

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 864

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

LESSOR: NEW UNION DITCH CO LTD
PO BOX 31
EAGLE, ID 83616

RECEIVED
NOV 20 2018
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 October 15, 2018.
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)
63-146	6/1/1865	BOISE RIVER, tributary to SNAKE RIVER	5.43	1,222.6	271.7
Lease Totals			5.43	1,222.6	271.7

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, 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.

SCANNED
NOV 20 2018

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 864

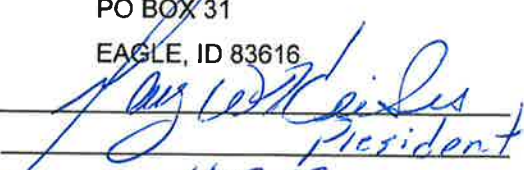
5. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right 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
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IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

LESSOR: NEW UNION DITCH CO LTD
PO BOX 31
EAGLE, ID 83616

By 
Title President
Date 11-18-18

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 11/23/2018

Lease approved by IDWR 

Date 11-23-2018

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 864

**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): 63-146
BOISE RIVER L 1NESE Sec. 23 Twp 04N Rge 01E ADA County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
63-146	IRRIGATION	03/01	to	11/15	5.43 cfs	1,222.6 AF
Totals:					5.43 cfs	1,222.6 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Large POU not Displayed

Total Acres: 622.8

Limited to acres within place of use: 271.7

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. 864

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 unleased portion of this right is limited to the irrigation of 351.1 acres within the boundary of the New Union Ditch Co. LTD in a single irrigation season.
13. This right shall receive 100 percent of its decreed quantity until the natural flow of the waters of the Boise River shall decrease so that all rights containing this condition cannot receive 100 percent of their decreed quantities, at which time this right and the other rights containing this condition shall first be cut to 75 percent of their decreed quantities, as the natural flow of the river decreases, beginning with the latest rights containing this condition and preceding to the earliest rights containing this condition in the order of their priority dates, and after all of the rights containing this condition shall have been reduced to 75 percent of their decreed quantities, should the natural flow of the waters of the river decrease below the amount necessary to supply 75 percent of those decreed quantities, then this right and the other rights containing this condition, beginning with the latest and preceding to the earliest, shall be reduced to 60 percent of their decreed quantities.
14. 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. 63.
15. Diversion for irrigation under this water right prior to April 1 and after October 31 shall occur only as authorized by the Water District 63 Water Master and only when water is being released for flood control by the United States from the Lucky Peak Dam outlet under procedures and requirements for the Memorandum of Agreement between the U.S. Department of the Army and the U.S. Department of the Interior for Flood Control Operations of the Boise River Reservoirs, dated November 20, 1953, the Water Control Manual for Boise River Reservoir dated April 1985 and any future amendments or revisions made thereto pursuant to state or federal procedures or law; provided that any such use of this water right prior to April 1 and after October 31 shall be subordinated to water rights for storage in Lucky Peak Reservoir, Lake Lowell, Arrowrock Reservoir, and/or Anderson Ranch Reservoir, as decreed in SRBA Case No. 39576.
16. 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 the diversion.

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED *DR*
OCT 15 2018
DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant New Union Ditch Co., Ltd.

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

Water Right No. 63-146

(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 <i>all owners</i> 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 <u>Section 42-222(2), Idaho Code</u> . |

Department Use Only

Fee Amount \$ <u>250</u>	Received By: <u>AW</u>	Date Received: <u>10-15-18</u>	Receipt # <u>C105771</u>
W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)		Name on W-9: <u>New Union Ditch Co.</u>	

1197

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 New Union Ditch Co., Ltd.

Mailing Address <u>PO Box 31</u>	<u>Eagle</u>	<u>ID</u>	<u>83616</u>
Street	City	State	Zip Code

Email Address _____ Phone Number 208-859-9360

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

OR

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

- B. Has the Designated Applicant submitted an IRS Form W-9 to this Department within the last 2 years? Yes ☐ No ☒
If no, complete the form and attach to this application (Attachment 1B).

- C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐
If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

- D. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☒ No ☐
If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1D).

Name of Representative Lori Graves Organization SPF Water Engineering

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

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

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

OR

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

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

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

OR

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

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

3. MAP

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

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

- A. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☒ No ☐
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 4A).

If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to Section 42-108, Idaho Code and IDAPA WSB Rule 37.02.03.25.02e.

- B. Please provide a description of the current water diversion and delivery system.
Gravity ditch system

- 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. Various private domestic and municipal rights

- 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. n/a - acres banked since 2014 under Contract No. 177

- 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. n/a - acres banked since 2014 under Contract No. 177

- 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)

1/1/2019 to 12/31/2023

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: 5 yrs to _____ (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.

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

Printed Name

Date

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

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

ATTACHMENT 2

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

1. <u>Water Right Number</u>	Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
63-146	Irrigation	5.43		271.7
	Total Amounts:	5.43		271.7

2. Source of water Boise River tributary to Snake River

3. Point(s) of diversion:

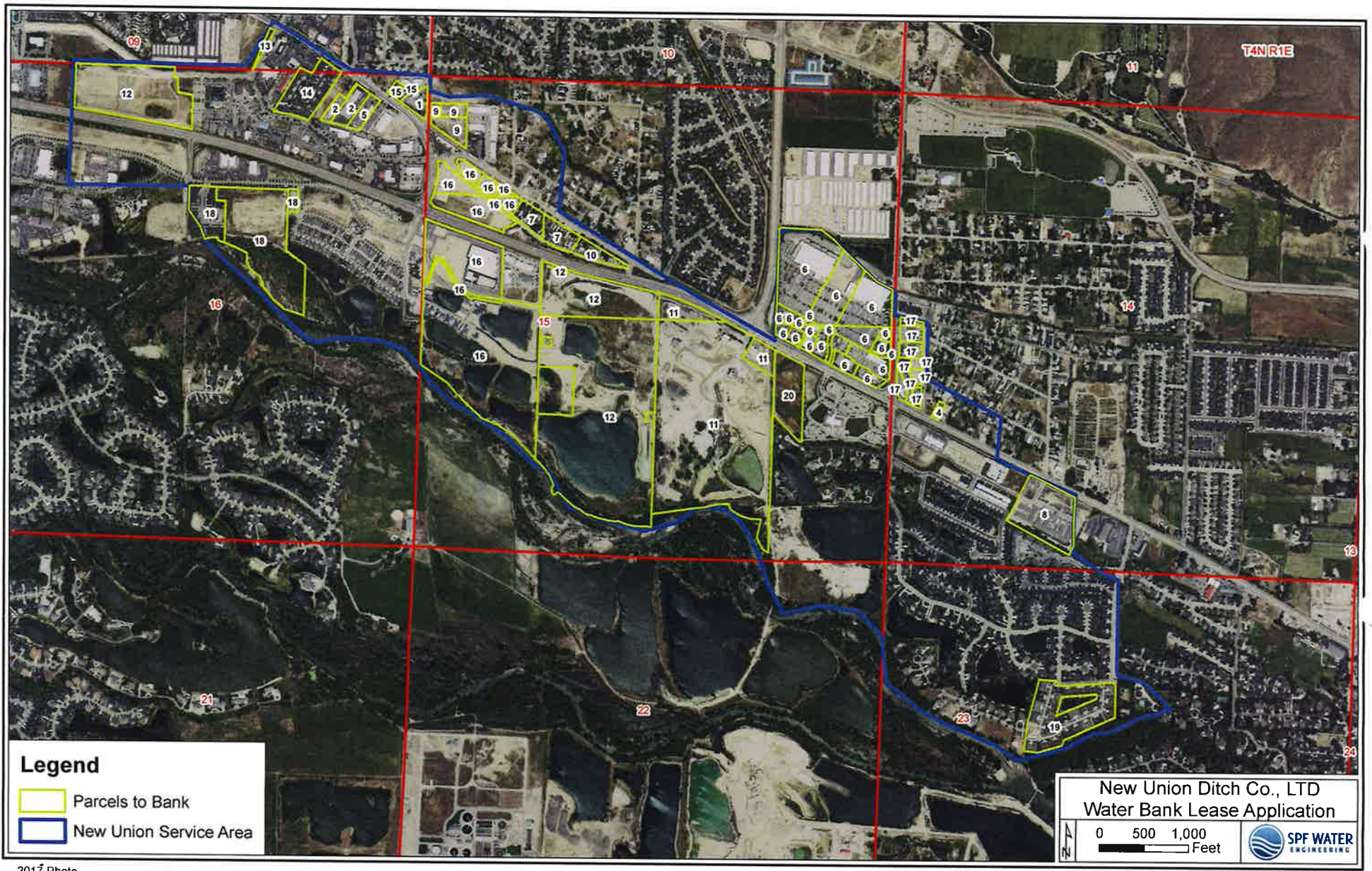
Twp	Rge	Sec	Lot	¼	¼	¼	County
4N	1E	23	1		NE	SE	Ada

CALCULATION OF WATER BANK LEASE ACRES

ID	OWNER	PARCEL NO.	PARCEL ACRES (within service area)	AGGREGATE PARCEL SIZE	NEW UNION SHARES	WATER BANK ACRES
1	LGJ INC	S0516110026	1.680	1.68	1.81	1.68
2	MCCAULEY JAMES R & ARLENE TRUST	S0516110130	2.000	2.94	4.00	2.94
2	MCCAULEY JAMES R & ARLENE TRUST	S0516110180	0.940			
4	GORDON JONES INC	R7334200010	0.360	0.36	1.35	0.36
5	ZEKO DANNY	S0516110126	1.390	1.39	1.72	1.39
6	WINCO FOODS LLC	R9714000010	5.888	37.33	31.64	31.64
6	WINCO FOODS LLC	R9714000020	2.702			
6	EAGLE DEVELOPMENT ASSOCIATES LLC	R9714000030	6.000			
6	EAGLE DEVELOPMENT ASSOCIATES LLC	R9714000040	0.169			
6	HD DEVELOPMENT OF MARYLAND INC	R9714000050	12.077			
6	EAGLE DEVELOPMENT ASSOCIATES LLC	R9714000063	1.036			
6	EAGLE DEVELOPMENT ASSOCIATES LLC	R9714000073	0.119			
6	EAGLE DEVELOPMENT ASSOCIATES LLC	R9714000080	0.113			
6	EAGLE DEVELOPMENT ASSOCIATES LLC	R9714000090	0.544			
6	EAGLE DEVELOPMENT ASSOCIATES LLC	R9714000100	0.641			
6	PETERSON HOLDING LLC	R9714000113	0.136			
6	PETERSON HOLDING LLC	R9714000123	0.603			
6	AYLAIAN FAMILY 1991 REVOCABLE TRUST	R9714000130	0.561			
6	L SQUARED LLC	R9714000140	1.094			
6	STODDARD PROPERTY INVESTMENTS LP	R9714000160	1.112			
6	EP12 LLC	R9714000170	1.036			
6	EP 13 LLC	R9714000180	2.276			
6	WINCO HOLDINGS INC	R9714000192	0.340			
6	RIM VIEW LLC	R9714000210	0.651			
6	WINCO HOLDINGS INC	R9714000230	0.229			
7	EAGLE PARK INC	S0515233650	1.760	3.96	5.00	3.96
7	EAGLE PARK INC	S0515233651	2.200			
8	STATE STREET PROPERTY LLC	S0514346650	9.576	9.58	1.75	1.75
9	HALL INVESTMENTS LP	S0515223101	1.040	3.39	14.20	3.39
9	HALL INVESTMENTS LP	S0515223105	0.350			
9	HALL INVESTMENTS LP	S0515223153	2.000			
10	HOFFER RANDY	S0515244310	1.470	1.47	2.25	1.47
11	OLDCASTLE MMG INC	S0515131303	2.640	66.61	78.61	66.61
11	MONROC INC	S0515427800	2.040			
11	OLDCASTLE MMG INC	S0515428050	61.930			

CALCULATION OF WATER BANK LEASE ACRES

ID	OWNER	PARCEL NO.	PARCEL ACRES (within service area)	AGGREGATE PARCEL SIZE	NEW UNION SHARES	WATER BANK ACRES
12	KALDENBERG MILAN	S0515244405	0.234	86.38	57.25	57.25
12	KALDENBERG MILAN	S0515244505	12.651			
12	KALDENBERG MILAN	S0515314910	57.142			
12	KALDENBERG MILAN	S0516212425	16.354			
13	ROCKY MOUNTAIN BUSINESS PARK ASSOCIATION INC	R5674010250	0.419	0.42	0.95	0.42
14	PACIFIC HEIGHTS SUB	NUMEROUS	5.953	5.95	5.96	5.95
15	DECHAMBEAU FAMILY 1 LLC	R3295510010	0.468	0.80	1.81	0.80
15	DECHAMBEAU FAMILY 1 LLC	R3295510020	0.330			
16	ROCK CONTRACTORS INC	S0515233920	11.830	60.45	91.58	60.45
16	ADA COUNTY HIGHWAY DISTRICT	S0515233960	0.958			
16	ROCK CONTRACTORS INC	S0515325555	37.385			
16	ROCK CONTRACTORS INC	S0515223324	1.050			
16	ROCK CONTRACTORS INC	S0515223360	2.407			
16	ROCK CONTRACTORS INC	S0515223365	4.892			
16	ROCK CONTRACTORS INC	S0515223400	0.790			
16	ROCK CONTRACTORS INC	S0515223452	0.713			
16	ROCK CONTRACTORS INC	S0515223401	0.040			
16	ROCK CONTRACTORS INC	S0515223450	0.380			
17	KINGDOM HOLDINGS LLC	R7025310037	0.661	4.72	9.00	4.72
17	STOENNER CRAIG H	R7025310052	0.370			
17	P J C DEVELOPMENT COMPANY INC	R7025310065	0.360			
17	P J C DEVELOPMENT COMPANY INC	R7025310080	0.420			
17	CJSD HOLDINGS INC	R7025310095	0.540			
17	PETTICOAT JUNCTION PROPERTY OWNERS ASSOCIATION INC	R7025310112	0.918			
17	BERRYMAN MICK	R7334201550	0.380			
17	RAMSEY ELLIS LLC	R7334201562	1.073			
17	CASHMAN RICHARD L	R7334201585	1.072			
18	TAUNTON PROPERTIES LLC	R5321520010	0.674			
18	SEA 2 SEA LLC	S0516131225	4.416	23.67	8.60	8.60
18	BHH INVESTMENTS II LLC	S0516131325	18.583			
19	ULMER LANE TOWNHOME SUB	NUMEROUS	12.055	12.06	13.82	12.06
20	ALI LLC	S0515417575	6.236	6.24	6.24	6.24
TOTALS				329.4	337.5	271.7





State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

November 26, 2018

NEW UNION DITCH CO LTD
PO BOX 31
EAGLE ID 83616

RE: WATER SUPPLY BANK LEASE CONTRACT 864 FOR WATER RIGHT 63-146

Dear Lessor:

Water right **63-146** was leased into the Water Supply Bank (Bank) as of October 15, 2018, in accordance with the enclosed executed lease contract. **Your water right, as described on the lease contract, is considered leased into the Bank and should remain unused until it is formally released from the Bank.** More information and further restrictions placed on your water right while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The right will automatically be released from the Bank on **December 31, 2023**, unless the right is 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 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. This form is available on our public website at www.idwr.idaho.gov. **Please note your water right may not be available for immediate release if it has been rented or is 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: Angie Grimm - IDWR Western Region
Rex Barrie - Water District 63
Lori Graves - SPF Water Engineering

Hersley, Jean

From: Grimm, Angie
Sent: Monday, November 19, 2018 8:18 AM
To: Hersley, Jean
Subject: RE: WSB Lease for New Union Ditch

Jean,

Good morning! No local area concerns come to mind for this lease renewal. Thank you for the opportunity to comment.

Regards,
Angie

Angela M. Grimm, P.G.
Water Rights Supervisor
IDWR - Western Region
2735 Airport Way
Boise, ID 83705-5082
(208) 334-2190 phone
(208) 334-2348 fax

From: Hersley, Jean
Sent: Wednesday, November 14, 2018 7:41 AM
To: Grimm, Angie <Angie.Grimm@idwr.idaho.gov>; Rex Barrie <waterdistrict63@qwestoffice.net>
Subject: WSB Lease for New Union Ditch

This is an extension of the lease they have had since 2014. Please let me know within 7 days if you have any comments or concerns. Thank you.

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



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

November 14, 2018

NEW UNION DITCH CO LTD
PO BOX 31
EAGLE ID 83616

RE: APPLICATION TO LEASE WATER RIGHT 63-146 TO THE WATER SUPPLY BANK CONTRACT 864

****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, 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,

for Water Supply Bank

Enclosures: Proposed Lease Contracts
Receipt # C105771

c: SPF Water Engineering

WATER SUPPLY BANK

Lease Review Checklist

Applicant(s) Name: New Union Ditch Co LTd

Memo Date: November 13, 2018

Water Right Number(s): 63-146

Reviewers Name: Jean

Quick Tools

Decreed Year	No Forfeiture Concerns Thru:
2011	2017
2012	2018
2013	2019
2014	2020
2015	2021

		Check box		COMMENTS/CONCERNS:
1	Fill out WSB Data Entry Checklist for Leases (Front of File)	x		
2	Reason for lease of water rights (Brief description of lease proposal in narrative)			
	Portion of right	x		
	All of right			
3	Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)	x		
		Yes	No	
4	Rentable? (If no explain in comments or narrative)	x		
5	Authority to file			
	Current owner or designated applicant			
	SOS Web site checked for business entity	x		
	Other (explain in comments)			
6	Water Right validity			
	Decreed/Licensed/Statutory claim date (write in comments section)			2007
	Past irrigation to ensure forfeiture is not an issue if decreed or licensed over 7 years ago (consider transfers that changed the POU, rentals to the POU etc.)			Extension of Time to Avoid Forfeiture 2013-2017
	Has this right previously been leased to the bank or in CREP?	x		in Bank 2014 through 2018
7	Injury to other water rights			
	If the POD is through a delivery entity, was consent provided?		x	
	If the POD is through a delivery entity, was holdback required? (percentage in comments)		x	%
	Any other concerns		x	
8	Enlargement concerns	Check box		
	Complete a POU comparison overlap analysis	x		
	Complete a combined limits review	x		
	Complete POD overlap analysis (if there is an overlap add condition to lease)	x		
		Yes	No	
	Are there overlapping rights that need to be placed in the bank also?		x	
	Will the place of use continue to receive water? (if yes explain in comments)			portions
9	Local Public Interest			
	Does the processor know of any problems this action will cause for the local public?		x	
10	Have you contacted regional office and watermaster for comment/concerns?	x		
	Send the watermaster comment request form or e-mail request	x		
11	Area Headgate requirement (write in Comments)			4.5
12	Is water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments		x	
13	Narrative: The Department received this application on October 15, 2018. This application is for the 2019-2023 seasons. Only the irrigation use is being offered to the Bank. The applicant wishes to place 271.7 acres in the Bank. This right was decreed in 2007, an extension of time to avoid forfeiture was active from 2013-2017. This 271.7 acre portion was placed in the Bank from 2014-2018. The service area for NUDC is an area that has rapid urbanization. Most of the area is parking lots and stores. Some of the area is subdivisions that have other means of water. This right is currently within WD 63.			



SPF WATER
ENGINEERING

RECEIVED

OCT 15 2018

DEPARTMENT OF
WATER RESOURCES

October 12, 2018

Mary Condon
IDWR State Office
PO Box 83720
Boise, ID 83720-0098

Subject: *New Union Ditch Co., Ltd. Water Bank Lease Application (renewal)*

Dear Mary,

Enclosed on behalf of New Union Ditch Co., Ltd., is an application to lease a portion of water right 63-146 to the Idaho Water Supply Bank. The portion to lease is currently in the bank under Contract No. 177 set to expire at the end of this year. Applicants would like to re-submit the same acres for another five years.

Check No. 1241 is enclosed for the \$250 enrollment fee. Please let me know if you have any questions. Thanks Mary.

Sincerely,

Lori Graves
Water Rights Specialist

Cc: Gary Heikes, New Union Ditch Co., Ltd.

Enclosures

SPF file number: 1087.0010