

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

## WATER SUPPLY BANK LEASE CONTRACT No. 1062

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

**LESSOR:** COLLEEN G HOLLOWWA  
3137 W 2500 N  
ARCO, ID 83213

RECEIVED

DEC 17 2019

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 November 25, 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)  |
|------------------------------|---------------|--------------|----------------------|-----------------------|-------------|
| 34-7195                      | 5/18/1977     | GROUND WATER | 0.40                 | 70.0                  | 20.0        |
| <b>Combined Lease Totals</b> |               |              | <b>0.40</b>          | <b>70.0</b>           | <b>20.0</b> |

2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

**Minimum Payment Acceptable:** Current Rental Rate

3. **TERM OF LEASE:** The term of this lease shall be January 1, 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.

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

**WATER SUPPLY BANK LEASE CONTRACT No. 1062**

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. 1062**

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

**LESSOR:** COLLEEN G HOLLOWWA

3137 W 2500 N

ARCO, ID 83213

By Colleen G. Hollowwa

Title Owner

Date 12/12/2019

**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

12/24/19

Lease approved by IDWR

Patton

Date

12/24/19

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

**WATER SUPPLY BANK LEASE CONTRACT No. 1062**

**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): 34-7195**

GROUND WATER      NESENW      Sec. 35      Twp 04N      Rge 26E      BUTTE County

| Water Right    | Beneficial Use | Season of Use |    |       | Diversion Rate (CFS) | Volume (AF) |
|----------------|----------------|---------------|----|-------|----------------------|-------------|
|                |                | From          |    | To    |                      |             |
| 34-7195        | IRRIGATION     | 4/01          | to | 11/01 | 0.40 cfs             | 70.0 AF     |
| <b>Totals:</b> |                |               |    |       | 0.40 cfs             | 70.0 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 |        |
| 04N | 26E | 35  |    |    |    |    | 15.0 |    |    | 5.0 |    |    |    |    |    |    |    |    | 20.0   |

Total Acres: 20.0

**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.

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

**WATER SUPPLY BANK LEASE CONTRACT No. 1062**

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. 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. 34.

Idaho Water Resource Board  
Water Supply Bank Lease Contract No. 1062

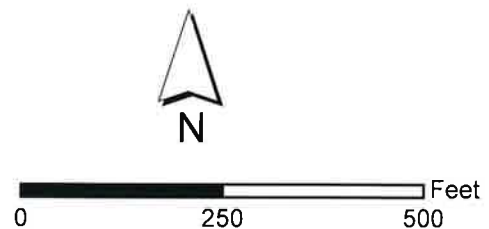
34-7195

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
-  QQ



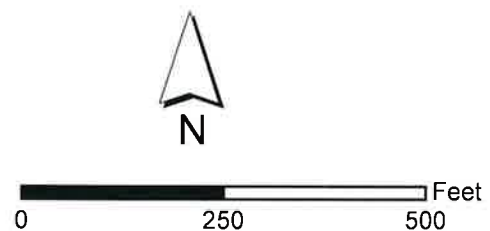
Idaho Water Resource Board  
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STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

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**LESSOR:** COLLEEN G HOLLOWWA  
3137 W 2500 N  
ARCO, ID 83213

**RECEIVED**  
**DEC 17 2019**  
**DEPT OF WATER RESOURCES**

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STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

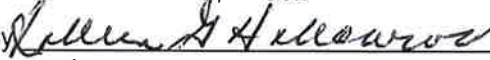
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3137 W 2500 N

ARCO, ID 83213

By 

Title Owner

Date 12/12/2019

**IDAHO WATER RESOURCE BOARD**

322 East Front Street

P.O. Box 83720

Boise, ID 83720-0098

By   
Brian Patton, Acting Administrator  
Idaho Water Resource Board

Date 12/24/19

Lease approved by IDWR 

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STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

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DEPARTMENT OF WATER RESOURCES

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12. 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. 34.

STATE OF IDAHO  
WATER RESOURCE BOARD

RECEIVED

NOV 25 2019

DEPARTMENT OF  
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT  
TO THE WATER SUPPLY BANKDesignated Applicant COLLEEN G. HOLLOWAY  
(Select one owner - see item 1A on the application)Water Right No. 34-7195 V1  
(One water right per application)

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

Yes ☐ No ☐

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

## MINIMUM REQUIREMENT CHECKLIST

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

Yes

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

Attachment N/A Yes

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

## Department Use Only

|                                                                                   |                        |                                         |                          |
|-----------------------------------------------------------------------------------|------------------------|-----------------------------------------|--------------------------|
| Fee Amount \$ <u>250</u>                                                          | Received By: <u>AW</u> | Date Received: <u>11/25/19</u>          | Receipt # <u>C107991</u> |
| W-9 received? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | (Route W-9 to Fiscal)  | Name on W-9: <u>Colleen G. Holloway</u> |                          |

1496

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 COLLEEN G. HOLLOWAY

Mailing Address 3137 W 2500 N ARCO ID 83213  
Street City State Zip Code

Email Address connie.downer@yahoo.com Phone Number (208) 527-4471

☒ 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 \_\_\_\_\_ Organization \_\_\_\_\_

Professional Title \_\_\_\_\_ Email Address \_\_\_\_\_

Mailing Address \_\_\_\_\_ Phone Number \_\_\_\_\_

☐ 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**.

*not needed since this is a removal of water right already worked.*

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.

N/A

- 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

- 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. NONE

- 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.

Water rights were marked under  
new contract ID 294 - Contracted Water Rights 34-7195

- 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: 1/1/2020 to 12/31/2025 (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.

Colleen G. Holloway  
Signature of Designated Applicant

COLLEEN G. HOLLOWAY  
Printed Name

11-20-2019  
Date

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

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

\_\_\_\_\_  
Date

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

**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). 34-7195 V1

|                       | Designated Applicant                                                                                 | Applicant #2                                                                  | Applicant #3                                                                  |
|-----------------------|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Name                  | COLLEEN G<br>HOLLOWAY                                                                                |                                                                               |                                                                               |
| Mailing Address       | 3137 W 2500 N<br>ARCO, ID 83213                                                                      |                                                                               |                                                                               |
| Phone Number          | (208) 527-4471                                                                                       |                                                                               |                                                                               |
| Email Address         | connie.doggett@arco.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             |                                                                                                      |                                                                               |                                                                               |

|                       | 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             |                                                                               |                                                                               |                                                                               |



State of Idaho

**DEPARTMENT OF WATER RESOURCES**

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

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

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

BRAD LITTLE  
Governor

GARY SPACKMAN  
Director

December 26, 2019

COLEEN G HOLLOWWA  
3137 W 2500 N  
ARCO ID 83213

**RE: WATER SUPPLY BANK LEASE CONTRACT 1062  
FOR WATER RIGHT 34-7195**

Dear Lessor:

Water right **34-7195** is 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](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 287-4800.

Sincerely,



Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR Eastern Region  
Lucas Yockey – Water District 34



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

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

BRAD LITTLE  
Governor

GARY SPACKMAN  
Director

December 5, 2019

COLLEEN G HOLLOWWA  
3137 W 2500 N  
ARCO ID 83213

**RE: APPLICATION TO LEASE WATER RIGHT 34-7195 TO THE WATER SUPPLY BANK  
CONTRACT 1062**

**\*\*\*\*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,

*Jean Hershey*  
for Water Supply Bank

Enclosures: Proposed Lease Contracts

## Hersley, Jean

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**From:** Cefalo, James  
**Sent:** Thursday, December 05, 2019 12:04 PM  
**To:** Hersley, Jean; Luke, Tim  
**Cc:** Buyer, Remington  
**Subject:** RE: WSB Lease for Hollowwa 34-7195

I would echo Tim's thoughts. We receive complaints from water users in Basin 34 that the Water Supply Bank has been used to revive water rights that have not been diverted for 30 years. Aerial photos suggest that this right has not been actively used since 2001. During the review of the 2015 WSB lease application, the agent reports that satellite imagery showed irrigation in 2014. That doesn't solve the non-use occurring between 2001 and 2013. Now that the right has been accepted in the WSB for the last four years, there is not much we can do on the forfeiture issue. I have no concerns with the proposed WSB lease.

**From:** Hersley, Jean  
**Sent:** Thursday, December 05, 2019 11:36 AM  
**To:** Luke, Tim <Tim.Luke@idwr.idaho.gov>; Cefalo, James <James.Cefalo@idwr.idaho.gov>  
**Cc:** Buyer, Remington <Remington.Buyer@idwr.idaho.gov>  
**Subject:** RE: WSB Lease for Hollowwa 34-7195

Brandi let me know I sent it to the wrong Watermaster. I sent it to you because we have an email from Cherie dated 2015 to send all comment requests for lease and rental applications in Basin 34. Is this not the case anymore?

Jean

**From:** Luke, Tim  
**Sent:** Thursday, December 5, 2019 11:04 AM  
**To:** Hersley, Jean <Jean.Hersley@idwr.idaho.gov>; Cefalo, James <James.Cefalo@idwr.idaho.gov>  
**Cc:** Buyer, Remington <Remington.Buyer@idwr.idaho.gov>  
**Subject:** RE: WSB Lease for Hollowwa 34-7195

Jean,

The WSB applicant name seems somewhat familiar to me. Is there a reason you asked me to review? Also, I noticed you also sent this to the Weiser River WD67 watermaster but the ground water right is located in Basin 34 near Arco.

I did quickly review the WSB lease. My only comment is that based on a quick review of the available imagery on ArcMap, it looks to me like there is no evidence of the land being irrigated in 2004, '06, '09, '11, '13 and '15. I don't plan to look at additional imagery but I noticed the comment in the spreadsheet stating that "the right was decreed in 2001 and put to use until placed in the bank from 2015-2019." The limited imagery may suggest the right was not put to use from 2004 through 2014. Maybe there is evidence of irrigation in the other years or some evidence in the file, and even if not used from 2004 through 2014, it does not matter if IDWR accepted the right to the bank from 2015-2019. However, please be aware that I have fielded a lot of questions and sort of been beaten up by some upset water users and the public in this area about illegal diversions and IDWR's aiding and abetting of the same. I think a lot of the references to illegal use results from adding new pivots or irrigated land resulting from WSB rentals or other water right transfers – almost always the complaint in question turns out to be legal although I have occasionally questioned our acceptance of water rights to the bank that did not appear to be used for a number of years. In one case I know IDWR accepted a right to the bank that had not been used for some time due to some set of circumstances beyond the owners control – I believe there is some language in the rules that provide for some acceptance in cases where forfeiture could be an issue.

Thanks, Tim

**From:** Hersley, Jean

**Sent:** Thursday, December 05, 2019 10:04 AM

**To:** Cefalo, James <[James.Cefalo@idwr.idaho.gov](mailto:James.Cefalo@idwr.idaho.gov)>; Luke, Tim <[Tim.Luke@idwr.idaho.gov](mailto:Tim.Luke@idwr.idaho.gov)>;  
[watermaster67@hotmail.com](mailto:watermaster67@hotmail.com)

**Subject:** WSB Lease for Hollowwa 34-7195

Please let me know within 7 days if you have any comments or concerns with the attached lease. This right has been in the Bank since 2015. Thank you.

*Jean Hersley*

*Idaho Dept Water Resources*

*Technical Records Specialist II*

*208-287-4942*

**Hersley, Jean**

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**From:** Hersley, Jean  
**Sent:** Thursday, December 05, 2019 10:04 AM  
**To:** Cefalo, James; Luke, Tim; 'watermaster67@hotmail.com'  
**Subject:** WSB Lease for Hollowwa 34-7195  
**Attachments:** Idled Acres.pdf; Lease Application Review.xls; Report - Lease Contract - 1062.docx

Please let me know within 7 days if you have any comments or concerns with the attached lease. This right has been in the Bank since 2015. Thank you.

*Jean Hersley  
Idaho Dept Water Resources  
Technical Records Specialist II  
208-287-4942*