

JUL 28 2015

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

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

Lessor: JOHN D PRUDEN
109 GREENHORN RD
HAILEY ID 83333
208-720-3036

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 an application to lease the water rights described below on April 10, 2015 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	Acre Limit	Total Leased Acres
51-00060	4/1/1876	Bruneau River	Snake River	0.60 cfs	Not Stated	NA	61.1 ac
51-00061	4/1/1897	Bruneau River	Snake River	0.27 cfs	Not Stated	NA	61.1 ac
51-00062	4/1/1905	Bruneau River	Snake River	0.20 cfs	Not Stated	NA	61.1 ac
Total Annual Combined Limit				1.07 cfs	244.4 af	61.1 ac	61.1 ac

Annual Combined Lease Totals

1.07 cfs 244.4 af 61.1 ac 61.1 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 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 # 51-60

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.

JOHN D PRUDEN
109 GREENHORN RD
HAILEY ID 83333

By  Date 7-26-15
Printed Name John Pruden Title _____

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By  Date 7-29-2015
Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR  Date 7-29-2015

ATTACHMENT A
WATER RIGHT NOS. 51-00060, 51-00061 and 51-00062
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: JOHN D PRUDEN
109 GREENHORN RD
HAILEY ID 83333
208-720-3036

LOCATION OF POINT OF DIVERSION

BRUNEAU RIVER

SESENE

Sec. 8, Twp 07S, Rge 06E, OWYHEE County

BENEFICIAL USE
IRRIGATION

SEASON OF USE

03/01 to 11/15

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07S	06E	5												0.9			3.1		4.0
07S	06E	8	6.6	19.0	8.4	18.0	5.1												57.1

Total Acres: 61.1

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 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. When combined with all other rights, the leased rights shall provide not more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
13. Un-leased portions of rights 51-00060, 51-00061 and 51-00062 are limited to irrigation of a combined total of 30.0 acres in a single irrigation season and a total combined diversion rate of 0.53 cfs.

RECEIVED

APR 10 2015

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

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 JOHN D. PRUDDEN
(Select one owner – see item 1A on the application)

Water Right No. 51-60
(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 **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.
- 3E ☒ ☐ 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. 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 \$ 500.00 Received By: LSH Date Received: 4-10-15 Receipt # C100276
W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal) Name on W-9: John D. Prudden

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 JOHN D. PRUDDEN Email Address J.PRUDDEN@COX.NET
Mailing Address 109 GREENHORN RD WAILEY, IA 53333 Phone Number 208 720-3036

☐ 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 51-60 ☐ 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.

water is pumped from BRUNEAU RIVER AT POINT of
diversion and flows through ditches to point of use

- 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.

51-60 51-61 and 51-62 are combined

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.

30 acres as shown on enclosed map
 D. Will the present place of use continue to receive water from any other source? Yes ☒ No ☐
 If yes, describe. HOT SPRINGS DITCH COMPANY

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 _____

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.

John D. Prudden
 Signature of Designated Applicant

JOHN D. PRUDDEN
 Printed Name

4-6-15
 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**

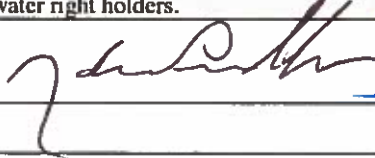
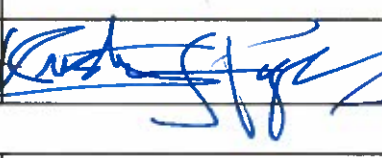
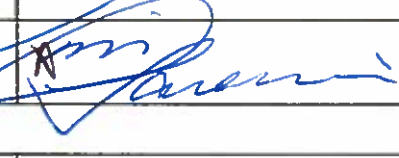
ATTACHMENT 1A

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). 51-60 51-61 51-62

	Designated Applicant	Applicant #2	Applicant #3
Name	JOHN D. PRUDEN	KRISTINE S. PIGGON	MATHER CAPITAL CORPORATION
Mailing Address	109 GREENHORN RD HAILEY, ID 83333	SAME	P.O. Box 187 SUN VALLEY, Id 83353
Phone Number	208 720-3036	208 720-9634	208 726-7174
Email Address	JPRUDEN@COX.NET	KRISTY.PIGGON@COX.NET	BUCKE@MATHERCAPITAL.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. Water Right Number Amount (cfs/ac-ft) Nature of Use Period of Use
51-600 .604 IRRIGATION 3/01 to 4/15
 _____ to _____
 _____ to _____
 _____ to _____
 _____ to _____

Total Amount: .604

2. Source of water Brunear River tributary to SNAKE RIVER

3. Point(s) of diversion:

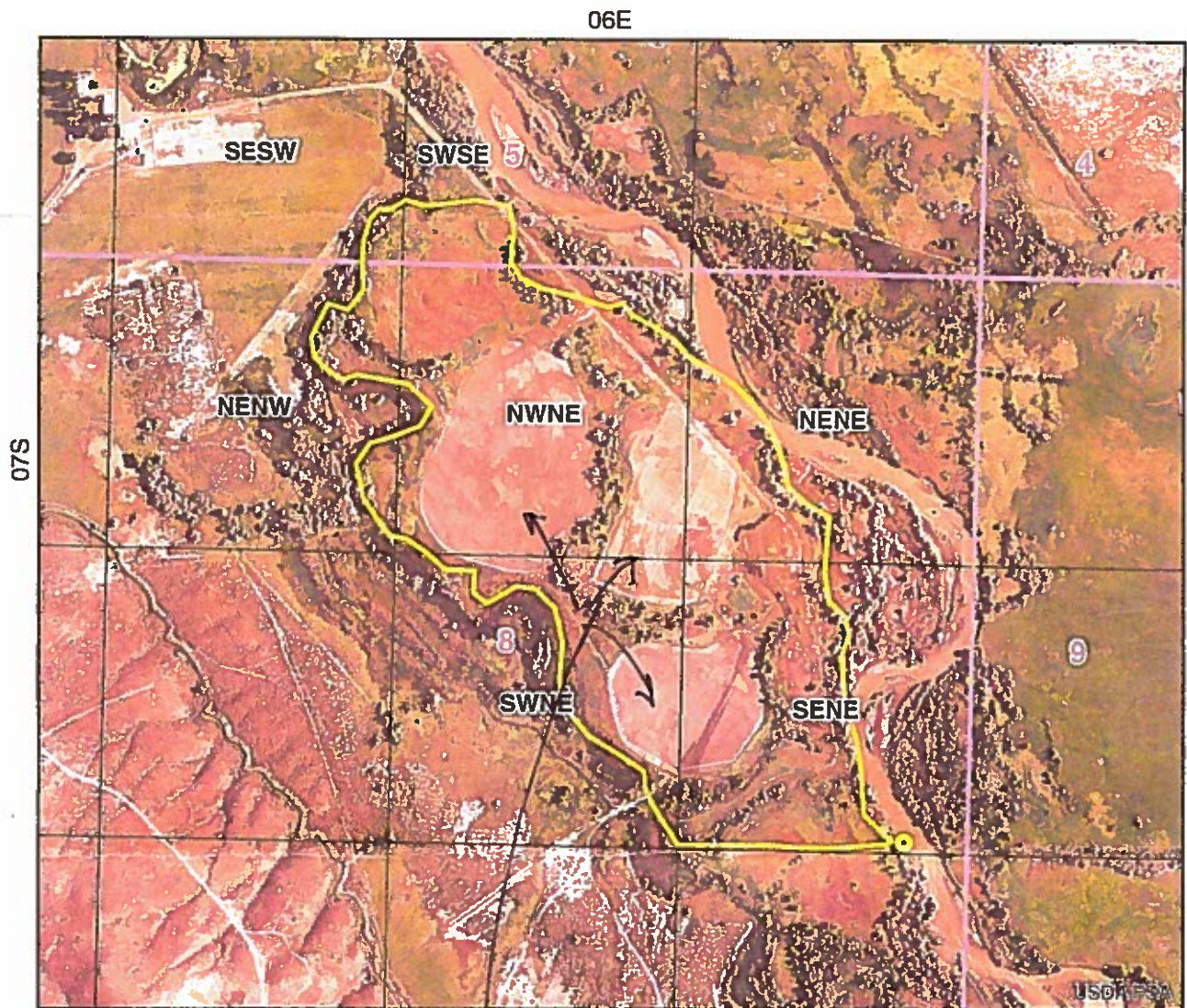
Twp	Rge	Sec	Lot	¼	¼	¼	County
7S	6E	8		SE	SE	NE	Owyhee

4. Acres to be idled within the 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	
7S	6E	5												.9			3.1		4.0
7S	6E	8	9	11	14	18	51												57.1

If the water right is for irrigation, show total number of acres offered to the Bank. Total Acres 61.1

State of Idaho
Department of Water Resources
Water Rights 51-60, 51-61 & 51-62
Place of Use



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

0 0.1 0.2 0.4 Miles

*30 acres excluded
from lease*





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

July 30, 2015

JOHN D PRUDDEN
109 GREENHORN RD
HAILEY ID 83333-5124

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 51-00060, 51-00061 AND 51-00062

Dear Lessor:

Water Rights **51-00060, 51-00061, AND 51-00062** were leased into the Water Supply Bank 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,

For - Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: Angela Grimm – IDWR Western Region



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 23, 2015

JOHN D PRUDEN
109 GREENHORN RD
HAILEY ID 83333-5124

**RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 51-00060, 51-00061 AND 51-00062 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, 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,

FCR - Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts
Receipt #C100276

MEMORANDUM

To: Water Right Nos. 51-60, 51-61 and 51-62
From: Clay Webster
Date: 7/21/2015
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: These applications were received on April 10, 2015. The applications are to place 61.1 acres of irrigation of these overlapping rights into the WSB for 5 years. The tabature on the application was off from the map. I have created a shape to show the correct tabature for this application. See attached.

AUTHORITY TO FILE: The applications were signed by John D Pruden. He is the designated applicant. These rights are owned by two individuals and Mather Capital Corporation. Timothy M Gardiner the registered agent of Mather Capital Corporation according to Idaho SOS website signed the Lessor Designation Form

WATER RIGHT VALIDITY: 51-60 was decreed in 2001, 51-61 and 51-62 were decreed in 2002. The entire 91.1 acres of rights have been in the bank from 2009 through 2014. Forfeiture is not an issue at this time. I have verified that the acres offered for lease have been idled this season.

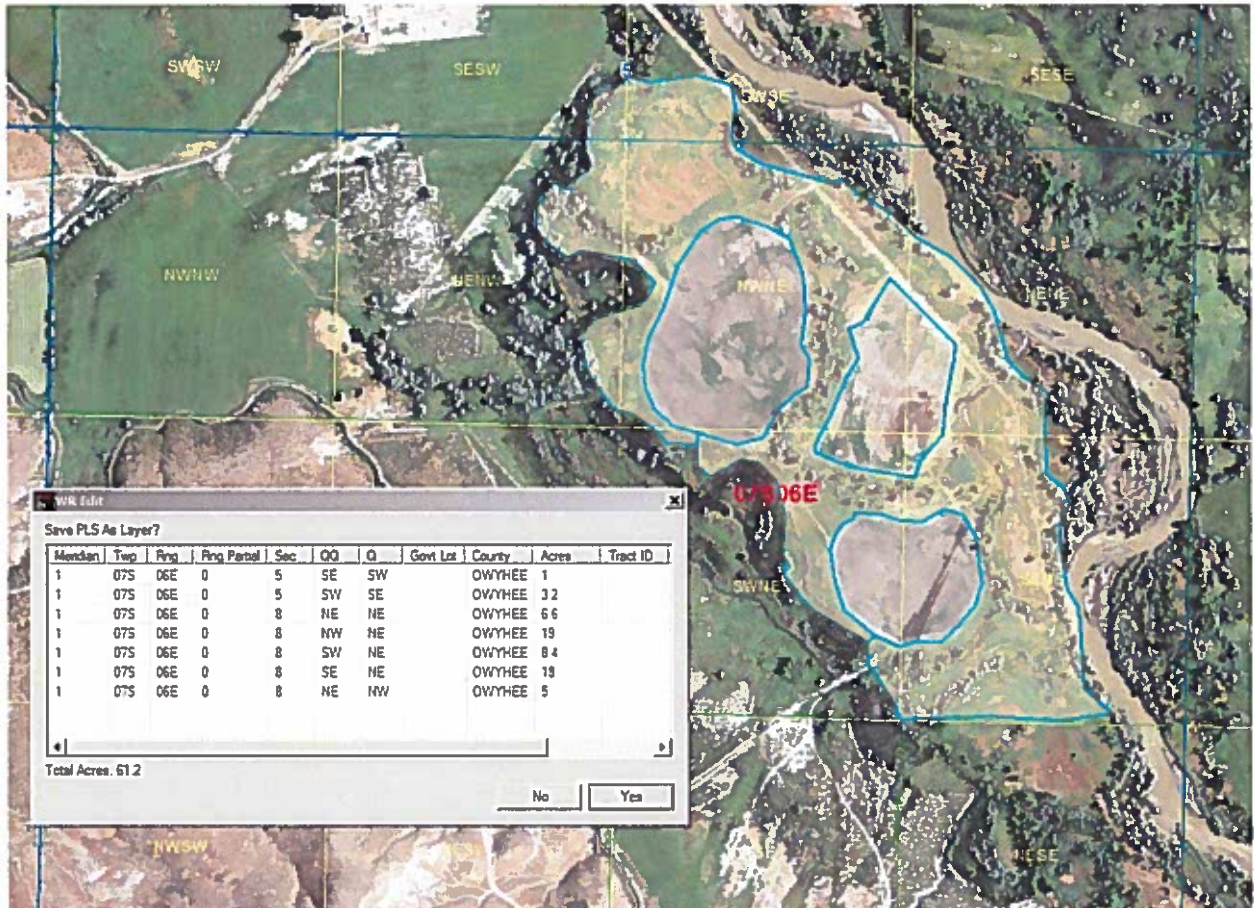
INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: The applicant has enough shares from the Hot Springs Ditch Co. to irrigate 30 acres. Therefore only the 61.1 acres offered are available to the bank. 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 rights are not subject any Water District.



No. C 78306	Due no later than Apr 30, 2015 Annual Report Form		2. Registered Agent and Address (NO PO BOX)			
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	1. Mailing Address: Correct in this box if needed. MATHER CAPITAL CORPORATION TIMOTHY M GARDINER P.O. BOX 187 SUN VALLEY ID 83353		TIMOTHY M GARDINER 26 DEER CREEK RD. HAILEY 83333			
			3. <u>New</u> Registered Agent Signature:*			
4. Corporations: Enter Names and Business Addresses of President, Secretary, and Directors. Treasurer (optional).						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
PRESIDENT	TIMOTHY M GARDINER	26 DEER CREEK RD	HAILEY	ID	USA	83333
5. Organized Under the Laws of: ID C 78306		6. Annual Report must be signed.* Signature: Timothy M. Gardiner Name (type or print): Timothy M. Gardiner Date: 03/13/2015 Title: President				
Processed 03/13/2015		* Electronically provided signatures are accepted as original signatures.				

RECEIVED
APR 10 2015
DEPARTMENT OF
WATER RESOURCES

TO: Idaho Dept. of Water Resources

The enclosed application is for the purpose of transferring a part of water rights numbered 51-60, 51-61 and 51-62 into the water bank for lease to another.

The water rights combined are for 91.1 acres as shown on the enclosed place of use map. Of the 91.1 acres, we farm 30 acres, which are watered from the Hot Springs Ditch Company. Accordingly, we are excluding those 30 acres from transfer to the water bank.

Please call in the event of questions.

Thank you.

John Prudden
208 720-3036