

WATER SUPPLY BANK LEASE CONTRACT NO. 755

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

LESSOR: SALMON FALLS LAND &
LIVESTOCK CO INC
MICHAEL J HENSLEE, V.P.
95-A BELL RAPIDS RD
HAGERMAN, ID 83332

RECEIVED

MAR 09 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 Friday, December 08, 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)
2-7249	2/7/1977	SNAKE RIVER, tributary to COLUMBIA RIVER	1.87	406.0	101.5
2-7462	9/29/1969	SNAKE RIVER, tributary to COLUMBIA RIVER	1.25	252.0	63.0
Combined Limit Totals			1.87	608.2	152.0
Combined Lease Totals			1.87	608.2	152.0

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, 2018. This Lease shall bind the parties and take effect when both parties have signed it.

SUPPORT DATA

IN FILE #

2-7249

4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
5. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right is administratively changed due to a water right split and renumbering, this lease may be reduced by an equal amount to reflect the water right elements as legally defined under the water right. If a lease contract cannot be reduced sufficient to reflect the legal definition of a water right as amended through a water right split and/or water right transfer, the Board may release the water right from the Water Supply Bank.
6. **ASSIGNMENT OF CONTRACT:** This lease is between the Board and the Lessor, who is the recognized owner or designated representative of the recognized owners of water rights described herein. Should ownership of any part of a water right herein described change during the term of this lease, either through a water right split, a water right transfer, sale of property to which the water right is appurtenant, or through any other recognized water right reassignment, the lease benefits and obligations to the conditions of acceptance for any such water rights will be assigned to the new owners.
7. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.



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

LESSOR: SALMON FALLS LAND &
LIVESTOCK CO INC
MICHAEL J HENSLEE, V.P.
95-A BELL RAPIDS RD
HAGERMAN, ID 83332

By Michael J. Henslee
Title Vice President
Date 3/07/18

IDAHO WATER RESOURCE BOARD

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

By Brian Patton
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 3/12/2018

Lease approved by IDWR

By Water

Date 3-12-2018

**ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE
FOR LEASE CONTRACT NO. 755**

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): 2-7249, 2-7462

SNAKE RIVER NESE Sec. 7 Twp 08S Rge 14E TWIN FALLS County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
2-7249	IRRIGATION	04/01	to	10/31	1.87 cfs	406.0 AF
2-7462	IRRIGATION	04/01	to	10/31	1.25 cfs	252.0 AF
Totals:					1.87 cfs	608.2 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
08S	13E	11											23.0	12.4			15.7	10.1	61.2
08S	13E	13		14.7				19.5	14.5										48.7
08S	13E	14	10.4			18.0	13.8												42.2

Total Acres: 152.1

ADDITIONAL CONDITIONS OF ACCEPTANCE

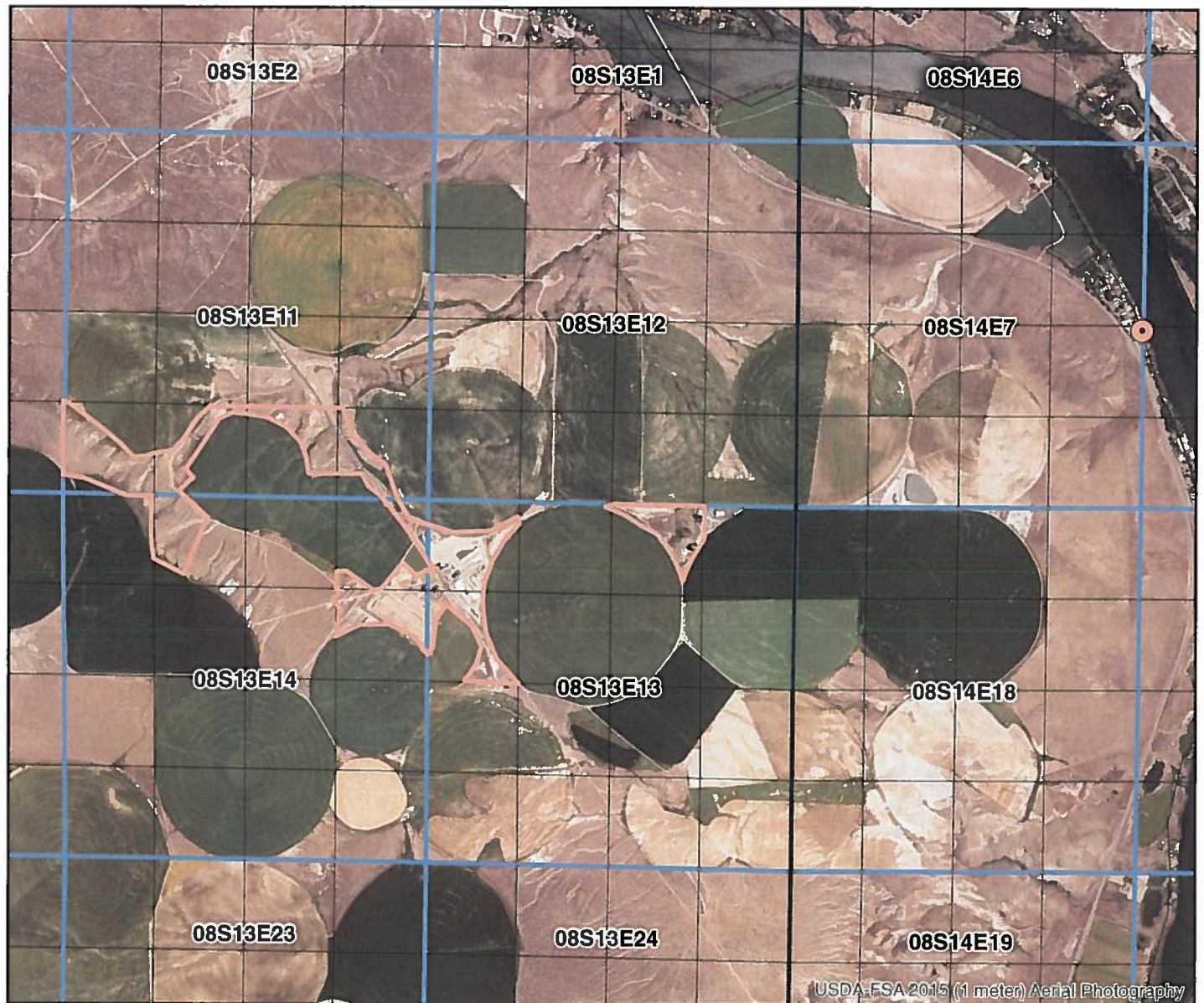
1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of 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. Water shall not be diverted under this right unless the flow of the Snake River exceeds flows required by prior downstream minimum stream flow rights.
13. The period of use for the irrigation described in this approval may be extended to a beginning date of 3/15 and an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/31 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than originating approval/SRBA partial decree date.
14. Use of water under this right is 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. 02.
15. Unleased portions of rights 2-7249 and 2-7462 are limited to irrigation of a combined total of 2,279.9 acres in a single irrigation season, a total combined diversion rate of 28.02 cfs, and a total combined annual diversion volume of 9,119.6 af.

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 755

2-7249 and 2-7462
Effective until December 31, 2018

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 1 2 Miles

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

DEC 08 2017

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant Salmon Falls Land & Livestock Co. INC
(Select one owner – see item 1A on the application)Water Right No. 2-7249
(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.**

MIMUMUM 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 \$ 500.00Received By: (Signature)Date Received: 12/8/2017Receipt # C104380W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)Name on W-9: Salmon Falls Land & Livestock Co. Inc.

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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 Salmon Falls Land & Livestock Co. Inc

Mailing Address 95A Bell Rapids Rd. Hagerman, ID 83332

Street

City

State

Zip Code

Email Address _____

Phone Number 208-837-6053

☒ 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 Zach Latham

Organization Brockway Engineering PLLC

Professional Title Hydrologist

Email Address zach.latham@brockwayeng.com

Mailing Address 2016 Washington Ave. N Suite #4 Twin Falls ID 83301

Phone Number 208-736-8543

☐ 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.

Existing pump station and buried mainlines convey water water to place of use.

- 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. Portions of 2-7249 and 7462 are being offered for lease to the Water Supply Bank.

- 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. Un-leased portions of 2-7249 and 2-7462 will continue to be used at present POU.

- 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. Aerial imagery supports beneficial use of water rights 2-7249, 2-7462, Watermaster diversion records also support beneficial use of these rights. See identical lease approved by IDWR for same portions of these rights.

- 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.

- 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 ☒

N/A.

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 2018 (maximum lease period 5 calendar years).
(Year) (Year)

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

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

The Designated Applicant acknowledges the following:

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

Salmon Falls Land & Livestock Co. Inc.
by Michael J. Henslee V.P.
Signature of Designated Applicant

by Michael J. Henslee V.P.
Printed Name

11/27/17
Date

Signature of Authorized Representative

Printed Name

Date

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

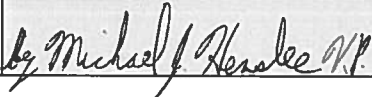
ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

For the water right on this application, list all owners (individuals or business entities) of the right or the property to which it is appurtenant. All water right holders must sign a Water Supply Bank Lease Application. However, only the Designated Applicant needs to provide a completed IRS Form W-9 (Attachment 1B). **All correspondence and any financial payment associated with the rental of this water right will be directed to the Designated Applicant.** If additional space is needed to list any other water right holders, attach a second copy of Attachment 1A.

If submitting multiple applications, it is only necessary to complete one Attachment 1A for the group of applications. List each water right below.

Water Right No(s). 2-7249 and 2-7462

	Designated Applicant	Applicant #2	Applicant #3
Name	Salmon Falls Land & Livestock Co. Inc		
Mailing Address	95A Bell Rapids Rd, Hagerman ID 83332		
Phone Number	208-837-6053		
Email Address			
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

**STATE OF IDAHO
WATER RESOURCE BOARD**

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

ATTACHMENT 2

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

1. <u>Water Right Number</u>	<u>Nature of Use</u>	<u>Leased Rate</u> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
<u>2-7249</u>	<u>Irrigation</u>	<u>2.19</u>	<u>476.5</u>	<u>119.1</u>
	Total Amounts:	<u>2.19</u>	<u>476.5</u>	<u>119.1</u>

2. Source of water Snake River tributary to Columbia River

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
08S	14E	7	6	NE	NE	SE	TWIN FALLS



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

March 13, 2018

SALMON FALLS LAND & LIVESTOCK CO INC
MICHAEL J HENSLEE VP
95-A BELL RAPIDS RD
HAGERMAN ID 83332

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHTS 2-7249 and 2-7462

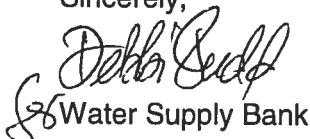
Dear Lessor:

Water rights **2-7249 and 2-7462** were leased into the Water Supply Bank (Bank) as of December 8, 2017, in accordance with the enclosed executed lease contract. **Your water rights, as described on the lease contract, are considered leased into the Bank and should remain unused until they are formally released from the Bank.** More information and further restrictions placed on your water rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water rights from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at www.idwr.idaho.gov. **Please note your water rights may not be available for immediate release if they have been rented or are being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

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

Sincerely,


Deborah Culp
Water Supply Bank

Enclosure: Executed Lease Contract

c: Corey Skinner - IDWR Southern Region
Rob Whitney - Water District 02
Zach Latham - Brockway Engineering

04-27-'17 09:40 FROM- WFS, PLLC
C 30678

208-736-9929

T-323 P0002/0003 F-295
* 050 1 01 2

No. C 30678		Due no later than Mar 31, 2017 Annual Report Form		2. Registered Agent and Office (NOT A P.O. BOX) TIMOTHY J STOVER 905 SHOSHONE ST N TWIN FALLS ID 83301	
Return to: SECRETARY OF STATE 450 N 4th STREET PO BOX 83720 BOISE, ID 83720-0080		1. Mailing Address: Correct in this box if needed. SALMON FALLS LAND & LIVESTOCK COMPANY KATHERINE A. HENSLEE 95A BELL RAPIDS RD HAGERMAN ID 83332-6039			
NO FILING FEE IF RECEIVED BY DUE DATE				3. New Registered Agent Signature.	
4. Corporations: Enter Names and Business Addresses of President, Secretary, Directors, Treasurer, Vice Pres.					
Office Held		Name		Street or PO Address City State Country Postal Code	
Secretary		Katherine A. Henslee		123 Bell Rapids Rd. Hagerman, ID 83332	
Dir./Vice Pres.		Michael J. Henslee		23 Saylor Cr. Rd. Hagerman, ID 83332	
Dir./Vice Pres		Mark W. Henslee		3016 S 1000 E. Hagerman, ID 83332	
5. Organized Under the Laws of: IDAHO C 30678		6. Signature:  Name (type or print): Katherine A. Henslee		Date: 4-27-17 Title: Secretary	
Issued 01/26/2017 by online					

128218

INSTRUCTIONS FOR THE IDAHO ANNUAL REPORT FORM

Thiel, Sandra

From: Zach Latham <zach.latham@brockwayeng.com>
Sent: Tuesday, February 06, 2018 3:56 PM
To: Thiel, Sandra
Subject: RE: Salmon Falls Land and Livestock Lease application acres

Thanks Sandy, Salmon Falls L&L Inc. would like to exclude those 26.3 acres from the proposed lease. They will be irrigating those acres during 2018. Please continue processing the lease/rental applications and let me know if you have any questions, thanks.

Zach Latham

Hydrologist
Brockway Engineering, P.L.L.C.
2016 Washington Street North, Suite 4
Twin Falls, ID 83301
t. 208-736-8543
c.208-721-2114
f. 208-736-8506

zach.latham@brockwayeng.com

All information, calculations, maps, drawings, or other documents transmitted via e-mail are preliminary unless explicitly stated in the e-mail text or in the documents themselves.

From: Thiel, Sandra [mailto:Sandra.Thiel@idwr.idaho.gov]
Sent: Tuesday, February 06, 2018 10:33 AM
To: Zach Latham
Subject: RE: Salmon Falls Land and Livestock Lease application acres

Good Morning Zach, You still have a few days but I wanted to check with you about the Salmon Falls acres. Do you have an idea on how they would like to move forward?

Sandra Beer Thiel
Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098
(208)287-4881
sandra.thiel@idwr.idaho.gov

From: Thiel, Sandra
Sent: Tuesday, January 09, 2018 9:35 AM
To: 'Zach Latham' <zach.latham@brockwayeng.com>
Subject: Salmon Falls Land and Livestock Lease application acres

Hello, I reviewed the Salmon Falls Land and Livestock lease application. There are 26.3 acres included in the application that were not on the previous lease in 2016. Rights 2-7249 and 2-7462 were decreed in 2010. I did not find evidence of irrigation for these acres between 2012 and 2017. The attachment is the letter I sent today explaining this issue.

Sandra Beer Thiel
Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098
(208)287-4881



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

January 9, 2018

SALMON FALLS LAND & LIVESTOCK CO INC
95A BELL RAPIDS RD
HAGERMAN ID 83332

RE: Lease Applications for Water Rights 2-7249 and 2-7462 to the Water Supply Bank

Dear Applicant:

On December 8, 2017, the Department of Water Resources (Department) received your application to lease water rights 2-7249 and 2-7462 to the Water Supply Bank (Bank). 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 is was appropriated."

Rights 2-7249 and 2-7462 were decreed in 2010. A review of imagery between 2012 and 2017 including NAIP photography and Landsat shows no evidence of irrigation for 26.3 acres of the proposed to be leased to the Bank. Because of this evidence of more than five years of non-use, the requirements of Water Supply Bank Rule 25 cannot be met. A portion of the acres included on the lease application are denied (see attached). If you can provide additional information to show beneficial use has occurred on these 26.3 acres, please provide the evidence within 30 days.

Please note that a water right is not protected from forfeiture unless it is accepted into the Bank or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. If forfeiture is a concern, you may also consider filing an Application for Extension of Time to Avoid Forfeiture of a Water Right form(s) available from the Department's website at www.idwr.idaho.gov. If you have any questions regarding this matter, please contact me at (208) 287-4881.

Sincerely,

Sandra Thiel

Sr. Water Resource Agent

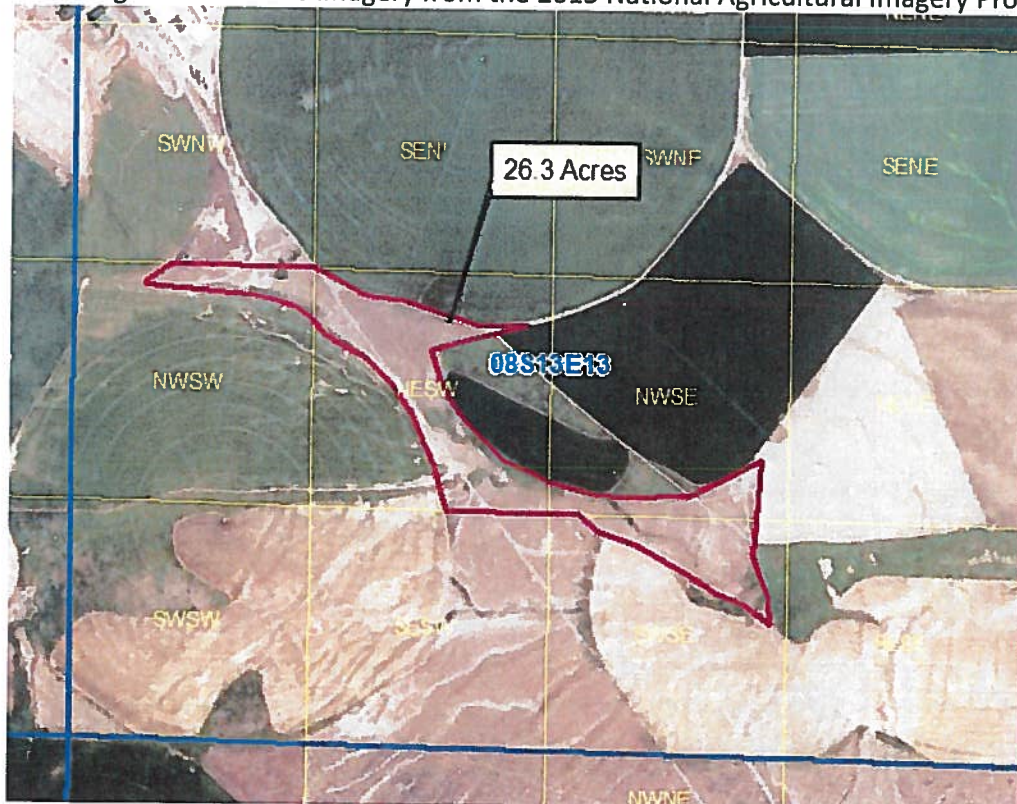
C: Zach Latham, Brockway Engineers

Enclosure: Imagery



The above is a screen shot of the map submitted with the Salmon Falls Land & Livestock Co. lease application. The land outlined and identified as 3.2, 13.4, 3.8 and 5.9 acres (26.3 total) do not appear to be included on the 2016 lease.

The image below shows imagery from the 2015 National Agricultural Imagery Program or NAIP





Hydraulics
—
Hydrology
—
Water Resources

RECEIVED

DEC 08 2017

DEPARTMENT OF
WATER RESOURCES

December 4th, 2017

Mr. Remington Buyer
Idaho Water Supply Bank
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Re: WSB Lease and Rental Applications; Portions of 2-7249 and 2-7462 on
Behalf of Salmon Falls Land & Livestock Co Inc.

Dear Remington,

On behalf of Salmon Falls Land & Livestock Co Inc., Brockway Engineering is submitting two water supply bank lease applications which propose to lease 178.4 acres of water right 2-7249 and 178.4 acres of water right 2-7462 to the Water Supply Bank for the 2017 and 2018 irrigation seasons. Attached to the leases is one map showing the location of the 178.4 acres to be idled during 2017 and 2018, as well as second map showing where future irrigation will occur.

Additionally, Salmon Falls Land & Livestock Co. Inc. seeks to rent back 19.4 acres of both previously mentioned water rights, to allow irrigation on a wet pivot crossing on lands owned by the BLM. The BLM has consented to the irrigation of their lands as evidenced in the attached letter of consent. Salmon Falls Land & Livestock Co Inc. is currently assessing options for a permanent solution for the pivot crossing and would like to continue to irrigate these acres through the attached WSB rental.

Also enclosed is a check for \$500.00 to cover the cost of the lease applications. Please copy our office on all correspondence regarding these lease and rental applications. Thank you for your assistance and if you have questions or comments, please don't hesitate to call.

Regards,


Zach Latham, M.S., Hydrologist

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506

Enc: (2) Salmon Falls Land & Livestock Co Inc. WSB Lease
Applications.
(1) Salmon Falls Land & Livestock Co Inc. WSB Rental Application.
(3) Aerial Maps- Lease Acres Idled, Rental Acres for Irrigation and
Areas to Remain Irrigated.
(1) BLM Letter of Consent; Pivot Crossing.
(1) Brockway Engineering PLLC Check # 14 388.

Cc: Mike Henslee
Tim Stover