



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

September 9, 2015

SOUTH COVE VENTURES LLC
C/O GREGORY VIC
PO BOX 1607
BELLEVUE WA 98009

RE: RETURNED APPLICATION TO LEASE PERMIT NO(S). 37-8365 TO THE WATER SUPPLY BANK

Dear Applicant:

The Department of Water Resources (Department) has completed a cursory review of your application to lease a permit to the Water Supply Bank (Bank). Based on that review, the Department cannot accept permit 37-8365 into the Bank.

Bank rules (also known as IDAPA 37.02.03) provide criteria when determining whether to accept a water right into the Bank. One criterion is whether a lease and subsequent rental of the rights will result in an enlargement of the right. Enlargement is based on the extent of development and beneficial use that occurred during the permit's developmental period.

Even though a field examination has been completed the Department has questions on many aspects of the examination report and therefore cannot readily determine the extent of development and beneficial use in order for this permit to be accepted into the Bank at this time. This letter is notice that the attached application to lease water to the Bank cannot be processed until the extent of beneficial use that occurred during the permit's development period is clarified. Also the permit is not subject to forfeiture since it has not been licensed.

You may re-file your lease application when the Department can determine to what extent the permit can be licensed and subsequently leased into the Bank. In the meantime the Department will issue a refund of your \$250 filing fee within the next 30 days.

If you have any questions, please contact me at (208) 287-4944.

Sincerely,

A handwritten signature in cursive script that reads "Cherie Palmer".

Cherie Palmer, Water Rights Supervisor
Water Allocation Bureau

Enclosure: Lease Application(s)

c: Greg Sullivan-Brockway Engineering PLLC

RECEIVED

AUG 13 2015

DEPARTMENT OF
WATER RESOURCES

RETURNED

APPLICATION TO SELL OR LEASE A WATER RIGHT TO THE WATER SUPPLY BANK

9/9/15

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

SOUTH COVE VENTURES LLC
C/O GREGORY VIK

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

Water Right No. 37-8365

(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 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.

Attachment N/A YES

- | | | | |
|----|-------------------------------------|-------------------------------------|--|
| 1A | ☐ | ☒ | Contact information for <i>all owners</i> of the water right that is being leased or sold on this application. |
| 1B | ☐ | ☐ | An <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant. |
| 1C | ☒ | ☐ | <i>Notice of Change in Water Right Ownership</i> 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. |
| 3E | ☐ | ☒ | Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to <u>Section 42-222(2), Idaho Code</u> . |
| 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. You have the option of printing a map using the map tool on IDWR's website at: www.idwr.idaho.gov . |

Department Use Only

Fee Amount \$250⁰⁰

Received By: dj

Date Received: 8-13-15

Receipt # C100880

W-9 received? Yes ☐ No ☒ (Route W-9 to Fiscal)

Name on W-9:

Refund requested 9/9/15

APPLICATION 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 SOUTH COVE VENTURES LLC Email Address _____
C/O GREGORY VIK
 Mailing Address PO BOX 1607 BELLEVUE, WA 98009 Phone Number (425) 460-2542

☒ 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)? W-9 Form Has Previously
Been Submitted 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 Greg Sullivan Organization Brockway Engineering
 Professional Title Engineer Email Address greg.sullivan@brockwayeng.com
 Mailing Address 2016 N. Washington St. 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

Water Right Number 37-8365 ☒ 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.

Existing diversion and delivery system.

- 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.
None.

- C. Are any of the water rights identified in question 3B stacked with the water right proposed for lease? Yes ☐ No ☒

Stacked water rights are water rights that are utilized 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.

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

Yes ☐ No ☒

If yes, describe. _____

E. 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. _____

F. 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. MAP

Plat map, survey map, or aerial photograph clearly showing the specific acres proposed to be idled by this lease application.

5. SALE/LEASE AGREEMENT

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

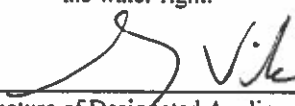
If lease, specify the years when the use of water will be suspended: 2015 to 2019 (maximum lease period 5 years).
(Year) (Year)

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 provisions are stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any elements of the water right.


Signature of Designated Applicant

Graig V. K. , its President
Printed Name

7/31/15
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

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.

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). 37-8365

	Designated Applicant	Applicant #2	Applicant #3
Name	SOUTH COVE VENTURES LLC C/O GREGORY VIK		
Mailing Address	PO BOX 1607 BELLEVUE, WA 98009		
Phone Number	(425) 460-2542		
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			

**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>37-8365</u> | | | to |
| | | | to |
| | | | to |
| | | | to |
| | | | to |
| | | | to |
| Total Amount: | | | |

2. Source of water _____ tributary to _____

3. Point(s) of diversion:

[illegible]

- 4. Acres to be idled within the place of use:**

[illegible]

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

State of Idaho
Department of Water Resources

Permit To Appropriate Water
37-8365

AESTHETIC

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.

17E



- Point of Diversion
- ▬ Place Of Use Boundary
- ▬ Townships
- ▬ PLS Sections
- ▬ Quarter Quarters

0 0.1 0.2 0.4 Miles



State of Idaho
Department of Water Resources

Permit To Appropriate Water
37-8365

COMMERCIAL

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.

17E



- Point of Diversion
- Place Of Use Boundary
- ▬ Townships
- ▬ PLS Sections
- ▬ Quarter Quarters

0 0.125 0.25 0.5 Miles



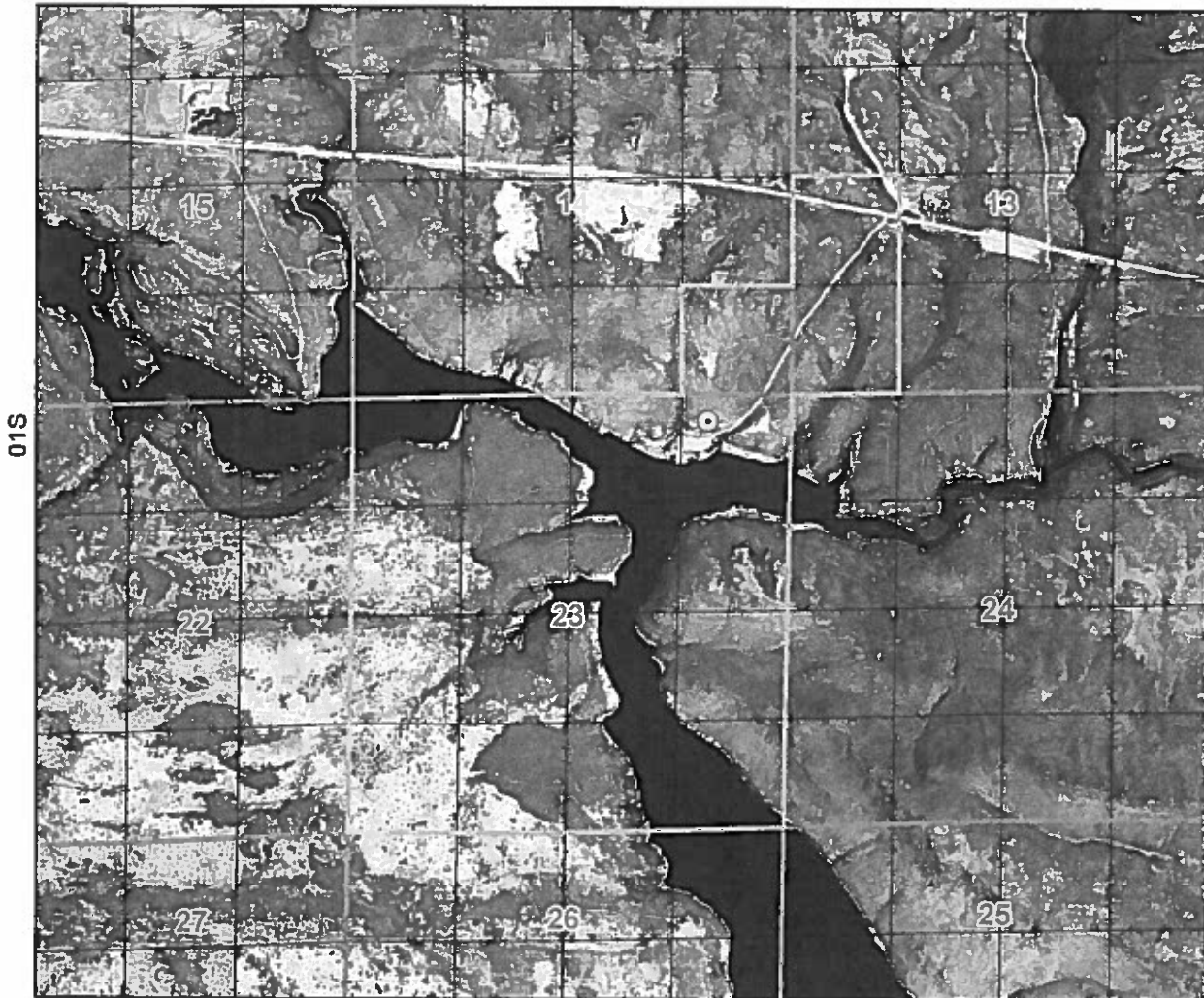
State of Idaho
Department of Water Resources

Permit To Appropriate Water
37-8365

HEATING

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.

17E



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

0 0.275 0.55 1.1 Miles





BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED

JAN 19 2005

Department of Water Resources

January 18, 2005

Mr. Shelly Keen
Idaho Department of Water Resources
322. E. Front Street
Boise, Idaho 83720-0098

Re: Permit 37-8365 beneficial use report
Project No. 730-01-204

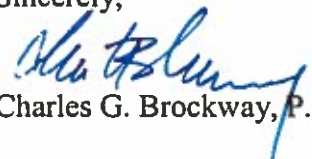
Dear Shelly:

Enclosed is a beneficial use examination for the above-referenced permit. This is the geothermal permit that I spoke with you about a few months ago. I believe you indicated that the Department would welcome any water usage information and/or field report on this well even though the applicant chose to have the Department conduct the exam.

As you will see in the report, the water usage that existed circa 1997 was reconstructed as best as possible using on-ground evidence and discussions with the previous owner. Much evidence still exists on the ground, although the facilities are in disrepair. A calculation of maximum diversion rate requirement was made based on heat transfer calculations for the various system components assuming worst-case climatic conditions.

Please feel free to contact me if you have any questions about this report.

Sincerely,


Charles G. Brockway, P.E.

cc: Jim Speck

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506

SCANNED

MAR 03 2014

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
BENEFICIAL USE FIELD REPORT

RECEIVED

JAN 19 2005

DEPARTMENT OF WATER RESOURCES

A. GENERAL INFORMATION

Permit No.: 37-8365

1. Owner: South Cove Ventures, LLC Phone No.: (208) 726-4421

Current Address: c/o Chuck Hill, P.O. Box 1607, Bellevue, WA 98009

2. Accompanied by: None Exam Date: 4/12/04, 10/26/04, 11/17/04

Address: _____ Phone No.: _____

Relationship to Permit Holder: _____

3. Source: Groundwater tributary to _____

B. OVERLAP REVIEW

1. Other water rights with the same place of use: None

2. Other water rights with the same point of diversion: None

C. DIVERSION AND DELIVERY SYSTEM

1. Point(s) of Diversion:

Ident No	Gov't Lot	¼	¼	¼	Sec.	Twp.	Rge.	County	Method of Determination / Remarks
		NW	NE	NE	23	1S	17E	Blaine	GIS

2. Place(s) of Use: _____ Indicate Method of Determination: GIS

TWP	RNG	SEC	NE				NW				SW				SE				TOTALS
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
1S	17E	23		J															
1S	17E	23		G															

J = Aesthetic, G = Heating

SCANNED

MAR 03 2014