

WATER SUPPLY BANK LEASE CONTRACT FEB 18 2016

DEPARTMENT OF
WATER RESOURCES

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

**LESSOR: HOWARD L MORRIS AND
RHONDA K MORRIS**
1101 E 2900 S
HAGERMAN ID 83332
(208) 837-6213

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. On February 2, 2015, the Lessor filed an application to lease the water rights described below into the Water Supply Bank.
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 the 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	Priority Date	Source	Tributary	Leased Rate	Annual Leased Volume	
37-20854	12/3/1966	Ground Water	NA	0.18 cfs	15.6 af	
37-20855	10/18/1968	Ground Water	NA	0.23 cfs	27.4 af	
37-20856	12/3/1966	Ground Water	NA	0.18 cfs	7.2 af	
Total annual combined limits of these water rights				0.32 cfs	38.8 af	2015-2016
					41.1 af	2017-2019

SUPPORT DATA

Lease Totals

IN FILE #

37-20854

0.32 cfs

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, 2015 to December 31, 2019. This Lease shall bind the parties and take effect when both parties have signed it.

WATER SUPPLY BANK LEASE CONTRACT

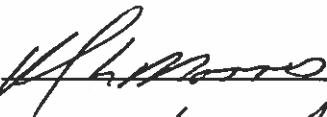
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.



WATER SUPPLY BANK LEASE CONTRACT

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

HOWARD L MORRIS
1101 E 2900 S
HAGERMAN ID 83332

By 
Printed Name Howard L. Morris

Date 2-14-16

Title owner

RHONDA K MORRIS
1101 E 2900 S
HAGERMAN ID 83332

By 
Printed Name RHONDA K. MORRIS

Date 2-14-16

Title OWNER

IDAHO WATER RESOURCE BOARD
322 EAST FRONT ST
PO BOX 83720
BOISE ID 83720-0098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 2/18/2016

Lease approved by IDWR 

Date 2-18-2016

ATTACHMENT A

WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

WATER RIGHT NOS. 37-20854, 37-20855, and 37-20856,

The water right or portion thereof leased to the bank is described as follows:

Lessor: HOWARD L MORRIS AND
RHONDA K MORRIS
1101 E 2900 S
HAGERMAN ID 83332
(208) 837-6213

Location of Point(s) of Diversion for Water Right

GROUND WATER	NWSE	Sec. 36, Twp 06S, Rge 14E, GOODING County
GROUND WATER	NWSE	Sec. 36, Twp 06S, Rge 14E, GOODING County

<u>Water Right</u>	<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
37-20854	Stockwater	01/01	to 12/31	0.18 cfs	15.6 af
37-20854	Commercial	01/01	to 12/31	0.18 cfs	15.6 af
Total:				0.18 cfs	15.6 af
37-20855	Stockwater	01/01	to 12/31	0.23 cfs	27.4 af
37-20855	Commercial	01/01	to 12/31	0.23 cfs	27.4 af
Total:				0.23 cfs	27.4 af
Limits Total:				0.23 cfs	
37-20856	Stockwater	01/01	to 12/31	0.18 cfs	15.6 af
37-20856	Commercial	01/01	to 12/31	0.18 cfs	15.6 af
Total:				0.18 cfs	15.6 af
Limits Total:				0.32 cfs	see page 1

Place of Use to be Idled Under This Lease: Stockwater

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S	14E	36														X			

Place of Use to be Idled Under This Lease: Commercial

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S	14E	35				X									X	X	X	X	
06S	14E	36									X	X			X	X	X	X	

Conditions Applicable to All Leased Water Rights

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, nor does it improve the status of the right or accomplish the 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 after the following rental season.
11. The water rights leased to the bank are 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 total instantaneous diversion of water from all points of diversion under Rights 37-20854, 37-20855, 37-20856, and 37-10793 shall not exceed 0.40 cfs, nor a total combined annual volume of 64.8 afa subject to the scheduled limits described below.
13. Beginning on the date of approval of Transfer 69339, Rights 37-20854, 37-20855 and 37-20856 when combined are limited to the following schedule of allowed diversion volume. The diversion of water shall be evenly distributed throughout the authorized season of use, except that minor variations are allowed for seasonal fluctuations in water requirements. The right holder shall file a notice of intent with the Department prior to increasing the annual diversion volume each time an increase according to the schedule is sought.
 - Years 1 through 6 the rights are limited to 32.0 afa.
 - Years 7 through 9 the rights are limited to 36.5 afa.
 - Years 10 through 14 the rights are limited to 38.8 afa.
 - Years 15 through 18 the rights are limited to 41.1 afa.
 - Years 19 through 26 the rights are limited to 43.4 afa.

Years 27 through 34 the rights are limited to 45.7 afa.
Years 35 through 42 the rights are limited to 48.0 afa.
Years 43 and beyond the rights are limited to 50.2 afa.

14. The right holder shall install and maintain acceptable measuring device(s), including data logger(s), at the authorized point(s) of diversion, in accordance with Department specifications.
15. The right holder shall provide a lockable controlling works for all authorized points of diversion. The controlling works must be suitable for control of the diversions and acceptable to the watermaster.
16. Use of water under this right is 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. 130.
17. Commercial use is for a dairy with barn located in the NWSE, S36, T6S, R14E.
18. Rights 37-20854 and 37-20855 when combined shall not exceed a total diversion rate of 0.23 cfs.

Idaho Water Resource Board
Water Supply Bank Lease

37-20854, 37-20855 and 37-20856
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 0.5 1 Miles

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

FEB 02 2015

DEPT OF WATER RESOURCES
SOUTHERN REGIONWATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLIST

An application to lease or sell a water right into the Water Supply Bank must be prepared in accordance with the minimum requirements listed below to be acceptable for processing by the Department. 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. **Incomplete applications will be returned to applicants for completion.**

Reconsidered

Designated Applicant Howard L. MorrisWater Right No. 37-20855

One water right per application

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

YES

- ☒ Completed *Water Supply Bank Lease or Sale Application Checklist* (this form).
- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank* (pages 2-3).
- ☒ Application filing fee of \$250.00. If you are submitting more than one lease application and the water rights have a common place of use, or common diversion rate, or common diversion volume, the combined maximum fee is \$500.00.

Attachment N/A YES

- 1A ☐ ☒ Contact information for *all owners* of the water right that is being 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 ☒ ☐ Written consent from irrigation district or water delivery company.
- 1E ☐ ☒ 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.
- 3D ☐ ☒ Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.
- 4 ☒ 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. If you don't already have a detailed map, you can create one using IDWR's online General Mapping Tool (<http://maps.idwr.idaho.gov/mapall/>) to locate a water right place of use or point of diversion.

Department Use Only

Fee Amount \$ 500.00

Received By:

Date Received: 2-2-15Receipt # 5034531W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)Name on W-9: Howard L. MorrisSCANNED
JUN 2 2015

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

FEB 02 2015

DEPT OF WATER RESOURCES
SOUTHERN REGIONAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK

1. CONTACT INFORMATION

- A. An application to sell or lease a water right to the Water Supply Bank must be completed by a Designated Applicant who is a recognized owner of the water right being sold or leased to the Water Supply Bank. If there are additional owners recorded for the property to which the water right is appurtenant, 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 Howard L. Morris Email Address _____
Mailing Address 1101 E. 2900 S., Hagerman, ID 83332 Phone Number (208) 837-6213

☐ 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 completed an IRS Form W-9 (Attachment 1B)? Yes ☒ No ☐

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 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 1D).

E. 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 1E).

Name of Representative Philip A. Brown Organization Brown & James
Professional Title Attorney at Law Email Address phil@brownjameslaw.com
Mailing Address 130 Fourth Ave. West, Gooding, ID 83330 Phone Number (208) 934-8185

☐ 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

Water Right Number 37-20855 ☒ 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 a water right is being offered, complete Attachment 2)

3. GENERAL INFORMATION

- A. Please provide a description of the current water diversion system.

Ground Water

- B. 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.
Permits 37-10793, 37-20854 and 37-20856 Ground water diversion permits being transferred to the water bank
which was used for a commercial dairy.

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JUN 24 2015

C. Will the present place of use continue to receive water from any other source?

Yes ☐ No ☒

If yes, describe. _____

D. Has any portion of this water right undergone a period of five or more consecutive years of non-use?

Yes ☐ No ☒

If yes, describe and attach Watermaster records or other evidence to demonstrate that the water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code. _____

E. Is this water right involved in any other IDWR process such as an application for transfer or a mitigation plan? Yes ☐ No ☒

If yes, describe. _____

4. 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, for a period from 05/01/2014 to 12/31/2019 (maximum lease period 5 years).
(Month / Day / Year) (Month / Day / 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 provisions are stayed.
5. Acceptance of a water right into the ank does not, in itself, confirm the validity of the water right or any elements of the water right.

[Signature]
Signature of Designated Applicant

Heysel Morris
Printed Name

2-2-15
Date

Philip A. Brown
Signature of Authorized Representative

Philip A. Brown
Printed Name

4/18/14
Date

Mail to:

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

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JUN 24 2015

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

List all individuals or business entities that are owners of the property to which the water right on this application is appurtenant. All water right holders must be signatories to 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.

Water Right No. 37-20855

	Designated Applicant	Applicant #2	Applicant #3
Name	Howard L. Morris	Rhonda K. Morris	
Mailing Address	1101 E. 2900 S. Hagerman, ID 83332	1101 E. 2900 S. Hagerman, ID 83332	
Phone Number	(208) 837-6213	(208) 837-6213	
Email Address			
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			

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JUN 24 2015

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 2

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

1. <u>Water Right Number</u>	<u>Amount (cfs/ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>	
37-20855	.23 CFS/27.4 AF	Stockwater	01/01	to 12/31
	.23 CFS/27.4 AF	Commercial	01/01	to 12/31
				to
				to
				to
Total Amount:	.23 CFS/27.4 AF			

2. Source of water Ground Water tributary to _____

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
06S	14E	36					Gooding County
06S	14E	36					Gooding County

4. Lands irrigated or place of use:

TWP	RGE	SEC	NE				NW				SW				SE				TOTALS
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S	14E	36														X			
06S	14E	35				X									X	X	X	X	
06S	14E	36									X	X			X	X	X	X	

If the water right is for irrigation, show total number of acres offered to the Bank. Total Acres

SCANNED
JUN 24 2015

WATER RIGHT NO. 37-20855
As Modified by Transfer No. 69339

In accordance with the approval of Transfer No. 69339, Water Right No. 37-20855 is now described as follows.

Right Holder: HOWARD L MORRIS
 1101 E 2900 S
 HAGERMAN ID 83332

And

RHONDA K MORRIS
 1101 E 2900 S
 HAGERMAN ID 83332

Priority Date: October 18, 1968

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
STOCKWATER	01/01 to	12/31	0.23 CFS	27.4 AF
COMMERCIAL	01/01 to	12/31	0.23 CFS	27.4 AF
			0.23 CFS	27.4 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER NWSE Sec. 36 Twp 06S Rge 14E GOODING County

GROUND WATER NWSE Sec. 36 Twp 06S Rge 14E GOODING County

PLACE OF USE: STOCKWATER

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S 14E 36																	X

PLACE OF USE: COMMERCIAL

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S 14E 35				X									X	X	X	X	
06S 14E 36									X	X			X	X	X	X	

SCANNED
JUN 24 2015

