WATER SUPPLY BANK LEASE CONTRACT No. 1172

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

LESSOR: JOSEPH J & LISA M ADAMSKI

PO BOX 727

FAIRFIELD, ID 83327

RECEIVED

AUG 17 2020

DEPARTMENT OF WATER RESOURCE

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 March 02, 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)
37-21777	6/1/1898	SOLDIER CREEK, tributary to CAMAS CREEK	1.03	Not Stated	51.7
Combined	Lease Tota	1.03	Not Stated	51.7	

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)
37-21777	1.03	181	51.7	0.02	3.5
Combined Limit Totals	1.03	181	51.7	0.02	3.5

^{*} The water right elements rentable have been reduced from the water right elements leased to account for the field headgate standard of 3.5

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, 2020 to December 31, 2024. This Lease shall bind the parties and take effect when both parties have signed it.

WATER SUPPLY BANK LEASE CONTRACT No. 1172

- 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.

WATER SUPPLY BANK LEASE CONTRACT No. 1172

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

LESSOR:	JOSEPH J & LISA M ADAMSKI		
	PO BOX 727	¥1	0.
1	FAIRFIELD, 10)83327 //	Λ	
By 107	sept I damine and fiver or	1/ de	ams 12
Title / ou	buef		
Date	lig 11, 2020		
322 East Front	ER RESOURCE BOARD t Street		
P.O. Box 8372	20		
Boise, ID 8372	20-0098		
75			
ву	- and	Date	08/17/20
Brian Patton, A	Acting Administrator	Date	00/1/10
Idaho Water R	Resource Board		
			al. Is
Lease approve	ed by IDWR	Date	08 17 170

WATER SUPPLY BANK LEASE CONTRACT No. 1172

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): 37-21777

SOLDIER CREEK

SWSWNW

Sec. 3 Twp 01S

Rge 14E CAMAS County

		Seas	on of	Use	Diversion	Volume	
Water Right	Beneficial Use	From		То	Rate (CFS)	(AF)	
37-21777	IRRIGATION	04/15	to	10/31	1.03 cfs	Not Stated	
				Totals:	1.03 cfs	Not Stated	

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Two F	Png	Sec		N	E			N/	Ν			SV	٧		SE			Totals	
TWP	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
01S	14E	9	37.4			14.3													51.7

Total Acres: 51.7

ADDITIONAL CONDITIONS OF ACCEPTANCE

- 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
- 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.

WATER SUPPLY BANK LEASE CONTRACT No. 1172

- 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 Idaho Code § 42-1412(6), 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 water right, when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the place of use
- 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. 37B.

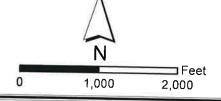
Idaho Water Resource Board Water Supply Bank Lease Contract No. 1172

34-713B Effective until December 31, 2024

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.







Form 42-1761-1 10/15 RECEIVED

STATE OF IDAHO WATER RESOURCE BOARD

MAR 8 2 2020 APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK

GHT 2 3 2019

DEPARTMENT OF WATER RESOURCES

DEPARTMENT OF WATER RESOURCES

Designated Applicant \

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

Water Right No.

37-21777

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

Yes No No

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

MIMUMUM REQUIREMENT CHECKLIST All items must be checked as either Attached (Yes) or Not Applicable (N/A)									
		All ite	ems must be checked as either	Aπacnea (Yes) or Not Applicable (N/A)					
		N.	Completed Application to Sell or	Lease a Water Right to the Water Supply Bank.					
		×	application and the water rights he rate or volume, the total fee for a must be used to irrigate the same	00 per water right. If you are submitting more than one lease have an overlapping, common place of use, or a common diversion all water rights is \$500.00. For places of use, multiple water rights to lands in order to qualify for the joint filing fee. Individual filing so that share a common permissible place of use but which cover the place of use.					
		X	Confirmation this form has been p	printed single sided, per requirement of the Water Supply Bank.					
Attachment	N/A	Yes							
1A		X	Signatures and contact informati application.	on for all owners of the water right to be leased or sold on this					
1B		X	An Internal Revenue Service (IRS	An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.					
1C	M		Notice of Change in Water Right	Ownership form (accessible from www.idwr.idaho.gov).					
1 D		□ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □	represent the Designated Applica	rized representative and documentary proof they are authorized to ant on this application. If the Designated Applicant is a business, sization or association, include documents identifying officers f of the entity.					
2		N	Description of a water right portion	on offered to the Water Supply Bank.					
3		X		pecific location where irrigated acres will be dried up, or where a spended. You have the option of printing a map using the map tool r.idaho.gov.	- 1				
4A		N	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 Us	se Only								
Fee Amount \$	250		Received By: Km	Date Received: 12-23-19 Receipt # CLOS 148					
W-9 received?	Yes [] No 🖸	(Route W-9 to Fiscal)	Name on W-9:					

STATE OF IDAHO WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT

(Continued)

1. CONTACT INFORMATION

A.	This application must be completed by a Design to the Water Supply Bank. If there are addition							
	to represent them on this application by comple	ting and signing Attachment 1A of t	his application package	ge.				
	Designated Applicant JOSEPH	ADAMSKI						
	Mailing Address PO Box 727	FAIRFIELD	/A	03327				
	Street		State	Zip Code				
	Email Address N/A	Phone Num	ber <u>208 358</u>	4-124				
	The Designated Applicant is the sole owner	r of the water right being sold or leas	sed to the Water Supp	oly Bank.				
	OR							
	The Designated Applicant is representing a	dditional water right holders who ha	ve completed Attach	ment 1A.				
B.	Has the Designated Applicant submitted an IRS If no, complete the form and attach to this application		n the last 2 years?	Yes No 🗌				
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.	D. Is this application being completed by an authorized representative of the Designated Applicant? Yes No is 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	Organization						
	Professional Title	Email Address						
	Mailing Address	P	hone Number					
	☐ Send all correspondence for this application	n to the representative and not to the	Designated Applican	t.				
	OR —							
	Send original correspondence to the Design	ated Applicant and copies to the rep	resentative.					
DE	SCRIPTION 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 I	Bank.						
_	If a portion of the water right is being offered, compl e							

3. MAP

2.

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

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.
Please provide a description of the current water diversion and delivery system.
on File
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. None
Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes No 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.
Will the present place of use continue to receive water from any other source? Yes No Yes
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.
Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. Note
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. IN WHEN BANK, And difch obliterated between diversion Point and point of use
Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan? Yes No

STATE OF IDAHO

WATER RESOURCE BOARD

RECEIVED DEPARTMENT OF WATER RESOURCES

APPLICATION TO SELL OR LEASE A WATER RIGHT

(Continued)

SALE/LEASE AGREEMENT

A.	Is the water right, or portion thereof, offered to the Idaho Water Res	source B	oard (IV	WRB) for sale 🗹 or lease 🔀?
	If lease, specify the years when the use of water will be suspended:	2020	to Zo	25	(maximum lease period 5 calendar years)
		(Year)	(Y	ear)	

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.

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.
- 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

Authorized Representative

Mail to:

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



State of Idaha DEPARTIMENT OF WATER RESCURCES

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 LITTL Governor GARY SPACKMAN Director

August 18, 2020

JOSEPH J & LISA M ADAMSKI PO BOX 727 FAIRFIELD, ID 83327

RE:

WATER SUPPLY BANK LEASE CONTRACT 1172

FOR WATER RIGHTS 37-21777

Dear Lessor:

Water rights 37-21777 was leased into the Water Supply Bank (Bank) as of January 1, 2020, 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 <u>unused</u> 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, 2024**, 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,

Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Southern Region Water District No. 37B



State of Ida) 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 LITT Governor GARY SPACKMAN Director

August 4, 2020

JOSEPH J & LISA M ADAMSKI PO BOX 727 FAIRFIELD, ID 83327

RE: APPLICATION TO LEASE WATER RIGHT 37-21777 TO THE WATER SUPPLY BANK CONTRACT 1172

****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, 2024,** 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 <u>Request to Release a Water Right from the Bank form.</u> To propose a new lease period, submit a new <u>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.</u>

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.

olusa - Vai Ivell

Sincerely,

Water Supply Bank

Enclosures: Proposed Lease Contracts

Memorandum

To: Water Right 37-21777

From: Justin Ferguson Date: May 28, 2020

Re: Water Supply Bank Lease Application

Purpose/Narrative: An application was received March 2, 2020 from Mr. Adamski offering the full portion of water right 37-21777 for lease to the Bank. An application had been received December 23, 2019 however it was found to be incomplete and returned. This application seeks to continue the prior lease beginning in 2015 through 2019, extending the lease term through the end of 2024.

Authority to File: The application was signed by both Joseph and Lisa Adamski, IDWR records indicate they are the current water right holders. Review of the parcel data indicates Mr. Adamski is also the land owner. No concerns at this time.

Water Right Validity/Forfeiture Evaluation: Water right 37-21777 was decreed through the SRBA in 2010 and placed into the Bank beginning in 2015. At the time of this review it appears a full period of non-use has not elapsed such that there is a question of forfeiture. No concerns at this time.

Injury Evaluation: No injury is apparent through the lease alone, proper rental review should protect against any possible injury. There are also no concerns of injury to the Trust Water or the ESPA as the acreage is intended to be idled.

Enlargement of Use: During the review it was found that there are no other irrigation water rights appurtenant to Mr. Adamski's place of use. Through the lease his acreage will be idled and should not constitute an enlargement.

Local Public Interest: Staff are unaware of any local public interests that are averse to the lease.

Beneficial Use/Conservation of Water Resources: The lease appears consistent with the conservation of water resources in Idaho.

Department/Watermaster Comments: IDWR Southern Region comments were requested May 28, 2020, No Cancerns were received.

Water Supply Bank Evaluation: Based on the information presented by the applicant, staff recommend the application be approved.