

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT NO. 219

RECEIVED

MAR 09 2018

DEPARTMENT OF
WATER RESOURCES

This is to certify that:

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

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
2-7249	2/7/1977	SNAKE RIVER	0.24	51.8	13.0
2-7462	9/29/1969	SNAKE RIVER	0.16	32.2	8.0
		Combined Rental Limits	0.24	77.6	19.4
		Combined Rental Totals	0.24	77.6	19.4

Term of Rental: This rental shall take effect when all parties have signed it and shall continue in effect until December 31, 2018

Annual Rental Fee:

2018: \$155.20

The full fee for the rental of the above-described rights is \$1,552.00 for 2018. The rental fee includes an administrative fee of \$155.20 for 2018. Note that the renter is obligated to pay only the administrative fees associated with the water rights 2-7249 and 2-7462.

Detailed water right conditions are attached.

SUPPORT DATA

IN FILE # 2-7249

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

Salmon Falls Land & Livestock Co.
by Michael J. Henslee
Signature of Renter

3/07/18
Date

by Michael J. Henslee
Printed Name

Vice President
Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

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

Date 3/12/2018

Rental approved by IDWR

Ag. Wick

Date 3-12-2018

WATER SUPPLY BANK RENTAL AGREEMENT No. 219

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

SNAKE RIVER NESE Sec. 7, Twp 08s, Rge 14e, TWIN FALLS County

Beneficial Use
IRRIGATION

Diversion Rate
0.24 CFS

Volume
77.6 AF

SEASON OF USE

Water Right No.	From	To
2-7249	3/15	11/15
2-7462	3/15	11/15

RENTERS PLACE OF USE: 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	14E	7									19.4								19.4

Total Acres: 19.4

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from 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.
3. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
4. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
5. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
6. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date. This rental for mitigation by non use may be ineffective if the mitigating water right is not in priority.
7. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
8. 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.

9. After specific notification by the Department, the right holder shall install a suitable measuring device or shall enter into an agreement with the Department to use power records to determine the amount of water diverted and shall annually report the information to the Department.
10. 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.



Idaho Water Resource Board
Attachment to Water Supply Bank Rental Agreement No 219

Effective until December 31, 2018

This map depicts the **rental place of use** pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



-  Authorized Rental Point of Diversion
-  Authorized Rental Place of Use
-  Townships
-  PLS Sections
-  Quarter Quarters



0  Miles
0.25

STATE OF IDAHO
WATER RESOURCE BOARDAPPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANK

RECEIVED

DEC 08 2017

DEPARTMENT OF
WATER RESOURCESApplicant Name: Salmon Falls Land & Livestock Co. Inc.

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

Yes ☒ No ☐

If yes, specify companion water rights in Section 4

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

Yes

- ☒ Completed *Application to Rent Water from the Board's Water Supply Bank*
- ☒ Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank

Attachment N/A Yes

- 2 ☒ A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request
- 3A ☐ ☒ Detailed information on a proposed use of rental water
- 3F ☐ ☒ Authorization from the owner/operator of the rental point(s) of diversion
- 3H ☒ ☐ Water modeling to account for the impacts of the rental request
- 3J ☒ ☐ Documents justifying a rate of flow greater than 0.02 cfs/acre
- 3K ☐ ☒ Authorization from the owner/operator of the property at the proposed rental place(s) of use
- 4B ☐ ☒ Explanation of how the rental water will sufficiently accomplish your rental purposes
- 4C ☒ ☐ Explanation of consumptive use amounts for water rights experiencing a change in nature of use

Department Use Only – Proposed Water Right(s)

2-7249

2-7462

921

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Salmon Falls Land & Livestock Co. Inc. c/o Mr. Michael Henslee

Mailing Address 95-A Bell Rapids Road Hagerman, ID 83332

Street

City

State

Zip Code

Email Address _____

Phone Number 208-837-6053

B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☐ No ☐

If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative Zach Latham

Professional Title Hydrologist

Organization Brockway Engineering PLLC

Relationship to Applicant Consultant

Mailing Address 2016 Washington St. North, Suite #4 Twin Falls, ID 83301

Email Address zach.latham@brockwayeng.com

Phone Number 208-736-8543

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental 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 irrigate. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:

Irrigation use of 19.4 acres of BLM land, see attached consent from BLM.

B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
0.24 CFS	77.6 AF	0.24 CFS	77.6 AF	19.4 AC

* Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.

C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
3/15/18	4/1/18	☒ 1	☐ 2	☐ 3	☐ 4	☐ 5	☒ Process application as soon as possible	☐ Return application to applicant

* The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.

** Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):

Point of diversion is owned by applicant. Applicant seeks to rent back portions of 2-7249 and 2-7462 for irrigation of BLM lands, see authorization by BLM for irrigation by applicant.

- E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
Existing pump station.	Snake River.	2-7249 and 2-7462.

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

- F. Has documented consent from all relevant water delivery entities been obtained? Yes ☐ N/A ☒
If yes, include documented consent as Attachment 3F.

- G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☐ No ☒
Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

- H. Has water modeling been provided with your rental request? Yes ☐ N/A ☒
If yes, label modeling Attachment 3 H.
Rental applications that require modeling will be returned if modeling is not provided.

- I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

- ☒ Irrigation 19.4 (number of acres) Duration: Subject to IDWR standard seasons of use
- ☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Other: _____ from: _____ (mm/dd) to: _____ (mm/dd)

- J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☐ Yes ☐ No ☒
If yes, justify the rate of flow and attach any supporting documents as Attachment 3J. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

N/A.

- K. Do you own the land at the proposed rental place of use (POU)? Yes ☐ No ☒
If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it Attachment 3K.

- L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

None. Land being irrigated by applicant does not have a water right appurtenant to it, hence the need for this rental application.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights?

Yes ☒ No ☐

If yes, specify below the elements of the water rights you are requesting to rent. If no, continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via [IDWR's website](#).

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request.** For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
2-7249	Irrigation	2.19	476.5	119.1		0.24	107.0	13.0
2-7462	Irrigation	1.47	295.5	73.9		0.16	32.1	8.0
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL	0.24	77.6	19.4
						CFS	AF	AC

**Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.*

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

N/A.

C. Does your rental request propose to change the nature of use for any water right(s) being rented?

Yes ☐ No ☒

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

N/A.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

- A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☒ No ☐

If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

N/A.

- B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental?

If yes, describe:

Yes ☒ No ☐

Applicant seeks to permanently transfer a portion of 2-7249 and 2-7462 in the near future.

- C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV?

Yes ☐ No ☒

If yes, describe the date and location of the NOV.

N/A.

- D. Additional Information

DECLARATION

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.

Salmon Falls Land & Livestock Co Inc

by Michael J. Henslee V.P.
Signature of Applicant

by Michael J. Henslee V.P.
Printed Name of Applicant

12/05/17
Date

Signature of Representative

Printed Name of Representative

Date

Mail to:

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

Water Modeling Requirement Information Sheet

Information on water modeling requirements for rental requests within special administrative areas

Important information on requesting rental water within special administrative areas: Refer to the information below to determine whether the modeling of potential impacts from your rental request is necessary. Use Section 4 of the rental application to identify selected water rights. **If you submit an application to rent water from within a special administrative area and water modeling is required, your rental request will be returned if water modeling is not provided.**

Water modeling may be required when an application to rent water involves one of two scenarios:

Scenario 1: The rental request proposes to divert water from a regulated water source and/or within a special administrative area AND the distance between the rental point(s) of diversion (POD) and the POD(s) for the leased water right(s) is greater than the administratively established, acceptable distance.

Regulated water sources may areas include:

- A. Ground water resources within the modeled area of the Eastern Snake Plain Aquifer (ESPA) and tributary aquifers;
- B. Ground water within Ground Water Management Areas (GWMAs) or Critical Ground Water Areas (CGWAs);
- C. Water resources within other specified administrative areas, as established by the Idaho Water Resource Board (IWRB) or the Idaho Department of Water Resources.

The distance between any rental POD(s) and the POD(s) for a leased water right to be rented is important. On the ESPA, distance is measured in terms of model cells that cover an area of one square mile. Ground water modeling is not required if lease POD(s) and rental POD(s) are located within the same model cell or within adjacent model cells. If the lease and rental PODs are separated by more than one model cell groundwater modeling must be completed using the IDWR ESPA Transfer Tool and modeling results must be submitted with the rental application. ESPA modeling tools can be accessed and freely downloaded from IDWR's website by visiting: www.idwr.idaho.gov/WaterManagement/WaterRights/WaterRightTransfers/resources.htm.

Ground water modeling may be required within GWMAs, CGWAs or other regulated administrative areas. Applicants who desire to rent water within an established GWMA, CGWA or other regulated administrative area should consult IDWR's website before submitting their application to review the current status of administrative orders related to regulated administrative areas. Consult www.idwr.idaho.gov/WaterInformation/GroundWaterManagement/designated_areas.htm for information on GWMAs or CGWAs, visit <https://idwr.maps.arcgis.com/home/> to use mapping tools to find other regulated areas.

Applicants interested in renting water within a GWMA, CGWA or other regulated administrative areas should request water rights that have been leased into the Bank from within the same administrative area. Generally, the Bank will not permit a rental of water within a regulated administrative area if the leased water rights are not located within that same administrative area.

Scenario 2: A rental request proposes to divert water from a different but hydraulically connected water source.

Modeling situations may include:

- A. Rental requests that propose to divert surface water rights via ground water POD(s) (wells); and
- B. Rental requests that propose to divert ground water from one aquifer when the right being rented authorizes the diversion of ground water from a hydraulically connected, tributary aquifer.

Rental requests that propose to divert surface water rights from ground water points of diversion may be considered if ground water modeling establishes that the surface and ground water resources are directly and immediately hydraulically connected. An acceptable hydraulic connection occurs when at least 50 percent of the total depletions from a well are detectable from the original water source within a 24 hour period. The existing (leased) POD and proposed (rental) POD must be proximate such that diversion and use of water from the proposed POD would have substantially the same effect on the hydraulically-connected source as diversion and use of water from the original POD.

Requests to rent ground water across tributary aquifer sources may be considered if ground water modeling is provided to demonstrate that two aquifers are hydraulically connected and the anticipated impacts of diverting ground water from one source through the other is modeled accordingly.

For more information about rental application requirements, contact IDWR at (208) 287-4800.



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Jarbidge Field Office
2536 Kimberly Road
Twin Falls, ID 83301
(208)735-2060

RECEIVED

DEC 08 2017

DEPARTMENT OF
WATER RESOURCES



In Reply Refer To:
2920 (IDT010) P
IDI-31038

April 5, 2012

RECEIVED

APR 12 2012

Brockway Engineering, P.L.L.C.
Attn: Zach Latham
2016 Washington Street North, Suite 4
Twin Falls, ID 83301

Dear Mr. Latham:

The BLM grants consent for Salmon Falls Land & Livestock to transfer a portion of water right(s) 2-7249 and 2-7462 onto BLM land for a land use permit consisting of two wet pivot crossings, referenced as IDI-31038 and located in:

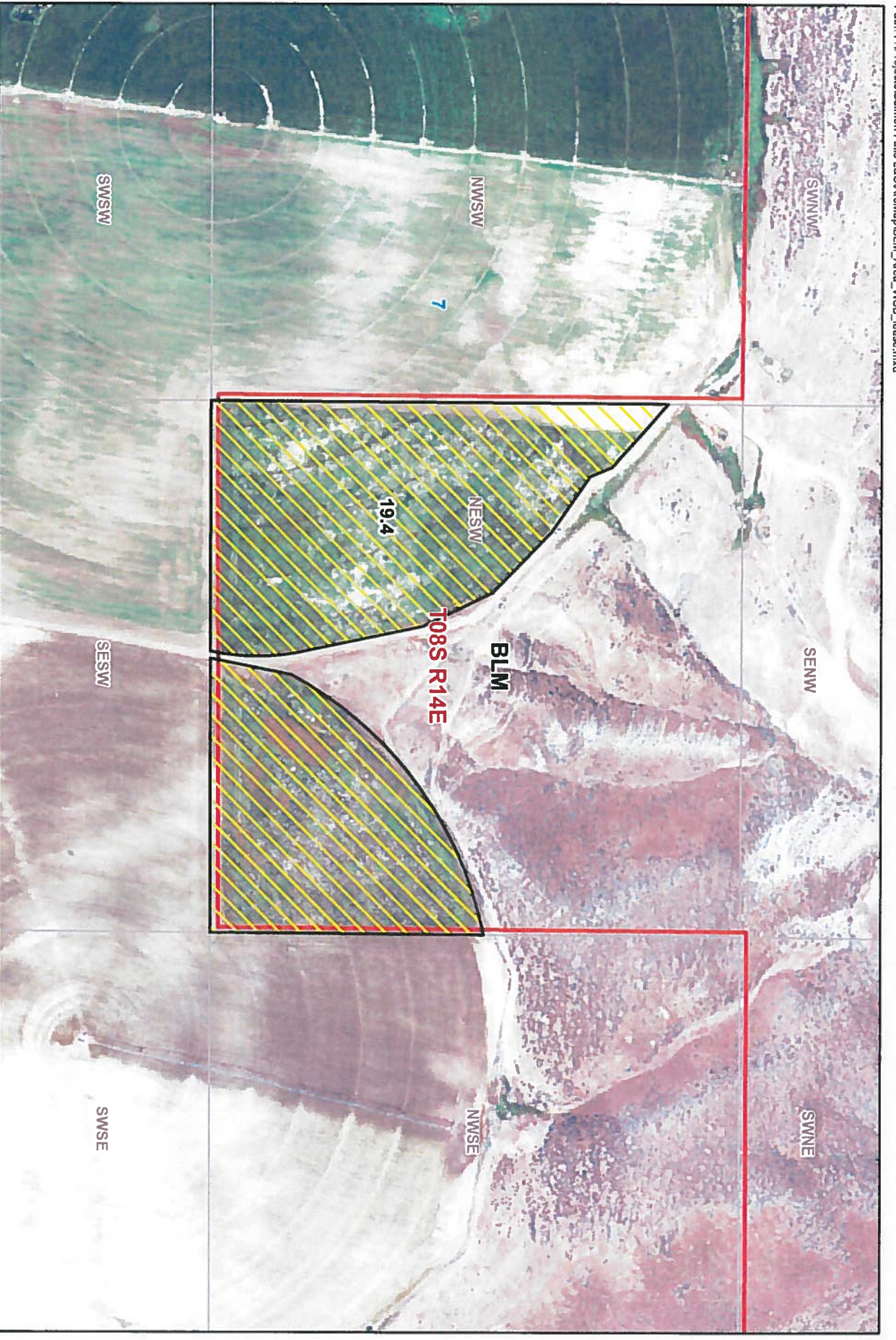
Boise Meridian,
T.08 S., R.14 E.,
Section 7, NESW
Totaling 19.92 acres more or less.

Please feel free to contact Lisa Claxton, Realty Specialist, at (208) 736-2360 if you have any questions.

Sincerely,

Brian W. Davis
Field Manager

Cc: Salmon Falls Land & Livestock



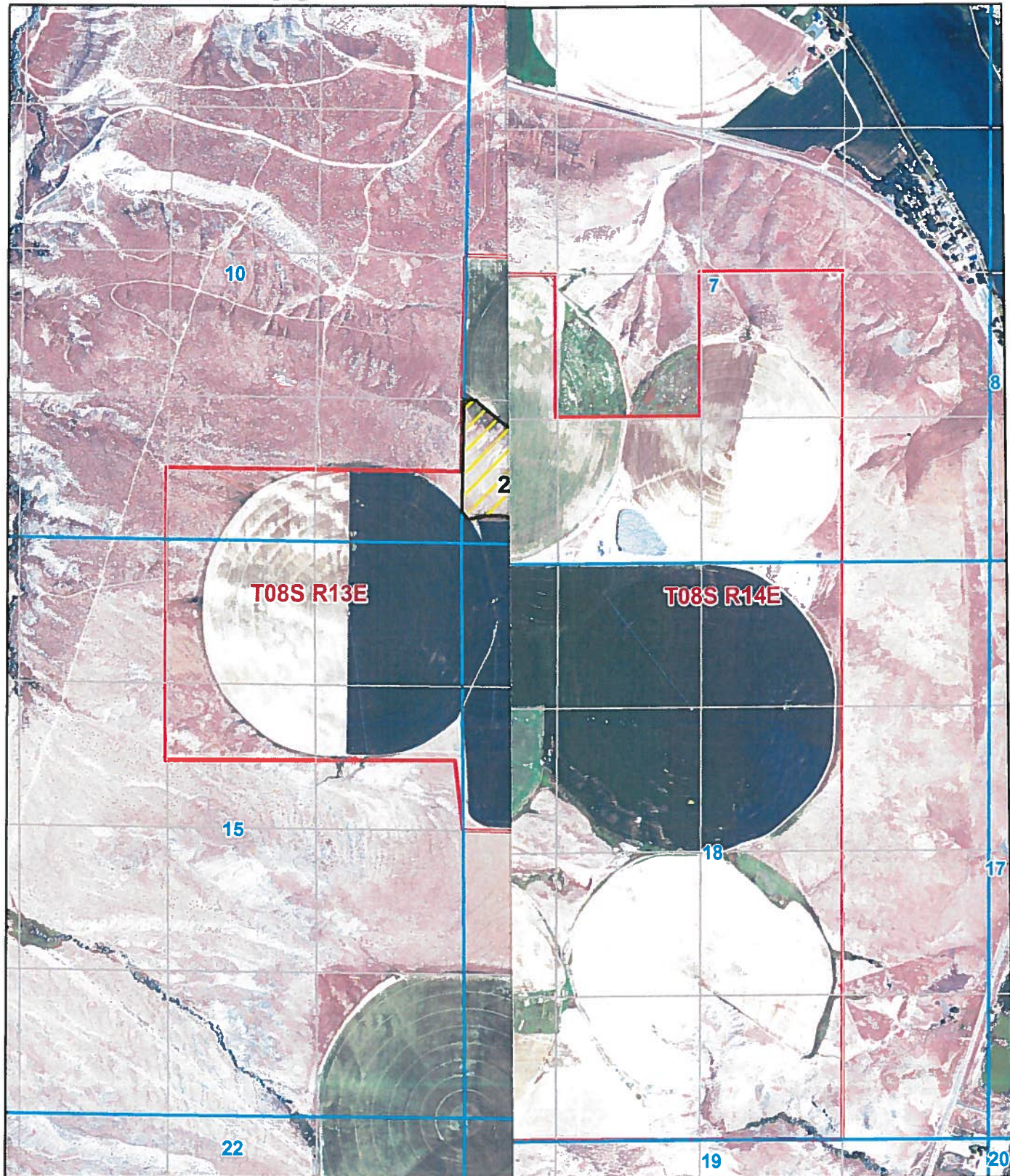
SALMON FALLS LAND & LIVESTOCK CO INC
WATER SUPPLY BANK LEASE 2017-18

BROCKWAY ENGINEERING, PLLC.
ICB - Date: 11/29/2017

2015 NAIP AERIAL

- ☐ Salmon Falls L&L - PPU
- ☒ WSB Rental Area - 19.4 ac.

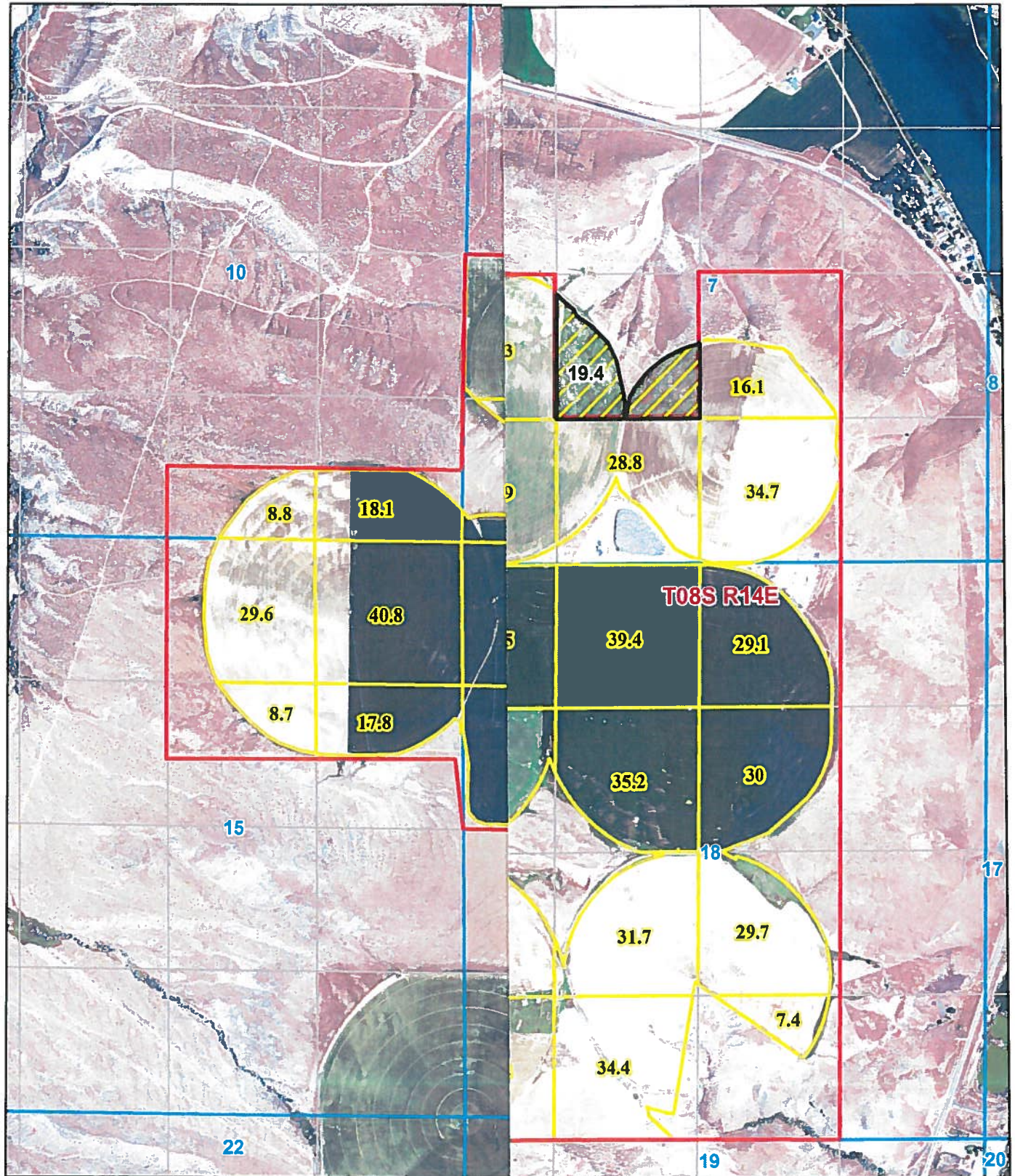




WSB Lease Areas 2017-18



Salmon Falls L&L- PPU



0 500 1,000 2,000 Feet

- Salmon Falls L&L- PPU
- 2018 Irrigation = 2253.6 ac.
- 19.4 AC. WSB Rental Irrigation Area





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: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 2-7249 and 2-7462**

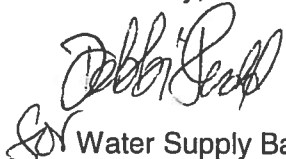
Dear Renter:

Please find enclosed a receipt in the amount of **\$155.20** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 77.6 acre-feet of water for irrigation of 19.4 acres during 2018. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, the rental fee will be retained by the Department to offset administrative costs since you have a private agreement with the lessor of the right.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,


for Water Supply Bank

Enclosures: Receipt No. C104751
Rental Agreement (copy)

c: Sascha Marston – Fiscal
Corey Skinner – IDWR Southern Regional Office
Rob Whitney - Water District # 02
Zach Latham – Brockway Engineering



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

February 27, 2018

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

**RE: APPLICATIONS TO LEASE AND RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 2-7249 and 2-7462**

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

Dear Applicant:

The Department of Water Resources acknowledges receipt of your applications to lease water to and rent water from the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts and a Water Supply Bank Rental Agreement for your review and signature. Please sign and return ALL Lease Contracts and Rental agreements within 14 days.** Upon signature and return of the original contracts and agreement, together with the rental fee described below, the Department will also sign the original contracts and agreement and return executed copies to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of **\$1,552.00** was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 77.6 acre-feet. Since you are both the lessor and the renter of the rights, **you are only obligated to pay the 10% administrative fee or \$155.20. Please send a check for \$155.20** made payable to the Idaho Department of Water Resources, so I can complete processing.

If all signed leased contracts, signed rental agreements and the rental fee payment is not received within 14 days, your lease/rental package may be in danger of being returned without being executed in such case, the lease application fee will not be refunded.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,

 Water Supply Bank

Enclosures:

Proposed Lease Contracts
Proposed Rental Agreement
Receipt # C104380

c: IDWR Front Desk
Zach Latham – Brockway Engineering

Memorandum for Rental Agreement #219

To: Water Rights 2-7249 and 2-7462

From: Sandra Thiel

Date: February 12, 2018

Re: Water Supply Bank Lease Applications for Salmon Falls Land & Livestock

Purpose/Narrative:

Lease: On December 8, 2017, Zach Latham of Brockway Engineering submitted a lease/rental package on behalf of Salmon Falls Land & Livestock. The lease applications were for rights 2-7249 and 2-7462. According to the letter that accompanied the application, they intended to lease a total of 178.4 acres of the two overlapping water rights. Previous leases included 152.1 acres combined under both water rights. This application proposed 26.3 additional acres in section 13.

A review of these acres found no evidence of irrigation since the rights were decreed in 2010. On January 9, 2018, I sent a letter to Salmon Falls and emailed a copy to Zach Latham. In the letter I explained the lack of irrigation evidence for the 26.3 acres and gave them 30 days to respond. On February 6, 2018, I sent an email to Mr. Latham requesting a status update. He responded via email and requested that the lease exclude 26.3 acres. Consequently, this lease will mimic the lease from 2016 of 152.1 acres.

It is worth noting that the shape file for these rights appears to be incorrect. For instance, the water right representation shows approximately 17 acres in T8S R13E Section 11 SWSW. According to the water right files 40.1 acres are allowed within the permissible place of use for both rights in the SWSW quarter quarter.

Rental: Salmon Falls requested 19.4 acres of the afore mentioned water rights to irrigate land in T8S R14E Section 7 NESW. The Bureau of Land Management owns the place of use and no water right is appurtenant to the quarter quarter. The rental application included a letter of consent from the BLM Jarbidge Field Office allowing Salmon Falls to irrigate on their land.

Authority to File: Michael J. Henslee signed both the lease and the rental applications. The Idaho Secretary of State lists Mr. Henslee as the Director/Vice President.

Water Right Validity/Forfeiture Evaluation: As mentioned above both rights were decreed in 2010. They were leased into the Bank first in 2016. There are no forfeiture concerns for the 152.1 acres proposed for lease.

Injury to Other Water Rights: The lease and rental share the point of diversion. No injury is expected.

Enlargement of Use: No enlargement is anticipated.

Local Public Interest: Staff has no information to suggest the rental is contrary to local public interests.

Beneficial Use/Conservation of Water Resources: The lease and rental appear consistent with the conservation of water resources in Idaho.

Department/Watermaster Comments: The rental right is subject to Water District # 2. Neither the water master nor Southern region had concerns.

Thiel, Sandra

From: Skinner, Corey
Sent: Monday, February 12, 2018 8:22 AM
To: Thiel, Sandra
Subject: RE: Salmon Falls Land & Livestock Lease/Rental

No objections from me.

From: Thiel, Sandra
Sent: Friday, February 09, 2018 9:31 AM
To: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Subject: Salmon Falls Land & Livestock Lease/Rental

Good Morning, The attached memo and map provide information about a water supply bank lease and rental for Salmon Falls Land & Livestock. Please let me know if you have any comments or concerns.

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

Thiel, Sandra

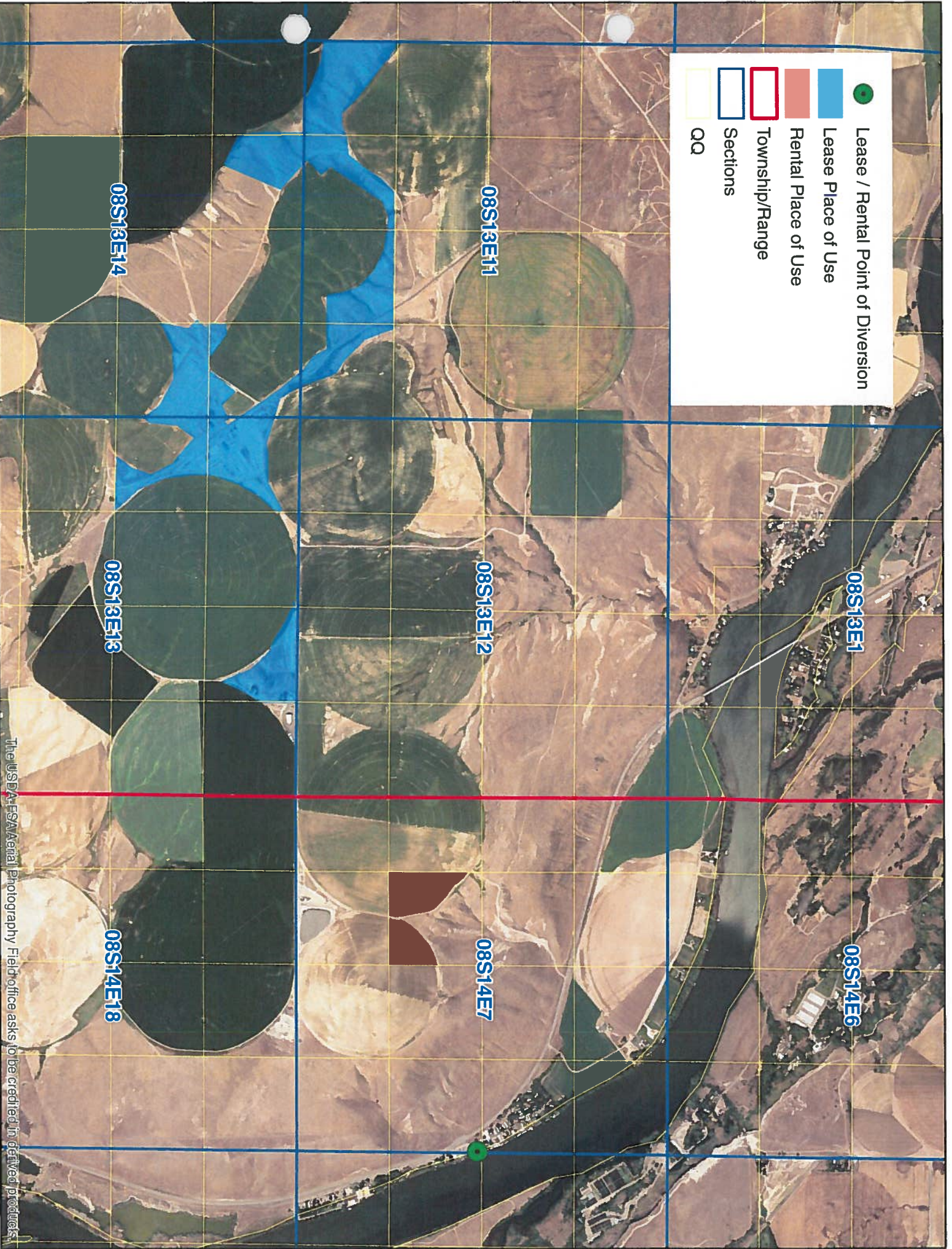
From: Whitney, Rob
Sent: Thursday, February 08, 2018 1:46 PM
To: Thiel, Sandra
Subject: RE: Salmon Falls Land & Livestock Lease/Rental

No concerns from me,

From: Thiel, Sandra
Sent: Thursday, February 08, 2018 11:29 AM
To: Whitney, Rob <Rob.Whitney@idwr.idaho.gov>; Grimm, Angie <Angie.Grimm@idwr.idaho.gov>
Subject: Salmon Falls Land & Livestock Lease/Rental

Hello, The attached memo and map provide information about a water supply bank lease and rental for Salmon Falls Land & Livestock. Please let me know if you have any comments or concerns.

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Lease / Rental Point of Diversion



Lease Place of Use



Rental Place of Use



Township/Range



Sections



QQ

08S13E1

08S14E6

08S13E11

08S13E12

08S14E7

08S13E14

08S13E13

08S14E18

Thiel, Sandra

From: Thiel, Sandra
Sent: Tuesday, January 09, 2018 9:35 AM
To: 'Zach Latham'
Subject: Salmon Falls Land and Livestock Lease application acres
Attachments: SalmonFallsLeaseAcresLetter.pdf

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

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