

FEB 23 2021

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

DEPARTMENT OF
WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1342

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

LESSOR: JUDE P & JULIA MANDEVILLE DAMASCO TRUST
34 GOODNIGHT TRAIL E
SANTA FE NM 87506

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 23, 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)
37-20359	3/24/1883	BIG WOOD RIVER, tributary to MALAD RIVER	0.01	Not Stated	0.7
37-297D	11/26/1886	BIG WOOD RIVER, tributary to MALAD RIVER	0.03	Not Stated	0.7
Combined Limit Totals			0.04	Not Stated	0.7
Combined Lease Totals			0.04	Not Stated	1.4

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)
37-20359	0.008	2.45	0.70	0.011	3.5
37-297D	0.024	2.45	0.70	0.034	3.5
Combined Limit Totals	0.032	2.45	0.70	0.045	3.5

** The water right elements rentable have been reduced from the water right elements leased to account for combined limits, conveyance losses of 20 %.*

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1342

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. 1342

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

LESSOR: JUDE P & JULIA MANDEVILLE
DAMASCO TRUST
34 GOODNIGHT TRAIL E
SANTA FE NM 87506

By Jude P. Mandeville
Title Trustee
Date 2-19-2021

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 2/25/21

Lease approved by IDWR HP

Date 2/25/21

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1342

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): 37-297D, 37-20359
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		
37-297D	IRRIGATION	04/15	to	10/31	0.03 cfs	Not Stated
37-20359	IRRIGATION	04/15	to	10/31	0.01 cfs	Not Stated
Totals:					0.04 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	
03N	18E	33												0.7					0.7

Total Acres: 0.7

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

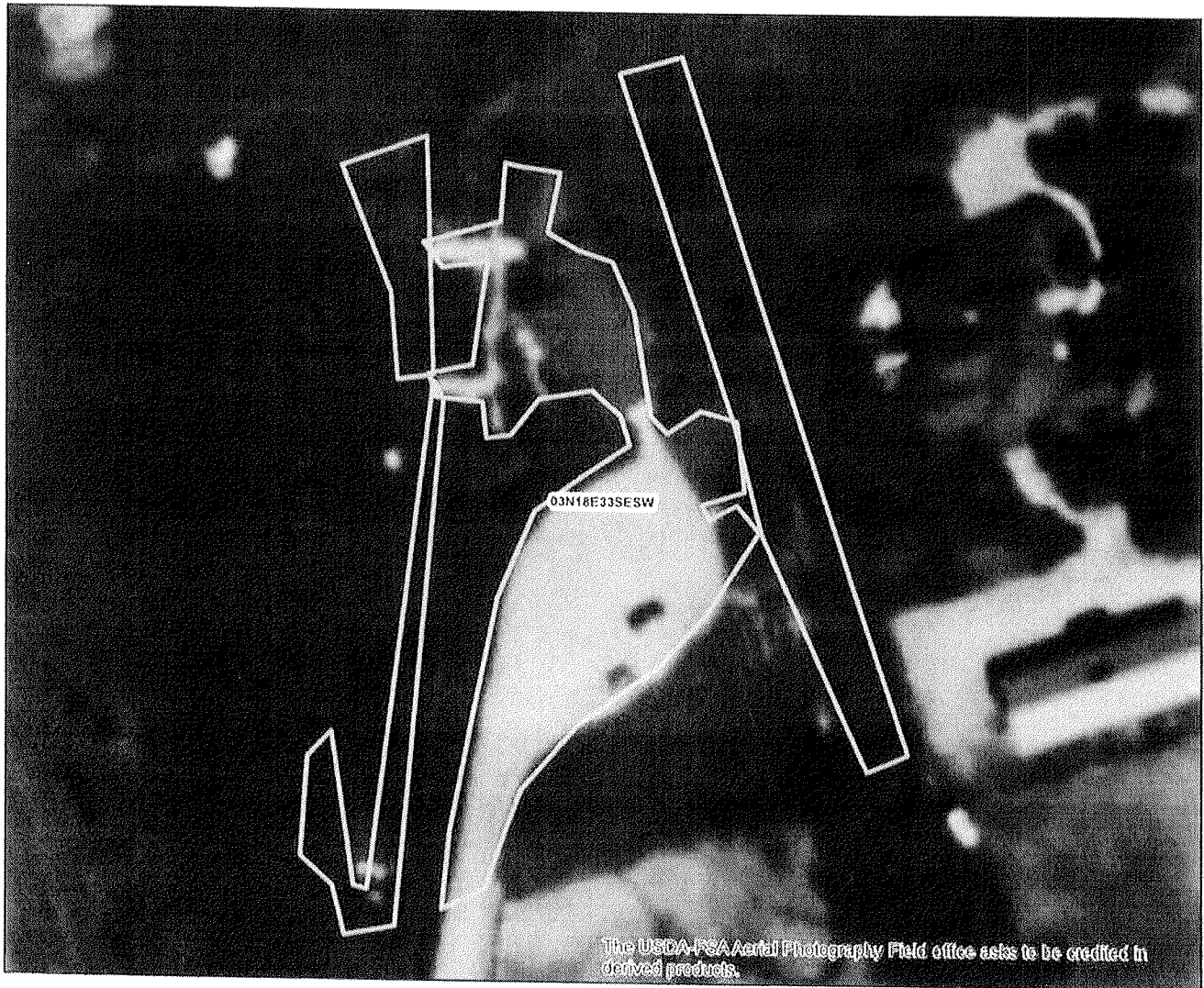
WATER SUPPLY BANK LEASE CONTRACT No. 1342

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. Irrigation place of use is located within Lot 5, Blk. 1; Buckhorn Subdivision. Aesthetic, recreation, and wildlife storage place of use is located within Lots 4, 5, and 6, Blk. 1; Buckhorn Subdivision.
13. The right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion(s).
14. Use of water under this right will 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.
15. The unleased portions of water rights 37-297D and 37-20359 when combined shall not exceed the irrigation of 0.4 acres.
16. To prevent injury to other water right holders, the watermaster shall deliver 20% or 0.008 cfs of the leased portion of this right into the Hiawatha Canal if rented to parties outside the canal.

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1342

37-297D & 37-20359
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

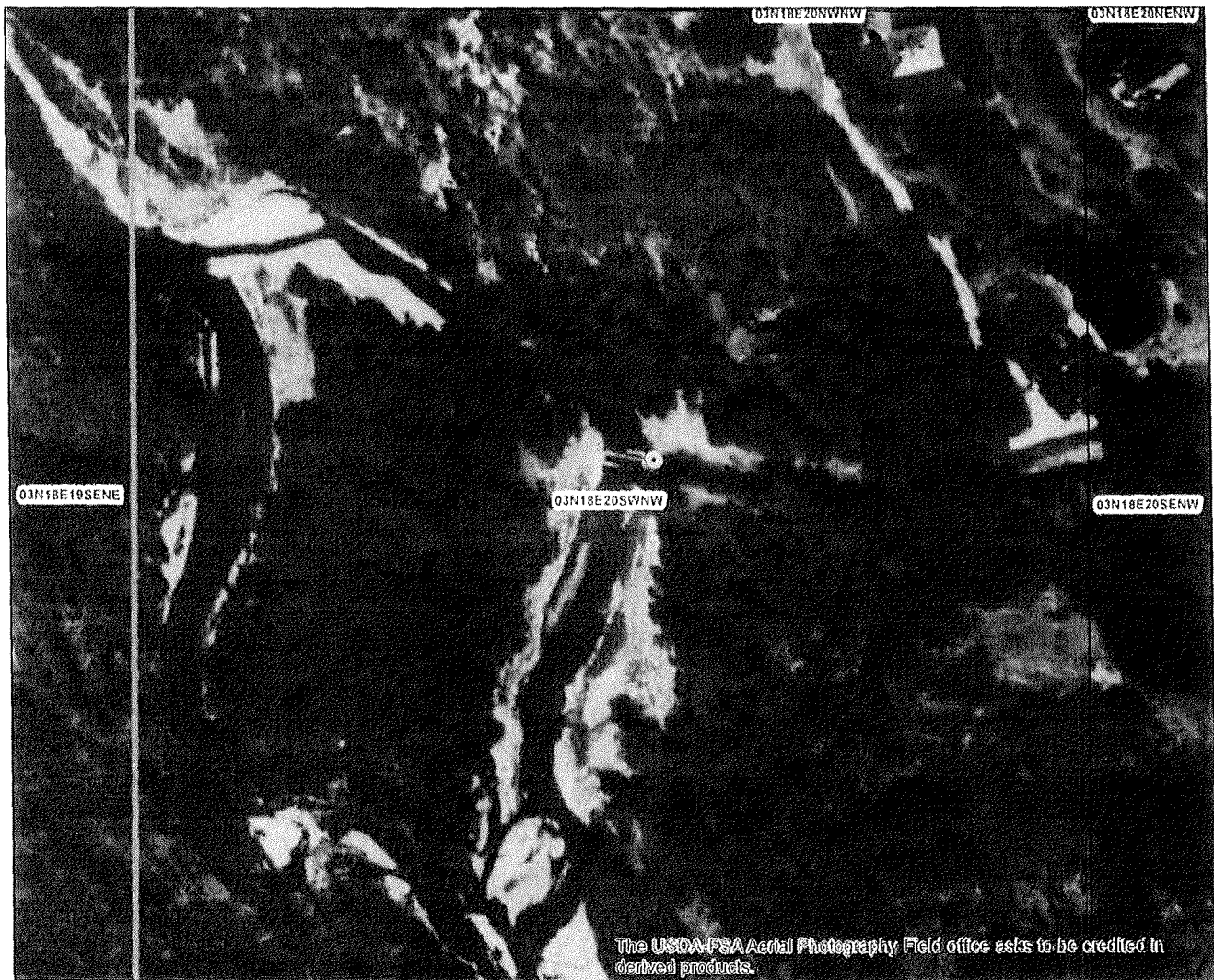


0 100 200 Feet

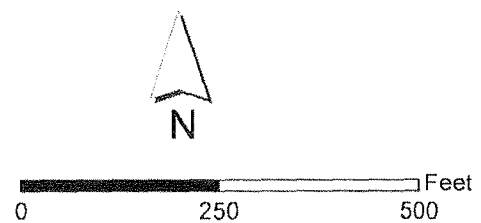
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1342

37-297D & 37-20359
Effective until December 31, 2025

This map depicts the **point of diversion** 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



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

DEC 23 2020

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant Jude P and Julia Mandeville Damasco Trust
(Select one owner – see item 1A on the application)

Water Right No. 37-20359
(One water right per application)

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

Yes ☐ No ☒

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

MINIMUM REQUIREMENT CHECKLIST

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

Yes

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

Attachment N/A Yes

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

Department Use Only

Fee Amount \$ <u>500 -</u>	Received By: <u>Km</u>	Date Received: <u>12.23.2020</u>	Receipt # <u>C109719</u>
W-9 received? Yes ☒ No ☐	(Route W-9 to Fiscal)	Name on W-9: <u>Jude Damasco</u>	

1903

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 Jude P and Julia Mandeville Damasco Trust

Mailing Address 34 Goodnight Trail East Santa Fe NM 87506
Street City State Zip Code

Email Address Jude@Damasco.com Phone Number 650-255-9544

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

OR

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

- B. Has the Designated Applicant submitted an IRS Form W-9 to this Department within the last 2 years? Yes ☐ No ☒

If no, complete the form and attach to this application (Attachment 1B).

- C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐

If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

- D. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☒ No ☐

If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1D).

Name of Representative Zach Latham Organization Brockway Engineering PLLC

Professional Title Hydrologist Email Address zach.latham@brockwayeng.com

Mailing Address 2016 Washington St. N Suite #4 Twin Falls, ID 83301 Phone Number 208-736-8543

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

OR

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

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

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

OR

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

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

3. MAP

Attach a map of the point(s) of diversion and place(s) of use proposed to be idled by this lease application. Make sure the idled place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to idle. If the water right proposed for lease is located within a permissible place of use (PPU) and portions of the PPU will continue to receive water from non-leased water rights, clearly outline on a map the acres within the PPU that will continue to be irrigated, as well as acres that will be idled during the lease term. Label the map **Attachment 3.**

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

- A. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☒
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 4A).

If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to Section 42-108, Idaho Code and IDAPA WSB Rule 37.02.03.25.02e.

- B. Please provide a description of the current water diversion and delivery system.
Existing pump station off of Hiawatha Canal pressurizes buried irrigation system.

- 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. 37-297D and 37-20359.

- 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. 37-297D and 37-20359.

- 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. Portion not offered for lease has been beneficially used. Portion offered for lease was accepted into the WSB from 2016 - 2020; IDWR approval letter dated December 31, 2015.

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

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

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE AGREEMENT

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

If lease, specify the years when the use of water will be suspended: 2021 to 2025 (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



Printed Name

12-13-2020

Date

Signature of Authorized Representative

Printed Name

Date

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

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

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

Water Right No(s). 37-297D, 37-20359.

	Designated Applicant	Applicant #2	Applicant #3
Name	Jude P and Julia Mandeville Damasco Trust		
Mailing Address	34 Goodnight Trail East Santa Fe, NM 87506		
Phone Number	650-255-9544		
Email Address	judedamasco@millerkaplan.com		
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

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

ATTACHMENT 2

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

1. <u>Water Right Number</u>	<u>Nature of Use</u>	<u>Leased Rate</u> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
<u>37-20359</u>	<u>Irrigation</u>	<u>0.01</u>	<u>2.5</u>	<u>0.7</u>
	Total Amounts:			

2. Source of water Big Wood River tributary to Malad River

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
3N	18E	20			SW	NW	Blaine



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

February 26, 2021

JUDE P & JULIA MANDEVILLE DAMASCO TRUST
34 GOODNIGHT TRAIL E
SANTE FE NM 87506

**RE: WATER SUPPLY BANK LEASE CONTRACT 1342
FOR WATER RIGHTS 37-297D & 37-20359**

Dear Lessor:

Water right **37-297D & 37-20359** were 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, 2025**, 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,

Jean Hersley

for
Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Southern Region
Water District No. 37
Brockway Engineering PLLC

Hersley, Jean

From: Skinner, Corey
Sent: Thursday, February 18, 2021 2:35 PM
To: Hersley, Jean
Subject: RE: WSB Lease for Damasco 37-297D & 37-20359

I'm good if Kevin is good too.

From: Hersley, Jean
Sent: Thursday, February 18, 2021 8:00 AM
To: Kevin Lakey <watermanager@cableone.net>; Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Subject: WSB Lease for Damasco 37-297D & 37-20359

Please let me know if you have any comments or concerns with the attached lease. Thank you.

*Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942*

Hersley, Jean

From: Hersley, Jean
Sent: Thursday, February 18, 2021 8:00 AM
To: 'Kevin Lakey'; Skinner, Corey
Subject: WSB Lease for Damasco 37-297D & 37-20359
Attachments: Idled Acres.pdf; Lease Application Review.xls; Report - Lease Contract -1342.docx

Please let me know if you have any comments or concerns with the attached lease. Thank you.

*Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942*



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

February 18, 2021

JUDE P & JULIA MANDEVILLE DAMASCO TRUST
34 GOODNIGHT TRAIL E
SANTE FE NM 87506

RE: APPLICATION TO LEASE WATER RIGHTS 37-297D & 37-20359 TO THE WATER SUPPLY
BANK CONTRACT 1342

****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, 2025**, 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: Brockway Engineering PLLC

WATER SUPPLY BANK		Quick Tools	
Lease Review Checklist		Decreed Year	No Forfeiture Concerns Thru:
Applicant(s) Name: Jude P & Julia Mandeville Damasco Trust		2011	2017
Memo Date: February 17, 2021		2012	2018
Water Right Number(s): 37-297D & 37-20359		2013	2019
		2014	2020
		2015	2021
Reviewers Name: Jean			
		Check box	COMMENTS/CONCERNS:
1	Fill out WSB Data Entry Checklist for Leases (Front of File)	x	
2	Reason for lease of water rights (Brief description of lease proposal in narrative)		
	Portion of right	x	
	All of right		
3	Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)		
		Yes	No
4	Rentable? (If no explain in comments or narrative)	x	
5	Authority to file		
	Current owner or designated applicant	x	
	SOS Web site checked for business entity		
	Other (explain in comments)		
6	Water Right validity		
	Decreed/Licensed/Statutory claim date (write in comments section)		2010
	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.)		
	Has this right previously been leased to the bank or in CREP?	x	2016-2020
7	Injury to other water rights		
	If the POD is through a delivery entity, was consent provided?	x	
	If the POD is through a delivery entity, was holdback required? (percentage in comments)	x	20%
	Any other concerns		x
8	Enlargement concerns	Check box	
	Complete a POU comparison overlap analysis	x	
	Complete a combined limits review	x	
	Complete POD overlap analysis (if there is an overlap add condition to lease)	x	
		Yes	No
	Are there overlapping rights that need to be placed in the bank also?		x
	Will the place of use continue to receive water? (if yes explain in comments)		x
9	Local Public Interest		
	Does the processor know of any problems this action will cause for the local public?		x
10	Have you contacted regional office and watermaster for comment/concerns?	x	
	Send the watermaster comment request form or e-mail request	x	
11	Area Headgate requirement (write in Comments)		3.5
12	Is water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments		x
13	Narrative: The Department received these applications on December 23, 2020. They were put on hold awaiting consent from Hiawatha Canal. These rights were decreed in 2010 as irrigation rights. Transfer 73743, approved in 2010, changed a portion of the irrigation to diversion to storage and other storage uses. The rights were placed in the Bank in 2016-2020. Applicant is offering 0.7 acres of 1.1 acres to the Bank. 0.5 acres will continue to receive water from a domestic well that does not have a water right. These rights are rediverted from the Hiawatha Canal. Consent was given from Hiawatha Canal provided a 20% conveyance loss remain in the canal if the water is rented to parties outside the canal. These rights are currently within WD 37.		

Hersley, Jean

From: Zach Latham <zach.latham@brockwayeng.com>
Sent: Thursday, February 11, 2021 9:08 AM
To: Hersley, Jean
Cc: Jude Damasco
Subject: FW: Damasco
Attachments: DamascoWaterBank.LTR.pdf

Jean-

Please see the attached consent from the Hiawatha Canal Company relative to the proposed lease of 37-297D and 37-20359 to the water supply bank on behalf of the Damasco Trust. A hard copy is being mailed to IDWR. By way of this email, I believe we have met the Department's 30 day deadline for submittal in order for processing to continue.

Please let me know if you have any questions or comments, thanks for your assistance.

Zach Latham

Hydrologist
Brockway Engineering, P.L.L.C.
2016 Washington Street North, Suite 4
Twin Falls, ID 83301
t. 208-736-8543
c.208-721-2114
f. 208-736-8506
zach.latham@brockwayeng.com

All information, calculations, maps, drawings, or other documents transmitted via e-mail are preliminary unless explicitly stated in the e-mail text or in the documents themselves.

-----Original Message-----

From: James W. Phillips, attorney at law [mailto:phillipslaw@cox.net]
Sent: Wednesday, February 10, 2021 4:12 PM
To: zach.latham@brockwayeng.com
Subject: Damasco

Zach:

Attached is the Hiawatha's letter approving keeping the Damasco water in the Water Bank. Fritz will be mailing the original to the Water Bank.

If you have any questions, let me know.

Jim

--
James W. Phillips
208-788-3496 voice

Confidentiality Notice: This e-mail message and attachments are covered by the Electronic Communications Privacy Act,

18 U.S.C. Sections 2510-2521, and contain confidential and legally privileged information exempt from disclosure under applicable law. If you have received this message by mistake, please notify James W. Phillips immediately by replying to this message or telephoning him, and do not review, retain, disclose, copy or distribute the message or any attachment, or any part thereof.

Thank you.

James W. Phillips

HIAWATHA CANAL

P.O. Box 1604 • Hailey, ID 83333

RECEIVED

FEB 11 2021

DEPARTMENT OF
WATER RESOURCES

February 10, 2021

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

Re: *Jude P. and Julia Mandeville Damasco Trust*
Water Leases: Water Rights 37-297D and 37-20359

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

Hersley, Jean

From: Jude Damasco <judedamasco@millerkaplan.com>
Sent: Wednesday, January 13, 2021 1:46 PM
To: Hersley, Jean; Zach Latham
Subject: RE: WSB Lease for Damasco Trust

...well, there's that! But they also require the use of my property to divert the water during non-irrigation season...

From: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Sent: Wednesday, January 13, 2021 1:44 PM
To: Jude Damasco <judedamasco@millerkaplan.com>; Zach Latham <zach.latham@brockwayeng.com>
Subject: RE: WSB Lease for Damasco Trust

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Because the water is delivered through their canal.

*Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942*

From: Jude Damasco [<mailto:judedamasco@millerkaplan.com>]
Sent: Wednesday, January 13, 2021 1:43 PM
To: Zach Latham <zach.latham@brockwayeng.com>; Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Subject: RE: WSB Lease for Damasco Trust

Very odd. They had no say whatsoever in the granting of my water right, nor do they have any control over the water right. Why would I need their consent?



JUDE DAMASCO

PARTNER / CPA / M.S. TAXATION

O. 415.217.4900 D. 415.694.7000

millerkaplan.com   

From: Zach Latham <zach.latham@brockwayeng.com>
Sent: Wednesday, January 13, 2021 1:32 PM

To: 'Hersley, Jean' <Jean.Hersley@idwr.idaho.gov>
Cc: Jude Damasco <judedamasco@millerkaplan.com>
Subject: RE: WSB Lease for Damasco Trust

CAUTION: This email originated from a source outside Miller Kaplan. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Thanks Jean.

This has never been a requirement before with regards to a lease and this particular canal company from my experience and past Damasco Leases. I have been required to get consent on a rental from a canal company but never a lease.

Zach Latham

Hydrologist
Brockway Engineering, P.L.L.C.
2016 Washington Street North, Suite 4
Twin Falls, ID 83301
t. 208-736-8543
c.208-721-2114
f. 208-736-8506

zach.latham@brockwayeng.com

All information, calculations, maps, drawings, or other documents transmitted via e-mail are preliminary unless explicitly stated in the e-mail text or in the documents themselves.

From: Hersley, Jean [<mailto:Jean.Hersley@idwr.idaho.gov>]
Sent: Wednesday, January 13, 2021 1:13 PM
To: zach.latham@brockwayeng.com
Cc: jude@damasco.com
Subject: WSB Lease for Damasco Trust

The Department is in the process of reviewing the applications to leases 37-297D and 37-20359 to the Bank. We are going to need consent from the Hiawatha Canal before we can continue processing. Please provide the additional information within 30 days or the Department will return the applications.

*Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942*



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED

DEC 23 2020

DEPARTMENT OF
WATER RESOURCES

December 18, 2020

Mr. Remington Buyer
Idaho Water Supply Bank
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Re: Water Supply Bank Lease Requests; Jude P and Julia Mandeville
Damasco Trust.

Dear Remington,

On behalf of the Jude P and Julia Mandeville Damasco Trust, Brockway Engineering is submitting five year water supply bank lease applications for portions of Big Wood River water rights 37-297D and 37-20359, appurtenant to the Trust's property north of Hailey, ID.

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

Regards,

Zach Latham, M.S., Hydrologist

Enclosures: (2) Water Supply Bank Lease Applications.
(1) Water Supply Bank Lease Map.
(1) Brockway Engineering Check # 16190

Cc: Mr. Jude Damasco

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

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

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WASHINGTON
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1903