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## STATE OF IDAHO DEPARTMENT OF WATER RESOURCES

# WATER SUPPLY BANK LEASE CONTRACT No. 1137 WATER RESOURCES

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

LESSOR: STATE OF IDAHO LESSOR: ROGER G YOUNG

DEPT OF LANDS STATEHOUSE PO BOX 430

BOISE, ID 83720-0050 MOUNTAIN HOME, ID 83647

#### **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 30, 2019.
- 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)
2-10426	12/6/1974	SNAKE RIVER, tributary to COLUMBIA RIVER	0.40	100	20.0
Combined L	ease Totals		0.40	100	20.0

#### 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)
2-10426	0.39	77.1	19.3	0.02	4.0
Combined Limit Totals	0.39	77.1	19.3	0.02	4.0

<sup>\*</sup> The water right elements rentable have been reduced from the water right elements leased to account for combined limits and the field headgate standard

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

### WATER SUPPLY BANK LEASE CONTRACT No. 1137

- 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.
- 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. 1137**

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

LESSOR:	STATE OF IDAHO	LESSOR:	ROGER G YOUNG
	DEPT OF LANDS STATEHOUSE		PO BOX 430
	BOISE, ID 83720-0050	17	MOUNTAIN HOME, ID 83647
Ву		ву <u>\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \</u>	gan & young
Title			SWNER "
Date		DateO	4/16/2020
322 East Fron P.O. Box 8372 Boise, ID 8372	0		Date <u>07/02/20</u>
	esource Board		
Lease approve	ed by IDWR		Date 07/02/70

### **WATER SUPPLY BANK LEASE CONTRACT No. 1137**

# 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): 2-10426

SNAKE RIVER L 6NWNWSW Sec. 31 Twp 05S Rge 06E OWYHEE County

		Seas	on of	Use	Diversion	Valuma
Water Right	Beneficial Use	From		То	Rate (CFS)	Volume (AF)
2-10426	IRRIGATION	03/01	to	11/15	0.40 cfs	100 AF
				Totals:	0.40 cfs	100 AF

#### PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec		N	E			N\	Ν			SV	٧			S			Takala
TWP	Tilly	Sec	NE	NW	SW	SE	Totals												
058	05E	36				20													20
030	UJL	30				L2													20

Total Acres: 20

#### 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 <u>not</u> 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.
- 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.

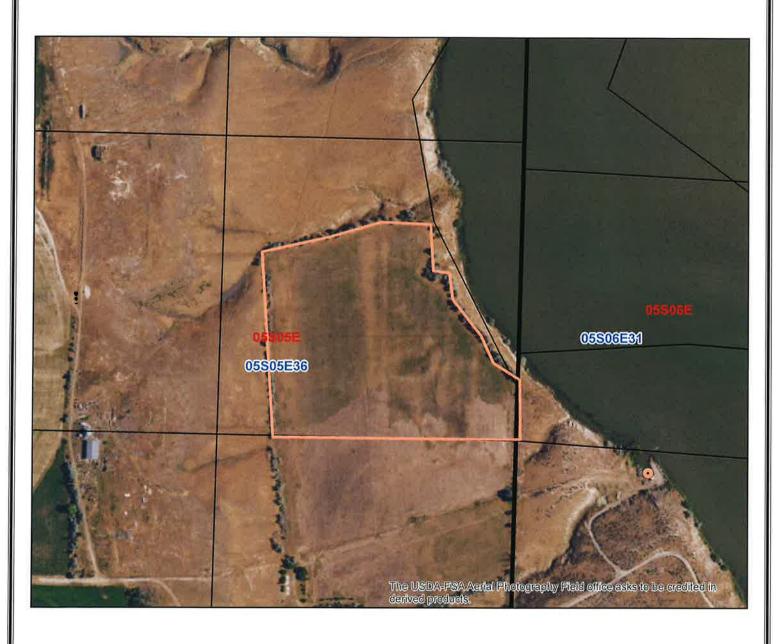
#### WATER SUPPLY BANK LEASE CONTRACT No. 1137

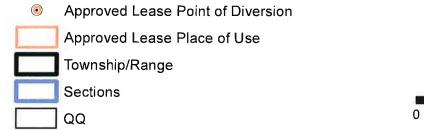
- 9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
- 10. If a water right leased 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. The ownership of this water right is governed by a settlement agreement executed by the Idaho Department of Lands and Roger G. Young dated September 2, 2009.
- 13. 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.
- 14. Use of water under this right may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 02.

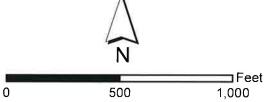
# Idaho Water Resource Board Water Supply Bank Lease Contract No. 1137

2-10426 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.







### RECEIVED

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

DEC 3 0 2019

DEPARTMENT OF WATER RESOURCES

Designated Applicant	Roger G Young	Water Right No.	2-10426	
	(Select one owner – see item 1A on the application)		(One water	right per application)
Is this application bein	g submitted with a rental application as a lease/rental page	ekage?	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.

	===	A 11 :4	MIMUMUM REQUIREMENT CHECKLIST					
		Yes	ems must be checked as either Attached (Yes) or Not Applicable (N/A)					
		√.	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.					
		<b>V</b>	Confirmation this form has been printed single sided, per requirement of the Water Supply Bank.					
Attachment	N/A	Yes						
1A		<b>7</b>	Signatures and contact information for <i>all owners</i> of the water right to be leased or sold on this application.					
1B		$\checkmark$	An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.					
1C	<b>/</b>		Notice of Change in Water Right Ownership form (accessible from www.idwr.idaho.gov).					
1D	<b>7</b>		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		<b>✓</b>	Description of a water right portion offered to the Water Supply Bank.					
3		7	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: <a href="www.idwr.idaho.gov">www.idwr.idaho.gov</a> .					
4A	<b>V</b>		Written consent from irrigation district or water delivery company.					
<b>4</b> G		<b>✓</b>	Evidence demonstrating the water right has not been forfeited pursuant to Section 42-222(2), Idaho Code.					
Department Us	se Only							
Fee Amount \$	500	) ·	Received By: KM Date Received: 12-30-19 Receipt # C108178					
W-9 received?	Yes 🗹	No [						

#### **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 Roger G Young Mailing Address PO Box 430 Mountain Home ID 83647-0430 City State Zip Code Email Address rogery@aim.com Phone Number 208-845-2108 cell:208.599.4896 The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank. 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). 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 \_\_\_\_\_\_ Organization \_\_\_\_ Email Address Professional Title Mailing Address Phone Number Send all correspondence for this application to the representative and not to the Designated Applicant. Send original correspondence to the Designated Applicant and copies to the representative. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK The full water right is being offered to the Bank.

#### 3. MAP

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.

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**.

### **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 V 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.
В.	Please provide a description of the current water diversion and delivery system.
	From the point of diversion, river water is pumped into a closed pipeline system and transported to the point of
	use and then applied by sprinkler, furrow and flood irrigation.
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. none
D.	Are any of the water rights identified in Section 4C stacked with the water right proposed for lease?  Yes  No  V
	Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of \$500.
E.	Will the present place of use continue to receive water from any other source?  Yes No
	If yes, explain the relationship between the different water sources and how enlargement of the authorized use will not occur
	if this water right is leased
F.	Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. The full water right has been under IDWR lease contract ID220 that ends 12/31/2019.
G.	Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes V 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. The full water right has been under IDWR lease contract ID220 that ends 12/31/2019.
Н.	Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?
	If yes, describe.

### **APPLICATION TO SELL OR LEASE A WATER RIGHT**

(Continued)

5	SA	I F/I	FASE	<b>AGREEMENT</b>
J.	3M		LEASE	AGREEMENT

5. SALE/LEASE AGREEMENT										
A. Is the water right, or portion thereof, or	ffered to the Idaho Water Resource Board	(IWRB) for sale ☐ or lease ☑?								
If lease, specify the years when the us	e of water will be suspended: 2020 to 2	(maximum lease period 5 calendar years).								
B. Show the minimum payment acceptab	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	ne method of determining the minimum pay	yment if other than the current rental rate.								
Current rental rate										
		4								
I hereby assert that the information containauthorities necessary to offer this water right										
The Designated Applicant acknowledges the	ne following:									
1. Payment to the Designated Applic	ant is contingent upon the sale or rental of	the water right from the Bank.								
<ol><li>While a water right is in the Bank right is not rented from the Bank.</li></ol>	, the seller/lessor of the water right may no	t use the water right, even if the water								
<ol><li>A water right accepted into the confirmation from the Board or W</li></ol>	e Bank stays in the Bank until the De atter Supply Bank that the water right has be	signated Applicant receives written been released from the Bank.								
4. While a water right is in the Bank	-									
5. Acceptance of a water right into the of the water right.	ne Bank does not, in itself, confirm the vali	idity of the water right or any element								
Roser & Ununs	Roger Young	12/30/2019								
Signature of Designated Applicant	Printed Name	Date								
Signature of Authorized Representative	Printed Name	Date								
S.D	I Intole I tellio	Date								

Mail to:

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

Form 42-1761-1 10/15

#### 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).	2-10426

	Designated Applicant	Applicant #2	Applicant #3
Name	Roger G Young	State of Idaho Dept. of Lands	
Mailing Address	PO Box 430 Mountain Home, ID 83647-0430	300N 6th Street, Suite 103 PO Box 83720 Boise, Idaho 83720-0050	
Phone Number	208.845.2108 cell: 208.599.4896		
Email Address	rogery@aim.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	Roger & Young	BY ATTACHED AGREE.	

	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			

## AGREEMENT REGARDING LEASE OF WATER RIGHT 02-10426 INTO WATER SUPPLY BANK

This agreement ("Agreement") is made this \_\_\_\_\_\_ day of April, 2016 by and between the Idaho Department of Lands ("IDL"), P.O. Box 83720, Boise ID 83720-0050, and Roger G. Young ("Young"), P.O. Box 430, Mountain Home ID 83647.

WHEREAS, IDL and Young are co-owners of water right 02-10426.

WHEREAS, Young desires to lease water right 02-10426 into the Idaho Water Resource Board's ("IWRB") Water Supply Bank.

WHEREAS, IDL agrees that leasing water right 02-10426 into the Water Supply Bank is an acceptable course of action.

NOW THEREFORE, in consideration of the foregoing and the mutual promises and covenants herein contained, the parties agree as follows:

- 1. As co-owner of water right 02-10426, IDL gives its permission for Young to lease water right 02-10426 into the Water Supply Bank.
- 2. Young will submit to the IWRB any and all appropriate applications and documentation necessary to lease water right 02-10426 into the Water Supply Bank.
- 3. Young will bear any costs associated with leasing water right 02-10426 into the Water Supply Bank including, if applicable, any application fees.
- 4. IDL and Young agree to not use water right 02-10426 while it is in the Water Supply Bank, even if water right 02-10426 is not rented from the bank.
- 5. IDL and Young agree the minimum payment acceptable for rental of water right 02-10426 is the current rental rate at the time of rental.
- 6. Should water right 02-10426 be rented from the Water Supply Bank, payment for the rental will be split 50/50 between IDL and Young.
- 7. Payment of the 50% rental rate due to IDL should be submitted to:

Idaho Department of Lands Southwest Area Office 8355 West State Street Boise Idaho 83714 8. Payment of the 50% rental rate due to Young should be submitted to:

Roger Young P.O. Box 430 Mountain Home, ID 83647

- 9. This Agreement will terminate automatically when water right 02-10426 is no longer leased into the Water Supply Bank.
- 10. No change, modification, or waiver of any term of this Agreement shall be valid unless it is in writing and signed by both IDL and Young.
- 11. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements or understandings between IDL and Young.
- 12. Nothing in this Agreement shall be construed as a waiver of IDL's sovereign immunity, which immunity is hereby expressly reserved.

Bob Pietras

Southwest Supervisory Area Manager

Idaho Department of Lands

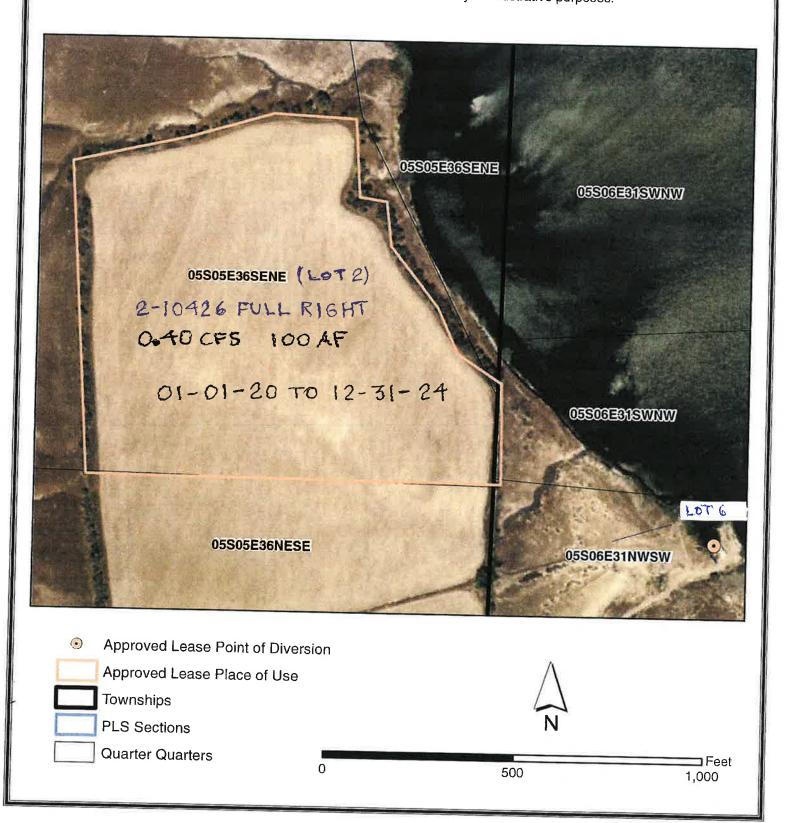
Date: 6/7/16

Date: 05-19-2016

# Idaho Water Resource Board Water Supply Bank Lease

2-10426 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.





# State of Ideho DEPARTMENT OF WATER RESUURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise 1D 83720-0098

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

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

BRAD LITTLE Governor July 8, 2020

GARY SPACKMAN Director

ROGER G YOUNG PO BOX 430 MOUNTAIN HOME ID 83647-0430

RE:

**WATER SUPPLY BANK LEASE CONTRACT 1137** 

**FOR WATER RIGHTS 2-10426** 

Dear Lessor:

Water rights 2-10426 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 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**, **2020**, 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 <a href="https://www.idwr.idaho.gov">www.idwr.idaho.gov</a>. 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 <a href="mailto:bank@idwr.idaho.gov">bank@idwr.idaho.gov</a> or 208-287-4800.

Sincerely,

Water Supply Bank

Enclosure: Executed Lease Contract

ohan-Vabell

c: IDWR- WESTERN REGION WATER DISTRICT NO. 02



# State of I ho 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

April 10, 2020

ROGER G YOUNG PO BOX 430 MOUNTAIN HOME ID 83647-0430

RE: APPLICATION TO LEASE WATER RIGHT 2-10426 TO THE WATER SUPPLY BANK CONTRACT 1137

\*\*\*\*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 <a href="http://www.idwr.idaho.gov">http://www.idwr.idaho.gov</a>. 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 <a href="mailto:bank@idwr.idaho.gov">bank@idwr.idaho.gov</a> or 208-287-4800.

Sincerely,

Water Supply Bank

Enclosures: Proposed Lease Contracts

Receipt # C108178

#### Memorandum

To: Water Rights 2-10426

From: Justin Ferguson

Date: January 29, 2020

Re: Water Supply Bank Lease Application 1580

**Purpose/Narrative:** An application was received from Mr. Roger Young on December 30, 2019 offering the full portion of 2-10426 for lease to the Bank. From a review of the previous lease application it appears Mr. Young has submitted the same information as a renewal package through the end of 2024. The right is a surface water right from the Snake River owned by both Mr. Young and Idaho department of Lands (IDL). Submitted with the application package is an agreement between Mr. Young and IDL allowing Mr. Young to lease the right to the Bank and splitting any rental payment received 50% to Mr. Young and 50% to IDL.

**Authority to File:** The application was signed and submitted by Mr. Young as co-owner of the water right. An agreement provided in the application package provides permission from the other co-owner, IDL, allowing Mr. Young to lease the right. No concerns at this time.

Water Right Validity/Forfeiture Evaluation: The right was decreed in 2009 and offered for lease in 2015. Similarly to Mr. Young's other water rights, 2-10427 & 2-10432, while a five year period did elapse, per the "Multiple Programs Memo No. 2 – Forfeiture Review Period" the applicant took action in the sixth year such that forfeiture is prevented.

It is important to note the forfeiture period is only tolled, not reset, when a right is taken into the Bank. This would mean that, upon the expiration of the contract, the applicant would have to take immediate action or continue to lease the right to the Bank to toll or prevent forfeiture.

**Injury Evaluation:** No injury is apparent through the lease, proper rental review should protect against injury.

**Enlargement of Use:** No enlargement is apparent through the lease alone as the entirety is being offered for lease. There is another right appurtenant to the same place of use however, it is for stockwater only.

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:** Watermaster and IDWR Western Region comments were requested January 29, 2020

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

#### Ferguson, Justin

From:

Ferguson, Justin

Sent:

Wednesday, January 29, 2020 1:41 PM

To:

Whitney, Rob; Miller, Nick; Erling, Jes

Subject:

WSB Lease Application - Roger Young/State of Idaho

**Attachments:** 

Lease Review Memo.docx; Draft Lease Contract Roger Young 2-10427 & 2-10432.docx; Lease Map Young 2-10427 & 2-10432.pdf; Lease Review Memo.docx; Draft Lease Roger

Young 2-10426.docx; Lease Map Young 2-10426.pdf

#### Afternoon!

Attached are the draft rental maps, memos, and agreements for Roger Young & the State of Idaho. Please let me know if you have any comments or concerns, IDWR will assume you do not object to this application if a timely response is not received.

Thank you!