

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1038

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

LESSOR: DEER CREEK RANCH INC
500 NEWPORT CENTER DR STE 440
NEWPORT BEACH, CA 92660-7004

RECEIVED
JAN 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 April 22, 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	Diversio n Rate (CFS)	Diversio n Volume (AF)	Acres (AC)
37-466	4/1/1880	DEER CREEK, tributary to BIG WOOD RIVER	3.65	Not Stated	182.7
37-11329	7/21/1956	GROUND WATER, tributary to DEER CREEK	0.93	187.0	53.4
Combined Lease Totals			3.65	Not Stated	182.7

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.
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.

SUPPORT DATA
IN FILE # 37-466

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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.

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

LESSOR: DEER CREEK RANCH INC
500 NEWPORT CENTER DR STE 440
NEWPORT BEACH, CA 92660-7004

By 
Title CFO
Date 1/9/2020

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By  Date 01/23/20
Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR  Date 01/23/20

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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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): 37-11329, 37-466

GROUND WATER	NENESE	Sec. 26	Twp 03N	Rge 17E	BLAINE County
GROUND WATER	SESESE	Sec. 30	Twp 03N	Rge 18E	BLAINE County
GROUND WATER	NESESE	Sec. 30	Twp 03N	Rge 18E	BLAINE County

Source and Location of Point(s) of Diversion for Water Right No(s): 37-466

DEER CREEK	NESESE	Sec. 30	Twp 03N	Rge 18E	BLAINE County
GROUND WATER	SESESW	Sec. 30	Twp 03N	Rge 18E	BLAINE County
GROUND WATER	NWNESW	Sec. 30	Twp 03N	Rge 18E	BLAINE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
37-11329	IRRIGATION	04/15	to	10/31	0.930 cfs	639.5 af
37-466	IRRIGATION	04/15	to	10/31	3.650 cfs	187.0 af
Totals:					3.650 cfs	639.5 af

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
03N	17E	25							5.6	13.0	26.0	28.0							72.6
03N	17E	26				2.1					5.0		14.0	22.0	37.0	19.0	11.0		110.1

Total Acres: 182.7

ADDITIONAL CONDITIONS OF ACCEPTANCE

- The water rights referenced above will be rented from the bank at the current rental rate.
- 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.
- 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.
- 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.
- While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
- Rental of water under this right is subject to the limitations and conditions of approval of the water right.
- Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

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DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1038

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. The right holder shall make full beneficial use of the unleased extent of right 37-466 prior to diversion and use under the unleased extent of right 37-11329. The right holder shall limit the diversion of ground water under the unleased extent of right 37-11329 to those times when the unleased extent of right 37-466 is not available or is not reasonably sufficient to irrigate the place of use authorized under this right.
13. If the unleased extent of right 37-466 appurtenant to the place of use is sold, transferred, leased or used on any other place of use, the unleased extent of right 37-11329 shall not be used without an approved transfer pursuant to Section 42-222, Idaho Code, or approval of the Department if a transfer is not required.
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. 37.
15. The diversion of up to 3.65 cfs of ground water shall be contingent upon an equivalent amount of water being measured at a point in Deer Creek within the SESW, S26, T3N, R17E.
16. If flows less than 3.65 cfs are measured in Deer Creek, ground water diversions under a rental of these water rights shall be reduced accordingly. Such pumping reductions must be made within 24 hours of the measurement showing reduced flows.
17. Water right 37-11329 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.
18. Water right 37-466 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.
19. The unleased extent of water rights 37-466 and 37-11329 are limited to the irrigation of a specific 306.3 acres within the 714.9 acre place of use authorized by these water rights in a single irrigation season. The specific 306.3 acres authorized to be irrigated have been identified by submittal of a land list and a representative electronic shape file and map.
20. The unleased extent of water rights 37-466 and 37-11329 when combined shall not exceed a total diversion rate of 6.13 cfs and the irrigation of 306.3 acres.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1038





21. The right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of both ground water and surface water diversions.
22. Diversion of groundwater is limited to those times water is available for diversion under this right and priority from Deer Creek.
23. Any subsequent transfer of the point of diversion described under water right 37-466 will require evidence that the new point of diversion has a direct and immediate hydraulic connection to Deer Creek.

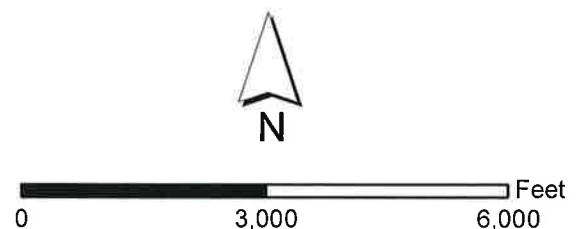
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1038

34-466 & 37-11329
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.



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



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

APR 22 2019

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant Deer Creek Ranch Inc

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

Water Right No. 37-466

(One water right per application)

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

Yes ☐ No ☒

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

MINIMUM REQUIREMENT CHECKLIST

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

Yes

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

Attachment N/A Yes

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

Department Use Only

Fee Amount \$ <u>250</u>	Received By: <u>AW</u>	Date Received: <u>4/22/19</u>	Receipt # <u>C06617</u>
W-9 received? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	(Route W-9 to Fiscal)	Name on W-9: <u>Deer Creek Ranch, Inc.</u>	

14024

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 Deer Creek Ranch, Inc.

Mailing Address 500 Newport Center Dr., Suite 440, Newport Beach, CA 92660

Street

City

State

Zip Code

Email Address sward@irvinecompany.com

Phone Number 949-720-3405

☒ 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 Jonas Reagan

Organization BARKER ROSHOLT & SIMPSON, LLP

Professional Title Attorney

Email Address jreagan@idahowaters.com

Mailing Address PO Box 63, Twin Falls, Idaho, 83303-0063

Phone Number (208) 733-0700

☐ 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.

Water is pumped from wells and diverted through pipelines to pivots and other sprinklers throughout the POU.

- 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 ☐
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. This right has been leased to the WSB for the past 5-years, expiring on December 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. This right has been leased to the WSB for the past 5-years, expiring on December 31, 2019.

- 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 ☒

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 2024 (maximum lease period 5 calendar years).
(Year) (Year)

B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.
Current rental rate.

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right, even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture is stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any element of the water right.

Signature of Designated Applicant

~~Stephen Ward~~

Printed Name

Date

Signature of Authorized Representative

Jonas A. Reagan

Printed Name

Date

4/19/19

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> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
<u>37-466</u>	<u>Irrigation</u>	<u>3.65 CFS</u>		<u>182.7</u>
	Total Amounts:	<u>3.65 CFS</u>		<u>182.7 ACRES</u>

2. Source of water Groundwater/Deer Creek tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
3N	17E	26		NE	NE	SE	BLAINE
	18E	30		NW	NE	SW	BLAINE
				SE	SE	SW	BLAINE
				NE	SE	SE	BLAINE (DEER CREEK & GW)
				SE	SE	SE	BLAINE



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

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

BRAD LITTLE
Governor

GARY SPACKMAN
Director

January 24, 2020

DEER CREEK RANCH INC
500 NEWPORT CENTER DR STE 440
NEWPORT BEACH, CA 92660-7004

**RE: WATER SUPPLY BANK LEASE CONTRACT 1038
FOR WATER RIGHTS 37-466, 37-11329**


Dear Lessor:

Water rights **37-466, 37-11329** 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, 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,


Amanda Vabed
for Water Supply Bank

Enclosure: Executed Lease Contract

c: Corey Skinner - IDWR Southern Region
Kevin Lakey - Water District 37
Jonas Reagan - Barker Rosholt & Simpson



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

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

BRAD LITTLE
Governor

GARY SPACKMAN
Director

January 9, 2020

DEER CREEK RANCH INC
500 NEWPORT CENTER DR STE 440
NEWPORT BEACH, CA 92660-7004

RE: APPLICATION TO LEASE WATER RIGHT 37-466, 37-11329 TO THE WATER SUPPLY BANK CONTRACT 1038

****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 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 287-4800.

Sincerely,


Amanda Vaibel
Water Supply Bank

Enclosures: Proposed Lease Contracts
Receipt # C106617

c: Jonas Reagan – Barker Rosholt & Simpson

Memorandum

To: Water Rights 37-466 & 37-11329

From: Justin Ferguson

Date: 9/19/19

Re: Water Supply Bank Lease Application 1404

Purpose/Narrative: The application was received on April 22, 2019 requesting to put a portion of both water right nos. 34-466 & 37-11329 into the bank. Effectively, the two water rights authorize a combined total irrigation of 489.0 acres within a 714.9 acre permissible place of use (PPU). Per a "206 Map" provided in conjunction with Transfer 79711 (submitted in 2015), approximately 307 acres will be irrigated, leaving a balance of 182.7 acres within the PPU unirrigated. Similar to a prior lease, submitted in 2015 concurrent with Transfer 79711, this lease application proposes to protect from forfeiture the right to irrigate the remaining balance of 182.7 acres within the PPU. The acreage being idled is the same as the previous lease.

Authority to File: The application was signed and submitted by Jonas A Reagan for Deer Creek Ranch. While it was not signed by the applicant, the previous lease was also prepared and submitted by Mr. Reagan's firm.

Water Right Validity/Forfeiture Evaluation: The water rights were decreed in 2009 and used until they were placed in the bank from 2015-2019. The applicant wishes to renew their lease and continue to protect from forfeiture the right to irrigate 182.7 acres. No concerns about validity at this time.

Injury Evaluation: No injury is apparent through the lease alone. The source of water under water right 37-466 is Deer Creek surface water, and ground water tributary to Deer Creek. To avoid injury, any rental of ground water under 37-466 should be limited to ground water tributary to Deer Creek.

Enlargement of Use: No enlargement is apparent through the lease alone. A review of near-infrared and color satellite imagery suggests the portions of the water right place of use proposed to be idled through the lease are riparian and naturally vegetated throughout the year. It may not constitute enlargement if natural vegetation occurs at the place of use if/while these water rights are rented.

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 for district 37 and IDWR Southern Region comments were requested December 13, 2019.

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



**Barker Rosholt
& Simpson LLP**

Jonas A. Reagan

EMAIL: jreagan@idahowaters.com

PHONE: 208.733.0700

WEB: idahowaters.com

Twin Falls

163 Second Ave. West

P.O. Box 63

Twin Falls, Idaho 83301

p. 208.733.0700

f. 208.735.2444

Attorneys

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April 19, 2019

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

RECEIVED
APR 22 2019
**DEPARTMENT OF
WATER RESOURCES**

Re: Deer Creek Ranch, Inc. – Applications to Sell or Lease Water Right to the Water Supply Bank (Water Rights 37-466 and 37-11329)

To Whom it May Concern:

Enclosed, please find the Applications to Sell or Lease Water Right to the Water Supply Bank regarding Deer Creek Ranch, Inc. water right numbers 37-466 and 37-11329.

Also enclosed, please find check number 1585 in the amount of \$500 for the associated fees.

Should you have any questions, please contact Jonas A. Reagan at (208) 733-0700.

Thank you,

Jessica Nielsen

Assistant for Jonas A. Reagan

Enclosures
JAR/jn