

WATER SUPPLY BANK LEASE CONTRACT No. 584

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

LESSOR: BLAINE COUNTY SCHOOL
DISTRICT #61
118 W BULLION ST
HAILEY, ID 83333

RECEIVED

FEB 24 2017

**DEPARTMENT OF
WATER RESOURCES**

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources and received by the Department on December 29, 2016.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

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

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

Summary of Water Rights or Portions Leased to the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
37-21114	3/24/1883	BIG WOOD RIVER, tributary to MALAD RIVER	0.38	52.5	15.0
Lease Totals			0.38	52.5	15.0

Summary of Water Rights Elements Rentable From the Bank

Water Right	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (Limited) (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
37-21114	0.30	52.5	15.0	0.025	3.50
Combined Limit Totals	0.30	52.5	15.0	0.025	3.50

** The water right elements rentable have been reduced from the water right elements leased to account for conveyance losses of 20 %.*

WATER SUPPLY BANK LEASE CONTRACT No. 584

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, 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.
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. 584

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

LESSOR: BLAINE COUNTY SCHOOL
DISTRICT #61
118 W BULLION ST
HAILEY, ID 83333

By *Carol A. Holmes*
Title *Superintendent*
Date *2/22/17*

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 *2/27/2017*

Lease approved by IDWR *Chy Web*

Date *2-27-2017*

**ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE
FOR LEASE CONTRACT NO. 584**

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

Source and Location of Point(s) of Diversion for Water Right No(s): 37-21114

BIG WOOD RIVER	SWNW	Sec. 20	Twp 03N	Rge 18E	BLAINE County
BIG WOOD RIVER	NESESE	Sec. 22	Twp 02N	Rge 18E	BLAINE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
37-21114	IRRIGATION	04/15	to	10/31	0.38 cfs	52.5 AF
Totals:					0.38 cfs	52.5 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	
02N	18E	10								7.8	7.2								15.0

Total Acres: 15.0

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. 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. 37.
13. Water is delivered through the Hiawatha Canal.
14. A portion of this right provides conveyance for other right holders in the shared delivery of water through the Hiawatha Canal canal. To prevent injury to other water right holders, the watermaster shall deliver 20% or 0.08 cfs of the leased portion of this right into the Hiawatha Canal whether it is rented or not.

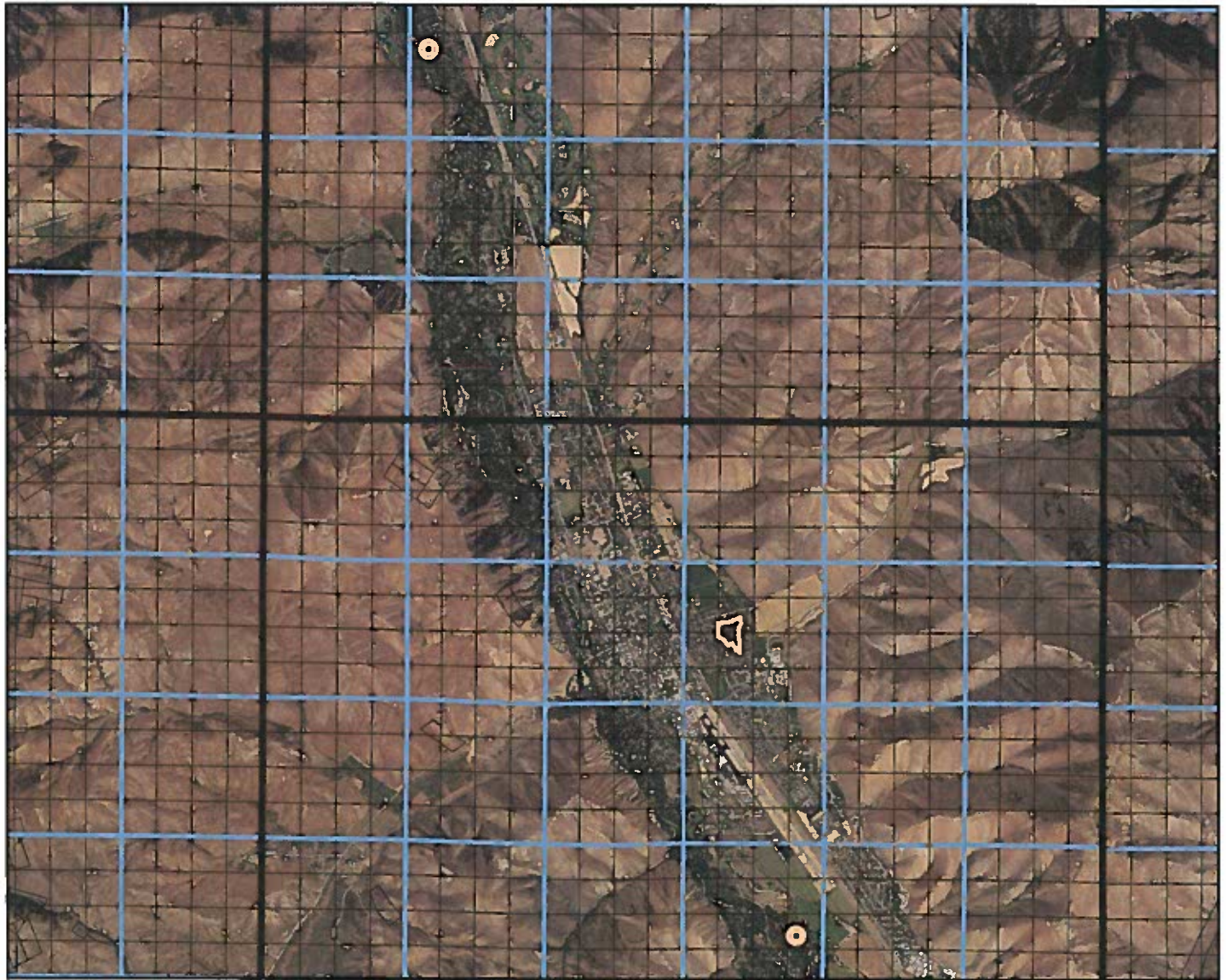


Idaho Water Resource Board
Water Supply Bank Lease

37-21114

Effective until December 31, 2017

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 29 2016

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant Blaine County School District #61

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

Water Right No. 37-21114

(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 \$ 250Received By: VCDate Received: 12/29/16Receipt # C102843W-9 received? Yes ☐ No ☐ (Route W-9 to Fiscal)

Name on W-9:

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 Blaine County School District #61

Mailing Address <u>118 W. Bullion St.</u>	Hailey	ID	83333
Street	City	State	Zip Code

Email Address _____	Phone Number <u>208-578-5000</u>
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☒ 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 <u>Lori Graves</u>	Organization <u>SPF Water Engineering, LLC</u>
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Professional Title <u>Water Rights Specialist</u>	Email Address <u>lgraves@spfwater.com</u>
---	---

Mailing Address <u>300 E. Mallard Dr., Ste 350, Boise, ID 83706</u>	Phone Number <u>208-383-4140</u>
---	----------------------------------

☐ 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.
Hiawatha Canal

- 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. n/a - water right was purchased and withheld from the property; see attached gift deed

- 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. n/a - water right was purchased and withheld from property; see attached gift deed

- F. Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. n/a - water right was purchased and withheld from property; see attached gift deed

- 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 - partial decree was issued May 3, 2011

- 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 ☐
This right currently mitigates 22.9 acres irrigation authorized under water right 37-8821 and 2 acres irrigation authorized under permit 37-21177. The current mitigation portion is not included for lease.

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: 1 yr to (maximum lease period 5 calendar years).
(Year) (Year)

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

Lori Graves
Signature of Designated Applicant

LORI GRAVES
Printed Name

12/29/16
Date

Gwen Carol H Holmes
Signature of Authorized Representative

Gwen Carol H Holmes
Printed Name

12/29/16
Date

BCSD Superintendent

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

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

ATTACHMENT 2

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

<u>1. Water Right Number</u>	<u>Nature of Use</u>	<u>Leased Rate</u> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
37-21114	Irrigation	0.38		15
	Total Amounts:	0.38		15

2. Source of water Big Wood River tributary to Malad River

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
2N	18E	22		NE	SE	SE	Blaine
3N	18E	20			SW	NW	Blaine

T2N R18E

NWNW

NENW

NWNE

SWNW

SENW

SWNE

10

2N 18E

NWSW

NESW

NWSE

SWSW

Legend

 Current Irrigation POU to Bank

Water Right 37-21114



0 250 500
Feet



RECEIVED

MAY 27 2003

Department of Water Resources
Southern Region

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

James P. Speck, Esq.
SPECK & AANESTAD
P. O. Box 987
Ketchum, Idaho 83340

(Space above line for Recorder's use)

CORRECTION GIFT DEED

MARATHON PARTNERS, an Idaho general partnership, whose address is c/o Edmund E. Dumke, P. O. Box 3118, Ketchum, Idaho 83340 (the "Donor"), does hereby give, transfer and convey unto BLAINE COUNTY SCHOOL DISTRICT, an Idaho school district, whose address is 118 West Bullion Street, Hailey, Idaho 83333-8425 (the "Donee"), any and all interest it may now have or hereafter acquire in the following described water right

1.06 cfs of the Big Wood River with a March 24, 1883 priority date pursuant to Idaho Water Right No. 37-00577 and Claim No. A37-12818 in In Re the General Adjudication of Rights to the Use of Water From the Snake River Basin Water System, Twin Falls District Court Case No. 39576, used for the irrigation 16 acres within the NE 1/4 SW 1/4 and 24 acres within the SE 1/4 NW 1/4, both in S.10, T.2N, R.18 E., B.M., Blaine County, Idaho, within lands commonly referred to as the Deerfield Subdivision.

THIS CORRECTION GIFT DEED IS RECORDED TO CORRECT THE LEGAL DESCRIPTION OF THE LANDS IRRIGATED BY THE WATER RIGHT DESCRIBED ABOVE IN THAT CERTAIN GIFT DEED RECORDED APRIL 5, 1995 AS INSTRUMENT NO. 377149, RECORDS OF BLAINE COUNTY, IDAHO.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD, all and singular the said water right, together with the appurtenances, unto the Donee, and to Donee's successors and assigns forever.

Date this 13 day of May, 2003.

DONOR:

MARATHON PARTNERS, an Idaho
general partnership

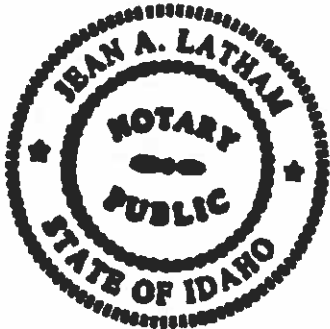
Edmund E. Dumke

Edmund E. Dumke, managing
General partner

STATE OF IDAHO)
) ss.
County of Blaine)

On this 13 day of May, 2003, before me, the undersigned notary
public in and for said state, personally appeared Edmund E. Dumke known to me to be
the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he
executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day
and year first above written.



Jean A. Latham
Notary Public for Idaho
Residing at: Blaine Co
Comm. Expires 1-25-07



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 28, 2017

BLAINE COUNTY SCHOOL DISTRICT #61
118 W BULLION ST
HAILEY ID 83333

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 37-21114

Dear Lessor:

Water right **37-21114** was leased into the Water Supply Bank (Bank) as of December 29, 2016, 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,

Water Supply Bank

Enclosure: Executed Lease Contract

c: Corey Skinner - IDWR Southern Region
Kevin Lakey - Water District 37
Lori Graves - SPF Water Engineering
Hiawatha Canal Co



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

February 17, 2017

BLAINE COUNTY SCHOOL DISTRICT # 61
118 W BULLION ST
HAILEY ID 83333

RE: APPLICATIONS TO LEASE WATER RIGHT 37-183A, 37-298C, 37-344E, 37-577BX and 37-21114 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

c: SPF Water Engineering LLC

WATER SUPPLY BANK
Agent Lease Review Checklist
Applicant(s) Name: Blaine County School District

Memo Date: February 16, 2017

Water Right Number(s): 37-21114

Reviewers Name: Jean

Quick Tools

Decreed Year	No Forfeiture Concerns Thru:
2010	2016
2011	2017
2012	2018
2013	2019
2014	2020

		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	x		Irrigation only
	All of right			
3	Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)			
		Yes	No	
4	Rentable? If no explain in comments	x		
5	Authority to file			
	Current owner or designated applicant	x		superintendent signed
	SOS Web site checked for business entity			
	Other (explain in comments)			
6	Water Right validity			
	Decreed/Licensed/Statutory claim date (write in comments section)			2011
	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?	x		
	If the POD is through a delivery entity, was holdback required? (percentage in comments)			20%
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	x		
11	Area Headgate requirement			3.5
12	Is water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments		x	
13	Narrative: The applicant is placing the irrigation portion of this right in the Bank. The Superintendent signed the application. This right was decreed in 2011. The water right was gifted to the school district in 2003 with no land and hasn't been used on the POU since it was decreed. The POU is now a subdivision and receives water from the City of Hailey. Forfeiture is not an issue. Water is delivered through the Hiawatha Canal so a 20% conveyance loss will be left in the canal and not available for rent. This right is currently within WD 37.			

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FEB 15 2017

HIAWATHA CANAL

P.O. Box 1604 • Hailey, ID 83333

DEPARTMENT OF
WATER RESOURCES

February 10, 2017

Idaho Water Bank
322 E. Front St.
P.O. Box 83720
Boise, ID 83720-0098

Re: *Blaine County School District (37-183A, 37-298C, 37-334E, 37-577BX and 37-21114)*

Dear Sir or Madam:

The purpose of this letter is to respond generally to water rights being leased to the Water Bank, which are conveyed in the Hiawatha Canal ("Canal") by the Hiawatha Canal Company, a.k.a. The Hiawatha Canal Water Users Association of Lateral or Laterals ("Canal Company"). For the reasons outlined below and on the conditions requested, the Canal has no objection to the aforementioned water rights being placed into the Water Bank.

The Hiawatha Canal Company is concerned about the amount of water being removed from the Canal and placed in the Water Bank by various water right holders. Generally, at this time, the Canal Company does not object to water rights conveyed in the Hiawatha Canal being placed in the Water Bank provided that if the water rights are leased to parties outside of the Canal, then the Water Bank should require twenty-percent (20%) of the right be left in the Canal as conveyance loss. I suggest that the Department place a condition on the leases to this effect.

Providing you some historical perspective, the Canal Company filed for mitigation (conveyance loss) rights in the adjudication for rights that had been forfeited or abandoned out of the Canal. The Department agreed that the conveyance loss in the Canal was twenty-percent (20%), and therefore, entered recommendations accordingly. See e.g., water rights 37-22630, 37-22631, 37-22632 and 37-22633. This conveyance has been recognized by the Idaho Department of Water Resources in similar transfers. Leaving twenty-percent (20%) of the leased rights in the Canal will insure that all rights in the Canal continue to be delivered without injury to water right holders in the Canal.

As a condition of being leased, the Canal Company requests:

Hersley, Jean

From: Lori Graves <LGraves@spfwater.com>
Sent: Tuesday, February 14, 2017 8:00 AM
To: Hersley, Jean
Subject: FW: Blaine County School District Lease Applications
Attachments: Dave Cropper Letter Feb 10 2017.pdf

Good Morning Jean,

Attached per your request.

From: Fritz Haemerle [mailto:fxh@haemlaw.com]
Sent: Monday, February 13, 2017 2:46 PM
To: Lori Graves <LGraves@spfwater.com>
Cc: Jim Speck (jim@speckandaanestad.com) <jim@speckandaanestad.com>
Subject: RE: Blaine County School District Lease Applications

Lori:

Here you go. I will send this letter to the state.

Fritz X. Haemmerle
HAEMMERLE LAW, P.L.L.C.
P.O. Box 1800
Hailey, ID 83333
Tel: (208) 578-0520
FAX: (208) 578-0564

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From: Lori Graves [mailto:LGraves@spfwater.com]
Sent: Tuesday, February 07, 2017 8:32 AM
To: Fritz Haemerle
Cc: Christian Petrich
Subject: FW: Blaine County School District Lease Applications

Good Morning Fritz,

Any progress? The Department is asking for a response.

From: Lori Graves
Sent: Monday, January 09, 2017 3:33 PM
To: 'Fritz Haemmerle (fxh@haemlaw.com)' <fxh@haemlaw.com>
Cc: Howard Royal (HRoyal@blaineschools.org) <HRoyal@blaineschools.org>; Christian Petrich <CPetrich@spfwater.com>
Subject: Blaine County School District Lease Applications

Hi Fritz,

Blaine County School District has several rights authorizing diversions from the Hiawatha Canal. The District would like to put these rights into the water supply bank. These rights include 37-183A, 37-298C, 37-334E and 37-577BX and 37-21114. IDWR requires authorization from Hiawatha Canal Company to do this. Could you please provide written consent authorizing the District to place these rights into the water bank? You send (mail) me the original signed document and I will get it submitted to the Department per their request. In advance, thank you for your efforts!

Regards,
Lori

Lori Graves | Water Rights Specialist

SPF Water Engineering, LLC

300 E Mallard Drive, Suite 350 | Boise, ID 83706

p. 208.383.4140 | f. 208.383.4156 | c. 208.850.4601

e. lgraves@spfwater.com | w. www.spfwater.com

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Hersley, Jean

From: Lori Graves <LGraves@spfwater.com>
Sent: Monday, January 09, 2017 3:15 PM
To: Hersley, Jean
Subject: RE: WSB Lease applications 37-183A, 37-298C, 37-334E and 37-577BX and 37-21114

Requested and on its way. I'll get the authorization submitted once I receive the original in the mail. Thanks Jean.

From: Hersley, Jean [mailto:Jean.Hersley@idwr.idaho.gov]
Sent: Monday, January 09, 2017 9:35 AM
To: Lori Graves <LGraves@spfwater.com>
Subject: RE: WSB Lease applications 37-183A, 37-298C, 37-334E and 37-577BX and 37-21114

It is # 4A on the minimum requirement checklist. Most delivery entities require a certain % of conveyance loss left in the canal or ditch for conveyance loss.

Idaho Administrative Code IDAPA 37-02.03.025 Acquisition of Water Rights for the Board's Water Supply Bank at <http://adminrules.idaho.gov/rules/current/37/0203.pdf> requires the written consent of an irrigation or canal company be submitted with the application for lease.

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

From: Lori Graves [mailto:LGraves@spfwater.com]
Sent: Monday, January 09, 2017 9:16 AM
To: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Subject: RE: WSB Lease applications 37-183A, 37-298C, 37-334E and 37-577BX and 37-21114

Why is that?

From: Hersley, Jean [mailto:Jean.Hersley@idwr.idaho.gov]
Sent: Monday, January 09, 2017 8:02 AM
To: Lori Graves <LGraves@spfwater.com>
Subject: WSB Lease applications 37-183A, 37-298C, 37-334E and 37-577BX and 37-21114

Lori,
The Department is going to need consent from the Hiawatha Canal Co. before we can process these leases for Blaine County School District.

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



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DEC 29 2016

DEPARTMENT OF
WATER RESOURCES

December 29, 2016

Clay Webster
IDWR State Office
PO Box 83720
Boise, ID 83720-0098

Subject: *Water Supply Bank Lease Applications*
Water Rights 37-21114 & 37-22205

Dear Clay,

Enclosed on behalf of Blaine County School District #61, are two lease applications for portions of ground water rights 37-21114 and 37-22205 currently not being used. Check No. 011091 is included for the \$500 filing fee.

Please let me know if there are any questions. Thanks Clay.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lori Graves", is written over a faint horizontal line.

Lori Graves
Water Rights Specialist

Cc: Howard Royal, James Speck

Enclosures

SPF file number: 322.0080, 322.0030