.5		20.8

Total Acres: 20.8

ADDITIONAL CONDITIONS OF ACCEPTANCE

- The water rights referenced above will be rented from the bank at the current rental rate.
- 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.
- 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.
- 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.
- While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
- Rental of water under this right is subject to the limitations and conditions of approval of the water right.
- Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

WATER SUPPLY BANK LEASE CONTRACT No. 1384

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. 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. 37.
13. The rights listed below shall provide no more than 3.5 afa per acre at the field headgate for irrigation of the lands in the place of use. Combined Right Nos. 37-183A, 37-298C, 37-334E and 37-557BX
14. Right Nos. 37-183A, 37-298C, 37-334E and 37-557BX are limited to the irrigation of a combined total of 20.8 acres in a single irrigation season.
15. Property is also known as the Wood River Middle School, Lot 2, block 1, Northridge Subdivision # 4.
16. A portion of this right provides conveyance for other right holders in the shared delivery of water through the Hiawatha canal. To prevent injury to other water right holders, the watermaster shall deliver 20% or 0.21 cfs of the leased portion of this right into the Hiawatha Canal whether it is rented or not.

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1384

37-183A, 37-298C, 37-334E, & 37-577BX

Effective until December 31, 2021

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 5,000 10,000 Feet

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

DEC 31 2020

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant Blaine County School District #61
(Select one owner – see item 1A on the application)

Water Right No. 37-334E
(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 all owners 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>500-</u>	Received By: <u>Ku</u>	Date Received: <u>12.31.2020</u>	Receipt # <u>C109758</u>
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 Blaine County School District #61

Mailing Address <u>118 W. Bullion St.</u>	Hailey	ID	83333
Street	City	State	Zip Code

Email Address _____ Phone Number 208-578-5000

- ☒ 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 Lori Graves Organization SPF Water Engineering

Professional Title Sr. Water Rights Specialist Email Address lgraves@spfwater.com

Mailing Address 300 E. Mallard Dr., Ste 350, Boise, ID 83706 Phone Number 208-383-4140

- ☐ 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.
Hiawatha Canal
- 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. Municipal water from the City of Hailey has been used for irrigation in recent years.
- 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. Surface water rights 37-183A, 37-298C, 37-334E and 37-577BX have never been used at the same time during the same season as municipal ground water within the authorized place of use.
- 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. n/a - subject acres have been leased to the bank multiple years. This application seeks to renew lease #1097 set to expire 12/31/2020.
- 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. See item 4F above.
- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?
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 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.



Signature of Designated Applicant

Fritz Peters, Superintendent

Printed Name

12/22/20

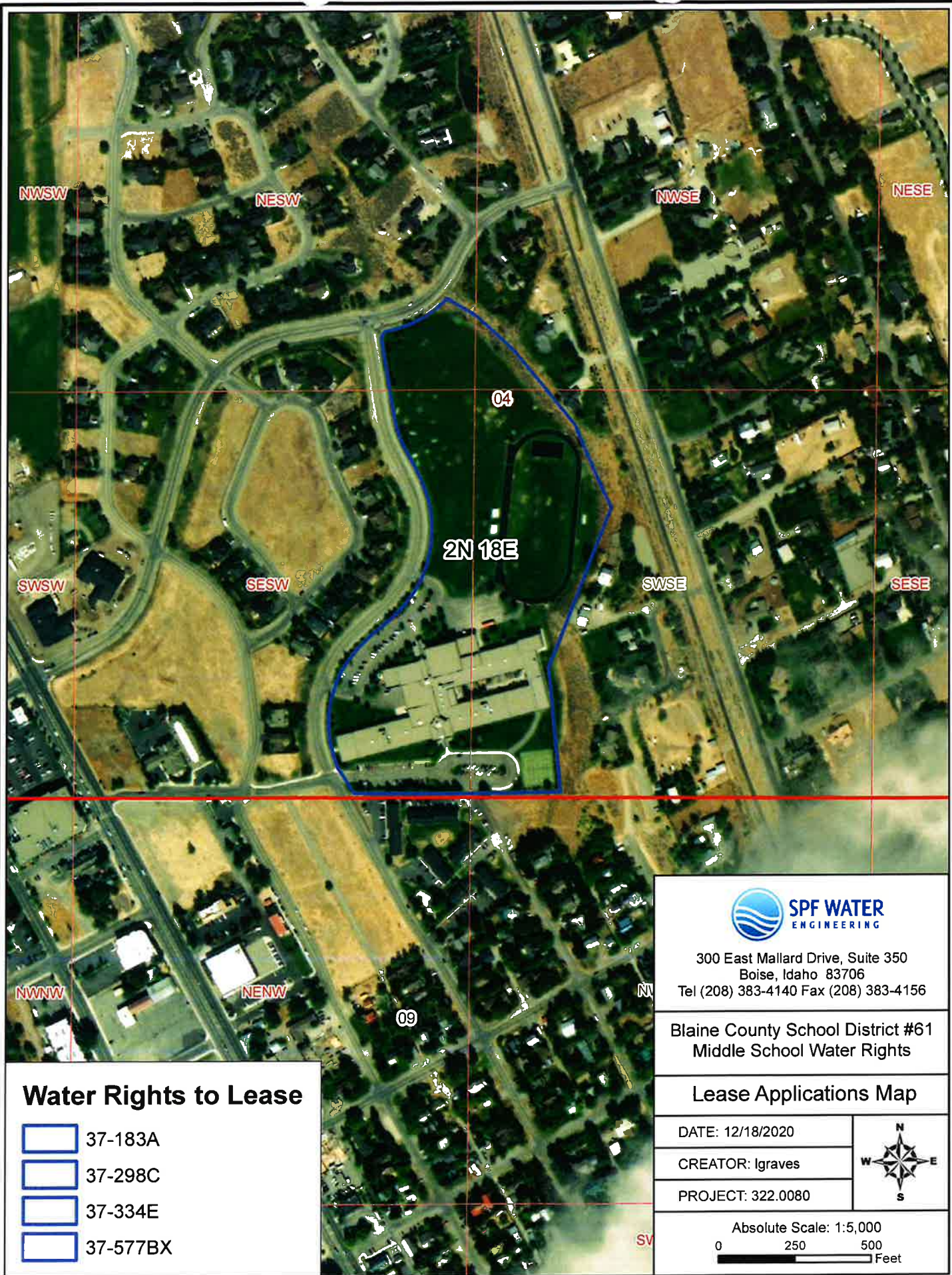
Date

Signature of Authorized Representative

Printed Name

Date

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





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

August 9, 2021

BLAINE COUNTY SCHOOL DISTRICT #61
118 W BULLION ST
HAILEY ID 83333-8425

**RE: WATER SUPPLY BANK LEASE CONTRACT 1384
FOR WATER RIGHTS 37-577BX, 37-334E, 37-298C, 37-183A**

Dear Lessor:

Water right **37-23229** was leased into the Water Supply Bank (Bank) as of January 1, 2021, 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, 2021**, 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- Southern Region
SPF Water Engineering LLC
Water District No. 37



SPF WATER
ENGINEERING

RECEIVED

AUG 02 2021

DEPARTMENT OF
WATER RESOURCES

July 30, 2021

Jean Hersley
IDWR State Office
PO Box 83720
Boise, ID 83720-0098

Subject: Water Bank Lease Contract #1384

Dear Jean,

Enclosed on behalf of Blaine County School District #61, are signed lease contracts for water rights 37-183A, 37-298C, 37-334E, 37-577BX appurtenant to the Hailey Middle School site. The School District Superintendent signed the applications.

Please let me know if there are any questions. Thanks Jean.

Sincerely,

A handwritten signature in cursive script that reads "Lori Graves".

Lori Graves
Water Rights Specialist

Cc: Howard Royal

Enclosures

SPF file number: 322.0080



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700

Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

July 15, 2021

BLAINE COUNTY SCHOOL DISTRICT # 61
118 W BULLION ST
HAILEY ID 83333-8425

**RE: APPLICATION TO LEASE WATER RIGHTS 37-183A, 37-298C, 37-334E & 37-577BX TO THE
WATER SUPPLY BANK CONTRACT 1384**

******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, 2021**, 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,

Jean Hersley

for
Water Supply Bank

Enclosures: Proposed Lease Contracts

C: SPF Water Engineering LLC

Memorandum

To: Water Supply Bank Lease 1384
From: Cody Parker
Re: Overlapping Irrigation Rights City of Hailey
Date: July 12, 2021

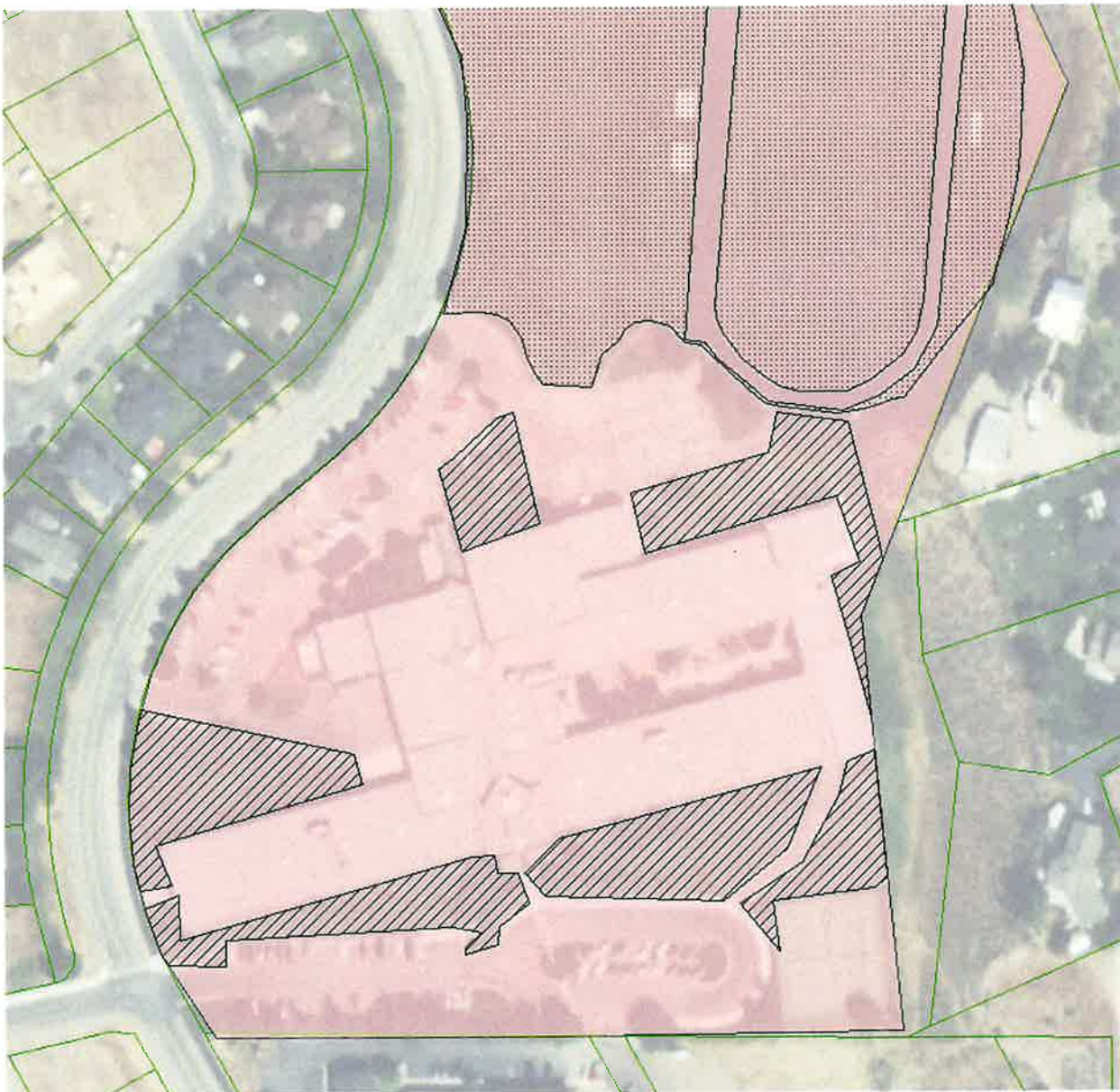
The Blaine County School District #61 proposes to lease into the Bank 20.8 acres of irrigation from the Big Wood River (see table below). They intend to keep irrigating 9.1 of those same acres under water right 37-20831 and presumably another ~2.6 acres from City of Hailey Municipal Water rights.

Table 1

	Water Right	Rate	Acres	Volume
	37-183A	0.48	20.8	NA
	37-298C	0.14	20.8	NA
	37-334E	0.21	20.8	NA
	37-577BX	0.21	20.8	NA
TOTALS		1.04	20.8	72.8
	37-20831	0.21	9.1	27.3

Figure 1





The area in red above is the place of use for the 4 water rights included in the lease. Dotted area is the irrigated acreage under 37-20831. Striped area appears to have been irrigated during the prior lease of these rights, presumably under other MUNICIPAL water rights.

Timeline

2010

Right 37-20831 (City of Hailey) was moved to this location through transfer 76168.

2011

Rights 37-183A, 37-298C, 37-334E, 37-577BX were decreed by the SRBA for irrigation at this location.

2016

WSB lease proposal submitted for water right 37-20831. The lease application was ultimately denied. Department review determined that Transfer 76168 had not been accomplished and there was not sufficient evidence to show that 37-20831 was used for irrigation for a period of 5 years preceding the lease application.

Water rights 37-183A, 37-298C, 37-334E, 37-577BX were leased into the Water Supply Bank for the years 2016 - 2020.

2016 - 2020

11.7 acres of the 20.8 authorized for irrigation under 37-183A, 37-298C, 37-334E, 37-577BX are irrigated while these rights are in the Bank. 9.1 acres are irrigated under 37-20831 while the other 2.6 must be irrigated under other municipal rights owned by the City of Hailey.

Discussion and Conclusions

Water rights 37-183A, 37-298C, 37-334E, and 37-577BX have all been used to irrigate the same 20.8 acres at some point. They were all decreed at this location and no transfers of these rights have been filed to change the place of use subsequent to the decrees.

Water right 37-20831 has been used to irrigate 9.1 acres of the 20.8 acres authorized by the other 4 surface water rights. Municipal rights appear to have been used to irrigate roughly 2.6 acres of the 20.8. The use of 37-20831 (and presumably the Municipal rights) has apparently only occurred since the other 4 rights have been leased to the Water Supply Bank since 2014. Thus **37-20831 has never been used simultaneously with the other four water rights from the Big Wood River.**

All the above-mentioned rights have been used to irrigate their respective places of use so there is no question as to what land the described irrigation is appurtenant to on the ground. Together, all of these rights combine to irrigate the 20.8 acres of land.

It is clear that the four Big Wood River rights, and 37-20831 are appurtenant to the same ground. The beneficial use of water authorized under both sets of rights includes *the same acres* though the Big Wood River rights also authorize irrigation of additional acreage. The overall quantity of water authorized for irrigation of the overlapping areas is limited to the amount needed to make that beneficial use that the rights have in common. Therefore, they cannot be split and used separately as such use would certainly cause an enlargement.

Based on the review above, I recommend approving the lease for the full acreage authorized under the four Big Wood River rights. However, I recommend restricting the rentable amounts to reflect only the acreage that will truly be idled. The final rentable amount will be for 9.1 acres.

WATER SUPPLY BANK**Agent Lease Review Checklist****Applicant(s) Name:** Blaine County School District**Memo Date:** March 22, 2021**Water Right Number(s):** 37-183A, 37-298C, 37-334E, 37-577BX**Reviewers Name:** Dave Betts**Quick Tools**

Decreed Year	No Forfeiture Concerns Thru:
2010	2016
2011	2017
2012	2018
2013	2019
2014	2020

	Check box		COMMENTS/CONCERNS:
1	☒		
Fill out WSB Data Entry Checklist for Leases			
2			
Reason for lease of water rights (Brief description of lease proposal in narrative)			
	☒		
3			
Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)			
	Yes	No	
4	☒		
Rentable? If no explain in comments			
5			
Authority to file			
	☒		Fritz Peters, superintendent
6			
Water Right validity			
			2011
Decreed/Licensed/Statutory claim date (write in comments section)			
Past irrigation to ensure forfeiture is not an issue if decreed or licensed over 7 years ago (consider transfers that changed the POU, rentals to the POU etc.)			
	☒		2016, 2017, 2018, 2019, 2020
Has this right previously been leased to the bank or in CREP?			
7			
Injury to other water rights			
	☒		Hiawatha Canal
			20%
If the POD is through a delivery entity, was holdback required? (percentage in comments)			
8			
Enlargement concerns			
	☒		
	☒		
	☒		
	Yes	No	
		☒	
	☒		
Are there overlapping rights that need to be placed in the bank also?			
Will the place of use continue to receive water?			
9			
Local Public Interest			
		☒	
Does the processor know of any problems this action will cause for the local public?			
10			
Have you contacted regional office and watermaster for comment/concerns?			
	☒		email request on 03/05/2021
Send the watermaster comment request form or e-mail request			
11			3.5
Area Headgate requirement			
12		☒	
Is water right involved in any other department action? Pull file and check database			
() Ownership Change () Transfer () Mitigation () Other - Explain in comments			
13			
Narrative: The applicant wishes to place the entirety of all rights in the Bank. These rights are limited to the irrigation of 20.8 acres when combined. The POU for these rights is the Blaine County Middle School and have never been used in combination with municipal rights from the City of Hailey. Rights were decreed in 2011. Forfeiture is not an issue. POU will continue to receive water from the City of Hailey. The superintendent signed the applications. Water is delivered through the Hiawatha Canal and requires a 20% hold back for conveyance losses. these rights are currently within WD 37. Watermaster did not reply to request for comments. Region replied with no concerns.			

Betts, David

From: Skinner, Corey
Sent: Monday, March 08, 2021 3:54 PM
To: Betts, David
Subject: RE: Application to Lease - Blaine County School District #61 (Application no. 1923)

No concerns from me on this one.

From: Betts, David
Sent: Friday, March 5, 2021 5:08 PM
To: watermanager@cableone.net; watermstr@cableone.net; Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Subject: Application to Lease - Blaine County School District #61 (Application no. 1923)

Blaine County School District has applied to renew a lease for four water rights: 37-183A, 37-298C, 37-334E, & 37-577BX.

Please review the attached documents and let me know if you have any concerns with the proposed lease.

Thank you,

--

Dave Betts
Senior Water Resource Agent
Idaho Department of Water Resources
(208) 287-4826

HIAWATHA CANAL

P.O. Box 1604 • Hailey, ID 83333

February 10, 2021

Idaho Water Bank
322 E. Front St.
P.O. Box 83720
Boise, ID 83720-0098

Re: *Blaine County School District: Water Rights 37-183A, 37-298C, 37-334E,
37-577BX and 37-21114*

Dear Sir or Madam:

The purpose of this letter is to respond generally to water rights being leased to the Water Bank, which are conveyed in the Hiawatha Canal ("Canal") by the Hiawatha Canal Company, a.k.a. The Hiawatha Canal Water Users Association of Lateral or Laterals ("Canal Company"). For the reasons outlined below and on the conditions requested, the Canal has no objection to the aforementioned water rights being placed into the Water Bank.

The Hiawatha Canal Company is concerned about the amount of water being removed from the Canal and placed in the Water Bank by various water right holders. Generally, at this time, the Canal Company does not object to water rights conveyed in the Hiawatha Canal being placed in the Water Bank provided that if the water rights are leased to parties outside of the Canal, then the Water Bank should require twenty-percent (20%) of the right be left in the Canal as conveyance loss. I suggest that the Department place a condition on the leases to this effect.

Providing you some historical perspective, the Canal Company filed for mitigation (conveyance loss) rights in the adjudication for rights that had been forfeited or abandoned out of the Canal. The Department agreed that the conveyance loss in the Canal was twenty-percent (20%), and therefore, entered recommendations accordingly. See e.g., water rights 37-22630, 37-22631, 37-22632 and 37-22633. This conveyance has been recognized by the Idaho Department of Water Resources in similar transfers. Leaving twenty-percent (20%) of the leased rights in the Canal will insure that all rights in the Canal continue to be delivered without injury to water right holders in the Canal.

As a condition of being leased, the Canal Company requests:

1. The Canal Company does not presently object to the aforementioned water rights being placed in the Water Bank, provided that twenty-percent (20%) of the right is left in the Canal as conveyance loss; and
2. The Canal Company would like to be notified if the water rights are eventually released from the Water Bank, or if the Water Rights are being leased again to the Water Bank after the expiration of the lease period.

Thank you in advance for responding to this letter and addressing our concerns. If you have any questions, please do not hesitate to call me.

Sincerely,

HIAWATHA CANAL COMPANY



James W. Phillips, President

FXH: fxh
cc: client



SPF WATER
ENGINEERING

RECEIVED

DEC 31 2020

**DEPARTMENT OF
WATER RESOURCES**

December 28, 2020

Justin Ferguson
IDWR State Office
PO Box 83720
Boise, ID 83720-0098

Subject: *Water Bank Lease Application (37-183A, 37-298C, 37-334E, 37-577BX)*
Water Bank Lease Application (37-21114)

Dear Justin,

Enclosed on behalf of Blaine County School District #61, are applications to lease the above water rights to the water supply bank. These rights are currently in the bank under Contract Nos. 1097 and 1098 that are set to expire 12/31/2020. Applicant wishes to keep the water in the bank for another year. The School District Superintendent Fritz Peters signed the applications.

A new W-9 form and authorization from Hiawatha Canal Co. have been requested and will be provided upon receipt.

Check No. 015606 is enclosed for the \$750 filing fee.

Please let me know if there are any questions. Thanks Justin.

Sincerely,

A handwritten signature in cursive script that reads "Lori Graves".

Lori Graves
Water Rights Specialist

Cc: Howard Royal

Enclosures

SPF file number: 322.0080

1923

1924