

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

## WATER SUPPLY BANK LEASE CONTRACT No. 1273

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

**LESSOR:** CITY OF HAILEY  
115 S MAIN ST STE H  
HAILEY, ID 83333-8408

RECEIVED

JAN 11 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 October 08, 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)   |
|---------------------|---------------|----------------------------|----------------------|-----------------------|--------------|
| 37-22019            | 3/29/1961     | GROUND WATER, tributary to | 8.78                 | 1,593.5               | 455.3        |
| <b>Lease Totals</b> |               |                            | <b>8.78</b>          | <b>1,593.5</b>        | <b>455.3</b> |

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.

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

**WATER SUPPLY BANK LEASE CONTRACT No. 1273**

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. 1273**

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

**LESSOR:** CITY OF HAILEY  
115 S MAIN ST STE H  
HAILEY, ID 83333-8408

By Martha Burke  
Title Mayor  
Date 1/5/2021



**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 01/14/21

Lease approved by IDWR FP

Date 01/14/21

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

## WATER SUPPLY BANK LEASE CONTRACT No. 1273

### 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): 37-22019**

GROUND WATER                      SESW                      Sec. 10                      Twp 02N                      Rge 18E                      BLAINE County

| Water Right    | Beneficial Use | Season of Use |    |       | Diversion Rate (CFS) | Volume (AF) |
|----------------|----------------|---------------|----|-------|----------------------|-------------|
|                |                | From          |    | To    |                      |             |
| 37-22019       | IRRIGATION     | 04/15         | to | 10/31 | 8.78 cfs             | 1,593.5 AF  |
| <b>Totals:</b> |                |               |    |       | 8.78 cfs             | 1,593.5 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 | 10  |     |      |      |      |      |      |     |      |     |      | 1.0  | 8.5 |      |      | 30.0 |      | 39.5   |
| 02N | 18E | 14  |     |      |      |      |      |      |     |      |     | 14.0 | 26.8 |     |      |      |      |      | 40.8   |
| 02N | 18E | 15  |     | 38.7 | 34.9 | 20.7 | 28.0 |      |     | 4.0  |     |      |      |     | 37.7 | 11.0 |      | 22.9 | 197.9  |
| 02N | 18E | 22  | 1.0 |      |      |      |      |      |     |      |     |      |      |     |      |      |      |      | 1.0    |
| 02N | 18E | 23  |     |      |      |      | 32.4 | 32.3 | 3.5 | 31.5 | 9.0 |      |      |     |      | 31.4 | 20.4 | 15.6 | 176.1  |

Total Acres: 455.3

#### ADDITIONAL CONDITIONS OF ACCEPTANCE

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

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

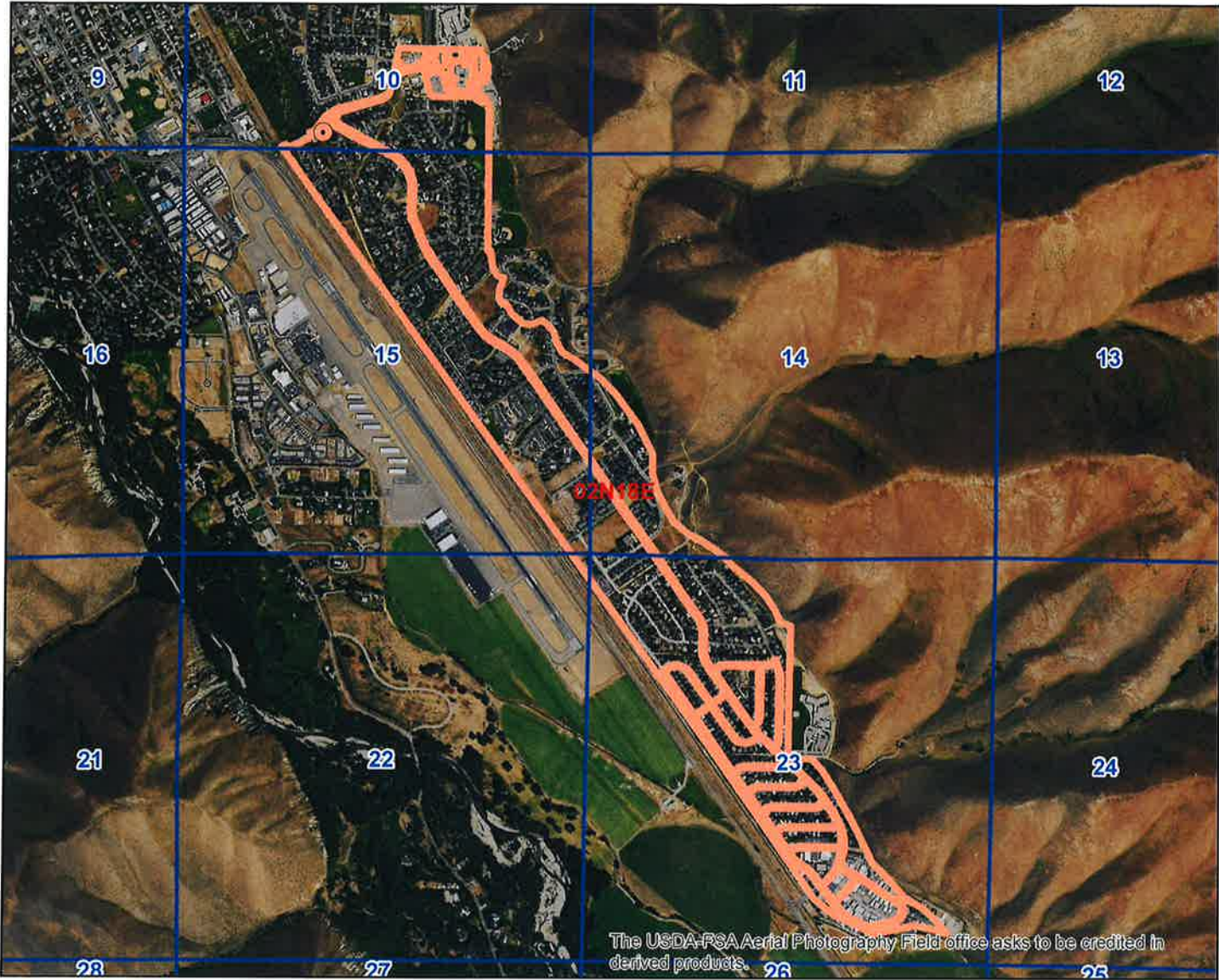
**WATER SUPPLY BANK LEASE CONTRACT No. 1273**

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. Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as determined by the Snake River Basin Adjudication court in the final unified decree entered 08/26/2014.
13. This right is licensed right 37-2659.

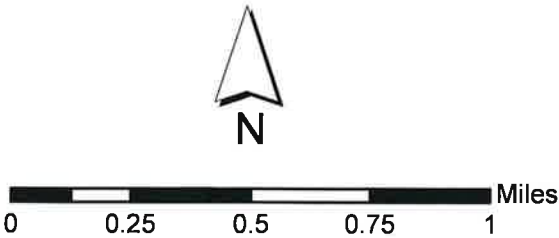
Idaho Water Resource Board  
Water Supply Bank Lease Contract No. 1273

37-22019  
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



STATE OF IDAHO  
WATER RESOURCE BOARD

RECEIVED

OCT 08 2020

DEPARTMENT OF  
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT  
TO THE WATER SUPPLY BANKDesignated Applicant City of Hailey

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

Water Right No. 37-22019

(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 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](http://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](http://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 \$ 250.00Received By: KuDate Received: 10.8.2020Receipt # C109347W-9 received? Yes ☐ No ☒ (Route W-9 to Fiscal)

Name on W-9:

1785

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 City of Hailey

|                                              |                     |                      |                         |
|----------------------------------------------|---------------------|----------------------|-------------------------|
| Mailing Address <u>115 Main St., Suite H</u> | <u>Hailey</u>       | <u>ID</u>            | <u>83333</u>            |
| <small>Street</small>                        | <small>City</small> | <small>State</small> | <small>Zip Code</small> |

Email Address \_\_\_\_\_ Phone Number 208-788-4221

☒ 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, LLC

Professional Title 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.  
Well and pump.

- 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. The place of use is located within the City of Hailey's municipal service area.

- 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. See 4.C. above

- 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. This water right was decreed in April, 2010 and an Extension of Time to Avoid Forfeiture was approved March 17, 2016, thereby protecting the water right until July, 2021. The City wishes to extend forfeiture protection.

- 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 4.F. 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.

Yes ☐ No ☒

Transfer Nos. 81495, 84114 and 84115 were recently approved for portions of this right.

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 2026 (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 standard 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.

Martha Burke  
Signature of Designated Applicant

MARTHA BURKE  
Printed Name

8/25/2020  
Date

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date



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



**AGENDA ITEM SUMMARY**

DATE: 08/24/2020

DEPARTMENT: PW

DEPT. HEAD SIGNATURE: BY \_\_\_\_\_

**SUBJECT:** Motion to approve Resolution 2020-94, authorizing the Mayor's signature on an application to place the remaining water right number 37-22019 into the Water Supply Bank. **ACTION ITEM**

**AUTHORITY:** ☐ ID Code \_\_\_\_\_ ☐ IAR \_\_\_\_\_ ☐ City Ordinance/Code \_\_\_\_\_  
(IF APPLICABLE)

**BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:**

A portion of water right 37-22019 was conveyed to the BCSD earlier this year as part of the snow storage lot exchange. This application is for placement of the remaining water right into the water supply bank to avoid forfeiture.

**FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:** Caselle # \_\_\_\_\_  
Budget Line Item # \_\_\_\_\_ YTD Line Item Balance \$ \_\_\_\_\_  
Estimated Hours Spent to Date: \_\_\_\_\_ Estimated Completion Date: \_\_\_\_\_  
Staff Contact: \_\_\_\_\_ Phone # \_\_\_\_\_  
Comments: \_\_\_\_\_

**ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS:** (IF APPLICABLE)

|                                             |                                                  |                                             |
|---------------------------------------------|--------------------------------------------------|---------------------------------------------|
| <input type="checkbox"/> City Administrator | <input type="checkbox"/> Library                 | <input type="checkbox"/> Benefits Committee |
| <input type="checkbox"/> City Attorney      | <input type="checkbox"/> Mayor                   | <input type="checkbox"/> Streets            |
| <input type="checkbox"/> City Clerk         | <input type="checkbox"/> Planning                | <input type="checkbox"/> Treasurer          |
| <input type="checkbox"/> Building           | <input type="checkbox"/> Police                  | _____                                       |
| <input type="checkbox"/> Engineer           | <input checked="" type="checkbox"/> Public Works | _____                                       |
| <input type="checkbox"/> Fire Dept.         | <input type="checkbox"/> P & Z Commission        | _____                                       |

**RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:**

Motion to approve Resolution 2020-94, authorizing the Mayor's signature on an application to place the remaining water right number 37-22019 into the Water Supply Bank. **ACTION ITEM**

**ADMINISTRATIVE COMMENTS/APPROVAL:**

City Administrator \_\_\_\_\_ Dept. Head Attend Meeting (circle one) Yes No

**ACTION OF THE CITY COUNCIL:**

Date 8/24/20 - council approved  
City Clerk \_\_\_\_\_ Need 1 DNR signature & need to B sme checked  
send to SPF Engineering?

**FOLLOW-UP:**

\*Ord./Res./Agrmt./Order Originals: Record  
Copies (all info.): \_\_\_\_\_  
Instrument # \_\_\_\_\_

\*Additional/Exceptional Originals to: \_\_\_\_\_  
Copies (AIS only)

**CITY OF HAILEY**  
**RESOLUTION NO. 2020-094\_**

**RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF HAILEY  
AUTHORIZING SUBMISSION OF AN APPLICATION WITH IDAHO WATER  
RESOURCE BOARD TO LEASE WATER RIGHT NO 37-22019 TO THE WATER  
SUPPLY BANK.**

WHEREAS, the City of Hailey desires to lease a portion of a groundwater water right for irrigation water, which is not currently used by the city, to avoid future forfeiture.

WHEREAS, the City of Hailey agrees to submit the application for water right number 37-22019, a copy of which is attached hereto.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HAILEY, IDAHO,** that the City of Hailey approves the submission of the applications and authorizes the mayor to execute the attached applications.

Passed this 24th day of August, 2020.

City of Hailey

  
\_\_\_\_\_  
Martha Burke, Mayor

ATTEST:

  
\_\_\_\_\_  
Mary Cone, City Clerk





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](http://idwr.idaho.gov) • Email: [idwrinfo@idwr.idaho.gov](mailto:idwrinfo@idwr.idaho.gov)

BRAD LITTLE  
Governor

GARY SPACKMAN  
Director

January 14, 2021

CITY OF HAILEY  
115 S MAIN ST STE H  
HAILEY, ID 83333-8408

RE: **WATER SUPPLY BANK LEASE CONTRACTS 1273  
FOR WATER RIGHTS 37-22019**

Dear Lessor:

Water right **37-22019** will be 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](http://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](mailto:bank@idwr.idaho.gov) or 208-287-4800.

Sincerely,

*Amanda Johnson-Veibell*

for  
Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Southern Region  
Water District 37  
Lori Graves – SPF Water Engineering



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](http://idwr.idaho.gov) • Email: [idwrinfo@idwr.idaho.gov](mailto:idwrinfo@idwr.idaho.gov)

BRAD LITTLE  
Governor

GARY SPACKMAN  
Director

December 31, 2020

CITY OF HAILEY  
115 S MAIN ST STE H  
HAILEY, ID 83333-8408

**RE: APPLICATION TO LEASE WATER RIGHT 37-22019 TO THE WATER SUPPLY BANK  
CONTRACT 1273**

**\*\*\*\*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](mailto:bank@idwr.idaho.gov) or 208-287-4800.

Sincerely,

*Amanda Johnson-Veibell*

for  
Water Supply Bank

Enclosures: Proposed Lease Contracts  
Receipt # C109347

C: Lori Graves – SPF Water Engineering

# WATER SUPPLY BANK

## Lease Review Checklist

Applicant(s) Name: City of Hailey

Memo Date: 12/24/2020

Water Right Number(s): 37-22019

Reviewers Name: D Betts

Qu Tools

| De Year | No Forfeiture Concerns Thru: |
|---------|------------------------------|
| 2011    | 2017                         |
| 2012    | 2018                         |
| 2013    | 2019                         |
| 2014    | 2020                         |
| 2015    | 2021                         |

|    | Check box                           |                                     | COMMENTS/CONCERNS:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----|-------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | <input checked="" type="checkbox"/> |                                     | Fill out WSB Data Entry Checklist for Leases (Front of File)                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 2  | <input type="checkbox"/>            |                                     | Reason for lease of water rights (Brief description of lease proposal in narrative)                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|    | <input type="checkbox"/>            |                                     | Portion of right                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|    | <input type="checkbox"/>            |                                     | All of right                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 3  | <input checked="" type="checkbox"/> |                                     | Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 4  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Rentable? (If no explain in comments or narrative)                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 5  | <input type="checkbox"/>            | <input type="checkbox"/>            | Authority to file                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|    | <input checked="" type="checkbox"/> |                                     | Current owner or designated applicant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|    | <input type="checkbox"/>            |                                     | SOS Web site checked for business entity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|    | <input checked="" type="checkbox"/> |                                     | Other (explain in comments)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 6  | <input type="checkbox"/>            | <input type="checkbox"/>            | Water Right validity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|    | <input type="checkbox"/>            |                                     | Decreed/Licensed/Statutory claim date (write in comments section)                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|    | <input type="checkbox"/>            |                                     | Decreed 4/1/2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|    | <input type="checkbox"/>            |                                     | Water right received an extension of time to protect from forfeiture within 5 years from the date of the decree. The proposed lease is for 2021, and the resumption of use date for this right is July 1, 2021.                                                                                                                                                                                                                                                                                                              |
|    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | 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.)                                                                                                                                                                                                                                                                                                                                                              |
|    | <input type="checkbox"/>            | <input type="checkbox"/>            | Has this right previously been leased to the bank or in CREP?                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 7  | <input type="checkbox"/>            | <input type="checkbox"/>            | Injury to other water rights                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|    | <input type="checkbox"/>            |                                     | If the POD is through a delivery entity, was consent provided?                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|    | <input type="checkbox"/>            |                                     | If the POD is through a delivery entity, was holdback required? (percentage in comments)                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Any other concerns                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 8  | <input type="checkbox"/>            | <input type="checkbox"/>            | Enlargement concerns                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|    | <input checked="" type="checkbox"/> |                                     | Complete a POU comparison overlap analysis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|    | <input checked="" type="checkbox"/> |                                     | Complete a combined limits review                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|    | <input checked="" type="checkbox"/> |                                     | Complete POD overlap analysis (if there is an overlap add condition to lease)                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|    | <input type="checkbox"/>            | <input type="checkbox"/>            | Are there overlapping rights that need to be placed in the bank also?                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|    | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Will the place of use continue to receive water? (if yes explain in comments)                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|    | <input type="checkbox"/>            |                                     | Overlapping MUNICIPAL use                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 9  | <input type="checkbox"/>            | <input type="checkbox"/>            | Local Public Interest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Does the processor know of any problems this action will cause for the local public?                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 10 | <input type="checkbox"/>            | <input type="checkbox"/>            | Have you contacted regional office and watermaster for comment/concerns?                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|    | <input checked="" type="checkbox"/> |                                     | Send the watermaster comment request form or e-mail request                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|    | <input type="checkbox"/>            |                                     | request sent 12/10/2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 11 | <input type="checkbox"/>            | <input type="checkbox"/>            | Area Headgate requirement (write in Comments)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|    | <input type="checkbox"/>            |                                     | 3.5 AFA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 12 | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Is water right involved in any other department action? Pull file and check database                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|    | <input type="checkbox"/>            |                                     | ( ) Ownership Change ( ) Transfer ( ) Mitigation ( ) Other - Explain in comments                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 13 | <input type="checkbox"/>            |                                     | Narrative: 37-22019 shares a point of diversion with 37-23031, but the places of use of the two rights do not overlap. 37-22019 overlaps with the places of use of multiple Municipal water rights. The place of use may continue to receive irrigation water from the overlapping municipal rights. 37-22019 is currently protected by an extension of time to avoid forfeiture, which expires July, 2021. Validity is not a concern. The water right is within WD 37. No comments were submitted by Region or Watermaster. |

## **Betts, David**

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**From:** Betts, David  
**Sent:** Thursday, December 10, 2020 3:38 PM  
**To:** watermanager@cableone.net  
**Cc:** Skinner, Corey  
**Subject:** Proposed lease of water right 37-22019 (City of Hailey)  
**Attachments:** CityofHailey\_LeaseChecklist\_1785.pdf; LeaseMap\_1785.pdf

Hello Kevin & Corey,

The City of Hailey is proposing the lease of the entire water right (37-22019) which diverts from groundwater. The right has been protected by an extension of time to avoid forfeiture, which expires in July, 2021.

I have attached a copy of my review checklist, and a map of the portion of the water right to be idled for your review.

Please let me know within 7 days if you have any comments or concerns regarding the proposed lease. If I do not hear back from you within the 7 days, the Department will assume that you have no concerns with the proposed lease.

Thank you for your assistance,

--  
Dave Betts - *Water Resource Agent*

**Water Rights Section | Idaho Department of Water Resources**

322 East Front St | P.O. Box 83720 | Boise, ID 83720

Phone: (208) 287-4826 | email: [david.betts@idwr.idaho.gov](mailto:david.betts@idwr.idaho.gov)

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OCT 08 2020

DEPARTMENT OF  
WATER RESOURCES



**SPF WATER**  
ENGINEERING

October 6, 2020

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

**Subject: Lease Application; 37-22019**

Dear Justin,

Enclosed on behalf of the City of Hailey, is a lease application for water right 37-22019 that has been protected from forfeiture since 2016 under an *Extension of Time to Avoid Forfeiture* set to expire July, 2021.

Check No. 49341 is enclosed for the \$250 filing fee. Please let me know if there are any questions. Thanks Justin.

Sincerely,

Lori Graves  
Water Rights Specialist

Cc: Brian Yeager

Enclosures

SPF file number: 330.0390

1785