

WATER SUPPLY BANK LEASE CONTRACT NO. 613

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

LESSOR: IDAHO IRRIGATION DISTRICT
496 E 14TH ST
IDAHO FALLS ID 83404

RECEIVED
APR 26 2017
DEPT 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 March 10, 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)
25-224	5/1/1889	WILLOW CREEK tributary to SNAKE RIVER	160.0	67,914.0	35,995.0
Combined Lease Totals			160.0	67,914.0	35,995.0

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: Not Rentable

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2017 to December 31, 2017. 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.

WATER SUPPLY BANK LEASE CONTRACT NO. 613

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.



WATER SUPPLY BANK LEASE CONTRACT NO. 613

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

LESSOR IDAHO IRRIGATION DISTRICT
:
496 E 14TH ST
IDAHO FALLS ID 83404

By *Alan D. Kelso*
Title Chairman
Date 4-21-2017

By _____
Title _____
Date _____

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 5/1/2017

Lease approved by IDWR *Chy Wat*

Date 5-1-2017

**ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE
FOR LEASE CONTRACT NO. 613**

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): 25-224

WILLOW CREEK NESW Sec. 15 Twp 02N Rge 38E BONNEVILLE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
25-224	IRRIGATION	04/01	to	10/31	160.0	67,914.0
Totals:					160.0	67,914.0

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Large POU not Displayed
Total Acres= 35,995

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:

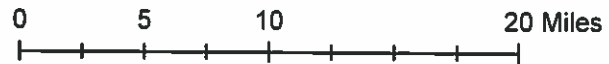
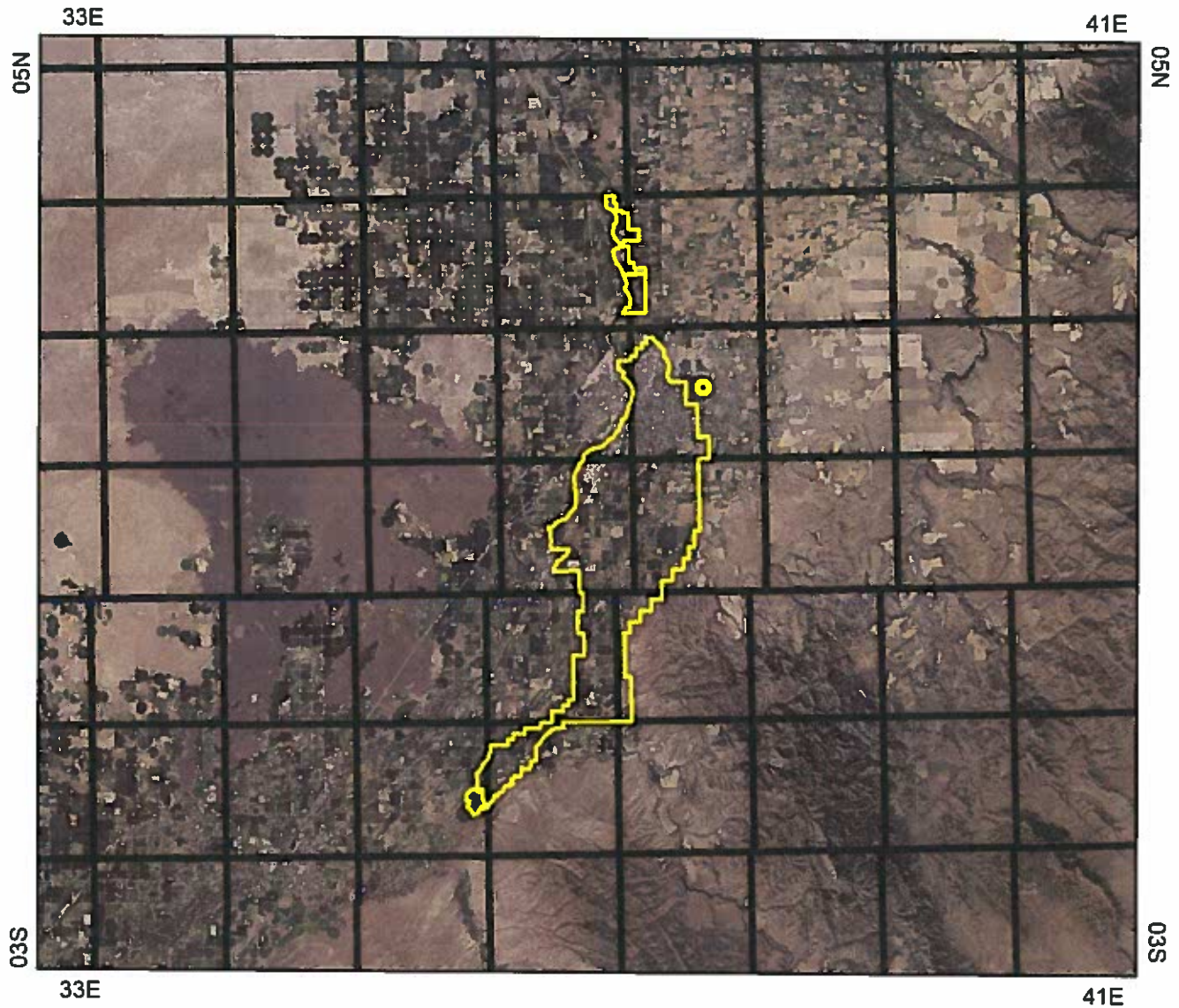
- a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
- 11. The water right(s) 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 rights 1-75, 1-76, 1-312, 1-368, 1-369, 1-370 and 25-224 are limited to the irrigation of a combined total of 35, 995 acres in a single irrigation season.
- 13. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 01.
- 14. These acres are not rentable.



Idaho Irrigation District

Water Right License

25-224



-  Point of Diversion
-  Place Of Use Boundary
-  Townships



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

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

MAR 10 2017

DEPARTMENT OF
WATER RESOURCESDesignated Applicant Idaho Irrigation District

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

Water Right No. 25-224

(One water right per application)

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

Yes ☐ No ☒

This application must be prepared in accordance with the minimum requirement checklist below. Use this checklist to ensure all necessary documentation has been provided. This checklist is part of the lease application and must be included with the lease application. Applications that do not meet the minimum requirements will not be processed and may be returned or denied.

MINIMUM REQUIREMENT CHECKLIST

All items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*

Yes

- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank*.
- ☒ Application filing fee of \$250.00 per water right. If you are submitting more than one lease application and the water rights have an overlapping, common place of use, or a common diversion rate or volume, the total fee for all water rights is \$500.00. For places of use, multiple water rights must be used to irrigate the same lands in order to qualify for the joint filing fee. Individual filing fees are required for water rights that share a common permissible place of use but which cover separate acres within the permissible place of use.
- ☒ Confirmation this form has been printed *single sided*, per requirement of the Water Supply Bank.

Attachment N/A Yes

- 1A ☐ ☒ Signatures and contact information for *all owners* of the water right to be leased or sold on this application.
- 1B ☐ ☒ An [Internal Revenue Service \(IRS\) Form W-9](#) for the Designated Applicant.
- 1C ☒ ☐ *Notice of Change in Water Right Ownership* form (accessible from www.idwr.idaho.gov).
- 1D ☐ ☒ Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.
- 2 ☒ ☐ Description of a water right portion offered to the Water Supply Bank.
- 3 ☐ ☒ A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. You have the option of printing a map using the map tool on IDWR's website at: www.idwr.idaho.gov.
- 4A ☒ ☐ Written consent from irrigation district or water delivery company.
- 4G ☐ ☒ Evidence demonstrating the water right has not been forfeited pursuant to [Section 42-222\(2\), Idaho Code](#).

Department Use Only

Fee Amount \$ <u>250</u>	Received By: <u>VC</u>	Date Received: <u>3/10/17</u>	Receipt # <u>C103149</u>
W-9 received? Yes ☒ No ☐	(Route W-9 to Fiscal)	Name on W-9: <u>Idaho Irrigation Dist.</u>	

6072

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 Idaho Irrigation District

Mailing Address 496 E 14th Street Idaho Falls, ID 83404

Street

City

State

Zip Code

Email Address idahowater@gmail.com

Phone Number 208-522-2356

☒ 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 Alan D Kelsch

Organization Idaho Irrigation District

Professional Title Chairman

Email Address alankelsch@icloud.com

Mailing Address 496 E 14th Street, Idaho Falls, ID 83402

Phone Number 208-339-2307

☐ 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.
25-224 is diverted by Idaho Irrigation District from Willow Creek and measured at Sand Creek. District distributes water throughout Idaho Irrigation District distribution system to patrons of the District.
- 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. Idaho Irrigation District currently owns water rights 1-75, 1-76, 1-312, 1-368, 1-369, 1-370. These rights are for the same purpose and place of use.
- 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. Water rights 1-75, 1-76, 1-312, 1-368, 1-369, 1-370 will continue to deliver to current place of use. No enlargement of place of use will occur.
- 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. 2016 - 5542 a/f. 2015 - 8631 a/f. 2014 - 6518 a/f. 2013 - 3778 a/f. 2012 - 12382 a/f.
- 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 2017 (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.

N/A

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

Idaho Irrigation District

3/6/2017

Printed Name

Date

Alan D Kelsch

3/6/2017

Printed Name

Date

Signature of Authorized Representative

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

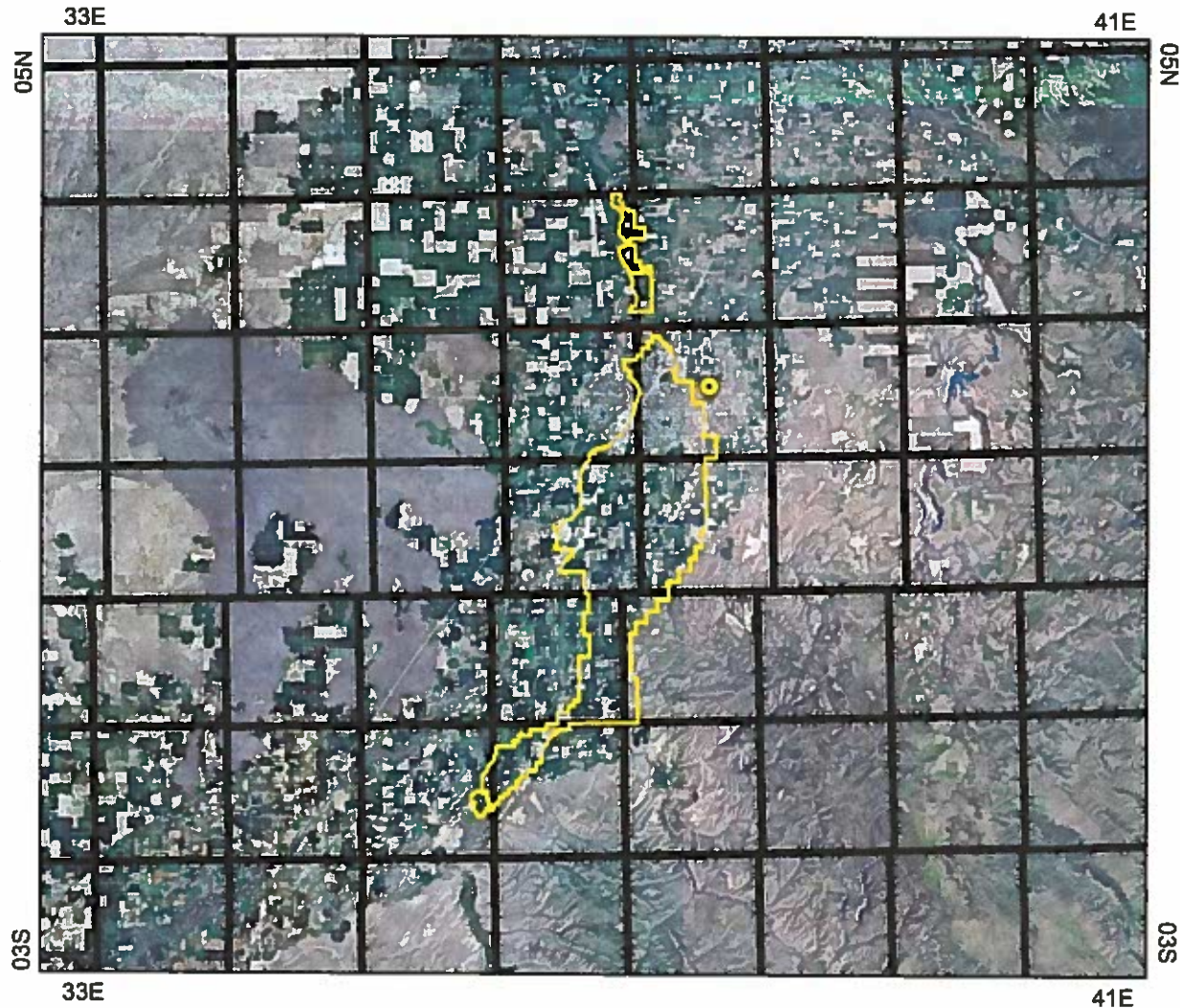
Attachment 3

State of Idaho
Department of Water Resources

Water Right
25-224

IRRIGATION

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



0 5 10 20 Miles

-  Point of Diversion
-  Place Of Use Boundary
-  Townships



Attachment 1D

Attached are minutes from Idaho Irrigation District meeting held January 11, 2017. Minutes reflect Alan D Kelsch was elected as Chairman for the District.

A handwritten signature in cursive script that reads "Alan D. Kelsch".

Alan D. Kelsch
Chairman, Idaho Irrigation District

MINUTES Of The REGULAR MEETING

IDAHO IRRIGATION DISTRICT

496 E 14TH St., Idaho Falls ID, ID 83404

JANUARY 11, 2017

Board Members:

Chairman-Alan D. Kelsch, Treasurer/Director-Merrill G. Hanny, Director-David C Christensen,
Manager-Richard L. Lockyer, Secretary-Wendy L. Hansen

Minutes of the Regular Meeting held, December 13, 2016 were read and discussed. Mr. Christensen moved to accept the minutes with a few corrections as written. Mr. Hanny Seconded. Board Passed.

There were no exclusions this month therefore; the total available acres that could be annexed into the district are 142.487 acres.

Managers' Report: With the Weather starting to bring in colder temperatures and more snow before the holidays, Frank and Quint were working on the Idaho Canal south of the spillway and Kirk and Brian were servicing equipment at the shop. With the hard freeze the canals could not be cleaned so we worked on getting the excavators back to the shop for the winter. The new Excavator needed some warranty work done on it so we hauled it to Western States Cat.

We have cleared a lot of snow at the office and the shop so far this year. The Crew is busy servicing equipment at the shop and we have enough to keep them busy until the weather gets better. We will then get out and start getting trees taken out and the rest of the head gates repaired. Mr. Hanny moved to accept the Managers Report. Mr. Christensen Seconded. Passed.

Mr. Kent Oseen is here to report on the 2016 Audit. Mr. Oseen says that the District looks very good. The Independent Auditor's Report for the year-end date of October 31, 2016 is in conformity with generally accepted accounting principles. Mr. Hanny moved to accept the Audit Report received today. Mr. Christensen seconded. Passed.

Mr. Kelsch opens the Meeting for a Public Hearing for the Annexation of Lands for Robert Butikofer for a total of 6.5 acres and for Mr. David Christensen for a total of .95 acres. *Let the record show that Mr. Christensen is sitting out of the decision of the Board on the annexation of property.

There is no public appearance for objections to said Annexations. Mr. Kelsch closes the Hearing. Mr. Hanny moved to accept the Annexation of ground for Mr. Butikofer 6.5 ac and for Mr. Christensen .95 ac pending a 90-day wait period for any objections. Mr. Kelsch Seconded. Passed.

*Mr. Christensen is back in attendance of this meeting.

Committee Of Nine: The Rental Pool highlighted the Committee of Nine December 15th meeting. Mr. Kelsch reports that there were proposals by members to allow private lease's above American Falls with no impacts. Mr. Kelsch says that because of the scope of the project Jackson and Palisades Lake impacts are substantial and suggests that we protect the impacts. There are up coming meetings scheduled to discuss this issue. A surface Water Right has been applied for. Mr. Kelsch is opposed to water going to new ground and says that the Districts should be able to use storage for rental water. He says that it is a Rental Pool Committee decision but expects the subject to come to the Committee of Nine for discussion. Mr. Hanny says that it should be a free enterprise issue and kept that way. Mr. Hanny and Mr. Christensen say that they totally support the decision made by Mr. Kelsch.

The Committee has many Federal issues coming to light at this time especially above Hells Canyon. Mr. Kelsch says that it will take Attorney involvement to represent our area. He states that with Mr. Semanko leaving they have lost a valuable source of representation.

Mr. Kelsch is working with Water District #1 and IDWR on the Willow Creek Water Right. He says that there are two options on the table in the State Water Bank. Number one (1) is un-rentable-no lease back out, and number two (2) is the Water Bank-to rent at the point of diversion. Mr. Kelsch believes that the water bank would work best for the district. Mr. Hanny suggests rent year to year. Mr. Hanny moved to proceed with Willow Creek Water Right under "unrentable" to State Water Bank for one year. Mr. Christensen Seconded. Passed.

Mr. Kelsch reports that Idaho Irrigation District moved 14,000 a/f of storage this year. The Board agrees that the system is very likely to fill this year. The system above Palisades is currently at 149%. The ground is saturated so it will help in the spring with the early wheat and water turn-in date.

Mr. Hanny moved to organize the Board for 2017. Mr. Kelsch- Chairman, Mr. Christensen- Vice-Chairman, Mr. Hanny- Director/Treasurer, Mr. Lockyer-Manager and Ms. Hansen- Secretary. Mr. Christensen Seconded. Passed.

The annual area Director Meeting is set for Tuesday January 31st @ 7:00p.m. The Idaho Irrigation District will be hosting this year.

In open discussion: The Board asked Mr. Lockyer about employee evaluations and asked him to start preparing them.

Mr. Hanny suggested a first aid class for education purposes and said that it should be expected once a year.

The Board asked Mr. Lockyer about the status of the Tree Grinder for purchase. Mr. Lockyer said that he has not heard back from the seller at this time. The Board also asked if there were any other purchases on equipment needed for spring? Mr. Lockyer did not think there was.

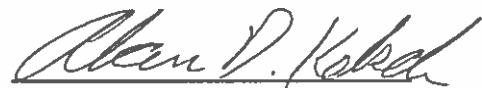
The Board asked Mr. Lockyer to check on the new bids for trucks for the district. Mr. Lockyer said that the used trucks only have 20,000 miles on them so should be a good trade in.

The Board and Mr. Lockyer talked about the status of the Hydro Studies and believe that all is well and that the Icing Studies should be very conclusive this year.

December Bills were presented, allowed and paid.

**The next Board Meeting will be held on February 22nd, 2017 at 9:00 a.m.
They're being no further business this meeting was adjourned at 12:30 p.m.**

**Mr. Christensen motioned to adjourn the meeting. Mr. Hanny Seconded.
Passed.**


Alan D Kelsch-Chairman

ATTEST

Secretary


Wendy L Hansen

SEAL



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

May 2, 2017

IDAHO IRRIGATION DISTRICT
496 E 14TH ST
IDAHO FALLS ID 83404

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 25-224

Dear Lessor:

Water right **25-224** was leased into the Water Supply Bank (Bank) as of March 10, 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, 2017**, 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,


Sr Water Supply Bank

Enclosure: Executed Lease Contract

c: James Cefalo - IDWR Eastern Region
Lyle Swank – Water District 01
Bonneville-Jefferson GWD
Progressive Irrigation District



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

April 13, 2017

IDAHO IRRIGATION DISTRICT
496 E 14TH ST
IDAHO FALLS ID 83404

RE: APPLICATIONS TO LEASE WATER RIGHT 25-224 TO THE WATER SUPPLY BANK

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days. Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The right will automatically be released from the Bank on **December 31, 2017**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your 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."

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

Sincerely,


for Water Supply Bank

Enclosure: Proposed Lease Contracts
Receipt # C103149

Hersley, Jean

From: Swank, Lyle
Sent: Tuesday, April 11, 2017 4:03 PM
To: Hersley, Jean; Olenichak, Tony
Subject: RE:

Jean,

Here are my comments, concerns and conditions to prevent injury to other water rights in WD1.

- 1) The 1889 water right priority has always been a junior water right priority in comparison to the water rights on Willow and Sand Creek.
- 2) The 1889 Willow Creek water right is supplemental to the earlier water right decrees in basin 25.
- 3) The water rights on Willow Creek and Sand Creek were both decreed in Basin 25, and Water District 25 was then a separate water district from Water District 1 prior to Ririe Reservoir.
- 4) When Ririe Reservoir was built the two water districts were merged into WD1 by Director Higginson.
- 5) Ririe Reservoir has a junior priority storage right compared to other reservoirs in WD1, and is difficult to fill in many years.
- 6) The 1889 water right should not be leased out to any location where the consumptive use would be expanded, and can't be used as a "base water right" without injuring other water rights in WD1.
- 7) The fill of Ririe Reservoir could be jeopardized or diminished on years when the 1889 water right is used before the Ririe Reservoir water right has filled.
- 8) Use of the 1889 water right should be conditioned on being available only during years when Ririe Reservoir has filled and on years when excess water is being released above Ririe Reservoir's spring and summer flood control rule curves.
- 9) This 1889 water right could be used as a recharge water right at a valid recharge location, when all water rights are in priority on Willow Creek and excess water is spilling past Ririe Reservoir and past Milner Dam.

Let me know if you have any questions for me.

Thanks,
Lyle

From: Hersley, Jean
Sent: Monday, April 10, 2017 12:56 PM
To: Swank, Lyle <Lyle.Swank@idwr.idaho.gov>; Olenichak, Tony <Tony.Olenichak@idwr.idaho.gov>
Subject: RE:

We've been holding this WSB Lease Application to get comments from Water District no. 1. Please let me know if you have any comments or concerns with allowing this right in the Bank but making it unrentable.

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

From: Hersley, Jean
Sent: Wednesday, March 22, 2017 3:14 PM
To: Swank, Lyle <Lyle.Swank@idwr.idaho.gov>; Olenichak, Tony <Tony.Olenichak@idwr.idaho.gov>
Subject:

We received this WSB Lease application (attached) from the Idaho Irrigation District. They are requesting to place the entirety of water right 25-224 in the Bank. After reviewing their request, it was determined we could accept this into the Bank but make it unrentable. Please let me know if you have any additional comments or concerns. Thank you.

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

WATER SUPPLY BANK		Quick Tools	
Agent Lease Review Checklist		Decreed Year	No Forfeiture Concerns Thru:
Applicant(s) Name: Idaho Irrigation District		2010	2016
Memo Date: March 22, 2017		2011	2017
Water Right Number(s): 25-224		2012	2018
		2013	2019
		2014	2020
Reviewers Name: Jean			
		Check box	COMMENTS/CONCERNS:
1	Fill out WSB Data Entry Checklist for Leases	x	
2	Reason for lease of water rights (Brief description of lease proposal in narrative)		
	Portion of right		
	All of right	x	
3	Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)		
		Yes	No
4	Rentable? If no explain in comments		x
5	Authority to file		
	Current owner or designated applicant	x	
	SOS Web site checked for business entity	x	
	Other (explain in comments)		
6	Water Right validity		
	Decreed/Licensed/Statutory claim date (write in comments section)		2009
	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)		%
8	Enlargement concerns	Check box	
	Complete a POU comparison overlap analysis	x	
	Complete a combined limits review	x	
	Complete POD overlap analysis (if there is an overlap add condition to lease)	x	
		Yes	No
	Are there overlapping rights that need to be placed in the bank also?		x
	Will the place of use continue to receive water?	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?	x	
	Send the watermaster comment request form or e-mail request		
11	Area Headgate requirement		4
12	Is water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments		x
13	Narrative: The applicant wishes to place the entire right in the Bank. Alan Kelsch, president, signed the application. This right was decreed in 2009 and has been used until this season. Forfeiture is not an issue. This right overlaps with water rights 1-75, 1-76, 1-12, 1-368, 1-369, 1-370 and the POU will continue to receive water from these rights. None of these Snake River rights have been offered to the Bank so this right will be unrentable.		