

JUL 09 2015

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

This Lease Contract ("Lease") is effective April 27, 2015, between the Idaho Water Resource Board ("Board"), and

Lessor: ERIK STORLIE
3217 HUMBOLDT AVE
SOUTH MINNEAPOLIS MN 55408
612-822-8555

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 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>
75-2137	0.70 CFS	Not Stated	24.4 AC	63.7 AC
75-4199	0.42 CFS	Not Stated	11.0 AC	39.0 AC
75-4200	1.28 CFS	Not Stated	NA	24.7 AC
Combined Lease Totals:	2.40 CFS	Not Stated	63.7 AC	63.7 AC

The water rights described herein shall be available for rental from the Bank as follows:
Authorized Period of Use under Lease: April 1 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: Donated for rental by the IWRB

3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31, 2017.
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 #

75-2137

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.

ERIK STORLIE
3217 HUMBOLDT AVE
SOUTH MINNEAPOLIS MN 55408

By Erik F. Storlie
Printed Name Erik F. Storlie

Date 7/3/15
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 July 9, 2015

Lease approved by IDWR Cherie Palmer

Date 7/9/2015

ATTACHMENT A
WATER RIGHT NO. 75-2137
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: ERIK STORLIE
 3217 HUMBOLDT AVE
 SOUTH MINNEAPOLIS MN 55408
 612-822-8555

Priority Date: 01/11/1960

Source: BIG HAT CREEK **Tributary to:** HAT CREEK
 HAT CREEK SALMON RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 10/31	0.70 CFS	Not Stated
	Total:		0.70 CFS	Not Stated

LOCATION OF POINT(S) OF DIVERSION:

BIG HAT CREEK NW¼NE¼SE¼ Sec. 08, Twp 17N, Rge 20E, LEMHI County
 HAT CREEK SE¼SW¼SW¼ Sec. 03, Twp 17N, Rge 20E, LEMHI 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			
17N	20E	10							5.4				3.6	10.5		25.0			11.5		56.0
17N	20E	15		7.7																	7.7

Total Acres: 63.7
 Limited to acres within place of use described above: 24.4 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 rights 75-2137, 75-4199, 75-4200 and 75-14494 are limited to the irrigation of a combined total of 4.6 acres in a single irrigation season.

ATTACHMENT A
WATER RIGHT NO. 75-4199
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: ERIK STORLIE
 3217 HUMBOLDT AVE
 SOUTH MINNEAPOLIS MN 55408
 612-822-8555

Priority Date: 05/01/1930

Source: BIG HAT CREEK **Tributary to:** HAT CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 10/31	0.42 CFS	Not Stated
STOCKWATER	01/01	to 12/31	0.03 CFS	Not Stated
	Total:		0.42 CFS	Not Stated

LOCATION OF POINT(S) OF DIVERSION:

BIG HAT CREEK NW¼NE¼SE¼ Sec. 08, Twp 17N, Rge 20E, LEMHI County
 BIG HAT CREEK SW¼SW¼NW¼ Sec. 10, Twp 17N, Rge 20E, LEMHI 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	
17N	20E	10									3.6	9.9		25.0			0.5		39.0

Total Acres: 39.0

Limited to acres within place of use described above: 11.0 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 rights 75-2137, 75-4199, 75-4200 and 75-14494 are limited to the irrigation of a combined total of 4.6 acres in a single irrigation season.
13. The quantity of water decreed for this right for stockwater use shall not exceed 13,000 gallons per day.

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 quantity of water under this right for stockwater use shall not exceed 13,000 gallons per day.
13. The unleased portions of water rights 75-2137, 75-4199, 75-4200 and 75-14494 are limited to the irrigation of a combined total of 4.6 acres in a single irrigation season.



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 10, 2015

ERIK STORLIE
3217 HUMBOLDT AVE
SOUTH MINNEAPOLIS MN 55408

RE: WATER SUPPLY BANK AMENDED LEASE CONTRACT FOR RIGHTS 75-2137, 75-4199 and 75-4200

Dear Lessor:

Water Rights 75-2137, 75-4199 and 75-4200 were leased into the Water Supply Bank on April 27, 2015 in accordance with the amended 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: Morgan Case- IDWR
IDWR Eastern 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 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

June 29, 2015

ERIK STORLIE
3217 HUMBOLDT AVE
SOUTH MINNEAPOLIS MN 55408

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 75-2137, 75-4199 and 75-4200 TO THE WATER SUPPLY BANK

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

Dear Applicant:

The Department of Water Resources was evaluating a rental application for the above mentioned water rights and found errors in the original lease contract. **I have enclosed two original Amended Water Supply Bank Lease Contracts for your review and signature. Please sign and return BOTH 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.

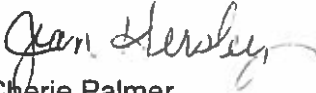
The rights will automatically be released from the Bank on **December 31, 2017**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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 287-4944.

Sincerely,

for 
Cherie Palmer
Water Rights Supervisor

Enclosure: Proposed Lease Contracts

MEMO

TO: Water Rights 75-2137, 75-4199 and 75-4200

FROM: Cherie Palmer

DATE: June 26, 2015

RE: Lease Amendment Required

I was evaluating the rental application of the above referenced water rights and found that the lease contract contained some mistakes.

I identified the corrections and created an amendment to be sent out for signature. Once signed, the new amendment will supercede the lease signed May 21, 2015.

The attached analysis of the water rights include justification for the changes being proposed thru the amendment.

AS DECREED

Process Sequence	Basin	Owner	Source	NENE	NWNE	SWNE	SENE	NEEW	NNW	SNW	SEW	NESE	NWSE	SWSE	SESE	Total Acres
17N20E 20																
Water Right	75-14494	KAISER, TAMARA L.	HAT CREEK													2.6
		KAISER, STORLE, ERIK	BIG HAT CREEK, HAT CREEK													58.6
Water Right	75-2137	TAMARA L. STORLE, ERIK	BIG HAT CREEK	5.4												14.1
Water Right	75-4199	KAISER, TAMARA L. STORLE, ERIK	BIG HAT CREEK					3.6	9.9					25.0		41.6
Water Right	75-4200	KAISER, TAMARA L. STORLE, ERIK	HAT CREEK						5.4					0.6		17
Combined Limit																
17N20E 15																
Water Right	75-14494	KAISER, TAMARA L. STORLE, ERIK	HAT CREEK													2
Water Right	75-2137	KAISER, TAMARA L. STORLE, ERIK	BIG HAT CREEK, HAT CREEK													9.7
Water Right	75-4199	KAISER, TAMARA L. STORLE, ERIK	BIG HAT CREEK													2
Water Right	75-4200	KAISER, TAMARA L. STORLE, ERIK	HAT CREEK													7.7
Combined Limit																
OVERALL COMBINED LIMIT																
CONCLUSIONS:																
If 75-14494 is left behind, must also leave 2.6 acres of 75-4199 and 2.6 acres of 75-2137 in the SWSE of Sec 20																
If 75-14494 is left behind, must also leave 2.0 acres of 75-4199 and 2.0 acres of 75-2137 in the NWNE of Sec 15																
9.7																
68.3																

AFTER TRANSACTION COMPLETE-REMAINING WRS

Process Sequence	Basin	Owner	Source	NENE	NWNE	SWNE	SENE	NENW	NWNW	SWNW	SENW	NESW	NNSW	SWSW	SESW	NESE	NWSE	SWSE	SESE	Total Acres
17N20E 20																				
Water Right	75-14494	KAISER, TAMARA L.	HAT CREEK																2.6	2.6
		STORLE, ERIK	BIG HAT CREEK, HAT CREEK																2.6	2.6
Water Right	75-2137	KAISER, TAMARA L.	BIG HAT CREEK, HAT CREEK																2.6	2.6
		STORLE, ERIK	BIG HAT CREEK																2.6	2.6
Water Right	75-4199	KAISER, TAMARA L.	BIG HAT CREEK																0	0
		STORLE, ERIK	HAT CREEK																2.6	2.6
Water Right	75-4200	KAISER, TAMARA L.	HAT CREEK																0	0
		STORLE, ERIK	HAT CREEK																2.6	2.6
17N20E 15																				
Water Right	75-14494	KAISER, TAMARA L.	HAT CREEK																2	2
		STORLE, ERIK	BIG HAT CREEK, HAT CREEK																2	2
Water Right	75-2137	KAISER, TAMARA L.	BIG HAT CREEK, HAT CREEK																2	2
		STORLE, ERIK	BIG HAT CREEK																2	2
Water Right	75-4199	KAISER, TAMARA L.	BIG HAT CREEK																0	0
		STORLE, ERIK	HAT CREEK																2	2
Water Right	75-4200	KAISER, TAMARA L.	HAT CREEK																0	0
		STORLE, ERIK	HAT CREEK																2	2
Combined Limit																				4.6
OVERALL COMBINED LIMIT																				2

