

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

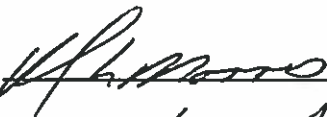
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate.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

Designated Applicant Howard L. MorrisWater Right No. 37-20854

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 # S034531W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)Name on W-9: Howard & Rhonda MorrisSCANNED
JUN 24 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 37-20854 ☒ 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 37-20855, 37-10793 and 37-2856 Ground water diversion permits being transferred to the water bank
which was used for a commercial dairy.

SCANNED

JUN 2 4 2015 2

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

Howard 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. 37-20854

	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>
<u>37-20854</u>	<u>.18 CFS/15.6 AF</u>	<u>Commerical</u>	<u>01/01</u> to <u>12/31</u>
	<u>.18 CFS/15.6 AF</u>	<u>Stockwater</u>	<u>01/01</u> to <u>12/31</u>
			to
			to
			to
Total Amount:	<u>.18CFS/15.6 AF</u>		

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	35				X									X	X	X	X	
06S	14E	36									X	X			X	X	X	X	
06S	14E	36														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. 37-20854
As Modified by Transfer No. 69339

In accordance with the approval of Transfer No. 69339, Water Right No. 37-20854 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: December 03, 1966

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
COMMERCIAL	01/01	to 12/31	0.18 CFS	15.6 AF
STOCKWATER	01/01	to 12/31	0.18 CFS	15.6 AF
			0.18 CFS	15.6 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: 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	

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	

SCANNED
JUN 24 2015



Source: Esri, DigitalGlobe, GeoEye, IGN, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroX, Geomatics, AeroGRID, IGN, IGP, swisstopo, and the GIS User Community, USDA FSA



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

February 19, 2016

HOWARD L MORRIS
RHONDA K MORRIS
1101 E 2900 S
HAGERMAN ID 83332

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHTS 37-20854, 37-20855, and 37-20856

Dear Lessor:

Water rights 37-20854, 37-20855, and 37-20856 were leased into the Water Supply Bank (Bank) as of February 2, 2015, in accordance with the enclosed executed lease contracts. **Your water rights, as described on the lease contracts, are considered leased into the Bank and should remain unused until they are formally released from the Bank.** More information and further restrictions placed on your water rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The rights will automatically be released from the Bank on **December 31, 2019**, unless the rights are 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 rights 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 rights may not be available for immediate release if they have been rented or are 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 me at 287-4910.

Sincerely,

for Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: Philip A. Brown
Allen Merritt - IDWR Southern Region
Nathan Erickson – Water District 130



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

February 11, 2016

HOWARD L MORRIS
RHONDA K MORRIS
1101 E 2900 S
HAGERMAN ID 83332

**RE: APPLICATION TO LEASE WATER RIGHTS 37-20854, 37-20855, and 37-20856
TO THE WATER SUPPLY BANK**

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

Dear Applicant:

The Department of Water Resources has completed its review of reconsideration 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 rights will automatically be released from the Bank on **December 31, 2019**, unless the rights are released earlier by the Board, or upon your request. To release the rights 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 me at 287-4910.

Sincerely,

Clay Webster
Water Resource Agent
Water Supply Bank Point of Contact

Enclosures: Proposed Lease Contracts
Receipt # S034531

c: Philip A. Brown – Brown & James

RECEIVED

FEB 04 2016

DEPARTMENT OF
WATER RESOURCES

Department of Water Resources
Clay Webster

Dear Sir:

Concerning water right numbers 37,20854,
37,20855 and 37,20856; application to the water
supply bank. I intend on increasing AF
volume as allowed by mitigation schedule that
was determined by transfer number 69339, starting
year 2003.

A. Morris

Webster, Clay

From: Merritt, Allen
Sent: Friday, January 15, 2016 2:50 PM
To: Webster, Clay
Subject: RE: Regional and Watermaster Comments on WSB Lease Applications for Morris 37-20854, 37-20855, 37-20856

I approve of the lease and think we should not charge for additional fees.

From: Webster, Clay
Sent: Friday, January 15, 2016 1:16 PM
To: Merritt, Allen; Erickson, Nathan
Subject: Regional and Watermaster Comments on WSB Lease Applications for Morris 37-20854, 37-20855, 37-20856

Allen and Nathan,

We are processing a lease application to bring these rights entirely into the Bank. This one was denied in 2015 and we were asked to reconsider. After reviewing the aerial imagery, we determined that the dairy was in operation in 2009. Do you have any comments or concerns?

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

WATER SUPPLY BANK
Agent Lease Review Checklist
Applicant(s) Name: Howard L. Morris

Memo Date: 1/12/2016

Water Right Number(s): 37-20854, 37-20855 and 37-20856

Reviewers Name: Clay Webster

Quick Tools

Year	No Forfeiture Concerns Thru:
2009	2015
2010	2016
2011	2017
2012	2018
2013	2019

	Check box		COMMENTS/CONCERNS:
1	☒		
Fill out WSB Data Entry Checklist for Leases			
2	☐		
Reason for lease of water rights (Brief description of lease proposal in narrative)			
			Portion of right
	☒		All of right
3	☐		
Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)			
	☐	☐	
4	☒		
Rentable? If no explain in comments			
5	☐		
Authority to file			
	☒		Current owner or designated applicant
		☒	SOS Web site checked for business entity
		☒	Other (explain in comments)
6	☐		
Water Right validity			
			Decreed/Licensed/Statutory claim date (write in comments section) 8/27/2001
			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.) Commercial and Stockwater see below
		☒	Has this right previously been leased to the bank or in CREP?
7	☐		
Injury to other water rights			
		☒	If the POD is through a delivery entity, was consent provided?
			If the POD is through a delivery entity, was holdback required? (percentage in comments) na
8	☐		
Enlargement concerns			
	☒		Complete a POU comparison overlap analysis
	☒		Complete a combined limits review
	☒		Complete POD overlap analysis (if there is an overlap add condition to lease)
	☐	☐	
	☒		Are there overlapping rights that need to be placed in the bank also?
	☒		Will the place of use continue to receive water? See Below Commercial and Stockwater only being offered
9	☐		
Local Public Interest			
		☒	Does the processor know of any problems this action will cause for the local public?
10	☒		
Have you contacted regional office and watermaster for comment/concerns?			
	☒		Send the watermaster comment request form or e-mail request
11	☐		
Area Headgate requirement			
			4
12	☐		
Is water right involved in any other department action? Pull file and check database			
			() Ownership Change () Transfer () Mitigation () Other - Explain in comments
13	☐		
Narrative			

Purpose: The department received the applications to lease these rights entirely into the WSB on 2 February 2015. The Applications were denied due to information provided from the WMIS data base without offering a 30 day response period. The applicant requested that the department reconsider the denial on 12/15/2015. He was requested at that time to provide any additional information for reconsideration. He provided the department with a letter of proof of milk delivery from Blissful Dairy (property lessee) on May 12, 2011. Upon reviewing the aerial imagery, I found that there were cattle present at the dairy location in 2009. There were also cattle present at the commercial POU in 2011, 2013 and 2015 imagery. This is enough evidence of beneficial use to reconsider this rental.

POU Comparison: These rights are overlapped by Northside Canal Company WRs. There is also a Domestic/Stockwater right (37-11017) which was decreed to this location in 2001 to the Hocklanders. The taxlot is owned by Morris. The home shows up on imagery in 2004 and is no longer in aerial imagery as of 2006. Conclusion is this right is possibly forfeited due to non-use since 2006. There are commercial/stockwater rights for the Colemans. The Coleman property is located NW of the applicant's property.

Conclusion: Since this water is land applied for treatment, these rights are considered fully consumptive for any rentals. Since this application was received in 2015, it can be approved for 2015-2019. The conditions on the leased rights show that combined they may provide 38.8 afa for 2015-2016. This will increase to 41.1 afa 2017-2019. There is a combined rate limit with 37-10793 which will not be leased. Therefore a limit of 0.32 cfs will be placed on the lease to avoid enlargement.

Webster, Clay

From: Buyer, Remington
Sent: Thursday, January 07, 2016 2:51 PM
To: Jones, Doug
Cc: Webster, Clay
Subject: RE: Morris Applications to lease rights to WSB

Thanks for that update Doug. Actually, once I emailed you, Clay informed me that Allan and Shelley had been discussing this transaction recently and a meeting has been called to discuss it on Monday. I am going to hold off sending a letter to Mr. Morris until after Monday's meeting.

Remington
287-4918

From: Jones, Doug
Sent: Thursday, January 07, 2016 2:26 PM
To: Buyer, Remington
Cc: Webster, Clay
Subject: RE: Morris Applications to lease rights to WSB

Remington and Clay,

A lesson to myself, for sure. I had not researched the addressing listed on the Glanbia letter while Mr. Morris was here. I would have pointed out that 1533 Shoestring was 2 miles west (and ½ north) of the dairy. However, Mr Morris did explain that Blissful Dairy was the name given by his lessee who was tenant and actively milking until April 2011. The tenant moved to Vermont that Summer, but maybe he lived at 1533 and at the operation. His rent was based on \$8/hd and the operation was 500 head. I suggested to Mr Morris that if he could tie the rent payment by receipt to the April 2011 date that might help too.

Thanks again, folks.

Doug

From: Buyer, Remington
Sent: Thursday, January 07, 2016 12:23 PM
To: Jones, Doug
Cc: Webster, Clay
Subject: RE: Morris Applications to lease rights to WSB

Hi Doug,

Thanks for the inquiry. I took a look Mr. Morris' 2015 lease application and the letter submitted from Glanbia. This letter is insufficient to overcome the Bank's forfeiture concerns related to Mr. Morris' water rights 37-20854, 37-20855 and 37-20856. The letter is insufficient for a few reasons.

The first reason is that the letter does not prove that water was beneficially used for a dairy operation on Mr. Morris' specific property upon which water rights 37-20854, 37-20855 and 37-20856 are appurtenant. Also, Mr. Morris does not appear as a registered agent of Blissful Dairy within the Secretary of State's system, and SOS records for Blissful Dairy do not show Mr. Morris' address as a registered address for the dairy, nor do SOS records show 1533 Shoestring Road as a registered address for Blissful Dairy. In fact, 1533 Shoestring Road appears to be a residential property owned by an

unknown third party. For these reasons, the letter would not suffice for the Bank to arrive at a different decision regarding Mr. Morris' previous application.

That said, there might be additional documentation that Mr. Morris is prepared to present to affirm the validity of his water rights. The Bank would consider another application from Mr. Morris if he chose to present additional information to explain why the rights are not subject to forfeiture. At this time however, the previous application is considered processed and closed and any subsequent application by Mr. Morris would require a new application filing fee. I will mail Mr. Morris a letter summarizing the above information as well.

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: Jones, Doug
Sent: Thursday, January 07, 2016 11:05 AM
To: Buyer, Remington
Cc: Webster, Clay
Subject: Morris Applications to lease rights to WSB

Remington,

As requested please find attached a letter from Glanbia Foods stating that milk was delivered by the dairy to them in May 2011. Mr Morris requests favorable reconsideration of the denial of the applications for rights 37-20854, -20855 & -20856.

Thank you,

Doug



RECEIVED

JAN 07 2016

DEPT OF WATER RESOURCES
SOUTHERN REGION

Glanbia Foods, Inc.
121 4th Ave. S.
Twin Falls, ID 83301-6223

Telephone (208) 733-7555
Facsimile (208) 733-9222

December 23, 2015

Howard Morris
1101 E 2900 S
Hagerman, ID 83332

Dear Howard,

This letter is confirmation that Blissful Dairy at address 1533 Shoestring Road, Gooding Idaho last delivered milk to Glanbia Foods, Inc. May 12, 2011.

Regards,

A handwritten signature in black ink, reading "Russ De Kruyf". The signature is fluid and cursive, with the first name "Russ" being the most prominent.

Russ De Kruyf
Director of Milk Procurement

12-15-2015

Cherie + Clay,

I just got off the phone with Allen Merritt and Howard Morris. Last summer (2015) we denied Mr. Morris's lease application for Rights 37-20854, 37-20855, + 37-20856 due to conflicting evidence about the history of use.

Allen + Mr. Morris believe evidence is available to show beneficial use during the last 5 years. I invited Mr. Morris to reapply, but he would prefer to avoid the application fee by contesting the prior decision. I invited Mr. Morris to submit the evidence, and we would review whether it could be applied to the current application.

Please be on the lookout for the submittal, and let's discuss it when it arrives.

Thanks.

Sheller