

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 954

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

LESSOR: TIMBERLINE DEVELOPMENT LLC
PO BOX 145
DONNELLY, ID 83615

RECEIVED

AUG 13 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 January 24, 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)
65-23372	8/18/1919	LAKE FORK, tributary to NORTH FORK PAYETTE RIVER	1.53	243.0	81.0
65-23370	9/9/1936	MUD CREEK, tributary to NORTH FORK PAYETTE RIVER	1.53	243.0	81.0
Combined Limit Totals			1.62	243.0	81.0
Combined Lease Totals			1.62	243.0	81.0

Summary of Water Rights Elements Rentable From the Bank

Water Right	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (Limited) (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
65-23372	1.39	222.0	74.0	0.02	3.0
65-23370	1.39	222.0	74.0	0.02	3.0
Combined Limit Totals	1.39	222.0	74.0	0.02	3.0

** The water right elements rentable have been reduced from the water right elements leased to account for combined limits and overlapping rights.*

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 954

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

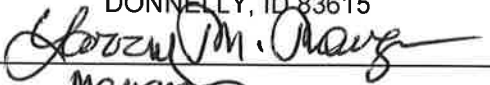
3. **TERM OF LEASE:** The term of this lease shall be January 1, 2019 to December 31, 2023. This Lease shall bind the parties and take effect when both parties have signed it.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water 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. 954

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

LESSOR: TIMBERLINE DEVELOPMENT LLC
PO BOX 145
DONNELLY, ID 83615

By 
Title Margo
Date 8-11-2019

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 8/13/2019

Lease approved by IDWR 

Date 8-13-2019

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 954

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): 65-23370

MUD CREEK NWSE Sec. 32 Twp 17N Rge 03E VALLEY County

Source and Location of Point(s) of Diversion for Water Right No(s): 65-23372

LAKE FORK	NWNE	Sec. 32	Twp 17N	Rge 03E	VALLEY County (I)
LAKE FORK	SENE	Sec. 3	Twp 17N	Rge 03E	VALLEY County
LAKE FORK	NWSE	Sec. 32	Twp 17N	Rge 03E	VALLEY County (R)

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
65-23372	IRRIGATION	05/01	to	09/15	1.53 cfs	243.0 AF
65-23370	IRRIGATION	04/15	to	10/15	1.53 cfs	243.0 AF
Totals:					1.62 cfs	243.0 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	
16N	03E	17		39.0	40.0	2.0													81.0

Total Acres: 81.0

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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 954

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.
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. Basin 65 General Provisions No. 3, the Separate Streams General Provision, does not apply to appropriations of water after October 18, 1977. This water right shall be administered as being from a separate source pursuant to Basin 65 General Provision No. 3. If the holder of this right seeks to change the right pursuant to Idaho Code § 42-222 or successor statute, nothing in this general provision shall preclude any other person or entity from demonstrating that such change in use would cause injury to its water right or from receiving any relief provided by law in the event of injury.
13. Water right no. 65-23370 & 65-23372 are limited to a total combined diversion rate of 1.62 cfs.
14. For Water right 65-23372, point of injection into and point of rediversion from Mud Creek.
15. Use of water under these rights 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, water right 65-23370 is within State Water District No. 65, and water right 65-23372 is within State Water District No. 65K.

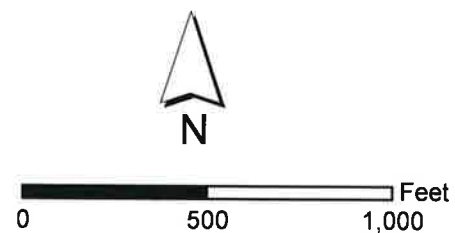
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 954

65-23370 & 65-23372
Effective until December 31, 2023

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.



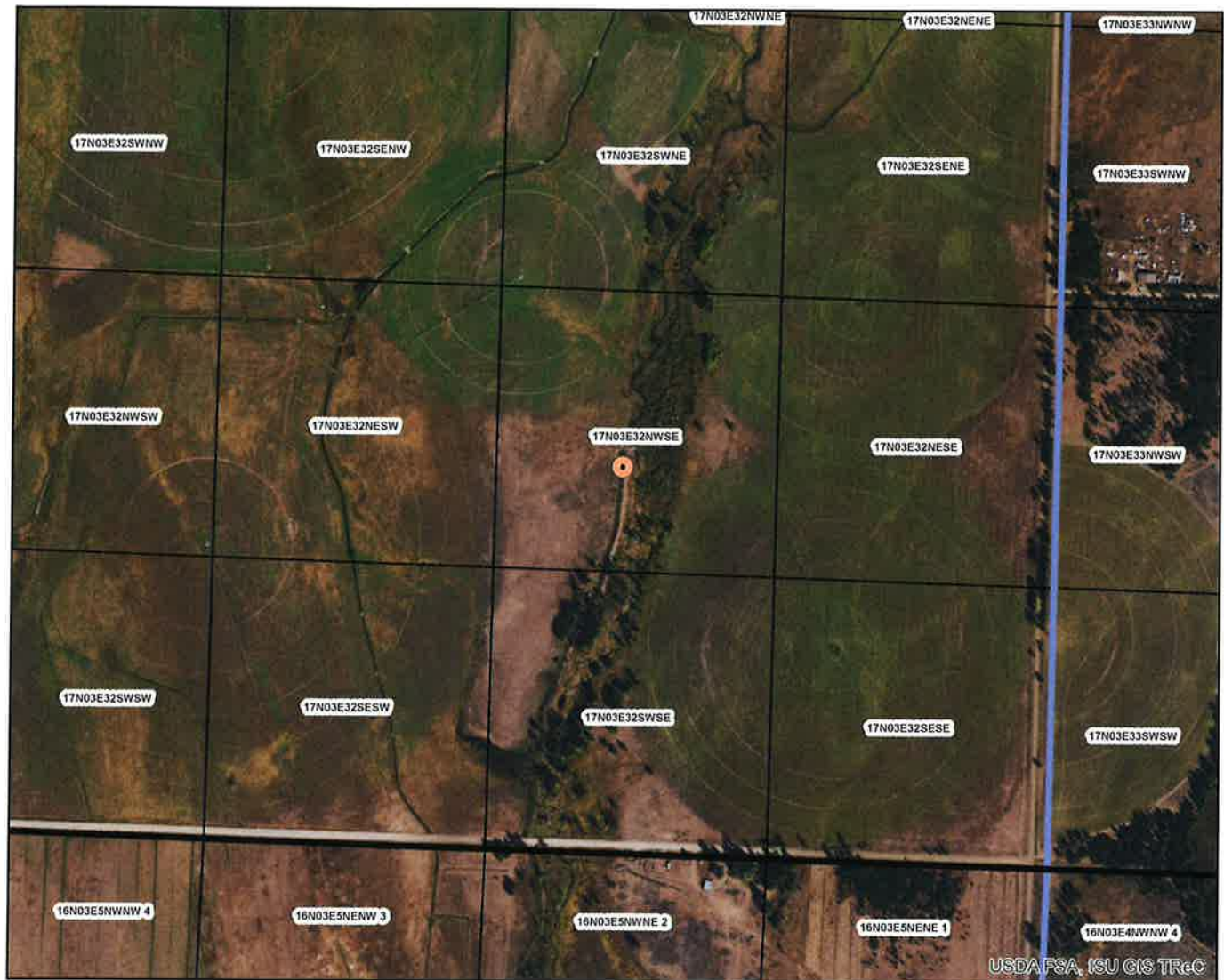
-  Approved Lease Point of Diversion
-  Approved Lease Place of Use
-  Township/Range
-  Sections
-  QQ



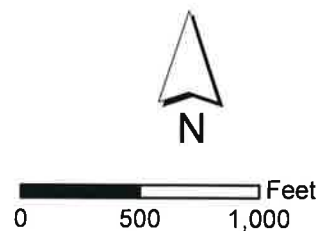
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 954

65-23370 & 65-23372
Effective until December 31, 2023

This map depicts the **point of diversion for water right 65-23370** 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



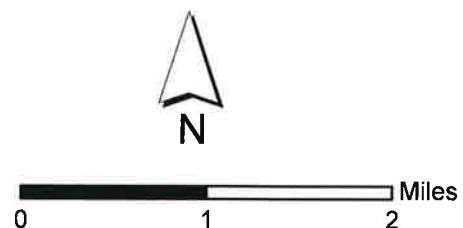
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 954

65-23370 & 65-23372
Effective until December 31, 2023

This map depicts the **point of diversion for water right 65-23372** 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

JAN 24 2019

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant Timberline Development LLC.

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

Water Right No. 65-23370

(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>1-24-19</u>	Receipt # <u>C106175</u>
W-9 received? Yes ☒ No ☐	(Route W-9 to Fiscal)	Name on W-9: <u>Timberline Development LLC</u>	

1320

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 Timberline Development LLC c/o Olsen & Company CPA's

Mailing Address 132 S W 5th Ave . Ste #100 Meridan Idaho 83642
Street City State Zip Code

Email Address _____ Phone Number 208-888-1595

☒ 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 Larry Mangum Organization Timberline Development

Professional Title Manger Email Address larry.mangum@yahoo.com

Mailing Address 36 Charters Dr. , Donnelly, ID., 83615 Phone Number 208-315-0991

☐ 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.

Mud Creek Dam / Diversion - Irrigation Ditch

- 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. 65-23370, 65-8053

- 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. From Domestic Wells on site for Homes and Townhomes Constructed

- 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. Leased to Water Bank

- 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: 2019 to 2023 (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

Printed Name

Date

Signature of Authorized Representative

Larry M. Mangum

01/17/2019

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). 65-23372

	Designated Applicant	Applicant #2	Applicant #3
Name	Timberline Development LLC.		
Mailing Address	c/o Olsen & Co 132 S W 5th Ave., Meridian, ID.		
Phone Number	208-888-1595		
Email Address			
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
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>	Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
<u>65-23370</u>	<u>Irrigation</u>	<u>1.57</u>	<u>N/A</u>	<u>78.7</u>
	Total Amounts:	<u>1.57</u>	<u>N/A</u>	<u>78.7</u>

2. Source of water Mud Creek tributary to North Fork Payette River

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
17N	03E	32		NW1/4	SE1/4		Valley

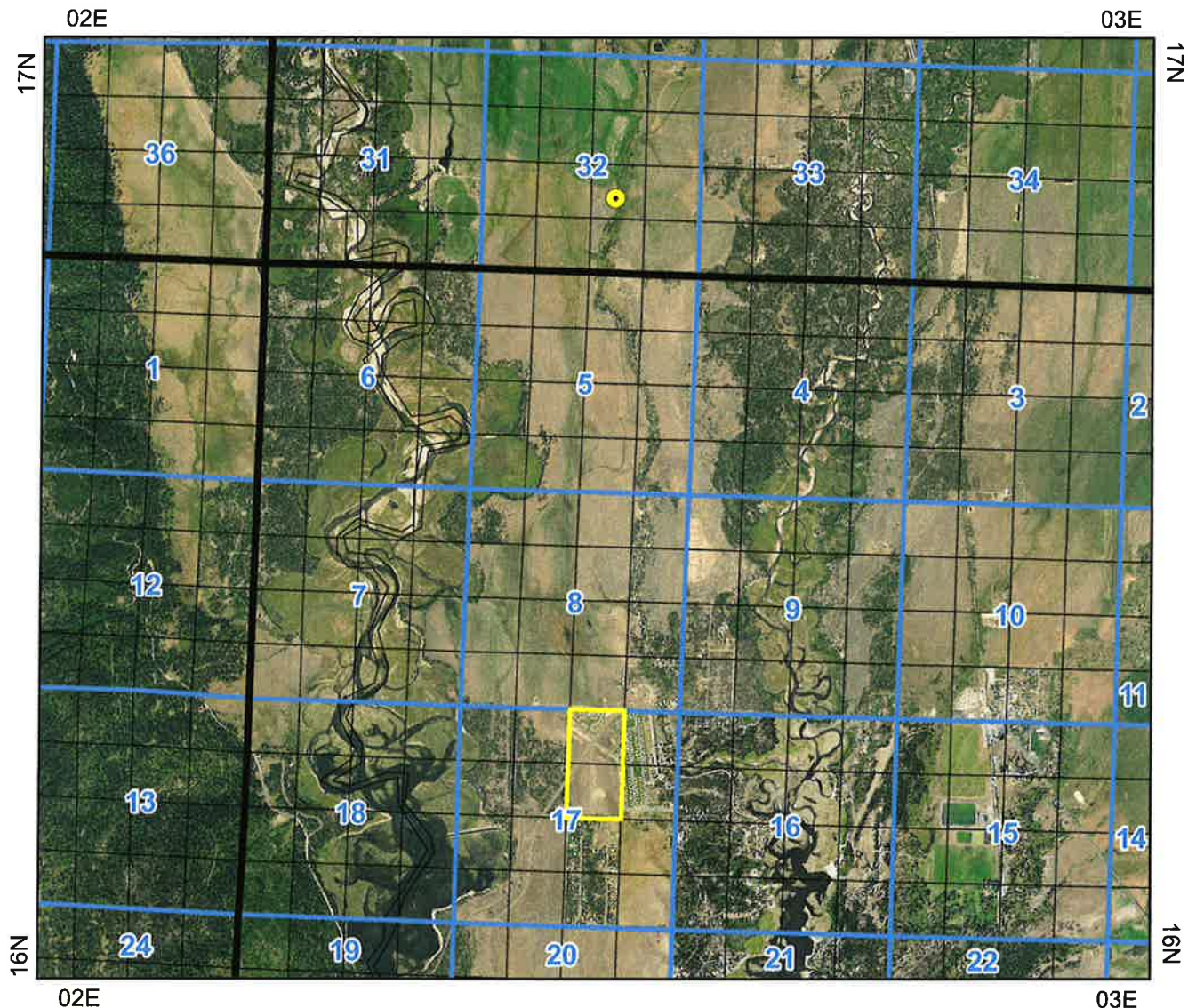
State of Idaho
Department of Water Resources

Water Right

65-23370

IRRIGATION

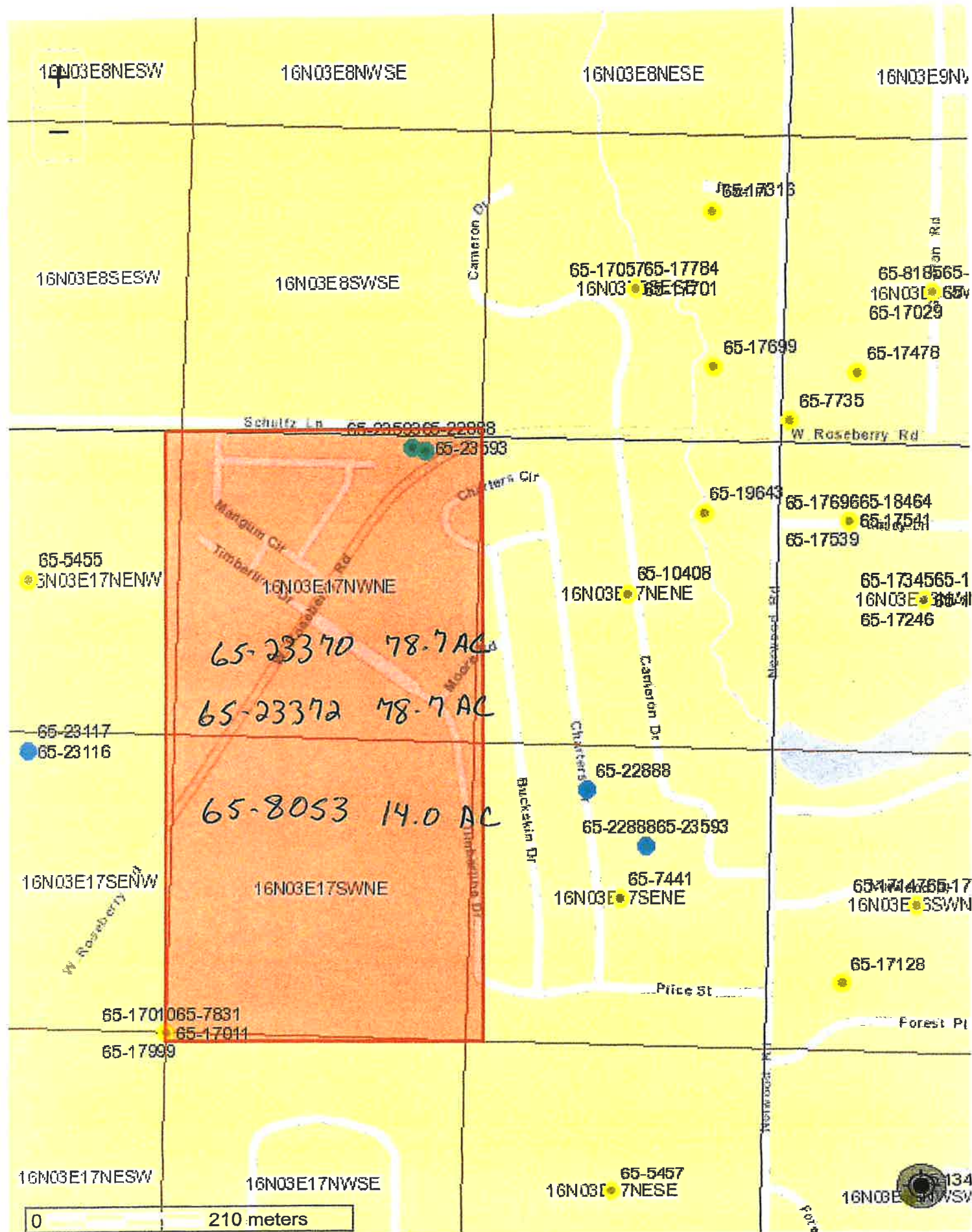
The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



-  Point of Diversion
-  Place Of Use Boundary
-  Townships
-  PLS Sections
-  Quarter Quarters

0 0.5 1 2 Miles





STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED *De*
JAN 24 2019
DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant Timberline Development LLC.
(Select one owner – see item 1A on the application)

Water Right No. 65-23372
(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

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Yes

- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank*.
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- ☒ 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 <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant. |
| 1C | ☒ | ☐ | <i>Notice of Change in Water Right Ownership</i> 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>1-24-19</u>	Receipt # <u>C106175</u>
W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)		Name on W-9: <u>Timberline Development LLC</u>	

1320

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 Timberline Development LLC c/o Olsen & Company CPA's

Mailing Address 132 S W 5th Ave . Ste #100 Meridan Idaho 83642
Street City State Zip Code

Email Address _____ Phone Number 208-888-1595

☒ 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 Larry Mangum Organization Timberline Development

Professional Title Manger Email Address larry.mangum@yahoo.com

Mailing Address 36 Charters Dr. , Donnelly, ID., 83615 Phone Number 208-315-0991

☐ 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.

Mud Creek Dam / Diversion - Irrigation Ditch

- 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. 65-23370, 65-8053

- 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. From Domestic Wells on site for Homes and Townhomes Constructed

- 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. Leased to Water Bank

- 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: 2019 to 2023 (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.

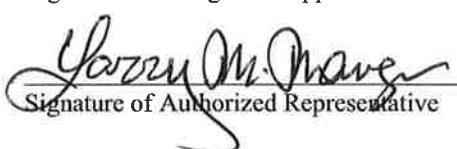
The Designated Applicant acknowledges the following:

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

Printed Name

Date


Signature of Authorized Representative

Larry M. Mangum
Printed Name

01/17/2019
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). 65-23372

	Designated Applicant	Applicant #2	Applicant #3
Name	Timberline Development LLC.		
Mailing Address	c/o Olsen & Co 132 S W 5th Ave., Meridian, ID. 83642		
Phone Number	208-888-1595		
Email Address			
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
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>	Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
65-23372	Irrigation	1.57	N/A	78.7
Total Amounts:		1.57	N/A	78.7

2. Source of water Lake Fork tributary to North Fork Payette River

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
17N	03E	32		NW1/4	SE1/4		Valley (R)
17N	03E	32		NW1/4	NE1/4		Valley (I)
17N	03E	3		SE1/4	NE1/4		Valley

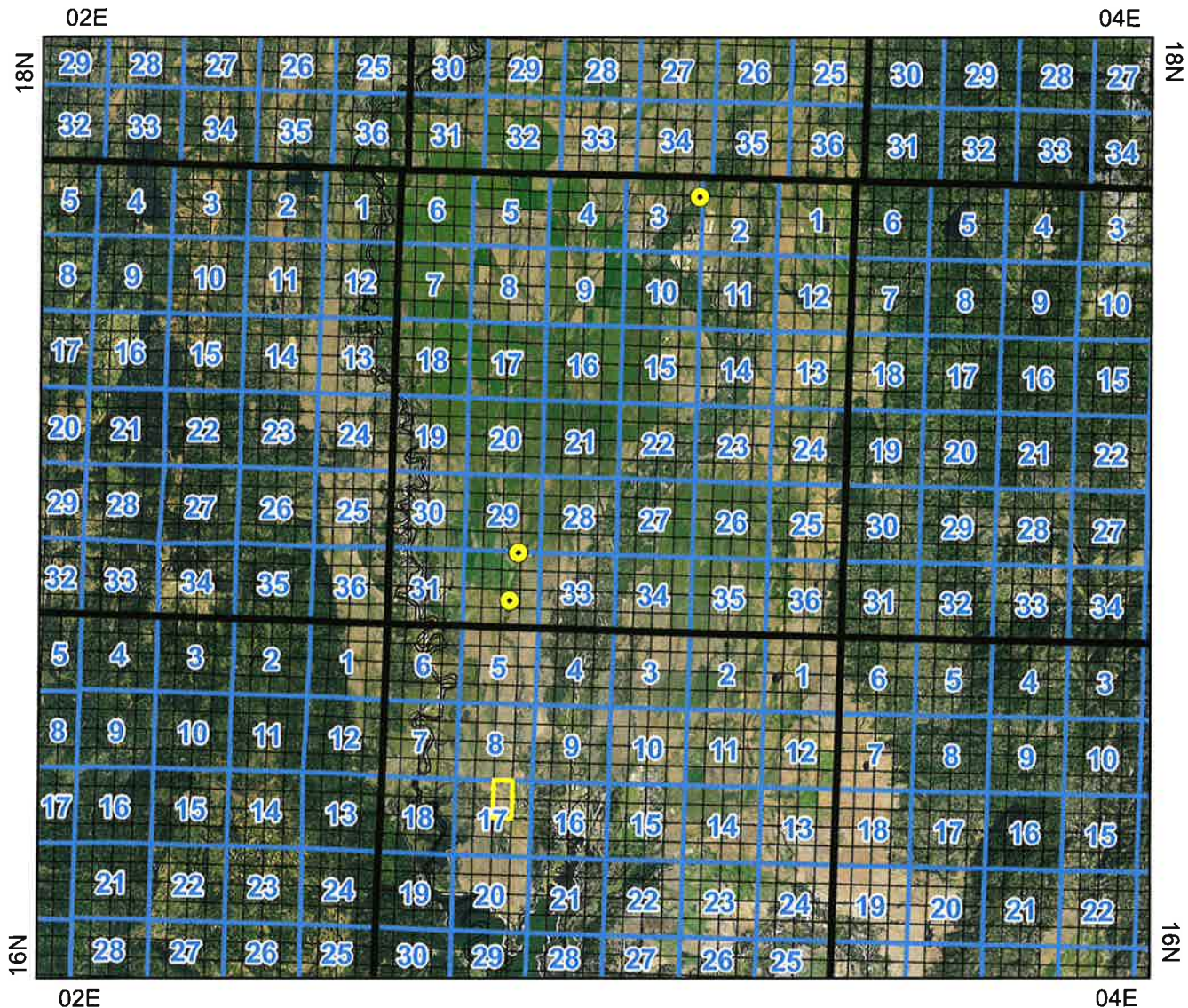
State of Idaho
Department of Water Resources

Water Right

65-23372

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



- Point of Diversion
- Place Of Use Boundary
- Townships
- PLS Sections
- Quarter Quarters

0 1.5 3 6 Miles



**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>	Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
<u>6S-23370, 6S-23372</u>	<u>Irrigation</u>	<u>1.57</u>	<u>N/A</u>	<u>78.7</u>

Total Amounts:

2. Source of water Lake Fork Mud Creek tributary to North Fork Payette River

3. Point(s) of diversion: Mud Creek Lake Fork

Twp	Rge	Sec	Lot	¼	¼	¼	County
17N	03E	32		NW ¼	SE ¼		Valley County
17N	03E	32		NW ¼	NE ¼		
17N	03E	32		SE ¼	NE ¼		



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

August 14, 2019

TIMBERLINE DEVELOPMENT LLC
PO BOX 145
DONNELLY ID 83615

**RE: WATER SUPPLY BANK LEASE CONTRACT 954
FOR WATER RIGHTS 65-23370 and 65-23372**

Dear Lessor:

Water rights **65-23370 and 65-23372** were leased into the Water Supply Bank (Bank) as of January 24, 2019, 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, 2023**, 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 287-4800.

Sincerely,



Water Supply Bank

Enclosure: Executed Lease Contract

c: Nick Miller - IDWR Western Region
Ron Shurtleff – Water District 65
John Leedom – Water District 65K



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

July 25, 2019

TIMBERLINE DEVELOPMENT LLC
PO BOX 145
DONNELLY ID 83615

RE: APPLICATION TO LEASE WATER RIGHT 65-8053, CONTRACT 955 AND WATER RIGHTS 65-23370 & 65-23372, CONTRACT 954 TO THE WATER SUPPLY BANK

******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 of each 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, 2023**, 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,

Jan Hersley
for Water Supply Bank

Enclosures: Proposed Lease Contracts

Hersley, Jean

From: Hersley, Jean
Sent: Thursday, July 25, 2019 10:54 AM
To: 'jflorence@citlink.net'; Ron Shurtleff; Miller, Nick
Subject: WSB Lease Applications for Timberline Development LLC
Attachments: Idled Acres Contract 955.pdf; L1.2 Lease Review Memo Template.docx; Report - Lease Contract - 955.docx; Idled Acres.pdf; L1.2 Lease Review Memo Template.docx; Report - Lease Contract - 954.docx

Attached is the review memo's, draft contracts and maps for water rights 65-8053, 65-23370 & 65-23372. Please let me know within 7 days if you have any comments or concerns with the leasing of these water rights. Thank you.

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

MEMORANDUM

To: Water Right No(s). 65-23370 & 63-23372
From: Jean Hersley
Date: March 1, 2019
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: The Department received these applications to lease the entirety of water rights 65-23370 & 65-23372 to the Bank on January 24, 2019. Additional fees and a consent from Westside Lakefork Lateral Ditch Co. were requested and were received on February 18, 2019.

On the 2013-2018 lease contract, there were some large undeveloped areas remaining under these rights that didn't appear to be currently irrigated by either water right 65-22888, which was a permit at the time, or the leased surface water rights so the surface water acres are included in the lease to continue protection from forfeiture. It was determined there were 2.3 acres of overlap so we allowed the applicant to lease 78.7 acres to the Bank. However, the beneficial use field exam concluded that water right 65-22888 has an overlap of 7 acres with these two rights. Water right 65-22888 has a combined limit with these two rights of 98 acres and 294 af. For this lease, the entirety of both rights will be leased to the Bank but the rental amounts will be reduced by 7 acres. The 78.7 acres were protected by the previous lease and the additional 2.3 acres were being put beneficial use. The sources were never used at the same time.

AUTHORITY TO FILE: Larry Mangum, who is an officer/manager for Timberline Development, signed the applications.

WATER RIGHT VALIDITY: These water rights were decreed in 2000 & 2004. The rights were leased to the Bank in 2008-2013 (entirety) and 2013-2018 (78.7 acres).

INJURY TO OTHER WATER RIGHTS: No other injury issues exist at this time.

ENLARGEMENT OF USE: No enlargement is evident through the lease alone. Proper rental review should protect against enlargement.

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The lease appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The leased right(s) are subject to Water District # 65 & 65K.

Field, Christine

From: Condon, Mary
Sent: Tuesday, February 19, 2019 8:04 AM
To: Field, Christine
Subject: FW: Timberline Development LLC. Water Rights Information
Attachments: Westside Lakefork Lateral Ditch Company Approval Letter 2019.pdf; Timberline Devel - re Larry authorize for biz registration.pdf

Christine,

Please add these to the lease applications, and mark as ready for review.
(I may have printed the authorized representative already, but the lateral authorization is new).

Best,
Mary

From: Larry Mangum [mailto:larry.mangum@yahoo.com]
Sent: Monday, February 18, 2019 7:53 PM
To: Condon, Mary <Mary.Condon@idwr.idaho.gov>
Cc: Kim Ebersole <kim@olsencpa.com>; Suzanne Floyd <suzanne@olsencpa.com>
Subject: Re: Timberline Development LLC. Water Rights Information

Mary Condon

Water Supply Bank Specialist

Planning & Projects Bureau

Idaho Department of Water Resources

Mary

I have received the approval from Westside Lakefork Lateral Ditch Company for the only water right within there district apparently the others are outside of there and therefore require no approvals according to what Laura has stated in the return letter. Can you please advice me as to if you will need a hard copy mailed or will the e-mail pdf be sufficient for the continuation of the filing of the water rights for Timberline Development LLC. Look foreword to hearing from you on this.

Thanks

Larry Mangum
208-315-0991
Manager
Timberline Development LLC.

Timberline Development LLC

36 Charters Dr.

Donnelly, ID., 83615

Laura Bettis

Westside Lakefork Lateral Ditch Company

P. O. Box 847

McCall, ID., 83638

01/14/2019

Laura

As we have spoken before Timberline Development LLC is trying to once again put its water shares into the Water Supply Bank till such time that they may be used again. The shares are as follows below:

65-23370 Mud Creek Irrigation 1.57 cfs 78.7 ac at Twp 17N Rge 03E Sec 32 NW1/4 SE1/4 Valley County

* 65-23372 Lake Fork Irrigation 1.57 cfs 78.7 ac at Twp 17N Rge 03E Sec 32 NW1/4 SE1/4 Valley County (R)

Twp 17N Rge 03E Sec 32 NW1/4 NE1/4 Valley County (I)

Twp 17N Rge 03E Sec 3 SE1/4 NE1/4 Valley County

65-8053 Mud Creek Irrigation .28 cfs 14.0 ac at Twp 17N Rge 03E Sec 32 NW1/4 SE1/4 Valley County

If you could review and approve this Lease into the Water Supply Bank that would be great and send back a copy of this letter as to the consent of the District would be great.

Thanks



Larry M. Mangum

Manger

Timberline Development LLC

Approval of Westside Lakefork Lateral Ditch Company



Laura Bettis Secretary / Treasurer

* My approval is for this water right. It is the only one included in the Westside Lakefork Lateral. The other one is not subject to an organization.

OLSEN HENDRICKS & COMPANY CPAs P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Member AICPA and ISCPA



February 6th, 2019

Idaho Department of Water Resources
322 E. Front Street
PO Box 83720
Boise, ID 83720-0098

Attn: Mary Condon

Re: Timberline Development LLC
c/o OlsenHendricks CPAs
132 SW 5th Ave Ste 100
Meridian, ID 83642
Expiration of lease contract for water rights
#65-8053, 65-23370, 65-23372

Dear Mary,

I, Reid Olsen – Registered Agent for Timberline Development, am writing to request that Larry Mangum be recognized as one having authority to act on behalf of Timberline Development LLC for leasing the water rights back into the bank. Mr. Mangum was removed as an officer/manager on the business registration for Timberline Development by mistake and will be reinstated as soon as possible.

Also, Larry is working closely with Westside Lateral Ditch Company to obtain the authorization to allow the water rights to be placed into the bank. He anticipates getting this very soon and will immediately forward it to you upon his receipt of the authorization.

If you have any questions or concerns, please feel free to contact me at 208.888.1595 or email reido@olsencpa.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Reid W. Olsen", is written over a horizontal line.

Reid W. Olsen, CPA

www.olsencpa.com

"Serving you since 1981"

132 S.W. 5th Ave., Suite 100, Meridian, ID 83642
Phone (208) 888-1595 • Fax (208) 888-1596

Timberline Development LLC

36 Charters Dr.

Donnelly, ID., 83615

RECEIVED

JAN 24 2019

DEPARTMENT OF
WATER RESOURCES

Mary Condon

State of Idaho

Department of Water Resources

322 E. Front St.

P. O. Box 83720

Boise, ID., 83720-0098

~~01/16/2019~~

01/21/2019

Mary

I have attached the revised applications as we spoke about to put the Timberline Development LLC water shares into the water bank. You received with the first application's a check #1694 for \$500.00 to cover the cost of two shares and I have attached another check # **1943** for \$250.00 to cover the third share. I have also sent a letter to the Westside Lateral Ditch Company also attached but as the date of this letter have not heard a response from them on this subject. If you could please let me know the outcome of our request to put these shares back into the water supply bank that would be great. Thanks for all your help on this application.

Thanks



Larry M. Mangum

Manager

Timberline Development LLC.

Condon, Mary

From: Condon, Mary
Sent: Friday, January 04, 2019 2:17 PM
To: 'LARRY.MANGUM@YAHOO.COM'
Subject: Lease Application for Timberline Development

Good afternoon,

The address listed on the application for lease is different than the address on the water right, as PO Box 145, Donnelly. Do the water rights need to have an updated mailing address of 132 SW 5th Ave, Ste 100, Meridian, ID 83642?

Also, please send in the two additional applications for 65-23370 and 65-23372 if you would like them leased into the bank, along with an additional \$250 fee. 65-8053 is not stacked with 65-23370 and 65-23372, so it is \$250 for 65-8053 and the maxed filing fee of \$500 for stacked rights 65-23370 and 65-23372, for a total of \$750 for all three.

Additionally, you marked the diversion was owned by an irrigation district or canal company. Please submit their consent for your proposed lease(s).

If you have any questions, please call me.

Best,
Mary

Mary Condon
Water Supply Bank Specialist
Planning & Projects Bureau
Idaho Department of Water Resources
Main: (208) 287-4936
Fax: (208) 287-6700