



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 6, 2017

SALMON FALLS LAND & LIVESTOCK CO
95A BELL RAPIDS RD
HAGERMAN ID 83332

**RE: NOTIFICATION OF WATER SUPPLY BANK LEASE EXPIRATION FOR WATER
RIGHTS: 2-7249 & 2-7462**

Dear Lessor:

Idaho Department of Water Resources (Department) records show that all or a portion of the above referenced water right(s) were leased to the Water Supply Bank (Bank) through December 31, 2016. **This letter is notice that the right(s) are now considered released from the Bank.**

If you would like to renew the lease of these right(s) to the Bank, please complete a new Application to Sell or Lease a Water Right to the Water Supply Bank and remit the applicable filing fee. You can find new applications at the Department's website at www.idwr.idaho.gov.

A water right is not protected from forfeiture unless it is accepted into the Bank or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. The five-year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the Bank.

If you have any questions regarding this matter, please contact me at (208) 287-4918.

Sincerely,

A handwritten signature in black ink, appearing to be 'RB' followed by a long horizontal stroke.

Remington Buyer
Water Supply Bank Coordinator

Enclosures:

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED
NOV 24 2015
DEPARTMENT OF
WATER RESOURCES

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

LESSOR: SALMON FALLS LAND & LIVESTOCK CO INC
95A BELL RAPIDS RD
HAGERMAN ID 83332
208-837-6053

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 November 2, 2015, the Lessor filed an application to lease the water right(s) 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	Total Leased Acres
2-7249	02/07/1977	SNAKE RIVER	COLUMBIA RIVER	1.87 cfs	406.4 af	101.6 ac
2-7462	09/29/1969	SNAKE RIVER	COLUMBIA RIVER	1.25 cfs	252.0 af	63.0 ac

Annual Combined Lease Totals 1.87cfs 608.4 af 152.1 ac

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:** This Lease shall take effect when both parties have signed it and shall continue in effect from January 1, 2016 to December 31, 2016.
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. **SUPPORT DATA**

IN FILE # 2-7249

WATER SUPPLY BANK LEASE CONTRACT

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

SALMON FALLS LAND & LIVESTOCK CO INC
95A BELL RAPIDS RD
HAGERMAN ID 83332

By Michael J. Henslee VP.
Printed Name Michael J. Henslee

Date Nov 23, 2015
Title Vice President

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 11/24/2015

Lease approved by IDWR 

Date 11-24-2015

ATTACHMENT A
WATER RIGHT NO(S). 2-7249 and 2-7462
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: SALMON FALLS LAND & LIVESTOCK CO INC
 95A BELL RAPIDS RD
 HAGERMAN ID 83332
 208-837-6053

Location of Point(s) of Diversion for Water Right 2-7249,

SNAKE RIVER NESE Sec. 7, Twp 08S, Rge 14E, TWIN FALLS County

Location of Point(s) of Diversion for Water Right 2-7462

SNAKE RIVER NESE Sec. 7, Twp 08S, Rge 14E, TWIN FALLS County

<u>Water Right</u>	<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
2-7249	IRRIGATION	04/01	to 10/31	1.87 cfs	406.4 af
2-7462	IRRIGATION	04/01	to 10/31	1.25 cfs	252.0 af
Total:				1.87 cfs	608.4 af

Place of Use to be Idled Under This Lease: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
08S	13E	11											23.0	12.4			15.7	10.1	61.2
08S	13E	13	14.7					19.5	14.5										48.7
08S	13E	14	10.4			18.0	13.8												42.2

Total Acres: 152.1

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 right(s) 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. 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. 02.
13. Unleased portions of rights 2-7249 and 2-7462 are limited to irrigation of a combined total of 2279.9 acres in a single irrigation season, a total combined diversion rate of 28.02 cfs, and a total combined annual diversion volume of 9119.6 af.
14. The unleased portion of water right 2-7249 is limited to the irrigation of 1522.4 acres within the place of use described above in a single irrigation season.
15. The unleased portion of water right 2-7462 is limited to the irrigation of 944.2 acres within the place of use described above in a single irrigation season.
16. The period of use for the irrigation described in this approval may be extended to a beginning date of 3/15 and an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/31 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than originating approval/SRBA partial decree date.
17. Water shall not be diverted under water right 2-7249 unless the flow of the Snake River exceeds flows required by prior downstream minimum stream flow rights.

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

NOV 02 2015

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant Salmon Falls Land & Livestock Co. INC
(Select one owner – see item 1A on the application)Water Right No. 2-7249
(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 \$ <u>500⁰⁰</u>	Received By: <u>[Signature]</u>	Date Received: <u>11-2-15</u>	Receipt # <u>C101161</u>
W-9 received? Yes ☒ No ☐	(Route W-9 to Fiscal)	Name on W-9: <u>Salmon Falls Land & Livestock Co Inc</u>	

95 A Bell Rapid Rd
Hagerman ID 83332

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 Salmon Falls Land & Livestock Co. Inc

Mailing Address 95A Bell Rapids Rd. Hagerman, ID 83332

Street

City

State

Zip Code

Email Address _____

Phone Number 208-837-6053

☒ 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 Zach Latham

Organization Brockway Engineering PLLC

Professional Title Hydrologist

Email Address zach.latham@brockwayeng.com

Mailing Address 2016 Washington Ave. N Suite #4 Twin Falls ID 83301

Phone Number 208-736-8543

☐ 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.
Existing pump station and buried mainlines convey water water to place of use.

- 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. Portions of 2-7249 and 7462 are being offered for lease to the Water Supply Bank.

- 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. Un-leased portions of 2-7249 and 2-7462 will continue to be used at present POU.

- 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. Aerial imagery supports beneficial use of water rights 2-7249, 2-7462, Watermaster diversion records also support beneficial use of these rights.

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

- 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 ☒
N/A.

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: 2016 to 2016 (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.

Salmon Falls Ranch Livestock & Inc
by Michael J. Henslee K.P.
Signature of Designated Applicant

Michael J. Henslee K.P.
Printed Name

10/29/15
Date

Signature of Authorized Representative

Printed Name

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). 2-7249 and 2-7462

	Designated Applicant	Applicant #2	Applicant #3
Name	Salmon Falls Land & Livestock Co. Inc		
Mailing Address	95A Bell Rapids Rd, Hagerman ID 83332		
Phone Number	208-837-6053		
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	<i>by Michael J. Henlee g/p</i>		

	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			

**STATE OF IDAHO
WATER RESOURCE BOARD**

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

ATTACHMENT 2

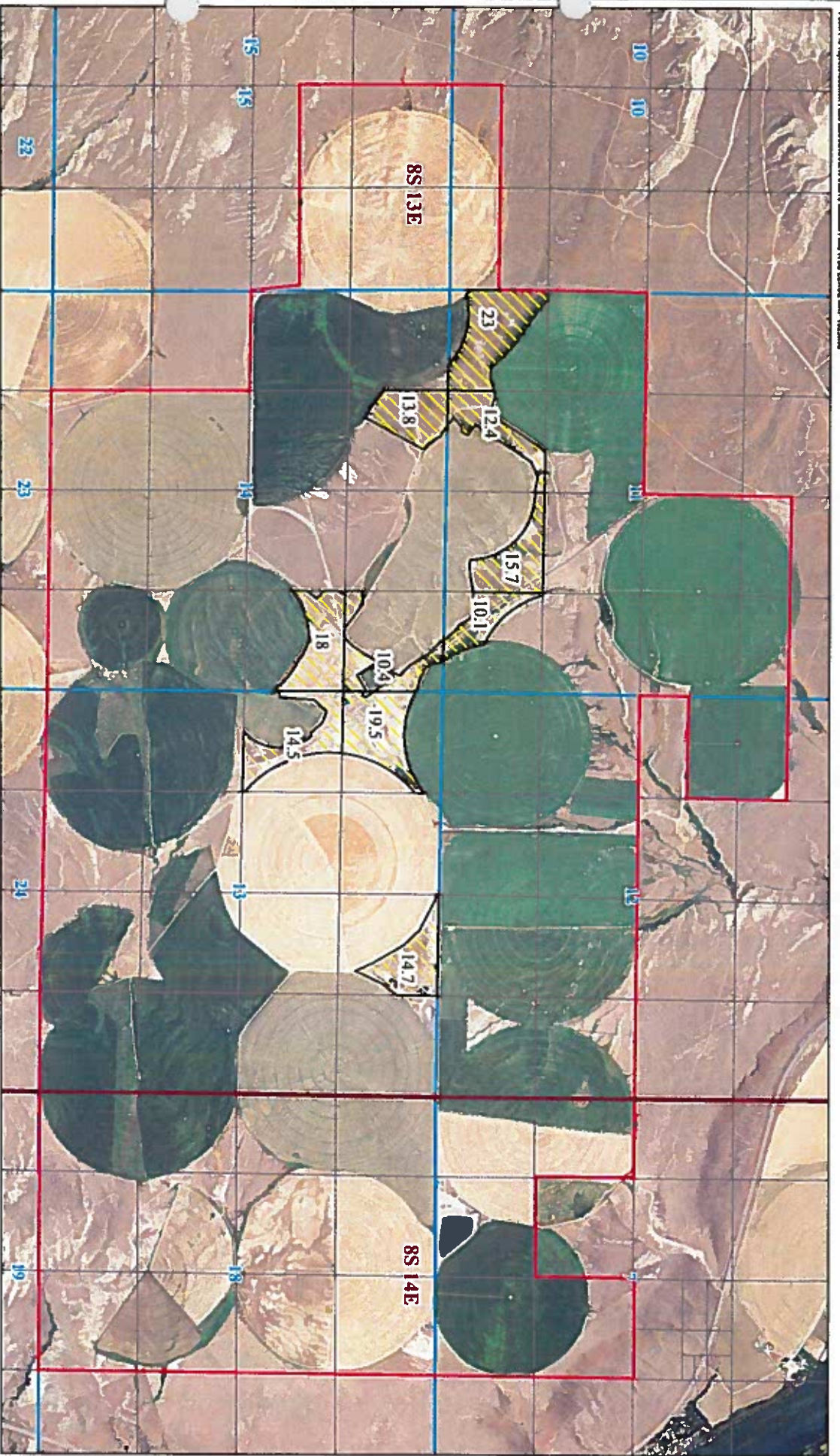
DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

<u>1. Water Right Number</u>	<u>Nature of Use</u>	<u>Leased Rate</u> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
2-7249	Irrigation	2.80		152.1
Total Amounts:				

2. Source of water Snake River tributary to Columbia River

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
08S	14E	7	6	NE	NE	SE	TWIN FALLS



0 750 1,500 3,000 Feet

BROCKWAY ENGINEERING, PLLC.
ALR - Date: 10/27/2016

SALMON FALLS LAND & LIVESTOCK CO INC
WATER SUPPLY BANK LEASE 2016
NAIP 2013 AERIAL

Legend

	Salmon Falls L&L- PPU		township
	WSB LEASE AREAS 2016		Sections
			lattice

N

WATER RIGHT POU IN PPU 2016

BROCKWAY ENGINEERING, PLLC.
ALR - Date: 10/12/2015



Legend

	POU 2016, 2, 7th & AC
	Salmon Falls Ld., PPU
	township
	Sections
	Info AC



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

November 25, 2015

SALMON FALLS LAND & LIVESTOCK CO INC
95A BELL RAPIDS RD
HAGERMAN ID 83332

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHTS 2-7249 and 2-7462

Dear Lessor:

Water rights 2-7249 and 2-7462 were leased into the Water Supply Bank (Bank) as of November 2, 2015, in accordance with the enclosed executed lease contract. **Your water rights, as described on the lease contract, 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, 2016**, 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,

Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: Zach Latham – Brockway Engineering PLLC
Allen Merritt - IDWR Southern Region
Corbin Knowles – Water District 2



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

November 17, 2015

SALMON FALLS LAND & LIVESTOCK CO INC
95A BELL RAPIDS RD
HAGERMAN ID 83332

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 2-7249 and 2-7462 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(s) 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.

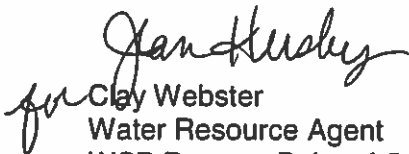
The rights will automatically be released from the Bank on **December 31, 2016**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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 me at 287-4910.

Sincerely,


Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

c. Brockway Engineering PLLC

Hersley, Jean

From: Knowles, Corbin
Sent: Tuesday, November 17, 2015 9:57 AM
To: Hersley, Jean
Subject: RE: WSB Lease Application for Salmon Falls Land and Livestock

Looks good, what are the GIS acres verses the acres to be idled?

From: Hersley, Jean
Sent: Tuesday, November 17, 2015 9:26 AM
To: Knowles, Corbin
Subject: RE: WSB Lease Application for Salmon Falls Land and Livestock

Here is the map.

From: Knowles, Corbin
Sent: Tuesday, November 17, 2015 9:24 AM
To: Hersley, Jean
Subject: RE: WSB Lease Application for Salmon Falls Land and Livestock

Hi Jean

Is the shapefile for the idled acres on your hard drive, I don't have the file in the project you sent over? I would like to see what acres are being put into the bank.

Thanks

Corbin

From: Hersley, Jean
Sent: Tuesday, November 17, 2015 8:17 AM
To: Merritt, Allen; Knowles, Corbin
Subject: WSB Lease Application for Salmon Falls Land and Livestock

Attached is the review memo, draft contract and a map of the proposed idled acres. Please let me know if you have any comments or concerns. Salmon Falls is wanting to place 152.1 acres in the Bank.

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

Hersley, Jean

From: Merritt, Allen
Sent: Tuesday, November 17, 2015 8:43 AM
To: Hersley, Jean
Subject: RE: WSB Lease Application for Salmon Falls Land and Livestock

I have no issues with this lease. It appears consistent with the recent notification of the acres to be irrigated in 2016 (2279.1 acres out of possible 2432 acres) which leaves 152.1 acres not irrigated. (See existing shape for 2279.9 acres associated with the rights excludes the shape of the idle acres)

From: Hersley, Jean
Sent: Tuesday, November 17, 2015 8:27 AM
To: Merritt, Allen
Subject: RE: WSB Lease Application for Salmon Falls Land and Livestock

Sorry. Here it is.

From: Merritt, Allen
Sent: Tuesday, November 17, 2015 8:23 AM
To: Hersley, Jean
Subject: RE: WSB Lease Application for Salmon Falls Land and Livestock

Jean,

Could you print out the map in a pdf since the mxd will not load the shapes in at the region.

Thanks,

Allen

From: Hersley, Jean
Sent: Tuesday, November 17, 2015 8:17 AM
To: Merritt, Allen; Knowles, Corbin
Subject: WSB Lease Application for Salmon Falls Land and Livestock

Attached is the review memo, draft contract and a map of the proposed idled acres. Please let me know if you have any comments or concerns. Salmon Falls is wanting to place 152.1 acres in the Bank.

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

WATER SUPPLY BANK
Agent Lease Review Checklist
Applicant(s) Name: Salmon Falls Land & Livestock Co Inc

Memo Date: November 13, 2015

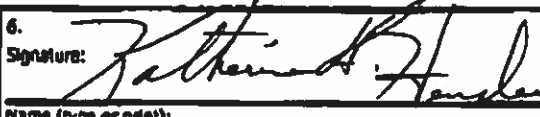
Water Right Number(s): 2-7249 and 2-7462

Reviewers Name: Jean Hersley

Quick Tools

Decreed	No Forfeiture Concerns Thru:
Year	
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)	
	Yes	No	
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)	
		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?	☒
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	
	☒	Complete a POU comparison overlap analysis	
	☒	Complete a combined limits review	
	☒	Complete POD overlap analysis (if there is an overlap add condition to lease)	
	Yes	No	
	☒	Are there overlapping rights that need to be placed in the bank also?	
	☒	Will the place of use continue to receive water?	
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	WD02
11		Is water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments	☒
12		Narrative: The water rights were decreed in 2010. Forfeiture is not an issue. The applicant wishes to place 152.1 acres of each right in the Bank. 2.8 cfs of water right 2-7249 and 3.02 cfs of 2-7462. These rights are overlapping rights. These water rights are located in the Blue Gulch GWMA, ESPA Moritorium and Water District No. 2.	

No. C 30678		Due no later than Mar 31, 2015 Annual Report Form		2. Registered Agent and Office (NOT A P.O. BOX) TIMOTHY J STOVER 905 SHOSHONE ST N TWIN FALLS ID 83301	
Return to: SECRETARY OF STATE 450 N 4TH STREET PO BOX 83720 BOISE, ID 83720-0080		1. Mailing Address: Correct in this box if needed. SALMON FALLS LAND & LIVESTOCK COMPANY KATHERINE A. HENSLEE 95A BELL RAPIDS RD HAGERMAN ID 83332-6039		3. <u>How</u> Registered Agent Signature.	
NO FILING FEE IF RECEIVED BY OUR DATE					
4. Corporations: Enter Names and Business Addresses of President, Secretary, Directors, Treasurer, Vice Pres.					
Office Held	Name	Street or PO Address	City	State	Country Postal Code
Secretary	Katherine A. Henslee	123 Bell Rapids Rd.	Hagerman, ID	USA	83332
Dir./Vice Pres.	Michael J. Henslee	23 Saylor Cr. Rd.	Hagerman, ID	USA	83332
Dir./Vice Pres.	Mark W. Henslee	3016 S. 1000 E.	Hagerman, ID	USA	83332
5. Organized Under the Laws of: IDAHO C 30678					
6. Signature: 		Date: 1-31-2015			
Name (type or print): Katherine A. Henslee		Title: Secretary			
Saved 01/22/2015 by DK1 109209					

INSTRUCTIONS FOR THE IDAHO ANNUAL REPORT FORM

Block 1: Entity name may not be altered through the use of this form. Pay special attention to the mailing address. If the correct mailing address is not given in Block 1, strike it out and write in the correct address. **Notes:** To ensure future mailings, the corrected address must be inside Block 1.

Block 2: To change the registered agent or office, strike the incorrect information and write in the correct information. **Notes:** The office of the registered agent must be at a street address in Idaho, not a Post Office Box or Personal Mail Box.

Block 3: Only a new registered agent must sign in Block 3.

Block 4: Enter names and business addresses of president, secretary, and directors. **Notes:** **DO NOT** put "same as last year" or "same as above". These will not be accepted. Changes here will not affect the address in Block 1. If more space is needed please add an attachment.

Block 5: May not be altered through the use of this form.

Block 6: The annual report must be signed by a person authorized to represent the corporation. Print or type the name of the signer below the signature.

**** The image of this form will be available on the internet once it has been filed. DO NOT enter Social Security numbers.**

If the corporation is no longer doing business in Idaho, you may file the appropriate form. Forms are available on the website at www.sos.idaho.gov. However, if no timely annual report is filed, administrative action will be taken, at no cost to the corporation to terminate the legal existence. If you have any questions contact the Commercial Division at (208) 334-2301.

If the document is incorrect, is there a telephone number to reach you for corrections? _____

POSTMARK DATES WILL NOT BE ACCEPTED