

WATER SUPPLY BANK LEASE CONTRACT No. 338

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

LESSOR: US DEPT OF AGRICULTURE
FOREST SERVICE
324 25TH ST
OGDEN, UT 84401

RECEIVED

DEC 20 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 November 22, 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)
71-59	12/31/1912	SALMON RIVER, tributary to SNAKE RIVER	25.600	4,431.30	1,477.10
71-64B	8/15/1915	ALTURAS LAKE CREEK, tributary to SALMON RIVER	6.250	2,391.90	797.30
71-66	7/1/1930	ALTURAS LAKE CREEK, tributary to SALMON RIVER	10.750	2,391.90	797.30
71-61	8/30/1933	SALMON RIVER, tributary to SNAKE RIVER	40.000	4,431.30	1,477.10
71-68	7/1/1935	ALTURAS LAKE CREEK, tributary to SALMON RIVER	12.320	2,391.90	797.30
Combined Limit Totals			94.920	5,608.20	1,869.40
Combined Lease Totals			94.920	5,608.20	1,869.40

SUPPORT DATA

IN FILE # 71-59

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, 2021. 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.

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

LESSOR: US DEPT OF AGRICULTURE
FOREST SERVICE
324 25TH ST
OGDEN, UT 84401

By *V. S. C. J.*
Title DIRECTOR OF LANDS & MINERALS
Date 12-16-16

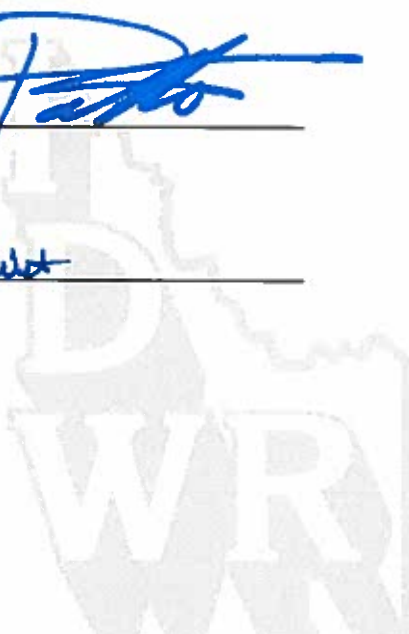
IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By *B. Patton*
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 12/22/2016

Lease approved by IDWR *May 1st*

Date 12-22-2016



ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE
FOR LEASE CONTRACT NO. 338

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): 71-64B

ALTURAS LAKE CREEK SWSWSW Sec. 4 Twp 07N Rge 14E BLAINE County

Source and Location of Point(s) of Diversion for Water Right No(s): 71-66, 71-68

ALTURAS LAKE CREEK SWSWSW Sec. 4 Twp 07N Rge 14E BLAINE County

Source and Location of Point(s) of Diversion for Water Right No(s): 71-59, 71-61

SALMON RIVER NWSESW Sec. 10 Twp 07N Rge 14E CUSTER County

SALMON RIVER NESESW Sec. 3 Twp 07N Rge 14E CUSTER County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
71-64B	IRRIGATION	5/01	to	9/30	6.250 cfs	2,391.90 AF
71-66	IRRIGATION	5/01	to	10/31	10.750 cfs	2,391.90 AF
71-68	IRRIGATION	5/01	to	10/31	12.320 cfs	2,391.90 AF
71-59	IRRIGATION	5/01	to	10/31	25.600 cfs	4,431.30 AF
71-61	IRRIGATION	5/01	to	10/31	40.000 cfs	4,431.30 AF
Totals:					94.920 cfs	5,608.20 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION 71-59 & 71-61

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07N	14E	3		5.8	1.2		40.1	40.1	38.4	39.5	26.3	35.9	39.9	14.4					281.6
07N	14E	4	40.1	40.0	34.8	39.8	9.9			0.2					39.9	20.3	5.6	39.8	270.4
07N	14E	9	30.7																30.7
07N	14E	10						39.9											39.9
08N	14E	28			6.9		10.3	28.0	33.0	38.5	40.0	23.2	13.6	30.6		26.4	26.4		276.9
08N	14E	33	10.1	39.8	39.9	35.1	39.9	28.0	15.0	39.9	38.1	1.8		25.0	39.9	39.9	39.9	39.9	472.3
08N	14E	34							3.1		2.1	35.4	39.9	24.8					105.3

Total Acres: 1477.1

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION 71-64B, 71-66, 71-68

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
08N	14E	28			6.9		10.3	28.0	33.0	38.5	40.0	23.2	13.6	30.6		26.4	26.4		276.9
08N	14E	32	39.5		38.5	39.1									39.9	39.9	33.3	39.9	270.1
08N	14E	33					25.7	37.8	37.4	32.8	26.3	38.5	39.9	19.2					257.6

Total Acres: 797.3

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. The use of water for irrigation under this right may begin as early as May 1 and may continue to as late as October 31, provided other elements of the right are not exceeded. The use of water after September 30 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.

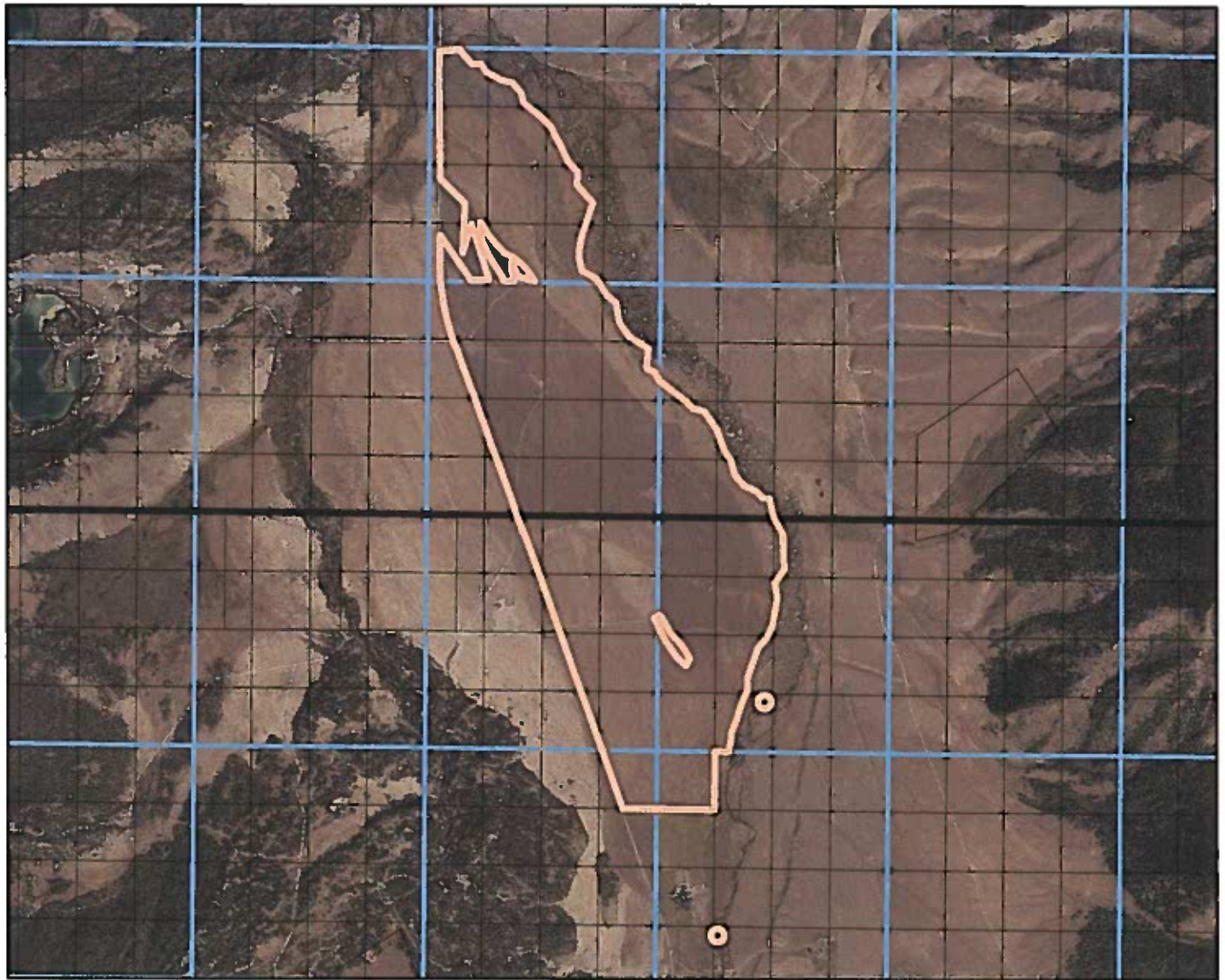
13. The following water rights from the following sources of water in Basin 71 shall be administered separately from all other water rights in Basin 71: water right no. Source none none the following water rights from the following sources of water in Basin 71 shall be administered separately from all other water rights in the Snake River Basin: water right no. Source none none all water rights within Basin 71 are from connected sources of water in the Snake River Basin and shall be administered conjunctively.
14. The following rights are also diverted through the points of diversion from the Salmon River described above: 71-00059 & 71-00061.
15. The following rights are also diverted through the points of diversion from Alturas Lake Creek described above: 71-00064B, 71-00066 & 71-00068.
16. Use of the rights listed below is limited to the irrigation of a combined total of 1869.4 acres in a single irrigation season. Combined right nos.: 71-00059, 71-00061, 71-00064b, 71-00066 and 71-00068.
17. 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. 71 & 170.



Idaho Water Resource Board Water Supply Bank Lease

71-59 and 71-61
Effective until December 31, 2021

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

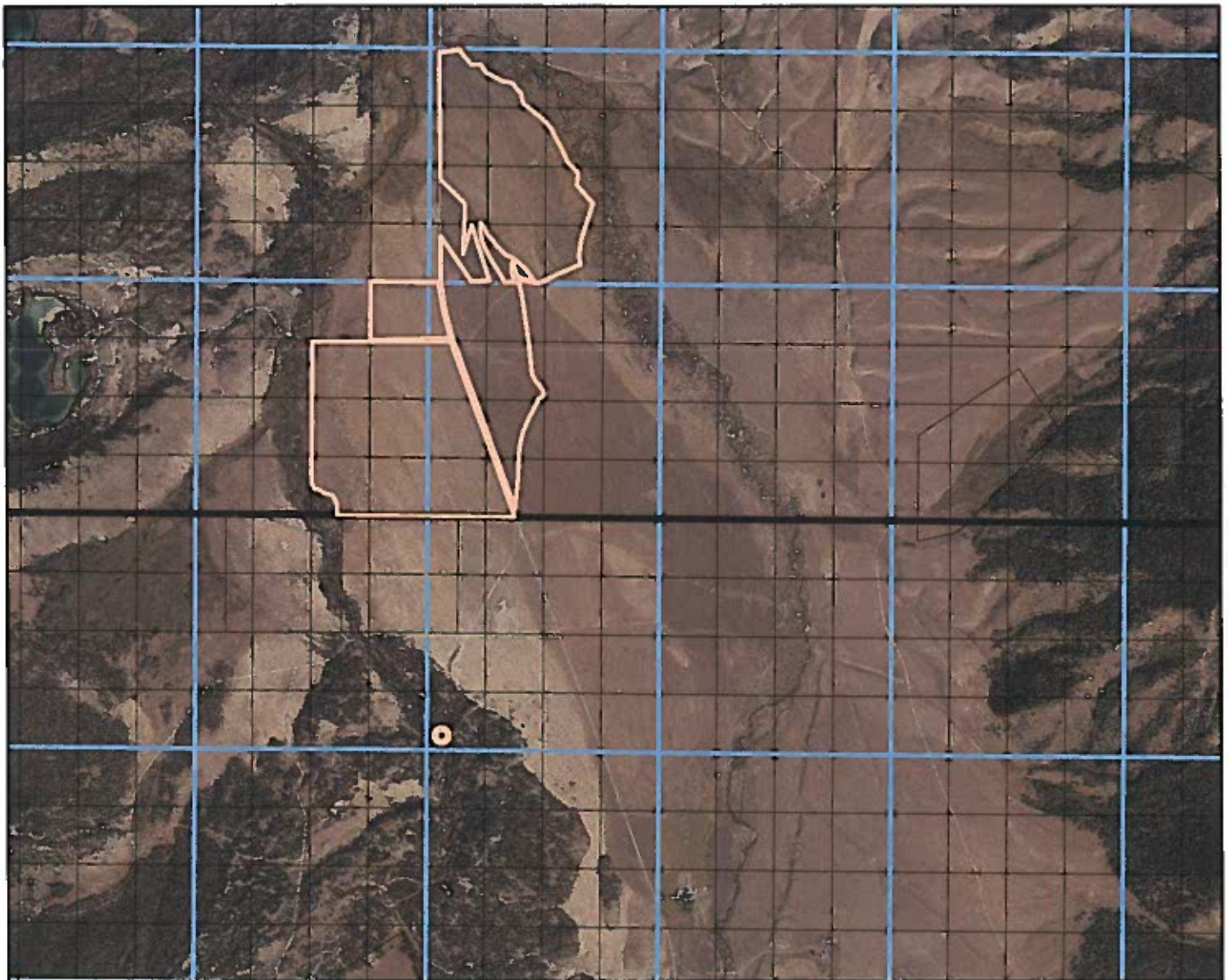


0 1 2 Miles

Idaho Water Resource Board
Water Supply Bank Lease

71-64B, 71-66 and 71-68
Effective until December 31, 2021

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



12/12/2016

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right 71-61

12/12/2016

IN BASIN 71 SHALL BE ADMINISTERED SEPARATELY FROM ALL OTHER WATER RIGHTS IN BASIN 71: WATER RIGHT NO. SOURCE NONE NONE
THE FOLLOWING WATER RIGHTS FROM THE FOLLOWING SOURCES OF WATER IN BASIN 71 SHALL BE ADMINISTERED SEPARATELY FROM ALL OTHER WATER RIGHTS IN THE SNAKE RIVER BASIN: WATER RIGHT NO. SOURCE NONE NONE ALL WATER RIGHTS WITHIN BASIN 71 ARE FROM CONNECTED SOURCES OF WATER IN THE SNAKE RIVER BASIN AND SHALL BE ADMINISTERED CONJUNCTIVELY.

4. C03 RIGHT INCLUDES ACCOMPLISHED CHANGE IN POINT OF DIVERSION PURSUANT TO SECTION 42-1425, IDAHO CODE.
5. C05 RIGHT INCLUDES ACCOMPLISHED CHANGE IN PLACE OF USE PURSUANT TO SECTION 42-1425, IDAHO CODE.
6. THE FOLLOWING RIGHTS ARE ALSO DIVERTED THROUGH THE POINTS OF DIVERSION DESCRIBED ABOVE: 71-00059 & 71-00061.

Comments:

1. AMERRITT 2/28/1995 COPIED FROM REMARKS
NON-IRRIGATION USES: THE WATER IS USED FOR THE PURPOSES OF THE SAWTOOTH NATIONAL RECREATION AREA, I.E., TO ASSURE THE PRESERVATION AND PROTECTION OF THE NATURAL, SCENIC, HISTORIC, PASTORAL, AND FISH AND WILDLIFE VALUES AND TO PROVIDE FOR THE ENHANCEMENT OF THE RECREATIONAL VALUES ASSOCIATED THEREWITH. THE SAWTOOTH NATIONAL RECREATION AREA IS ADMINISTERED IN A MANNER AS WILL BEST PROVIDE THE PROTECTION AND CONSERVATION OF THE SALMON AND OTHER FISHERIES, THE CONSERVATION AND DEVELOPMENT OF SCENIC, NATUREAL, HISTORIC, PASTORAL, WILDLIFE, AND OTHER VALUES CONTRIBUTING TO AND AVAILABLE FOR PUBLIC RECREATION AND ENJOYMENT. FURTHER REMARKS: ALTURAS LAKE QUADRANGLE. NOTE: 1.0 CFS OF THIS WATER RIGHT HAS BEEN RETAINED BY ENRIGHT ENTERPRISES FOR USE ON AN 80 ACRE TRACT OF LAND FOR A PERIOD OF FOUR YEARS; THIS 1.0 CFS WILL REVERT TO THE UNITED STATES ON APRIL 3, 1996. DISALLOWAL THIS CLAIM IS RECOMMENDED TO BE DISALLOWED SINCE CLAIMED CHANGE IN NATURE OF USE WAS MADE AFTER 11/19/1987 WITHOUT GOING THRU 42-222.
2. AMERRITT 3/7/1998 IF DISALLOWAL CHANGED
IF DISALLOWAL CHANGED AND RIGHT IS ALLOWED THEN LIMITATION CONDITIONS FOR 71-00060 AND 71-00062 NEED TO BE RE-VISITED SINCE OLD DECREE HAS LIMITATION LANGUAGE IN IT.
3. AMERRITT 9/21/1998 CHANGE OF RECOMMENDATION
THE USFS AMENDED CALIMS BACK TO IRRIGATION AND PROVIDED EVIDENCE TO SUPPORT CONTENTION THAT THEY WERE PREVENTED FROM IRRIGATING SINCE PURCHASE IN 1992 DUE TO RESTRICTION OF FEDERAL GOVERNMENT FROM THREATENING THE ENDANGERED SALMON IN THIS REACH OF RIVER; THUS, EXCUSING FOREFEITURE OF RIGHT DUE TO NONE USE.
4. DJONES 9/23/1998 CONDITIONS ADDED
C03 & C05 ADDED TO REFLECT CHANGES IN PLACE OF USE AND POINTS OF DIVERSION.
5. AJU10-DS 6/19/2000 AJU10 CONDITION UPDATE
CONDITION CODE(S) C18 ADDED IF NOT ALREADY PART OF RECORD THRU AJU10.

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right 71-61

12/12/2016

6. amerritt 8/21/2003 Update PD in SDE
Update PD in SDE layer during cleanup of basin 71.

7. dmaline 11/29/2016 Address Change
See additional info scanned under 71-41 regarding address change.

Dates and Other Information

Decreed Date: 3/16/1999
Civil Case Number: 39576
Judicial District: FIFTH
State or Federal: S
Water District Number: 71
Mitigation Plan: False

Combined Use Limits

<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
71-59 ,71-61 ,71-64B ,71-66 ,71-68		1,869.4

SubCase:

N/A

Water Supply Bank:

Lessor Name: UNITED STATES OF AMERICA ACTING THROUGH
Lease Status: Active
Lease Amount: All
Rental Availability: All
Date Received: 12/11/2008
Lease Begin Date: 1/1/2009
Expiration Date: 12/31/2016