

AMENDED

WATER SUPPLY BANK LEASE CONTRACT No. 410

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

RECEIVED

MAR 06 2017

DEPARTMENT OF
WATER RESOURCES

LESSOR: WILLIAM B GORDON
179 ALBION AVE
WOODSIDE, CA 94062

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 14, 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)
37-2619	7/22/1959	GROUND WATER	0.080	14.00	4.00
Lease Totals			0.080	14.00	4.00

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.



**AMENDED
WATER SUPPLY BANK LEASE CONTRACT No. 410**

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

LESSOR: WILLIAM B GORDON
179 ALBION AVE
WOODSIDE, CA 94062

By 
Title _____
Date 2/16/17

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By  Date 3/7/2017
Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR  Date 3-7-2017

**ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE
FOR AMENDED LEASE CONTRACT NO. 410**

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): 37-2619

GROUND WATER NENESW Sec. 15 Twp 04N Rge 17E BLAINE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
37-2619	IRRIGATION	04/15	to	10/31	0.080 cfs	14.00 AF
Totals:					0.080 cfs	14.00 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	
04N	17E	15		0.7	1.2					1.8						0.3			4.0

Total Acres: 4.0

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. Property is also known as Parcel A, Blk 2, Boards Lower Ranch Subdivision, and is located within Homestead Entry Survey 293.
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. 37.

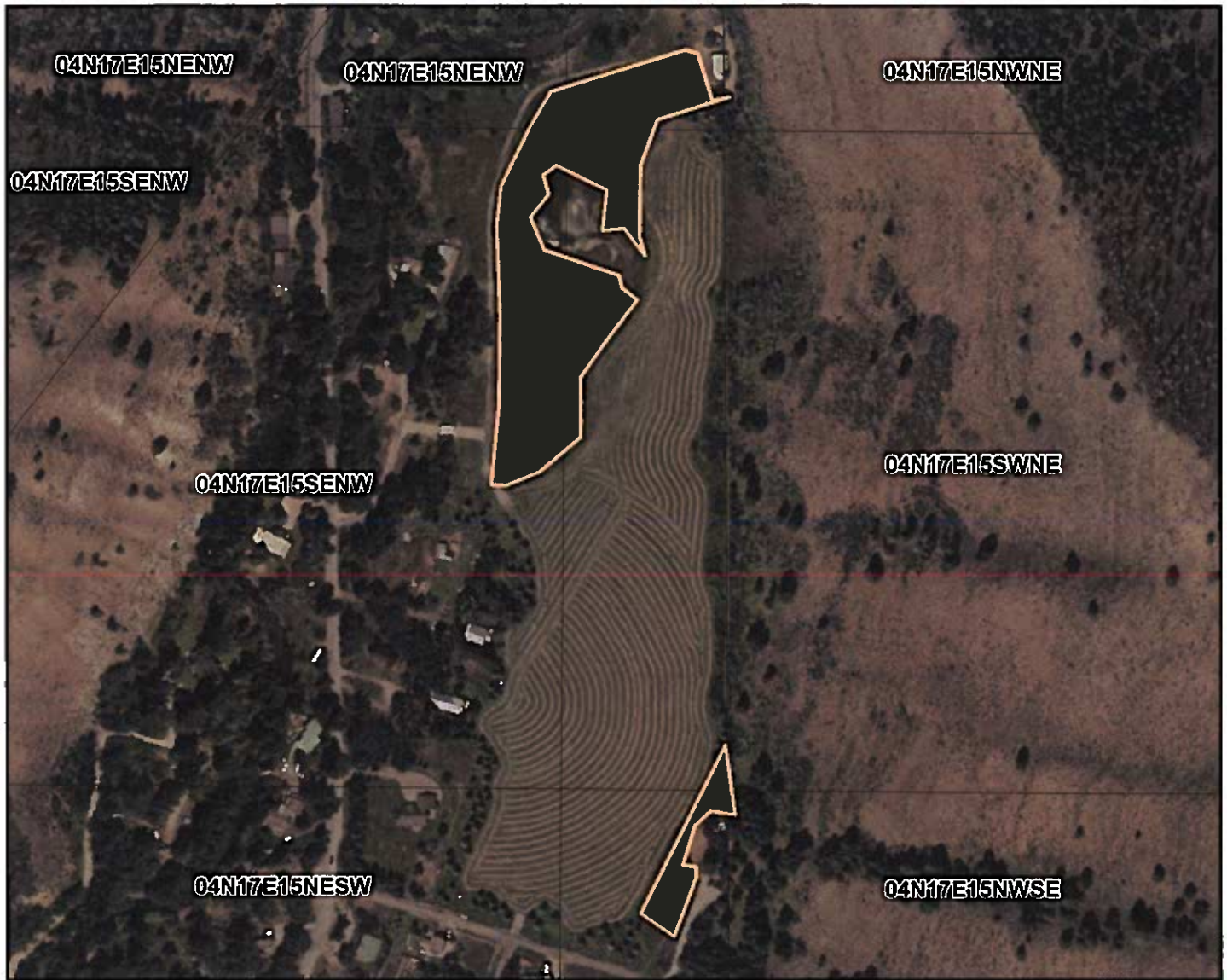


Idaho Water Resource Board
Water Supply Bank Lease

65-2856

Effective until December 31, 2020

This map depicts the place of use to be idled pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



○ Approved Lease Point of Diversion

Approved Lease Place of Use

Townships

PLS Sections

Quarter Quarters



0 500 1,000 Feet



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 8, 2017

WILLIAM B GORDON
179 ALBION AVE
WOODSIDE CA 94062

RE: WATER SUPPLY BANK AMENDED LEASE CONTRACT FOR WATER RIGHT 37-2619

Dear Lessor:

Water right 37-2619 was leased into the Water Supply Bank (Bank) as of December 14, 2016, in accordance with the enclosed executed amended 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 Amended Lease Contract

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

Webster, Clay

From: James Speck <jim@speckandaanestad.com>
Sent: Thursday, March 02, 2017 9:18 AM
To: Webster, Clay
Cc: William "Bing" Gordon; Helen Calcagno (helen@albion179.com)
Subject: RE: FW: Water Supply Bank Lease Contracts Gordon & Sokoloff

Clay,

Sorry about that. I have asked Mr. Gordon to do that today.

Jim

-----Original Message-----

From: Webster, Clay
Sent: Thursday, March 02, 2017 7:55 AM
To: James Speck

Jim,

I received one signed amended lease contract from Mr. Gordon. We will need the second signed amended lease contract, in order to execute the lease. Thanks

Clay

-----Original Message-----

From: Judd, Debbi
Sent: Tuesday, February 28, 2017 3:48 PM
To: James Speck <jim@speckandaanestad.com>
Cc: Webster, Clay <Clay.Webster@idwr.idaho.gov>
Subject: RE: Water Supply Bank Lease Contracts Gordon & Sokoloff

Jim,

We are still waiting on the mailed Amended Lease Contracts from Mr. Gordon. We have not received the originals.

Debbi

-----Original Message-----

From: James Speck [mailto:jim@speckandaanestad.com]
Sent: Tuesday, February 28, 2017 3:14 PM
To: Judd, Debbi <Debbi.Judd@idwr.idaho.gov>
Subject: RE: Water Supply Bank Lease Contracts Gordon & Sokoloff

Debbi,

Mr. Gordon's assistant just told me she mailed the executed Amended Lease Contract for WR 37-2619 to IDWR about 2 weeks ago. However, it does not show up as received on your processing sheet. Please look into this for us. Thank you.

Jim

-----Original Message-----

From: Judd, Debbi

Sent: Friday, February 10, 2017 9:13 AM

To: James Speck

Hi Jim,

Please find attached the Proposed Amended Lease Contracts for William B Gordon WR 37-2619 and Kiril Sokoloff WR 37-7926.

Thank you and have a great day!

Debbi

Debbi Judd

Technical Records Specialist

debbi.judd@idwr.idaho.gov <mailto:debbi.judd@idwr.idaho.gov>

Idaho Department of Water Resources

322 E Front St

PO Box 83720

Boise, ID 83720-0098

208-287-4920

www.idwr.idaho.gov <http://www.idwr.idaho.gov/>

Attachment(s): gordon.pdf; sokoloff.pdf

Webster, Clay

From: Webster, Clay
Sent: Thursday, March 02, 2017 7:55 AM
To: James Speck
Subject: FW: Water Supply Bank Lease Contracts Gordon & Sokoloff

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To: James Speck <jim@speckandaanestad.com>
Cc: Webster, Clay <Clay.Webster@idwr.idaho.gov>
Subject: RE: Water Supply Bank Lease Contracts Gordon & Sokoloff

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From: James Speck [mailto:jim@speckandaanestad.com]
Sent: Tuesday, February 28, 2017 3:14 PM
To: Judd, Debbi <Debbi.Judd@idwr.idaho.gov>
Subject: RE: Water Supply Bank Lease Contracts Gordon & Sokoloff

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Thank you and have a great day!

Debbi

Debbi Judd

Technical Records Specialist

debbi.judd@idwr.idaho.gov <mailto:debbi.judd@idwr.idaho.gov>

Idaho Department of Water Resources

322 E Front St

PO Box 83720

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Attachment(s): gordon.pdf; sokoloff.pdf



State of Idaho

DEPARTMENT OF WATER RESOURCES

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Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

February 10, 2017

WILLIAM B GORDON
179 ALBION AVE
WOODSIDE CA 94062

RE: AMENDMENT TO LEASE OF WATER RIGHT 37-2619 TO THE WATER SUPPLY BANK

****TIME SENSITIVE RESPONSE REQUIRED***

Dear Applicant:

The Department of Water Resources received a request from your representative to issue an amended lease contract No. 410 on February 7, 2017. **I have enclosed two original amended Water Supply Bank Lease Contracts for your review and signature which reflect the payment of "current rental rate".** The department will only collect the 10% administrative fee from the renter on this contract. The owner's share will be paid directly to you from the renter. **Please sign and return both 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.

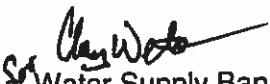
The right will automatically be released from the Bank on **December 31, 2017**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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: James P. Speck – Speck & Aanestad (via e-mail)

Webster, Clay

From: James Speck <jim@speckandaanestad.com>
Sent: Wednesday, February 08, 2017 10:59 AM
To: Buyer, Remington
Cc: William "Bing" Gordon; Thomas Weisel; Kiril Sokoloff; Jeff Greenstein; Jim Sinegal; Cindy Mitchum; Webster, Clay; Paul Arrington; Charles G. Brockway (charles.g.brockway@brockwayeng.com); Charles E. Brockway; Zach Latham (zach.latham@brockwayeng.com)
Subject: RE: RE: RE: Disclosure of negotiated Rental Rates

Remington,

This e-mail confirms that my clients have agreed that the "gross amount received from the . . . rental of a water right," as specified in Rule 35.01, for each of the companion lease/rental applications is to be \$17/AF. It also confirms that the owner's portion of this rental payment will be made directly from the renters to the owner so that it's not necessary for IDWR to collect it. However, if IDWR prefers to collect it that is fine with my clients.

Jim

-----Original Message-----

From: Buyer, Remington [mailto:Remington.Buyer@idwr.idaho.gov]
Sent: Tuesday, February 7, 2017 1:22 PM
To: James Speck
Cc: William "Bing" Gordon; Thomas Weisel; Kiril Sokoloff; Jeff Greenstein; Jim Sinegal; Cindy Mitchum; Webster, Clay; Paul Arrington; Charles G. Brockway (charles.g.brockway@brockwayeng.com); Charles E. Brockway; Zach Latham (zach.latham@brockwayeng.com)
Subject: RE: RE: RE: Disclosure of negotiated Rental Rates

Jim,

The administrative fee levied by the Department for rentals of water rights from the Bank is "10% of the gross amount received for the sale or rental of a water right." This is consistent with the most recent resolution from the Idaho Water Resource Board which states "unless otherwise agreed to between lessor and lessee and approved by the Director of the Department of Water Resources, the price for water rights rented through the Water Supply Bank shall be equal to the Nez Perce Agreement flow augmentation rate in effect at the time that a rental is made."

From your correspondence with Clay and Debbi, and your direction that these rentals be subject to a private rental rate (ie. not the current rental rate) we understood this to mean that the rental rate for these water rights would be something other than \$17/acre foot (the current rental rate). From your most recent email reply below, it appears that your intent in requesting a private rental rate was not to signal to the Bank that the rental rate for these water rights should be something other than the current rental rate, but instead, to signal that the owners portion of the rental payment would be made directly from the renter to the lessor, and that it was not necessary for IDWR to collect this portion of the payment. Please confirm that this is correct.

If your clients have in fact agreed that the gross rental amount to be received for the rental of these water rights is equivalent to \$17/AF, not an alternative rental rate structure, IDWR can reissue amended lease contracts for signature. Once the amended lease contracts are returned and finalized in our office, we can process the rental requests accordingly. However, if the gross amount to be received by your clients for the rental of these water rights is greater than \$17/AF, the rules and procedures of the Bank require that we collect 10% of the gross amount to be received for the rental of these water rights.

Thank you for the clarification on this matter,

Remington

-----Original Message-----

From: James Speck [mailto:jim@speckandaanestad.com]

Sent: Tuesday, February 07, 2017 11:12 AM

To: Buyer, Remington <Remington.Buyer@idwr.idaho.gov>

Cc: William "Bing" Gordon <bgordon@kpcb.com>; Thomas Weisel <tw@stifel.com>; Kiril Sokoloff <kiril@13d.com>; Jeff Greenstein <jeffg@yiscapital.com>; Jim Sinegal <jsinegal@costco.com>; Cindy Mitchum <cindy.mitchum@wynnresorts.com>; Webster, Clay <Clay.Webster@idwr.idaho.gov>; Paul Arrington <pla@idahowaters.com>; Charles G. Brockway (charles.g.brockway@brockwayeng.com) <charles.g.brockway@brockwayeng.com>; Charles E. Brockway <charles.e.brockway@brockwayeng.com>; Zach Latham (zach.latham@brockwayeng.com) <zach.latham@brockwayeng.com>
Subject: RE: RE: RE: Disclosure of negotiated Rental Rates

Remington,

You are correct about the lease contracts for these two water rights. However, my request was the result of my discussions and e-mails with Debbi Judd on the Red Cliffs HOA & Kris Popovich companion lease & rental applications. Attached is the e-mail exchange with Debbi in which she tells me "It would be best to state on the [lease] application "private agreement - administrative fee only." I then requested Clay Webster to modify the Gordon & Sokoloff lease contracts accordingly per the attached e-mail exchange. Clearly the intent of this is for the renters to pay to IDWR ONLY the administrative fee based on the current rental rate. There is simply no precedent and no statement to me that making this change results in your administrative fee being based on anything other than the current rental rate. Furthermore, our verbal private agreements do not provide for the payment of "rent" by the WSB renter to the WSB lessor. Instead, it is consideration for the agreement by the WSB lessor to file the companion lease & rental applications.

I don't want to debate this further. Therefore, we request that IDWR issue amended lease contracts for Gordon & Sokoloff that list "current rental rate" in section 2 as the "Minimum Payment Acceptable." The rental applications will not be withdrawn. Once you receive the signed amended lease contracts I fully expect you to process the companion rental applications as you have always done in the past.

Jim

-----Original Message-----

From: Buyer, Remington

Sent: Tuesday, February 07, 2017 10:11 AM

To: James Speck

Cc: William "Bing" Gordon; Thomas Weisel; Kiril Sokoloff; Jeff Greenstein; Jim Sinegal; Cindy Mitchum; Webster, Clay; Paul Arrington; Charles G. Brockway (charles.g.brockway@brockwayeng.com); Charles E. Brockway; Zach Latham (zach.latham@brockwayeng.com)

Jim,

The lease contracts were initially produced with the rental rate being the current rental rate, as this is what you requested when you submitted the applications. Subsequently, you requested that we acknowledge that these water rights were to be rented at a stipulated, private rental rate. We have updated the lease contracts accordingly to reflect your request to honor a private rental rate. However, as noted in my prior correspondence, the water rights cannot be rented from the Bank without knowledge of the private rental rate. If you are unable to provide this information, you may request to withdraw the rental requests.

Regards,

Remington Buyer
Water Supply Bank Coordinator
Idaho Department of Water Resources
322 East Front Street, Boise, ID, 83720
T: (208) 287-4918 | F: (208) 287-6700

-----Original Message-----

From: James Speck [mailto:jim@speckandaanestad.com]
Sent: Tuesday, February 07, 2017 9:50 AM
To: Buyer, Remington <Remington.Buyer@idwr.idaho.gov>
Cc: William "Bing" Gordon <bgordon@kpcb.com>; Thomas Weisel <tw@stifel.com>; Kiril Sokoloff <kiril@13d.com>; Jeff Greenstein <jeffg@yiscapital.com>; Jim Sinegal <jsinegal@costco.com>; Cindy Mitchum <cindy.mitchum@wynnresorts.com>; Webster, Clay <Clay.Webster@idwr.idaho.gov>; Paul Arrington <pla@idahowaters.com>; Charles G. Brockway (charles.g.brockway@brockwayeng.com) <charles.g.brockway@brockwayeng.com>; Charles E. Brockway <charles.e.brockway@brockwayeng.com>; Zach Latham (zach.latham@brockwayeng.com) <zach.latham@brockwayeng.com>
Subject: RE: RE: Disclosure of negotiated Rental Rates

Remington,

Rule 25 applies only to the "acquisition of water rights" for the Water Supply Bank. In this case, the two Water Supply Bank Lease Contracts have already been fully executed. That must mean the Board has already determined under Rule 25.06.d that the "requested rental rate is reasonable." The only possible way it could have made that determination is that the rent, if any, that is to be paid to the Bank and on which it is to base its 10% administrative fee, is the "current rental rate" of \$17 per acre foot. In ALL past "companion" lease and rental applications to the Water Supply Bank, including a completed one for 2017, that I have been involved with or am aware of, you have based your administrative fees on this "current rental rate" regardless of whether or not that amount of rent was actually paid to IDWR and regardless of the terms and conditions of any private agreement between the companion lease and rental applicants.

Rule 35 governs ONLY the handling of payments received by the Department from the sale or rental of rights from the Bank. Rule 35.01 simply specifies that your administrative fee is 10% of the gross amount of the rental "received" by IDWR. The private agreements for these two water rights do not provide for the payment of any separate rental to IDWR which IDWR would then remit to the water right lessor. Instead, the water right renters have agreed to pay IDWR the administrative fee that they understood has always been charged which is, as previously noted, 10% of the current rental rate.

As I stated in my last e-mail to Clay, all other terms and conditions of these private agreements are confidential. IDWR does not have any authority to demand that they be disclosed as a prerequisite to processing the companion rental applications. Please proceed to process these rental applications.

Thank you.

Jim

-----Original Message-----

From: Buyer, Remington
Sent: Monday, February 06, 2017 10:55 AM
To: James Speck; Webster, Clay

Cc: William "Bing" Gordon; Thomas Weisel; Kiril Sokoloff; Jeff Greenstein; Jim Sinegal; Cindy Mitchum

Jim,

Pursuant to Water Supply Bank rules 25.06.d and 35.01, the Bank requires knowledge of the negotiated rental price to ensure the rental rate is reasonable and to ensure appropriate administrative fees are collected. Please provide us with this information so that we may finalize our processing of the pending Water Supply Bank rentals.

Remington Buyer

Water Supply Bank Coordinator

Idaho Department of Water Resources

322 East Front Street, Boise, ID, 83720

T: (208) 287-4918 | F: (208) 287-6700

From: James Speck [mailto:jim@speckandaanestad.com]

Sent: Friday, February 03, 2017 10:53 AM

To: Webster, Clay <Clay.Webster@idwr.idaho.gov>

Cc: William "Bing" Gordon <bgordon@kpcb.com>; Thomas Weisel <tw@stifel.com>; Buyer, Remington <Remington.Buyer@idwr.idaho.gov>; Kiril Sokoloff <kiril@13d.com>; Jeff Greenstein <jeffg@yiscapital.com>; Jim Sinegal <jsinegal@costco.com>; Cindy Mitchum <cindy.mitchum@wynnresorts.com>

Subject: Re: Disclosure of negotiated Rental Rates

Clay,

I have consulted with all of my clients regarding the letters from Remington. They unanimously agree that the terms and conditions of their private agreements concerning the companion lease and rental applications filed with IDWR are confidential. I trust you will now complete the processing and approval of the rental applications. Thank you.

Jim

Sent from Jim's iPad

From: Webster, Clay <clay.webster@idwr.idaho.gov>

Sent: Tuesday, January 31, 2017 11:26 AM
Subject: Disclosure of negotiated Rental Rates
To: James Speck <jim@speckandaanestad.com>
Cc: Buyer, Remington <remington.buyer@idwr.idaho.gov>

Jim,

The attached letters are being mailed to the lessors and renters of these water rights requesting disclosure of the negotiated rental rates.

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

-----Original Message-----

From: James Speck [mailto:jim@speckandaanestad.com]
Sent: Monday, January 30, 2017 12:30 PM
To: Webster, Clay <Clay.Webster@idwr.idaho.gov>
Cc: Buyer, Remington <Remington.Buyer@idwr.idaho.gov>
Subject: RE: RE: RE: RE: RE: FW: WSB Lease Contracts

Clay,

The private rental amounts are confidential and I'm not authorized to disclose them.

Jim

-----Original Message-----

From: Webster, Clay
Sent: Monday, January 30, 2017 11:43 AM
To: James Speck
Cc: Buyer, Remington

Jim,

I am currently processing the Rentals for Damo LLC, Thomas W Weisel Trust, Jeff Greenstein and James D. Sinegal. According to your email below, these are subject to a private agreement. Can I find out what the calculation is on the private agreements? Thanks.

Clay

-----Original Message-----

From: James Speck [mailto:jim@speckandaanestad.com]
Sent: Wednesday, January 18, 2017 11:55 AM
To: Webster, Clay <Clay.Webster@idwr.idaho.gov>; James Speck <jim@speckandaanestad.com>
Subject: RE: RE: RE: RE: FW: WSB Lease Contracts

Clay,

Now that the Gordon & Sokoloff Lease contracts have been signed let me know if any questions come up in your review of the companion rental applications. Thanks.

Jim

-----Original Message-----

From: James Speck

Sent: Tuesday, January 10, 2017 9:54 AM

To: 'Webster, Clay'

Clay,

Thank you.

Jim

-----Original Message-----

From: Webster, Clay

Sent: Tuesday, January 10, 2017 8:16 AM

To: James Speck

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The executed lease contracts will be sent with a correction to page one to reflect this change.

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Sent: Monday, January 09, 2017 12:51 PM

To: Webster, Clay <Clay.Webster@idwr.idaho.gov>

Subject: RE: RE: FW: WSB Lease Contracts

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Sent: Tuesday, January 03, 2017 3:34 PM

To: James Speck <jim@speckandaanestad.com>

Cc: Webster, Clay <Clay.Webster@idwr.idaho.gov>

Subject: RE: WSB Lease Contracts

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Jean Hersley

Idaho Dept Water Resources

Technical Records Specialist II

208-287-4942

From: James Speck [mailto:jim@speckandaanestad.com]

Sent: Tuesday, January 03, 2017 3:33 PM

To: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>

Subject: RE: WSB Lease Contracts

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Jim

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Sent: Friday, December 30, 2016 7:37 AM
To: James Speck
Subject: WSB Lease Contracts

These will go out in today's mail.

Jean Hersley

Idaho Dept Water Resources

Technical Records Specialist II

208-287-4942

WATER SUPPLY BANK LEASE CONTRACT No. 410

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

LESSOR: WILLIAM B GORDON
179 ALBION AVE
WOODSIDE, CA 94062

RECEIVED

JAN 07 2016

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 14, 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)
37-2619	7/22/1959	GROUND WATER	0.080	14.00	4.00
Lease Totals			0.080	14.00	4.00

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: Private Agreement

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.

SCANNED
JAN 12 2017

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

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

LESSOR: WILLIAM B GORDON

179 ALBION AVE

WOODSIDE, CA 94062

By W B Gordon 

Title _____

Date 1/4/2017

IDAHO WATER RESOURCE BOARD

322 East Front Street

P.O. Box 83720

Boise, ID 83720-0098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 1/9/2017

Lease approved by IDWR 

Date 1-9-2017

**ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE
FOR LEASE CONTRACT NO. 410**

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): 37-2619

GROUND WATER NENESW Sec. 15 Twp 04N Rge 17E BLAINE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
37-2619	IRRIGATION	04/15	to	10/31	0.080 cfs	14.00 AF
Totals:					0.080 cfs	14.00 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	
04N	17E	15		0.7	1.2					1.8						0.3			4.0

Total Acres: 4.0

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. Property is also known as Parcel A, Blk 2, Boards Lower Ranch Subdivision, and is located within Homestead Entry Survey 293.
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. 37.

Idaho Water Resource Board
Water Supply Bank Lease

37-2619

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



0 500 1,000 Feet

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

DEC 14 2016

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant William B. Gordon & Debra Gordon

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

Water Right No. 37-2619

(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: 12/14/16Receipt # 002784W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)Name on W-9: William B Gordon

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 William B. Gordon

Mailing Address 179 Albion Ave., Woodside, CA 94062

Street City State Zip Code
Email Address bgordon@kpcb.com Phone Number (650) 400-9005 3875848

☐ 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 James P. Speck Organization Speck & Aanestad, A Professional Corp.

Professional Title attorney Email Address jim@speckandaanestad.com

Mailing Address P.O. Box 987, Ketchum, ID 83340 Phone Number (208) 726-4421

☐ 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.
Well, pump, pivot sprinkler irrigation system

- 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. None

- D. Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes ☐ No ☒
Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of \$500.

- E. Will the present place of use continue to receive water from any other source? Yes ☐ No ☒
If yes, explain the relationship between the different water sources and how enlargement of the authorized use will not occur if this water right is leased.

- F. Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. The portion sought to be leased to the Bank has not been used in the last 5 years and has been leased to the Bank in 2015 & 2016.

- G. Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes ☐ No ☒
If yes, describe the circumstances and attach evidence to demonstrate how the water right has not been lost through forfeiture (Attachment 4G). See [Section 42-223, Idaho Code](#) for exceptions to forfeiture. Your application may be denied if forfeiture concerns are not addressed.

- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?
If yes, describe.

Yes ☐ No ☒

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE AGREEMENT

- A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☒.

If lease, specify the years when the use of water will be suspended: 2017 to 2017 (maximum lease period 5 calendar years).
(Year) (Year)

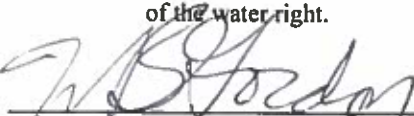
- B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.

Current rental rate

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

The Designated Applicant acknowledges the following:

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


Signature of Designated Applicant

William B. Gordon

Printed Name

10/29/16
Date


Signature of Authorized Representative

James P. Speck

Printed Name

10/29/16
Date

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

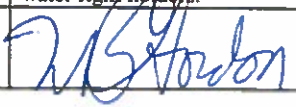
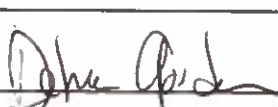
ATTACHMENT 1A

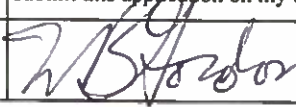
Additional Water Right Holders Party to the Lease Application

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

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

Water Right No(s). _____

	Designated Applicant	Applicant #2	Applicant #3
Name	William B. Gordon	Debra Gordon	
Mailing Address	179 Albion Ave., Woodside, CA 94062	179 Albion Ave., Woodside, CA 94062	
Phone Number	(650) 400-9005-387-5848	(650) 851-0715	
Email Address	bgordon@kpcb.com	debra@albion179.com	
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

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

RECEIVED
NOV 15 2016
SPECK & AANESTAD

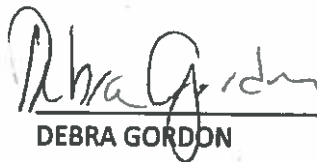
AUTHORITY TO REPRESENT

The undersigned hereby authorizes their attorney, James P. Speck of the law firm of Speck & Aanestad, A Professional Corporation, to represent them in all matters relating to the leasing of their Water Right No. 37-2619 to the Idaho Water Supply Bank.

Dated this ____ day of December, 2014.



WILLIAM B. GORDON



DEBRA GORDON

**STATE OF IDAHO
WATER RESOURCE BOARD**

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

ATTACHMENT 2

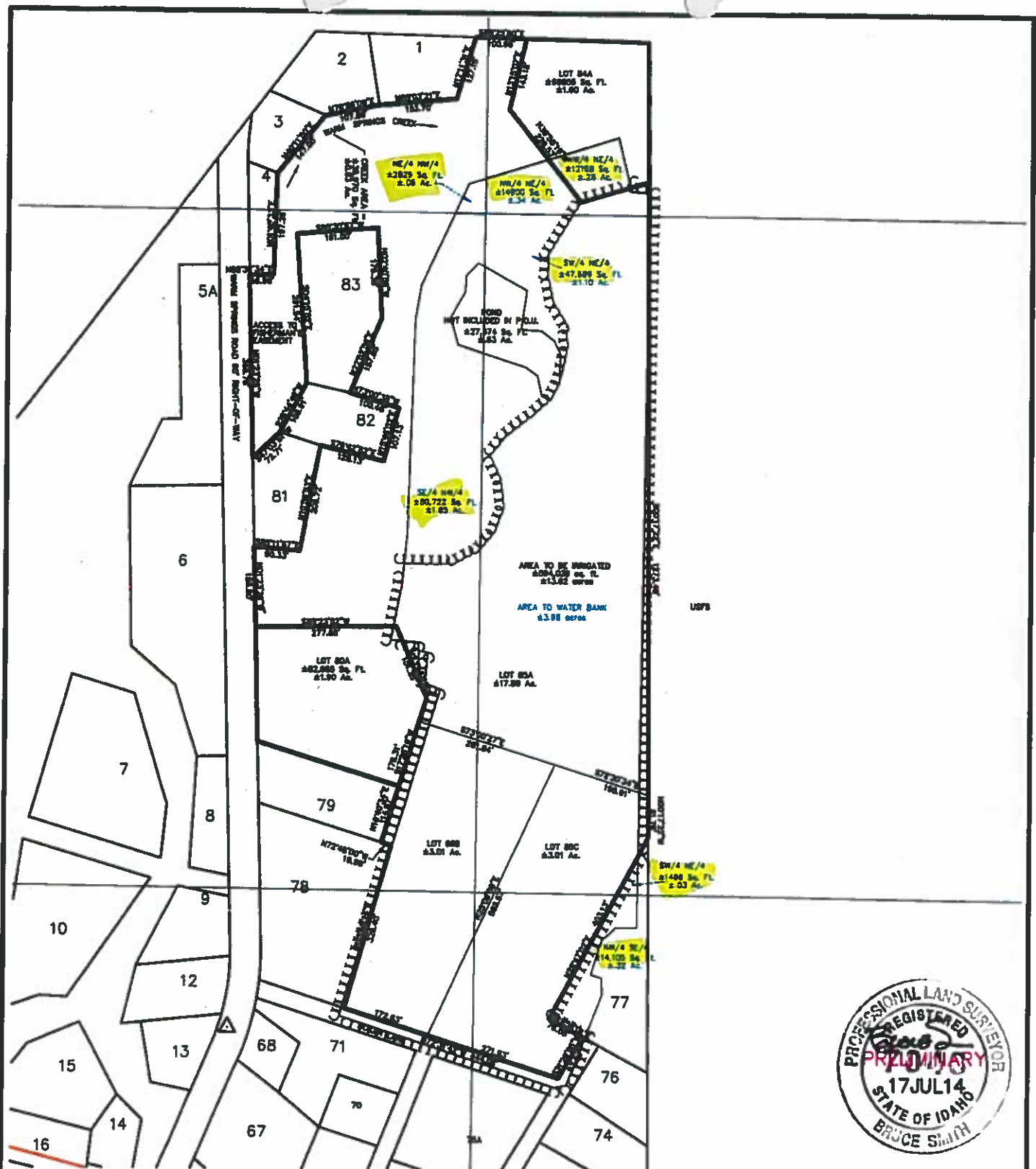
DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

1. <u>Water Right Number</u>	Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
<u>37-2619</u>	<u>irrigation</u>	<u>0.08cfs</u>	<u>14AF</u>	<u>4.0</u>
Total Amounts:				

2. Source of water ground water tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
4N	17E	15		NE	NE	SW	Blaine





State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

January 11, 2017

WILLIAM B GORDON
179 ALBION AVE
WOODSIDE CA 94062

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 37-2619

Dear Lessor:

Water right **37-2619** was leased into the Water Supply Bank (Bank) as of December 14, 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,

for Water Supply Bank

Enclosure: Executed Lease Contract

c: James Speck – Speck & Aanestad
Corey Skinner - IDWR Southern Region
Kevin Lakey – Water District37

Webster, Clay

From: Webster, Clay
Sent: Tuesday, January 10, 2017 8:16 AM
To: 'James Speck'
Subject: RE: RE: FW: WSB Lease Contracts

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Idaho Dept Water Resources

Technical Records Specialist II

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Jean Hersley

Idaho Dept Water Resources

Technical Records Specialist II

208-287-4942

SPECK & AANESTAD
A PROFESSIONAL CORPORATION
ATTORNEYS

JAMES P. SPECK
jim@speckandaanestad.com
DOUGLAS J. AANESTAD
doug@speckandaanestad.com

120 EAST AVENUE
POST OFFICE BOX 987
KETCHUM, IDAHO 83340

TELEPHONE
(208) 726-4421
FACSIMILE
(208) 726-0752

RECEIVED

JAN 09 2017

DEPARTMENT OF
WATER RESOURCES

January 5, 2017

Remington Buyer
Water Supply Bank Coordinator
Idaho Department of Water Resources
322 E. Front St.
Boise, Idaho 83720-0098

Re: William B. Gordon - Water Supply Bank Lease Contract No. 410

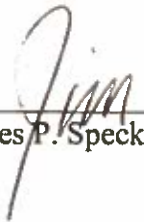
Dear Remington:

Enclosed you will find duplicate originals of the above-referenced Water Supply Bank Lease No. 410 which have been signed by my client, William Gordon. Once the Lease has been signed by Brian Patton please return a conformed copy to me in the postage prepaid, self-addressed envelope I have included for that purpose.

Thank you.

Sincerely yours,

SPECK & AANESTAD
A Professional Corporation

By: 
James P. Speck

Enclosures
cc: Client w/encl.

Hersley, Jean

From: Skinner, Corey
Sent: Friday, December 30, 2016 8:25 AM
To: Hersley, Jean
Subject: RE: WSB Leases for Sokoloff, Gordon and Pullen

No concerns or objections from me.

From: Hersley, Jean
Sent: Friday, December 30, 2016 7:39 AM
To: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>; Kevin Lakey <watermanager@cableone.net>
Subject: WSB Leases for Sokoloff, Gordon and Pullen

Please let me know if you have any comments or concerns. Thank you!

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

Hersley, Jean

From: Kevin Lakey <watermanager@cablone.net>
Sent: Tuesday, January 03, 2017 8:31 AM
To: Hersley, Jean
Subject: RE: WSB Leases for Sokoloff, Gordon and Pullen

I have no comments or concerns at this time.

Kevin Lakey
Water District 37

From: Hersley, Jean [mailto:Jean.Hersley@idwr.idaho.gov]
Sent: Friday, December 30, 2016 7:39 AM
To: Skinner, Corey; Kevin Lakey
Subject: WSB Leases for Sokoloff, Gordon and Pullen

Please let me know if you have any comments or concerns. Thank you!

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



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

December 30, 2016

WILLIAM B GORDON
179 ALBION AVE
WOODSIDE CA 94062

RE: APPLICATIONS TO LEASE WATER RIGHT 37-2619 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 Jan Huskey
Water Supply Bank

Enclosure: Proposed Lease Contracts

c: Speck & Aanestad Law

Hersley, Jean

From: Hersley, Jean
Sent: Friday, December 30, 2016 7:37 AM
To: 'James Speck'
Subject: WSB Lease Contracts
Attachments: Gordon.pdf; pullen.pdf; Sokoloff.pdf

These will go out in today's mail.

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

Hersley, Jean

From: Hersley, Jean
Sent: Friday, December 30, 2016 7:39 AM
To: Skinner, Corey; 'Kevin Lakey'
Subject: WSB Leases for Sokoloff, Gordon and Pullen
Attachments: Idled Acres 37-2619.pdf; Lease Application Review Checklist 37-2619.xls; Report - Lease Contract - 410-Gordon.docx; Idled Acres 37-657A.pdf; Lease Application Review Checklist 37-657A.xls; Report - Lease Contract - # 412- PULLEN.docx; Idled Acres 37-7926.pdf; Lease Application Review 37-7926.xls; Report - Lease Contract # 401- 37-7926-Sokoloff.docx

Please let me know if you have any comments or concerns. Thank you!

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

Hersley, Jean

From: James Speck <jim@speckandaanestad.com>
Sent: Thursday, December 29, 2016 2:24 PM
To: Hersley, Jean
Subject: RE: WSB Lease Application for Gordon 37-2619

Jean,

If you are referring to the idled area in the North end of the POU that is lower ground with a lot of wetlands and it is not irrigated.

Jim

-----Original Message-----

From: Hersley, Jean [mailto:Jean.Hersley@idwr.idaho.gov]
Sent: Thursday, December 29, 2016 12:07 PM
To: James Speck
Subject: RE: WSB Lease Application for Gordon 37-2619

Thank you. It appears that some of the land that was supposed to be idled is green. Can you explain this for me?

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

-----Original Message-----

From: James Speck [mailto:jim@speckandaanestad.com]
Sent: Thursday, December 29, 2016 11:23 AM
To: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Cc: Bruce Smith (bsmith@alpineenterprisesinc.com) <bsmith@alpineenterprisesinc.com>
Subject: RE: WSB Lease Application for Gordon 37-2619

Jean,

I have drawn approximate lines and added the 1/41/4 acreages from our surveyor's map. Note the latter is exactly the same map we used in 2015 & 2016.

Jim

-----Original Message-----

From: Hersley, Jean
Sent: Thursday, December 29, 2016 11:02 AM
To: James Speck

Jim,

I have attached a map of the place of use for the Gordon water right. Can you mark on this map which 4 acres are going to be idled and return it to me? I'm having a hard time figuring out the map that came with the application. Thank you.

Jean Hersley

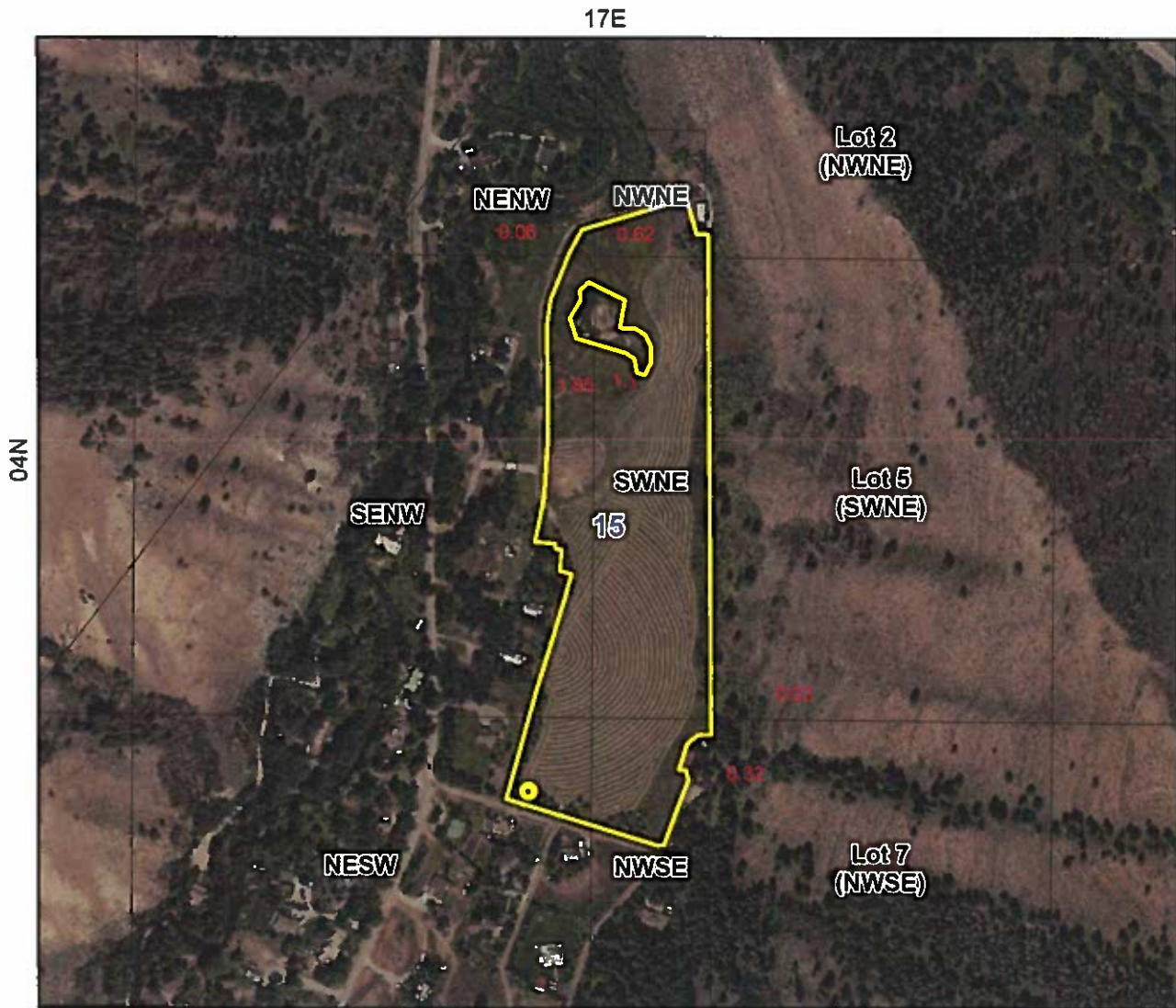
Idaho Dept Water Resources

Technical Records Specialist II

208-287-4942

Attachment(s): POU MAP.pdf

State of Idaho
Department of Water Resources
Water Right License
37-2619



- Point of Diversion
- Place Of Use Boundary
- Townships
- PLS Sections

0 0.05 0.1 0.2 Miles



WATER SUPPLY BANK
Agent Lease Review Checklist
Applicant(s) Name: William Gordon

Memo Date: December 29, 2016

Water Right Number(s): 37-2619

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		
	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		
	SOS Web site checked for business entity			
	Other (explain in comments)			
6	Water Right validity			
	Decreed/Licensed/Statutory claim date (write in comments section)			
	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			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 wishes to place 4 acres of this right in the Bank. This water right was decreed in 2010 and was in the Bank in 2015 and 2016. Forfeiture is not an issue. There are no other rights that overlap this right. The NWNE corner of the POU appears to be owned by others, the Gordons are the sole owner of the water right. The SRBA decree was issued to the Gordons after the portion Lot 84A, Blk 2 had been split off and sold. The owners of that lot have not filed a claim to the right nor an ownership change. The place of use to be idled appears to have subterranean seepage that keeps it green. This water right is currently within WD 37.			