

WATER SUPPLY BANK LEASE CONTRACT No. 740

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

LESSOR: THE COMMUNITY SCHOOL INC
PO BOX 2118
SUN VALLEY, ID 83353

RECEIVED

APR 05 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 December 18, 2017.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
37-8157	6/30/1983	UNNAMED STREAM, tributary to SINKS	Not Stated	14.6	4.2
Combined Lease Totals			Not Stated	14.6	4.2

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, 2017 to December 31, 2020. This Lease shall bind the parties and take effect when both parties have signed it.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.

LEASE CONTRACT NO. 740

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.

LEASE CONTRACT NO. 740

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

LESSOR: THE COMMUNITY SCHOOL INC

PO BOX 2118

SUN VALLEY, ID 83353

By B-J- [Signature]
Title Head of School
Date 4/3/18

IDAHO WATER RESOURCE BOARD

322 East Front Street

P.O. Box 83720

Boise, ID 83720-0098

By [Signature]
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 4/9/2018

Lease approved by IDWR [Signature]

Date 4-9-2018

**ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE
FOR LEASE CONTRACT NO. 740**

The water rights or portions thereof leased to the bank are described as follows:

Source and Location of Point(s) of Diversion for Water Right No(s): 37-8157

UNNAMED STREAM NWSW Sec. 16 Twp 04N Rge 18E BLAINE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
37-8157	IRRIGATION STORAGE	01/01	to	12/31	Not Stated	14.6 AF
	IRRIGATION FROM STORAGE	04/15	to	10/31	Not Stated	14.6 AF
Totals:					Not Stated	14.6 AF

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

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	18E	16										x							

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION FROM STORAGE

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	18E	16							1.0			20.1	3.8						24.9

Total Acres: 24.9

Acre Limit: 4.2

ADDITIONAL CONDITIONS OF ACCEPTANCE

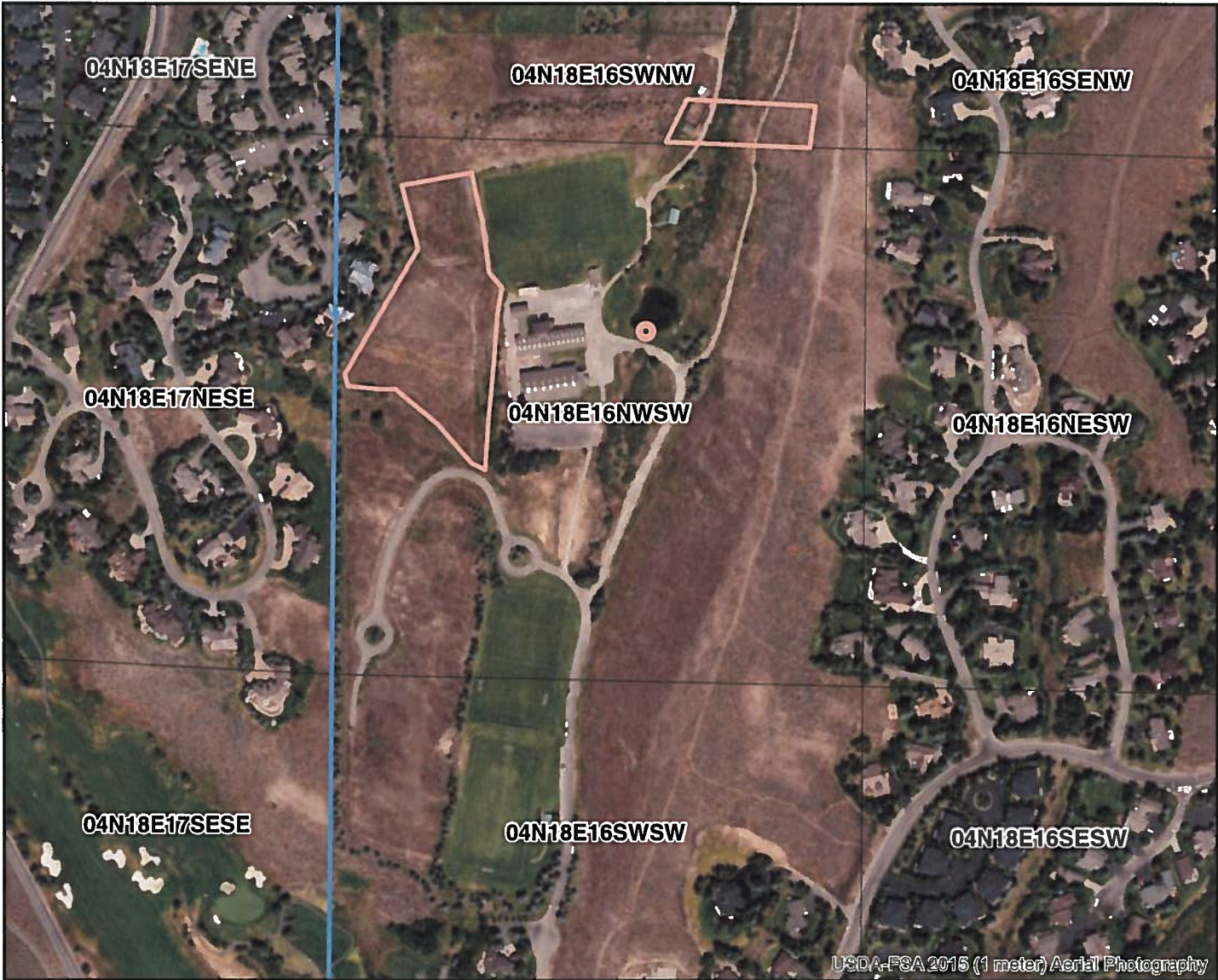
1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of 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.
9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. The right holder shall 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(s).
13. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the place of use.
14. The unleased portions of rights 37-8157, 37-22681, and 37-20901 when combined shall not exceed the irrigation of 10.6 acres.
15. Use of water under this right may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 37.
16. The unleased portion of this right shall not exceed 37.0 af from storage for irrigation of 10.6 acres within the authorized place of use in a single irrigation season.
17. The reservoir established by the storage of water under this right shall not exceed a total capacity of 1.9 acre-feet or a total surface area of 0.25 acres.
18. The leased portion of water right 37-8157 of contract 740 must be rented with 4.2 acres of the leased portion of 37-20901 under contract 698 to prevent enlargement of the rights.

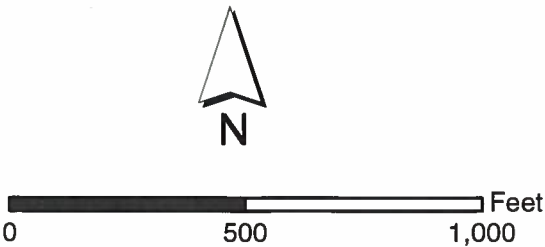
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 740

37-8157
Effective until December 31, 2020

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
-  Townships
-  PLS Sections
-  Quarter Quarters



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

DEC 18 2017

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant The Community School, Inc

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

Water Right No. 37-8157

(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 \$

Received By:

Date Received:

Receipt # C102833W-9 received? Yes ☐ No ☒

(Route W-9 to Fiscal)

Name on W-9:

on file

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 The Community School, Inc

Mailing Address PO Box 2118, Sun Valley ID 83353

Street

City

State

Zip Code

Email Address jsiegel@communityschool.org

Phone Number (208) 622-3960 x168

☒ 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 Julie Siegel

Organization The Community School, Inc

Professional Title CFO/Business Office Manager

Email Address jsiegel@communityschool.org

Mailing Address PO Box 2118, Sun Valley ID 83353

Phone Number (208) 622-3960 x168

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

OR

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

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

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

OR

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

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

3. MAP

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

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

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

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

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

Water from the unnamed stream is collected in a pond and then pumped into a distribution system and applied to the place of use by sprinklers.

- 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.

37-20901, 37-22681

- 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. Records for WD37 show this right in combination with 37-20901 and 37-22681 diverted 22.63 ac-ft in 2015 and 15.62 ac-ft in 2016.

- 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. Right was licensed on November 24, 2017.

- 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: $\frac{2017}{\text{(Year)}}$ to $\frac{2020}{\text{(Year)}}$ (maximum lease period 5 calendar years).
- 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.
- \$100/ac

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



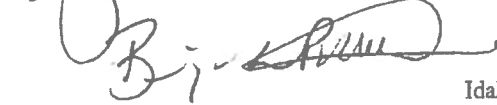
Julie Siegel

12/14/17

Signature of Authorized Representative

Printed Name

Date



Benjamin L. Petty
Mail to:

01/11/18

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

Head of School

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: 2017 to 2020 (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.

\$100/ac

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



Julie Siegel

12/14/17

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). _____

	Designated Applicant	Applicant #2	Applicant #3
Name	The Community School, Inc		
Mailing Address	PO Box 2118 Sun Valley, Idaho 83353		
Phone Number	(208) 622-3960 x168		
Email Address	jsiegel@communityschool.org		
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

<u>1. Water Right Number</u>	<u>Nature of Use</u>	<u>Leased Rate</u> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
<u>37-8157</u>	<u>Irrigation Storage</u>		<u>14.6</u>	<u>4.2</u>
	<u>Irrigation from Storage</u>		<u>14.6</u>	<u>4.2</u>
	Total Amounts:		<u>14.6</u>	<u>4.2</u>

2. Source of water Unnamed Stream tributary to Sinks

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
04N	18E	16			NW	SW	Blaine

**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>37-8157</u>	<u>Irrigation Storage</u>		<u>14.6</u>	<u>4.2</u>
	Total Amounts:		<u>14.6</u>	<u>4.2</u>

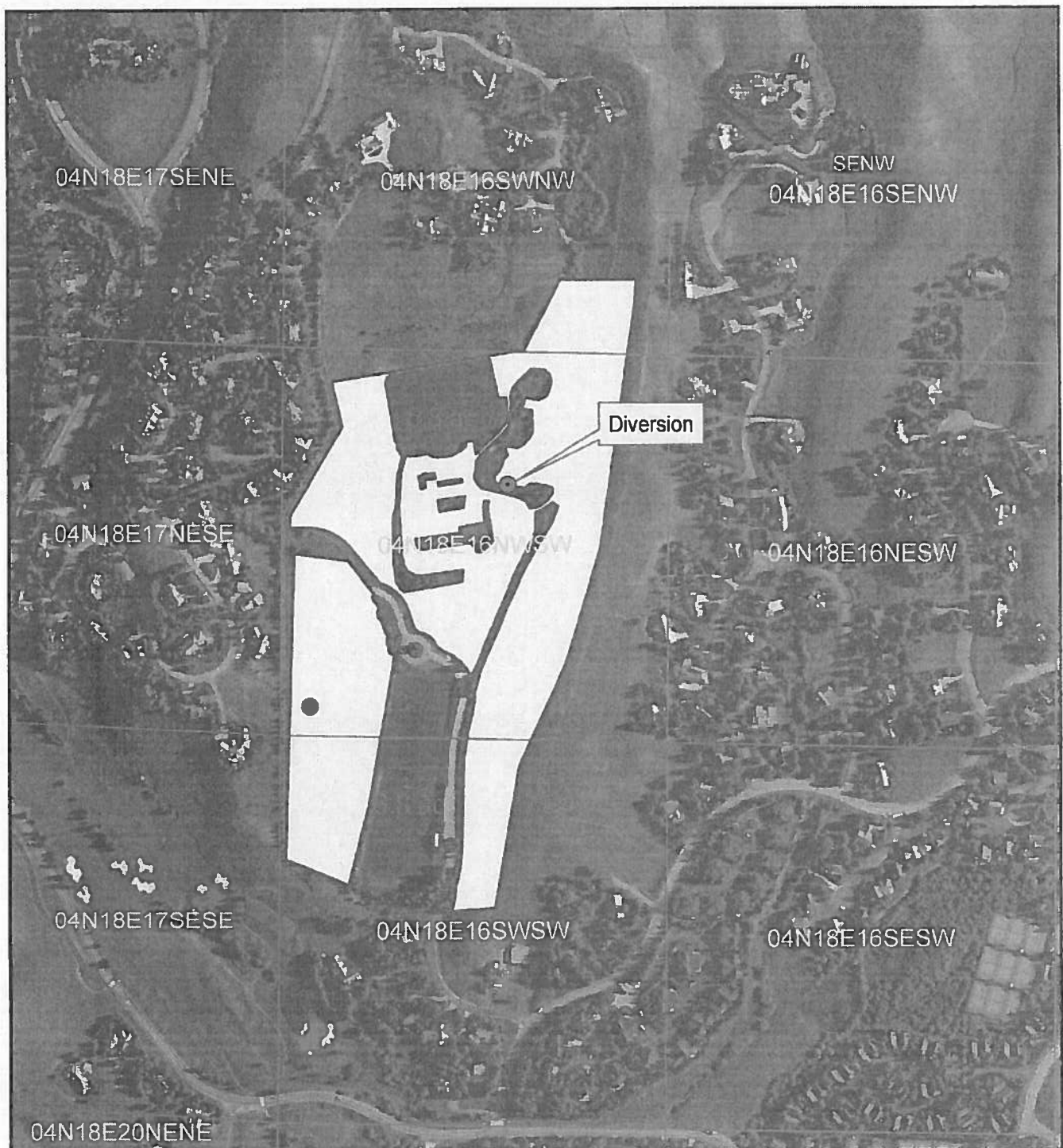
2. Source of water unnamed stream tributary to sinks

3. Point(s) of diversion:

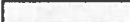
Twp	Rge	Sec	Lot	¼	¼	¼	County
04N	18E	16			NW	SW	Blaine

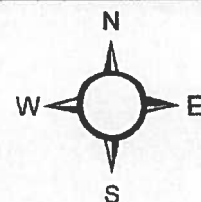
Attachment 3.1

37-8157_4.2_ac_PPU_in_WSB



Legend

-  qq
-  37-8157_diversion
-  37-8157_4.2_ac_in_WSB



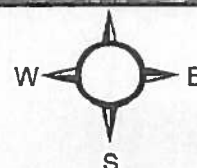
Attachment 3

37-8157_10.6 ac irrigated



Legend

-  37-8157_10.6_ac_irrigated
-  license_37-8157_PPU





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

April 9, 2018

THE COMMUNITY SCHOOL INC
PO BOX 2118
SUN VALLEY ID 83353

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 37-8157

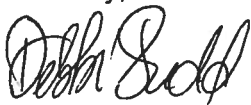
Dear Lessor:

Water right **37-8157** was leased into the Water Supply Bank (Bank) as of December 18, 2017, 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, 2020**, 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,


Srv Water Supply Bank

Enclosure: Executed Lease Contract

c: Corey Skinner - IDWR Southern Region
Kevin Lakey - Water District 37
James Speck - Speck & Aanestad
Ernie Carlsen - Idaho Water Engineering



RECEIVED

APR 05 2018

DEPARTMENT OF
WATER RESOURCES

April 3, 2018

Clay Webster
State of Idaho Department of Water Resources
PO Box 83720
Boise, Idaho 83720-0098

RE: Applications to Lease Water Right 37-8157-, 37-20901 & 37-22681 to the Water Supply Bank

Dear Clay,

Ernie Carlsen from Idaho Water Engineering has been helping us complete our application to lease our water rights and spoke with you on March 16 about the discrepancy in the total acres listed on Attachment A of Lease Contract No 740. You suggested making the needed correction by striking through the 30.4 number in the two places where it appears on page 4 of 5, writing in 24.9 then initialing the change. I have made both those changes and had Ben sign all the contracts and changes. Please let me know if you need anything else. Thank you for your help in this matter.

Sincerely,

Julie Siegel
CFO/Business Office Manager
Community School
jsiegel@communityschool.org



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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

March 5, 2018

THE COMMUNITY SCHOOL
PO BOX 2118
SUN VALLEY ID 83353

RE: APPLICATIONS TO LEASE WATER RIGHT 37-8157, 37-20901 & 37-22681 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 rights 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 rights will automatically be released from the Bank on **December 31, 2020**, unless the rights are released earlier by the Board, or upon your request. To release the 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. 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 rights may not be available for immediate release if they have 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."

Pursuant to Water Supply Bank Rules 025.06.d, one of the criteria of the Water Resource Board to accept water rights into the Bank is whether the offering price or requested rental rate is reasonable. The rental rate during the 2016-2017 season was \$17.00 per acre foot. The rental rate for 2018-2022 is \$20.00 per acre foot. Unless you have a private agreement with a renter, the Department does not see a reason why leases should be accepted into the Bank at a rental rate other than the current rental rate.

However, you may provide justification of the rental rate you are requesting in your lease applications and the Department will determine if your request is reasonable.

If you have questions regarding this matter, please contact this office at 287-4800.

Sincerely,

for Water Supply Bank

Enclosure: Proposed Lease Contracts

c: Speck & Aanestad

Hersley, Jean

From: Skinner, Corey
Sent: Friday, February 02, 2018 9:24 AM
To: Hersley, Jean
Subject: RE: WSB Lease Contracts for The Community School

No concerns from me, but it appears that the "Land to be Idled Under the Lease" section of the lease contracts may not have all the tracts listed (the lands don't add up to 30.4 acres). Maybe 37-22681 might be missing.

From: Hersley, Jean
Sent: Tuesday, January 30, 2018 12:38 PM
To: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>; Kevin Lakey <watermanager@cableone.net>
Subject: WSB Lease Contracts for The Community School

Please let me know if you have any comments or concerns with these leases. Thank you.

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

Webster, Clay

From: Webster, Clay
Sent: Tuesday, January 30, 2018 4:30 PM
To: 'James Speck'
Cc: Hersley, Jean
Subject: RE: WSB Lease Contracts for Community School

Jim,

This mailing will be delayed until we can address your concerns.

Sincerely,
Clay Webster
Water Rights Supervisor
clay.webster@idwr.idaho.gov
208-287-4910
Idaho Department of Water Resources (IDWR)

From: Hersley, Jean
Sent: Tuesday, January 30, 2018 1:24 PM
To: Webster, Clay <Clay.Webster@idwr.idaho.gov>
Subject: FW: WSB Lease Contracts for Community School

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

From: James Speck [<mailto:jim@speckandaanestad.com>]
Sent: Tuesday, January 30, 2018 1:21 PM
To: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Cc: Ernie Carlsen (ernie@idahowaterengineering.com) <ernie@idahowaterengineering.com>; Julie Siegel (jsiegel@communityschool.org) <jsiegel@communityschool.org>
Subject: RE: WSB Lease Contracts for Community School

Jean,

The last condition to both contracts is that the three rights must be rented together. First, 20901 & 22681 are NOT overlapping rights. Second, 8157 can only be used to irrigate 4.2A out of the total of 30.4A leased to the Bank. 26.2A of 20901 & 22681 should be available for rent without also renting any of 8157. Can you eliminate or revise this condition accordingly? Thank you.

Jim

From: Hersley, Jean [<mailto:Jean.Hersley@idwr.idaho.gov>]
Sent: Tuesday, January 30, 2018 12:40 PM

To: James Speck
Cc: Ernie Carlsen (ernie@idahowaterengineering.com)
Subject: WSB Lease Contracts for Community School

These leases for The Community School will go out in tomorrow's mail. If you have any questions, please contact the Department. Thank you.

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

Webster, Clay

From: Webster, Clay
Sent: Tuesday, July 18, 2017 2:23 PM
To: Bitzenburg, James
Cc: Skinner, Corey
Subject: RE: licensing permit 37-8157, The Community School

Jim,

You are correct on the amounts of the rights that were not requested to be leased to the bank. As long as their proof supports that they had 14.7 acres worth of beneficial use, I have no issues with licensing the right for that much. The issue that we may have in the bank depends on how the right is stacked with the ground water rights. The way it is licensed will effect whether a portion of 37-8157 will be required to be placed in the bank with the other rights. That was the discussion that I had with Ernie when he asked me about this. The lease applications are like them wanting to transfer those portions of the ground water rights without the surface water right. We will have to rely on the conditions of the licensed right to guide us through whether we can accept a portion of the groundwater rights to be leased without a portion of the surface water right. We have the lease applications on hold until the permit is licensed. We will proceed with the lease application processing once the license is in place.

Clay

From: Bitzenburg, James
Sent: Monday, July 17, 2017 3:08 PM
To: Webster, Clay <Clay.Webster@idwr.idaho.gov>
Cc: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Subject: FW: licensing permit 37-8157, The Community School

Clay-

I finally got a response from Ernie Carlson representing the Community School regarding the licensing of permit 37-8157. As you can see, they are wanting to license 14.74 acres of irrigation for that permit. As I recall from an earlier conversation with you, the number of acres of the two rights not being leased into the WSB was 5.5 acres of 37-22681 and 5.1 acres of 37-20901 for a total of 10.6 acres. What are your thoughts on this? Are you okay with me licensing the 14.7 acres?

I'll run this by Corey when he gets back into the office tomorrow.

Jim

Jim Bitzenburg
Water Resource Agent
Idaho Department of Water Resources
Southern Regional Office
Phone (208)-736-3033
Fax (208)-736-3037
james.bitzenburg@idwr.idaho.gov

From: Ernie Carlsen [<mailto:ernie@idahowaterengineering.com>]
Sent: Monday, July 17, 2017 12:55 PM

To: Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>

Subject: licensing permit 37-8157, The Community School

Hello Jim,

It has been several weeks since we talked about the options The Community School could consider for the licensing of permit 37-8157. You might recall one of the options was to reduce the number of irrigated acres. Representatives for School and the School's attorney, James Speck, have made a decision. They would like the licensed place of use to be 14.74 acres. The shape file for the 14.74 acres is attached along with a reduced area PPU of 32 acres.

Please give me a call when you have been able to open these files in ArcMap or if you have any trouble opening them.

Cheers

Ernie

Hersley, Jean

From: Bitzenburg, James
Sent: Friday, January 06, 2017 10:42 AM
To: Hersley, Jean
Subject: Water Supply Bank Lease Applications; Permit 37-8157

Jean-

I'm the agent attempting to license permit 37-8157. It's been a difficult one from the start, as it was permitted with the source as springs, when it is actually an on-stream pond. The groundskeeper told me that the pump in the pond runs initially from the stream water stored in the pond, and, at a certain point, a float kicks on the ground water pumps, which then pump into the pond. So the surface water permit is co-mingled with the ground water. I talked to Corey about the permit this morning and we are going to have to bring it up at our next staff meeting with the State office. There are issues about how to determine volume, acres, etc. So it could be a while before it gets licensed. That is about where it sits at this point.

Jim

Jim Bitzenburg
Water Resource Agent
Idaho Department of Water Resources
Southern Regional Office
Phone (208)-736-3033
Fax (208)-736-3037
james.bitzenburg@idwr.idaho.gov

Hersley, Jean

From: Hersley, Jean
Sent: Friday, January 06, 2017 8:49 AM
To: Skinner, Corey
Subject: WSB Lease Applications

Corey,

Could you forward this to the agent that is working on licensing water permit 37-8157? Thank you.

I am in the process of reviewing Bank applications from the Community School, 37-20901 and 37-22681. They want to place portions of both rights in the Bank. Permit 37-8157 overlaps the POU and it appears to be in the process of being licensed. Water rights 37-20901 and 37-22681 are ground water rights and permit 37-8157 source is a unnamed stream.

In the field exam, was it noted that these rights have been used together? Will there be any combined limits on the new license? How close is this to being licensed? We may need to ask them to place a portion of right 37-8157 in the Bank also. Please let me know.

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

WATER SUPPLY BANK

Lease Review Checklist

Applicant(s) Name: Community School Inc

Memo Date: December 21, 2017 - updated 1-30-18

Water Right Number(s): 37-8157

Reviewers Name: Jean

Quick Tools

Decreed /ear	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)	
2	☒	Reason for lease of water rights (Brief description of lease proposal in narrative)	
	☒	Portion of right	
	☒	All of right	
3	☒	Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)	
	☒	Yes	No
4	☒	Rentable? (If no explain in comments or narrative)	
5	☒	Authority to file	
	☒	Current owner or designated applicant	
	☒	SOS Web site checked for business entity	
	☒	Other (explain in comments)	
6	☒	Water Right validity	
	☒	Decreed/Licensed/Statutory claim date (write in comments section)	2017
	☒	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.)	
	☒	Has this right previously been leased to the bank or in CREP?	x
7	☒	Injury to other water rights	
	☒	If the POD is through a delivery entity, was consent provided?	na
	☒	If the POD is through a delivery entity, was holdback required? (percentage in comments)	%
	☒	Any other concerns	
8	☒	Enlargement concerns	
	☒	Complete a POU comparison overlap analysis	
	☒	Complete a combined limits review	
	☒	Complete POD overlap analysis (if there is an overlap add condition to lease)	
	☒	Yes	No
	☒	Are there overlapping rights that need to be placed in the bank also?	37-20901 & 37-22681
	☒	Will the place of use continue to receive water? (if yes explain in comments)	x
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?	
	☒	Send the watermaster comment request form or e-mail request	
11	☒	Area Headgate requirement (write in Comments)	3.5
12	☒	Is water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments	x

Narrative: this application was received on December 18, 2017 Julie Siegel, CFO/ Business Office Manager signed the application. An amended signature page was received since she is not listed on the SOS page for this business. This right was licensed in 2017. This right overlaps with water rights 37-20901 and 37-22681 & is limited together to 41 acres total. This right is limited to 14.8 acres in the 41 acre PPU. The applicant is placing 24.9 acres of 37-20901 and 5.5 acres of 37-22681 in the Bank or 30.4 acres total leased. The applicant is placing 4.2 acres of this right in the Bank, which is the portion of this right overlapped with the other leased acres: 41-30.4 = 10.6 acres remain unleased, so 14.8-10.6 = 4.2 acres overlapping leased acres under the GW rights. This right is currently within WD 37. Water rights 37-20901, 37-22681 and 37-8157 have to be rented together.

No. C 48080	Due no later than Aug 31, 2017		2. Registered Agent and Address (NO PO BOX)			
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	1. Mailing Address: Correct in this box if needed. COMMUNITY SCHOOL, INC. (THE) MARY K HALL PO BOX 2118 1 COMMUNITY SCHOOL DRIVE SUN VALLEY ID 83353		BEN PETTIT 1 COMMUNITY SCHOOL DRIVE SUN VALLEY ID 83353			
			3. <u>New</u> Registered Agent Signature:*			
4. Corporations: Enter Names and Business Addresses of President, Secretary, and Directors. Treasurer (optional).						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
DIRECTOR	CHARLES STEVENSON	PO BOX 402	SOUTH HAMPTON	NY	USA	11969
DIRECTOR	AMANDA BLACK	PO BOX 182	SUN VALLEY	ID	USA	83353
DIRECTOR	APRIL MCCLAIN-DELANEY	8921 DURHAM DRIVE	POTOMAC	MD	USA	20854
DIRECTOR	MARGARET BAKER	PO BOX 6294	KETCHUM	ID	USA	83340
DIRECTOR	TORY O'CONNOR	PO BOX 7800	KETCHUM	ID	USA	83343
DIRECTOR	BILL GRIFFIN	PO BOX 9000	KETCHUM	ID	USA	83343
SECRETARY	LISA WHORTON	PO BOX 2638	KETCHUM	ID	USA	83340
TREASURER	STEVEN SHAFRAN	PO BOX 6893	KETCHUM	ID	USA	83340
DIRECTOR	PIRIE GROSSMAN	PO BOX 2869	SUN VALLEY	ID	USA	83353
DIRECTOR	GUY CHERP	PO BOX 537	KETCHUM	ID	USA	83340
DIRECTOR	ED VIESTURS	PO BOX 1735	SUN VALLEY	ID	USA	83353
DIRECTOR	LOUISE STUMPH	PO BOX 3694	KETCHUM	ID	USA	83340
PRESIDENT	BRENT STEVENS	PO BOX 5239	KETCHUM	ID	USA	83340
DIRECTOR	CORDY SNYDER	PO BOX 2536	KETCHUM	ID	USA	83340
DIRECTOR	MOLLY PAGE	PO BOX 449	HAILEY	ID	USA	83333
TREASURER	WILL HOVEY	PO BOX 788	KETCHUM	ID	USA	83340
DIRECTOR	EVA DEWOLFE	PO BOX 4869	KETCHUM	ID	USA	83340
DIRECTOR	BARRETT OTT	PO BOX 307	KETCHUM	ID	USA	83340
DIRECTOR	ALYSIA MAY	PO BOX 1229	KETCHUM	ID	USA	83340
DIRECTOR	JOHN JENDREZAK	2622 259TH CT. SE	SAMMAMISH	WA	USA	98075
DIRECTOR	KIM STEEL HAGENBUCH	PO BOX 8850	KETCHUM	ID	USA	83340
5. Organized Under the Laws of: ID C 48080		6. Annual Report must be signed.* Signature: Mary Hall Name (type or print): Mary Hall Date: 07/03/2017 Title: Registrar				
Processed 07/03/2017		* Electronically provided signatures are accepted as original signatures.				

Hersley, Jean

From: James Speck <jim@speckandaanestad.com>
Sent: Monday, January 29, 2018 11:00 AM
To: Hersley, Jean
Cc: Ernie Carlsen (ernie@idahowaterengineering.com); Julie Siegel (jsiegel@communityschool.org); Webster, Clay
Subject: RE: The Community School - WSB Lease Application - 37-8157

Thank you, Jean, for the very prompt reply!

Jim

From: Hersley, Jean [mailto:Jean.Hersley@idwr.idaho.gov]
Sent: Monday, January 29, 2018 10:58 AM
To: James Speck
Cc: Ernie Carlsen (ernie@idahowaterengineering.com); Julie Siegel (jsiegel@communityschool.org); Webster, Clay
Subject: RE: The Community School - WSB Lease Application - 37-8157

I have everything I need. The lease contracts are being reviewed and should go out this week.

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

From: James Speck [mailto:jim@speckandaanestad.com]
Sent: Monday, January 29, 2018 10:57 AM
To: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Cc: Ernie Carlsen (ernie@idahowaterengineering.com) <ernie@idahowaterengineering.com>; Julie Siegel (jsiegel@communityschool.org) <jsiegel@communityschool.org>; Webster, Clay <Clay.Webster@idwr.idaho.gov>
Subject: The Community School - WSB Lease Application - 37-8157

Jean,

I represent The Community School. Please confirm that you now have everything you need to process this Application. Thank you.

Jim

James P. Speck
SPECK & AANESTAD
A Professional Corporation
120 East Avenue North
P.O. Box 987
Ketchum, ID 83340
208.726.4421
208.726.0752 (fax)
jim@speckandaanestad.com

CONFIDENTIAL COMMUNICATION

This email message and any attachments are intended only for the use of the addressee named above and may contain information that is privileged and confidential. If you are not the intended recipient, any dissemination, distribution, or copying is strictly prohibited. If you received this email message in error, please immediately notify the sender by replying to this email message or by telephone. Thank you.

Hersley, Jean

From: Hersley, Jean
Sent: Tuesday, January 30, 2018 12:40 PM
To: 'James Speck'
Cc: Ernie Carlsen (ernie@idahowaterengineering.com)
Subject: WSB Lease Contracts for Community School
Attachments: DOC000

These leases for The Community School will go out in tomorrow's mail. If you have any questions, please contact the Department. Thank you.

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

Hersley, Jean

From: Hersley, Jean
Sent: Tuesday, January 30, 2018 12:38 PM
To: Skinner, Corey; 'Kevin Lakey'
Subject: WSB Lease Contracts for The Community School
Attachments: Lease Application Review 37-20901 & 37-22681.xls; Report - Lease Contract -698.docx; Idled Acres 37-20901.pdf; Idled Acres.pdf; Idled Acres.pdf; Lease Application Review 37-8157.xls; Report - Lease Contract - 740.docx

Please let me know if you have any comments or concerns with these leases. Thank you.

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

Hersley, Jean

From: Julie Siegel <jsiegel@communityschool.org>
Sent: Friday, January 19, 2018 9:12 AM
To: Hersley, Jean
Subject: Re: Attachment 2 WSB Lease Application WR 37-8157 for Community School
Attachments: Application to sell or lease a water right.pdf

Hi Jean-Sorry I forgot to attach the document. As I mentioned in my earlier memo I amended Attachment 2 and had our head of School sign on page 4. Let me know if that doesn't work.

On Wed, Jan 17, 2018 at 3:41 PM, Julie Siegel <jsiegel@communityschool.org> wrote:

Hi Jean-

Will this work? I amended Attachment 2 and had Ben Pettit our Head of School also sign on page 4. I would need to get a Board Resolution to add my name to a formal request for designated signers and the next Board meeting is not until Feb 2. I could get it then but that is past your deadline of 1/31. I can send you my business card if that would help? Thanks

On Fri, Dec 22, 2017 at 8:08 AM, Hersley, Jean <Jean.Hersley@idwr.idaho.gov> wrote:

Julie,

Thank you for submitting the application to place a portion of water right 37-8157 into the Water Supply Bank. Attachment 2 of the application is a description of the water right portion offered to the Bank. 14.6 af of Irrigation Storage was the only use offered. The same 14.6 af of the irrigation from storage use will need to be placed in the Bank also.

I have attached a copy of attachment 2. Please print attachment 2, make the changes, initial and date the changes, and return to the Department either by responding to this email, faxing to [\(208\) 287-6700](tel:(208)287-6700), Attn: Jean, or mail to: IDWR, PO Box 83720, Boise, ID, 83720-0098.

Also, the Department will need documentation that you are authorized to sign the applications and contracts for The Community School, Inc.

Please submit the requested information within 30 days so the Department can continue processing your requests.

If you have any questions, please contact me. Thank you.

Jean Hersley

Idaho Dept Water Resources

Technical Records Specialist II

208-287-4942

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Julie Siegel
CFO/Business Office Manager
Community School
PO Box 2118
Sun Valley, Idaho 83353
(208) 622-3960 x168
Fax (208) 622-8641

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Julie Siegel
CFO/Business Office Manager
Community School
PO Box 2118
Sun Valley, Idaho 83353
(208) 622-3960 x168
Fax (208) 622-8641



4838 Wind River Rd.
Idaho Falls, ID 83401

Office: (208) 523-4514
Cell: (208) 523-4514

www.idahowaterengineering.com

emcarlsen@gmail.com

December 13, 2017

RECEIVED

DEC 18 2017

DEPARTMENT OF
WATER RESOURCES

DEPARTMENT OF WATER RESOURCES
C/O CLAY WEBSTER
PO BOX 83720
BOISE ID 83720-0098

RE: APPLICATION TO LEASE WATER RIGHT 37-8157

Dear Clay:

Enclosed for your review and consideration is a completed application to lease 4.2 acres of license 37-8157 to the Water Supply Bank. This application should be processed in combination with the lease applications for decrees 37-20901 and 37-22681 filed with IDWR in December 2016.

As the Designated Applicant on all three applications, The Community School, Inc provided a copy of IRS form W-9 with the lease applications for 37-20901 and 37-22681. Hence a W-9 is not included with this application.

Recognizing that 37-8157 is a stacked water right with decrees 37-20901 and 37-2268 a filing fee is not being provided with this application. It is our understanding the filing fee is covered by the stacked right filing fee of \$500 paid in conjunction with the Applications to Lease 37-20901 and 37-22681 and is recorded under receipt C102833.

Naturally if there are any questions concerning the three applications feel free to contact me.

Respectfully

Ernie Carlsen
East Idaho Manager

I have included a copy if you could
please date Stamp it and return it to
me that would be great.
Julie Sugil



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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

December 1, 2017

THE COMMUNITY SCHOOL INC
PO BOX 2118
SUN VALLEY ID 83353

**RE: ADDITIONAL INFORMATION REQUEST FOR PROCESSING APPLICATION TO LEASE
WATER RIGHT NO(S) 37-20901 and 37-22681 TO THE WATER SUPPLY BANK**

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

Dear Applicant:

The Idaho Department of Water Resources (Department) acknowledges receipt of the applications to lease the above referenced water rights to the Idaho Water Resource Board's Water Supply Bank (Bank) on December 28, 2016. The Department put these water rights on hold while water right 37-8157 was being licensed because water right 37-8157 overlaps the water rights being offered to the Bank.

A preliminary review of your application has been completed and it has been determined that additional information is required to continue processing.

Water Supply Bank Rule 25 (also known as IDAPA 37.02.03.025) requires the Department to evaluate the probability of selling or renting the water right from the Board's water supply bank.

Please provide the following information or request withdrawal of your application within 30 days of the date of this letter or the application will be returned unprocessed and your application fee will be refunded:

- **Water rights 37-8157, 37-20901 and 37-22681 are limited to the irrigation of 41 acres. You have proposed to lease 24.9 acres from 37-20901 and 5.5 acres from 37-22681. This will leave 10.6 acres to be irrigated. Water right 37-8157 is limited to 14.8 acres in the 41 acre place of use. There are two different courses of action that can be taken to eliminate a concern of enlargement in the event of rental of these water rights. The first is to provide an amendment to one of the applications of the other rights being offered to the Bank to reduce the proposed lease amount by 4.2 acres. Please provide the required maps to identify the adjusted acres offered to the bank. The second is to provide an application to lease an overlapping portion of 4.2 acres from water right 37-8157. I have enclosed the Attachment 2 from the water rights offered to the Bank for you to amend the amounts offered to the Bank and enclosed an application to lease a water right to the Bank for your benefit.**

Water Supply Bank Rule 25 (also known as IDAPA 37.02.03.025) requires the Department to evaluate whether the water right has been lost through abandonment or forfeiture as defined by Section 42-222(2), Idaho Code. Section 42-222(2) states, in part, "All rights to the use of water acquired under this chapter or otherwise shall be lost and forfeited by a failure for the term of five (5) years to apply it to the beneficial use for which it was appropriated." Please note that on your applications you requested a lease period of 2017 to 2022. These rights were decreed in 2010 and you are allowed 5 years to put these rights to beneficial use. That means beneficial use needed to take place in 2016 or an action needed to be taken to protect the rights from forfeiture in 2016. The Department received your applications on December 28, 2016. In order to prevent forfeiture concerns the water rights can be leased to the Bank from 2016 to 2020 (maximum lease period 5 calendar years).

The department will continue processing your application once you have submitted the requested information. Water right forms are available from the Department's website at www.idwr.idaho.gov. If you have any questions, please contact this office at (208) 287-4910.

Sincerely,


for Clay Webster
Water Rights Supervisor

c. James P. Speck – Speck & Aanestad (via e-mail)

Enclosure(s): Attachment 2

Application to Sell or Lease a Water Right to the Water Supply Bank

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 698

37-20901

Effective until December 31, 2020

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

Townships

PLS Sections

Quarter Quarters



0 500 1,000 Feet

Webster, Clay

From: Ernie Carlsen <ernie@idahowaterengineering.com>
Sent: Saturday, December 16, 2017 5:38 PM
To: Webster, Clay
Subject: Re: Shapefiles for the Community School
Attachments: 37-8157_10.6_ac_irrigated.dbf; 37-8157_10.6_ac_irrigated.prj; 37-8157_10.6_ac_irrigated.sbn; 37-8157_10.6_ac_irrigated.sbx; 37-8157_10.6_ac_irrigated.shp; 37-8157_10.6_ac_irrigated.shx; 37-8157_PPU_4.2_ac_in_WSB.dbf; 37-8157_PPU_4.2_ac_in_WSB.prj; 37-8157_PPU_4.2_ac_in_WSB.shp; 37-8157_PPU_4.2_ac_in_WSB.shx; 37-20901_5.1_ac_irrigated.dbf; 37-20901_5.1_ac_irrigated.prj; 37-20901_5.1_ac_irrigated.sbn; 37-20901_5.1_ac_irrigated.sbx; 37-20901_5.1_ac_irrigated.shp; 37-20901_5.1_ac_irrigated.shx; 37-20901_24.9_ac_in_WSB.dbf; 37-20901_24.9_ac_in_WSB.prj; 37-20901_24.9_ac_in_WSB.sbn; 37-20901_24.9_ac_in_WSB.sbx; 37-20901_24.9_ac_in_WSB.shp; 37-20901_24.9_ac_in_WSB.shx; 37-22681_5.5_ac_irrigated.dbf; 37-22681_5.5_ac_irrigated.prj; 37-22681_5.5_ac_irrigated.sbn; 37-22681_5.5_ac_irrigated.sbx; 37-22681_5.5_ac_irrigated.shp; 37-22681_5.5_ac_irrigated.shx; 37-22681_5.5_ac_in_WSB.dbf; 37-22681_5.5_ac_in_WSB.prj; 37-22681_5.5_ac_in_WSB.sbn; 37-22681_5.5_ac_in_WSB.sbx; 37-22681_5.5_ac_in_WSB.shp; 37-22681_5.5_ac_in_WSB.shx

Clay, None of my shapefiles have a .cpg extension. I'm sending what I have for each shapefile.
Ernie

On Thu, Dec 14, 2017 at 12:50 PM, Webster, Clay <Clay.Webster@idwr.idaho.gov> wrote:

Ernie,

I was not able to open the file. If you just attach the shape files, I'll be able to add the layer and then open the files in ArcMap. I've drawn a small shape file and attached it to show you what files I need to be able to open each file. Thanks.

Clay

From: Ernie Carlsen [mailto:ernie@idahowaterengineering.com]
Sent: Thursday, December 14, 2017 11:23 AM
To: Webster, Clay <Clay.Webster@idwr.idaho.gov>
Subject: Shapefiles for the Community School

Hello Clay,

Hopefully you can open the attached arcview project for the Community School. It contains the shapefiles associated with the three WSB lease applications filed by the Community School for water rights 37-20901, 37-22681 and 37-8157

Ernie