

RECEIVED

AUG 06 2015

DEPARTMENT OF
WATER RESOURCES**WATER SUPPLY BANK LEASE CONTRACT**

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

Lessor: GARY MC STAY
MARI MC STAY
PO BOX 777
BELLEVUE ID 83313
(208) 788-2597 704.2161
mkmcstay@gmail.com

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application on March 2, 2015 to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

<u>Water Right</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
37-22197	0.15 CFS	45.8 AF	20 AC	23.5 AC
37-22882	0.04 CFS	16.5 AF	NA	23.5 AC
Combined Lease Totals:	0.19 CFS	62.3 AF	23.5 AC	23.5 AC

The water rights described herein shall be available for rental from the Bank as follows:

Authorized Period of Use under Lease: April 15 to October 31

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 until December 31, 2019.
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.

SUPPORT DATA

IN FILE # 37-22197

5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

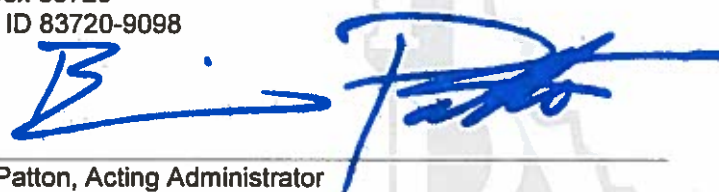
IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

GARY MC STAY
PO BOX 777
BELLEVUE ID 83313

By 
Printed Name GARY MCSTAY

Date 8-4-15
Title _____

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-9098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 8/6/15

Lease approved by IDWR 

Date 8-6-15

ATTACHMENT A
WATER RIGHT NO. 37-22197
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: GARY MC STAY
MARI MC STAY
PO BOX 777
BELLEVUE ID 83313
(208) ~~788-2887~~ 764-2161 *mc*

Priority Date: 01/26/1977

Source: WILLOW CREEK

Tributary to: CAMAS CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	to 10/31	0.15 CFS	45.8 AF
	Total:		0.15 CFS	45.8 AF

LOCATION OF POINT(S) OF DIVERSION:

WILLOW CREEK SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 10, Twp 01S, Rge 16E, CAMAS County

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	
01S	16E	10														17.0	8.5		23.5

Total Acres: 23.5

Limited to acres within place of use described above: 20 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, 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.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. The unleased portions of water right 37-22197 and 37-22882 when combined shall not exceed the irrigation of 2.5 acres.
13. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water district No. 37B.
14. This right when combined with all other rights shall provide no more than 0.02 cfs per acre or more than 3.5 afa per acre at the field headgate for irrigation of the lands above.

ATTACHMENT A
WATER RIGHT NO. 37-22882
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: GARY MC STAY
MARI MC STAY
PO BOX 777
BELLEVUE ID 83313
(208) 788-2697

Priority Date: 10/28/1955

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	10/31	0.04 CFS	16.5 AF
	Total:		0.04 CFS	16.5 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER SW¼SE¼ Sec. 10, Twp 01S, Rge 16E, CAMAS County

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	
01S	16E	10														17.0	6.5		23.5

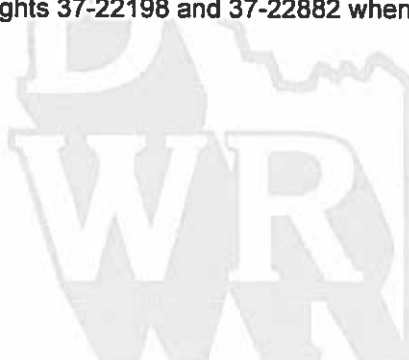
Total Acres: 23.5

Limited to acres within place of use described above: NA

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, 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.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 37B.
13. This right when combined with all other rights shall provide no more than 0.02 cfs per acre or more than 3.5 afa per acre at the field headgate for irrigation of the place of use.
14. The unleased portions of water rights 37-22198 and 37-22882 when combined shall not exceed the irrigation of 2.5 acres.



RECEIVED

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

MAR 02 2015

DEPARTMENT OF
WATER RESOURCES

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 Gary Mc Stay
(Select one owner – see item 1A on the application)

Water Right No. 37-22197
(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 \$ <u>250.00</u>	Received By: <u>J. Strange</u>	Date Received: <u>3-2-2015</u>	Receipt # <u>C099990</u>
W-9 received? Yes ☐ No ☒ (Route W-9 to Fiscal)		Name on W-9:	

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 Gary Mc Stay Email Address mkmcstay@gmail.com
Mailing Address PO Box 777 Bellevue, Idaho 83313 Phone Number (208) 788-2697

☐ 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 _____ Organization _____

Professional Title _____ Email Address _____

Mailing Address _____ Phone Number _____

☐ 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 37-22197 ☐ 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.

Pump with a IDWR approved meter that has been inspected by the WD 37B watermaster.

- 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.

37-21829, 37-21831, 37-22882

- 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. Still irrigating 10 acres of this right from 37-21829 and 37-21831. Map is presented and was drawn by IDWR agent Benny Walker.

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 2020 (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

G. McSTAY
 Printed Name

2-27-15
 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**

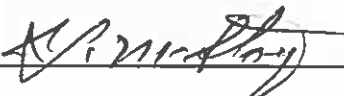
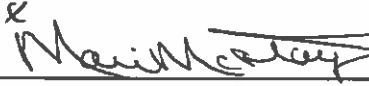
ATTACHMENT 1A

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). 37-22197

	Designated Applicant	Applicant #2	Applicant #3
Name	Gary Mc Stay	Mari Mc Stay	
Mailing Address	PO Box 777 Bellevue, Idaho 83313	PO Box 777 Bellevue, Idaho 83313	
Phone Number	(208) 788-2697	(208) 788-2697	
Email Address	mkmcstay@gmail.com	mkmcstay@gmail.com	
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>37-22197</u>	<u>.10 cfs</u>	<u>Irrigation</u>	<u>04/15</u> to <u>10/31</u>
			to
			to
			to
			to
			to
Total Amount:	.10 cfs		

2. Source of water Willow Creek tributary to Camas Creek

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
01S	16E	10		SE	NE	SW	CAMAS
01S	16E	10		SE	SE	SW	CAMAS

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** 16

State of Idaho
Department of Water Resources

Water Right
37-22197

IRRIGATION

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.



0 0.05 0.1 0.2 Miles

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





Total
12.0 A being irrigated



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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

August 7, 2015

GARY MC STAY
MARI MC STAY
PO BOX 777
BELLEVUE ID 83313

**RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 37-21829, 37-21831, 37-22197
and 37-22882**

Dear Lessor:

Water Rights 37-21829, 37-21831, 37-22197 and 37-22882 were leased into the Water Supply Bank on March 2, 2015 in accordance with the executed original Lease Contract enclosed. **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.**

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. **Please note your rights may not be available for immediate release if they have been rented.** 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. This form is available from our public website at www.idwr.idaho.gov.

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: Executed Lease Contract

c: IDWR Southern Region
Rusty Kramer – Water District No. 37B



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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

July 20, 2015

GARY MC STAY
PO BOX 777
BELLEVUE ID 83313

**RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 37-21829, 37-21831, 37-22197 and 37-22882
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 of two (2) 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 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,

for 
Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts
Receipt # C099990

c. Water District 37B

Hersley, Jean

From: Rusty Krame <waterdistrict37b@outlook.com>
Sent: Thursday, July 16, 2015 10:20 AM
To: Hersley, Jean; mkmcstay@gmail.com; Walker, Benny
Subject: Gary Mcstay Water Bank info

Jean,
Sorry for all the headache with this. I verified with Benny that Gary will NOT potentially forfeit any of his ground water right (37-22882) for non-use because the 10 acres of land is being irrigated with the other surface water rights (37-22197, 37-28129, 37-21831). That was my biggest concern. So bottom line, the map looks perfect, still Gary is only irrigating those 10 acres that are highlighted on the map. Please put all excess acres and volumes in the bank from these four water rights except the 10 acres on the map. If you require us to submit a new application we can do that as well.

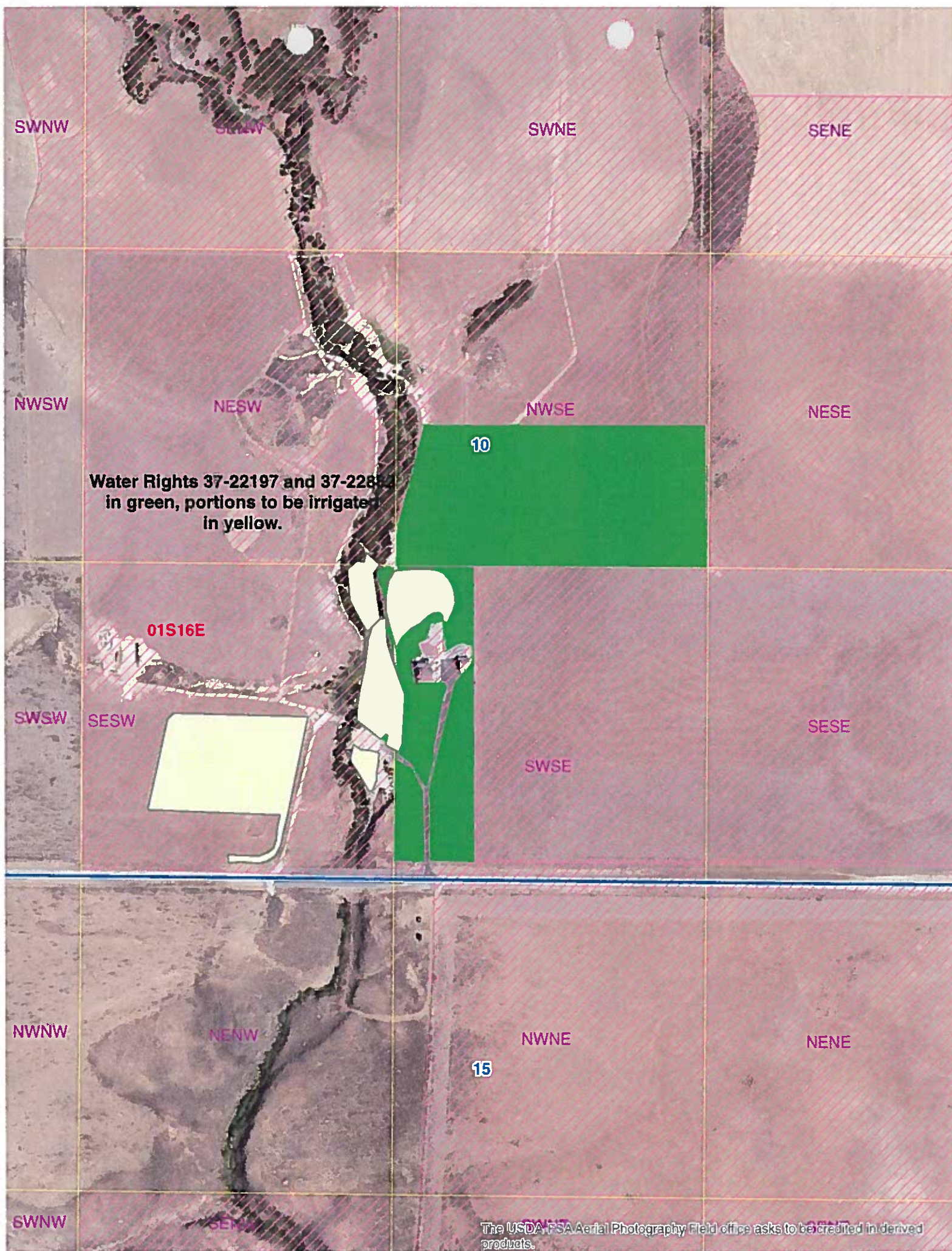
Thank You,

Rusty Kramer - Water Master
Water District 37B
208-870-3217

From: Jean.Hersley@idwr.idaho.gov
To: waterdistrict37b@outlook.com; mkmcstay@gmail.com
Subject:
Date: Thu, 16 Jul 2015 14:31:55 +0000

I have attached two maps showing the water rights and the land Gary wants to continue irrigation. Regarding water rights 37-22197 and 37-22882, they overlap 2.5 acres with 10 acres that will continue to be irrigated associated with water rights 37-21829 and 37-21831. That is why 37-22882 in its entirety cannot be leased to the Bank. Let me know if you have any other questions.

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



Water Rights 37-22197 and 37-22854
in green, portions to be irrigated
in yellow.

10

01S16E

15

MEMORANDUM

To: Water Right No(s). 37-22197 and 37-22882
From: Jean Hersley
Date: July 9, 2015
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: These application(s) were received on March 2, 2015. The applicant wishes to place all of 37-22882 and a portion of 37-22197 but wants to continue irrigating 2.5 acres associated with these rights. The applicant was informed since these are overlapping rights with 37-21829 and 37-21831, which have portions being leased to the Bank also, he would have to include a portion of 37-22882. Attachment 2 was filled out incorrectly but a letter and a map accompanying the application made the applicants wishes clear. Emails between the Department, the applicant and the watermaster confirmed the applicant's intent. I did not request an amended lease since the map include showed his intent.

AUTHORITY TO FILE: Gary Mc Stay, water right holder, signed the application.

WATER RIGHT VALIDITY: Water Right 37-22197 was decreed in 2009 and 37-22882 in 2010. Forfeiture is not an issue.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: No enlargement is evident through the lease alone. Proper rental review should protect against enlargement.

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The lease appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The leased right(s) are subject to Water District # 37B. The watermaster helped fill out the applications so comments were not solicited from him.

Hersley, Jean

From: Hersley, Jean
Sent: Thursday, July 09, 2015 9:42 AM
To: 'mkmcstay@gmail.com'
Cc: 'waterdistrict37b@outlook.com'; Webster, Clay
Subject: WSB Lease for water rights 37-22197 and 37-22882

I am in the process of reviewing these water rights to lease to the Water Supply Bank. On the application for 37-22197 you only listed a portion of the right to be leased and on water right 37-22882 you listed the entire water right. These water rights are stacked and have combined use limits therefore they will need to be leased to the Bank the same. According to the map you provided, it looks like a portion of both rights will need to go to the Bank.

Please let me know within 14 days how you would like the Department to proceed on the leasing of these rights.

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

RECEIVED

MAR 02 2015

DEPARTMENT OF
WATER RESOURCES

Clay,

I helped Gary and Mari print up this paperwork. Hopefully I entered the idled acres correctly in these forms from reading your previous emails you sent me concerning these rights. It was a little confusing since according to the water right the acres can be moved around in the POU. Essentially, Gary is irrigating a total of 10 acres of his property out of the surface water rights of 37-21829, 37-21831, and 37-22197. This acre amount was determined by IDWR agent Benny Walker and he drew us a map in the Twin Falls office (see enclosed map). Gary and Mari are wanting to water bank all of the remaining acres of those three rights. He is also wanting to water bank the entire ground water right of 37-22882. Please let me know if any of these forms weren't correct or if there is any questions.

Thank You,

Rusty Kramer

Water District 37B Watermaster

870-3217

IDAHO DEPARTMENT OF WATER RESOURCES

RUSTY KRAMER
Water Master

Po Box 591
Fairfield, ID 83327

waterdistrict37b@outlook.com
208-870-3217



Webster, Clay

From: Webster, Clay
Sent: Thursday, February 26, 2015 11:38 AM
To: 'Rusty Krame'
Subject: RE: Water Bank Questions

Rusty,

Group 1

If you look at the conditions on the water rights they state that 37-21829 and 37-21831 are limited to a diversion rate of 1.23 and the irrigation of 45 acres. On the forms each of these rights will have the total amount offered to the bank. Take that 45 acres subtract what is being irrigated in their POU to get the # of acres offered to the bank.

Group2

37-22882 you'll do the same only with the 26 acres that are authorized for this POU.

For 37-22197 you can take the number of acres offered to the bank for 37-22882, divide that by the 26 acres and then multiply that by the 22 acres.

Take the cfs off of the water right divide it by the right acre limit and multiply it by the acres offered to the bank.

Have them provide a separate map for each lease group. I hope this helps.

Sincerely,

Clay Webster

Water Resource Agent
clay.webster@idwr.idaho.gov
208-287-4910
Idaho Department of Water Resources (IDWR)
322 E. Front Street
P.O. Box 83720
Boise, ID 83720-0098
208-287-4800
www.idwr.idaho.gov

From: Rusty Krame [<mailto:waterdistrict37b@outlook.com>]
Sent: Wednesday, February 25, 2015 5:59 PM
To: Webster, Clay
Subject: Water Bank Questions

Clay,
Helping a Gary Mc Stay fill out his water bank papers and realized I might've filled my fathers, Jim Kramer's out wrong as well so if you see it come across your desk you can check it out. Anyways, Gary and myself went to the IDWR office yesterday in Twin to find out exactly how many acres are being irrigated for water right 37-21831, 37-21829, 37-22197, and 37-22882. He is irrigated exactly 10 acres according to the maps. 37-21829 and 37-21831 are allowed 45 acres total irrigation combined. 37-22197 and 37-22882 are allowed 26 acres of total irrigation combined. Filling out the last page of the water bank paperwork and was very confused. So

can I put 35 acres of both 37-21829 and 37-21831 in the bank, or only 17.5 acres each? And 16 acres of 37-22197 and 37-22882 in the bank or only 8 each? Also, a little confused on how much cfs of each right I can put in. Sorry for the 52 questions, I so wish I lived closer to Boise and I would just stop in and talk in person.

Thanks

Rusty Kramer

Water District 37B Watermaster