

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

## WATER SUPPLY BANK LEASE CONTRACT No. 1098

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

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

RECEIVED

FEB 17 2020

DEPARTMENT OF  
WATER RESOURCES

### RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources and received by the Department on December 17, 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) |
|---------------------|---------------|------------------------------------------|----------------------|-----------------------|------------|
| 37-21114            | 3/24/1883     | BIG WOOD RIVER, tributary to MALAD RIVER | 0.38                 | Not Stated            | 15         |
| <b>Lease Totals</b> |               |                                          | <b>0.38</b>          | <b>Not Stated</b>     | <b>15</b>  |

#### 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) |
|---------------------|----------------------|-----------------------|----------------------|------------------------|-------------------------|
| 37-21114            | 0.30                 | 52.5                  | 15                   | 0.02                   | 3.5                     |
| <b>Limit Totals</b> | <b>0.30</b>          | <b>52.5</b>           | <b>15</b>            | <b>0.02</b>            | <b>3.5</b>              |

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

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

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DEPARTMENT OF WATER RESOURCES

**WATER SUPPLY BANK LEASE CONTRACT No. 1098**

8075/2/12/20

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2020 to December 31, ~~2021~~ 2020. This Lease shall bind the parties and take effect when both parties have signed it.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
5. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right is administratively changed due to a water right split and renumbering, this lease may be reduced by an equal amount to reflect the water right elements as legally defined under the water right. If a lease contract cannot be reduced sufficient to reflect the legal definition of a water right as amended through a water right split and/or water right transfer, the Board may release the water right from the Water Supply Bank.
6. **ASSIGNMENT OF CONTRACT:** This lease is between the Board and the Lessor, who is the recognized owner or designated representative of the recognized owners of water rights described herein. Should ownership of any part of a water right herein described change during the term of this lease, either through a water right split, a water right transfer, sale of property to which the water right is appurtenant, or through any other recognized water right reassignment, the lease benefits and obligations to the conditions of acceptance for any such water rights will be assigned to the new owners.
7. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

**WATER SUPPLY BANK LEASE CONTRACT No. 1098**

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

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

By *Carol Holmes*  
Title *Superintendent*  
Date *2/12/20*

**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 *02/28/20*

Lease approved by IDWR *Patton*

Date *02/28/20*

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

**WATER SUPPLY BANK LEASE CONTRACT No. 1098**

**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): 37-21114**

|                |        |         |         |         |               |
|----------------|--------|---------|---------|---------|---------------|
| BIG WOOD RIVER | SWNW   | Sec. 20 | Twp 03N | Rge 18E | BLAINE County |
| BIG WOOD RIVER | NESESE | Sec. 22 | Twp 02N | Rge 18E | BLAINE County |

| Water Right | Beneficial Use | Season of Use |    |       | Diversion Rate (CFS) | Volume (AF) |
|-------------|----------------|---------------|----|-------|----------------------|-------------|
|             |                | From          |    | To    |                      |             |
| 37-21114    | IRRIGATION     | 04/15         | to | 10/31 | 0.38 cfs             | Not Stated  |
| Totals:     |                |               |    |       | 0.38 cfs             | Not Stated  |

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

| Twp | Rng | Sec | NE |    |    |    | NW |    |    |     | SW  |    |    |    | SE |    |    |    | Totals |
|-----|-----|-----|----|----|----|----|----|----|----|-----|-----|----|----|----|----|----|----|----|--------|
|     |     |     | NE | NW | SW | SE | NE | NW | SW | SE  | NE  | NW | SW | SE | NE | NW | SW | SE |        |
| 02N | 18E | 10  |    |    |    |    |    |    |    | 7.8 | 7.2 |    |    |    |    |    |    |    | 15     |

Total Acres: 15

**ADDITIONAL CONDITIONS OF ACCEPTANCE**

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

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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 portion of this right committed to mitigation for the diversion of water right 37-21177 is 0.08 cfs. This portion of the right shall be managed as a surface water diversion, and the pump for right 37-21177 shall be the regulating structure for management. When the pump is on, the portion of this right mitigating for water right 37-21177 shall be considered as a constant diversion from the Big Wood River.
13. This right mitigates for the depletion of water resulting from the diversion and use of water under Rights 37-8821 and 37-21177. To prevent injury to other water right holders, the right holder shall cease diverting and using 0.68 cfs of this right, which shall remain undiverted in the Big Wood River. If the mitigation portion of this right is used for any purpose other than conveyance loss, then water shall not be diverted under Rights 37-8821 and 37-21177. If the mitigation portion of this right is not deliverable due to a shortage of water or a priority call, then the amount of water authorized for diversion under the uses of Rights 37-8821 and 37-21177 that are being mitigated shall be reduced by the same proportion as the reduction to this right.
14. The portion of Right 37-21114 (portion of water right no. 37-0577) used for mitigation purposes shall be listed as a consumptive right in the water district decree book for the Big Wood River above Magic Reservoir. The mitigating flow amount of Right 37-21114 (portion of water right no. 37-0577) shall be administered as a Big Wood River surface right, with the point of diversion considered as the location on the river closest to the point of diversion for permit 37-21177, as described in the permit. The right shall be considered delivered, or on, when the pump for permit 37-21177 is in use.
15. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 37, Big Wood River.
16. The point of diversion for the 0.08 cfs of this right committed to mitigation for right 27-21177 shall be the location on the Big Wood River within the NESESE, Section 22, Twp. 2N, Rge. 18E, B.M., which is the point on the river closest to the point of diversion for right 37-21177.
17. A portion of this right provides conveyance for other right holders in the shared delivery of water through the Hiawatha canal. To prevent injury to other water right holders, the watermaster shall deliver 20% or 0.08 cfs of the leased portion of this right into the Hiawatha Canal whether it is rented or not.
18. The unleased portion of this right is limited to 0.68 cfs for mitigation within the Big Wood River.

Idaho Water Resource Board  
Water Supply Bank Lease Contract No. 1098

37-21114

Effective until December 31, ~~2021~~ 2020

*802/2/2/20*

This map depicts the **place of use to be idled** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



-  Approved Lease Point of Diversion
-  Approved Lease Place of Use
-  Township/Range
-  Sections



0 5,000 10,000 Feet

STATE OF IDAHO  
WATER RESOURCE BOARD

RECEIVED

DEC 17 2019

DEPARTMENT OF  
WATER RESOURCES

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

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

Water Right No. 37-21114  
(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 | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Signatures and contact information for <b>all owners</b> of the water right to be leased or sold on this application.                                                                                                                                                                                                                                  |
| 1B | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | An <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant.                                                                                                                                                                                                                                                                        |
| 1C | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <i>Notice of Change in Water Right Ownership</i> form (accessible from <a href="http://www.idwr.idaho.gov">www.idwr.idaho.gov</a> ).                                                                                                                                                                                                                   |
| 1D | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | 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  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Description of a water right portion offered to the Water Supply Bank.                                                                                                                                                                                                                                                                                 |
| 3  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | 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="http://www.idwr.idaho.gov">www.idwr.idaho.gov</a> .                                                            |
| 4A | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Written consent from irrigation district or water delivery company.                                                                                                                                                                                                                                                                                    |
| 4G | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Evidence demonstrating the water right has not been forfeited pursuant to <u>Section 42-222(2), Idaho Code</u> .                                                                                                                                                                                                                                       |

#### Department Use Only

|                                                                                                         |                        |                                |                          |
|---------------------------------------------------------------------------------------------------------|------------------------|--------------------------------|--------------------------|
| Fee Amount \$ <u>750.00</u>                                                                             | Received By: <u>KM</u> | Date Received: <u>12-17-19</u> | Receipt # <u>C108109</u> |
| W-9 received? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Route W-9 to Fiscal) |                        | Name on W-9:                   |                          |

STATE OF IDAHO  
WATER RESOURCE BOARD

**APPLICATION TO SELL OR LEASE A WATER RIGHT**  
(Continued)

**1. CONTACT INFORMATION**

- A. This application must be completed by a Designated Applicant who is a current owner of the water right being sold or leased to the Water Supply Bank. If there are additional current owners, those individuals must authorize the Designated Applicant to represent them on this application by completing and signing Attachment 1A of this application package.

Designated Applicant Blaine County School District #61

|                                           |                     |                      |                         |
|-------------------------------------------|---------------------|----------------------|-------------------------|
| Mailing Address <u>118 W. Bullion St.</u> | <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 208-578-5000

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

OR

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

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

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

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

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

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

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

Name of Representative Lori Graves Organization SPF Water Engineering

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

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

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

OR

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

**2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK**

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

OR

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

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

**3. MAP**

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

STATE OF IDAHO  
WATER RESOURCE BOARD

**APPLICATION TO SELL OR LEASE A WATER RIGHT**  
(Continued)

**4. GENERAL INFORMATION**

- A. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☒ No ☐  
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 4A).  
*If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to Section 42-108, Idaho Code and IDAPA WSB Rule 37.02.03.25.02e.*
- B. Please provide a description of the current water diversion and delivery system.  
Hiawatha Canal  
\_\_\_\_\_
- C. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank. n/a - water right was purchased and withheld from the property  
\_\_\_\_\_  
\_\_\_\_\_
- 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. n/a - water right was purchased and withheld from property  
\_\_\_\_\_  
\_\_\_\_\_
- F. Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. n/a - subject acres have been leased to the bank multiple years. This application seeks to renew lease #858 set to expire 12/31/2019.  
\_\_\_\_\_  
\_\_\_\_\_
- G. Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes ☒ No ☐  
If yes, describe the circumstances and attach evidence to demonstrate how the water right has not been lost through forfeiture (Attachment 4G). See Section 42-223, Idaho Code for exceptions to forfeiture. Your application may be denied if forfeiture concerns are not addressed. See item 4F above.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?  
If yes, describe. Yes ☒ No ☐  
This right currently mitigates 22.9 acres irrigation authorized under water right 37-8821 and 2 acres irrigation authorized under permit 37-21177. The current mitigation portion is not included for lease.  
\_\_\_\_\_

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: 2020 to 2021 (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.  
standard 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.

*Juan Carlos H. Holmes, Esq.* *Gwen Carol H. Holmes*  
Signature of Designated Applicant Printed Name

*11/22/17*  
Date

*Lori Graves*  
Signature of Authorized Representative

*LOKI GRAVES*  
Printed Name

*12/16/19*  
Date

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

STATE OF IDAHO  
WATER RESOURCE BOARD

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

ATTACHMENT 2

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

| 1. <u>Water Right Number</u> | <u>Nature of Use</u> | <u>Leased Rate</u><br>(cfs) | <u>Leased Volume</u><br>(af) | <u>Leased Acres</u><br>(ac) |
|------------------------------|----------------------|-----------------------------|------------------------------|-----------------------------|
| 37-21114                     | Irrigation           | 0.38                        |                              | 15                          |
|                              |                      |                             |                              |                             |
|                              |                      |                             |                              |                             |
|                              |                      |                             |                              |                             |
|                              | Total Amounts:       | 0.38                        |                              | 15                          |

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

3. Point(s) of diversion:

| Twp | Rge | Sec | Lot | ¼  | ¼  | ¼  | County |
|-----|-----|-----|-----|----|----|----|--------|
| 2N  | 18E | 22  |     | NE | SE | SE | Blaine |
| 3N  | 18E | 20  |     |    | SW | NW | Blaine |
|     |     |     |     |    |    |    |        |
|     |     |     |     |    |    |    |        |
|     |     |     |     |    |    |    |        |
|     |     |     |     |    |    |    |        |
|     |     |     |     |    |    |    |        |





State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

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

BRAD LITTLE  
Governor

GARY SPACKMAN  
Director

March 2, 2020

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

RE: **WATER SUPPLY BANK LEASE CONTRACT 1098  
FOR WATER RIGHTS 37-21114**

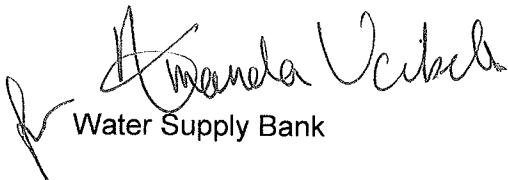
Dear Lessor:

Water rights **37-21114** were 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 [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 Uchida  
Water Supply Bank

Enclosure: Executed Lease Contract

c: Corey Skinner - IDWR Southern Region  
Kevin Lakey – 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

February 4, 2020

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

### RE: APPLICATION TO LEASE WATER RIGHT 37-21114 TO THE WATER SUPPLY BANK CONTRACT 1098

\*\*\*\*TIME SENSITIVE RESPONSE REQUIRED\*\*\*\*

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

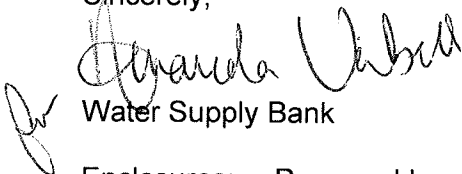
The right will automatically be released from the Bank on **December 31, 2021**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your right may not be available for immediate release if it has been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

If you have questions regarding this matter, please contact this office at [bank@idwr.idaho.gov](mailto:bank@idwr.idaho.gov) or 208-287-4800.

Sincerely,

  
Amanda Vukobratovic  
Water Supply Bank

Enclosures: Proposed Lease Contracts

## Ferguson, Justin

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**From:** Ferguson, Justin  
**Sent:** Wednesday, January 8, 2020 1:26 PM  
**To:** Skinner, Corey; watermanager@cableone.net  
**Subject:** WSB Lease - At Last Ranch & Blaine County School Dist.  
**Attachments:** Draft Lease At Last Ranch 37-276H.docx; Lease At Last Ranch 37-276H.pdf; Lease Review Memo.docx; Draft Lease Blaine County School Dist 61.docx; Lease Blaine County School Dist 61.pdf; Lease Review Memo.docx; Draft Lease Blaine County School Dist 61.docx; Lease Blaine County School Dist 61.pdf; Lease Review Memo.docx

Afternoon!

Attached are the draft lease contract, map, and review memo for the At Last Ranch and Blaine County School District. Please let me know within 7 days if you have any comments or concerns

Thank you!



**SPF WATER**  
ENGINEERING

December 18, 2019

RECEIVED

DEC 23 2019

DEPARTMENT OF  
WATER RESOURCES

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

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

Dear Justin,

As promised, enclosed is an authorization from Hiawatha Canal Co. required for the Blaine County School District #61 Water Bank lease applications sent to you December 16, 2019 for the water rights listed above.

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

Sincerely,

Lori Graves  
Water Rights Specialist

Cc: Howard Royal

Enclosures

SPF file number: 322.0080

# HIAWATHA CANAL

P.O. Box 1604 • Hailey, ID 83333

December 17, 2019

RECEIVED

DEC 23 2019

DEPARTMENT OF  
WATER RESOURCES

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

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

Dear Sir or Madam:

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

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

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

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

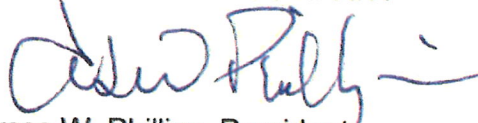
1. The Canal Company does not presently object to the aforementioned water rights being placed in the Water Bank, provided that twenty-percent (20%) of the right is left in the Canal as conveyance loss; and

2. The Canal Company would like to be notified if the water rights are eventually released from the Water Bank, or if the Water Rights are being leased again to the Water Bank after the expiration of the lease period.

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

Sincerely,

HIAWATHA CANAL COMPANY



James W. Phillips, President

FXH: fxh  
cc: client



**SPF WATER**  
ENGINEERING

December 16, 2019

RECEIVED

DEC 17 2019

DEPARTMENT OF  
WATER RESOURCES

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

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

Dear Justin,

Enclosed on behalf of Blaine County School District #61, are applications to lease the above water rights to the water supply bank. These rights are currently in the bank under Contract Nos. 858 and 866 and are set to be released 12/31/2019. Applicant wishes to keep the water in the bank for another year. The School District Superintendent GwenCarol Holmes signed the applications.

Authorization from Hiawatha Canal Co. has been requested and will be provided upon receipt.

Check No. 014809 is enclosed for the \$750 filing fee.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Graves".

Lori Graves  
Water Rights Specialist

Cc: Howard Royal

Enclosures

SPF file number: 322.0080