

RECEIVED

# WATER SUPPLY BANK LEASE CONTRACT

MAY 21 2015

DEPARTMENT OF  
WATER RESOURCES

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	0.76 CFS	Not Stated	26.7 AC	63.7 AC
75-4199	0.42 CFS	Not Stated	12.3 AC	39.0 AC
75-4200	1.28 CFS	Not Stated	NA	24.7 AC
<b>Combined Lease Totals:</b>	<b>2.46 CFS</b>	<b>Not Stated</b>	<b>63.7 AC</b>	<b>63.7 AC</b>

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

SCANNED

MAY 26 2015

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 Date 5/17/15  
Printed Name Erik F. Storlie Title \_\_\_\_\_

Tamara L Kaiser  
**TAMARA L. KAISER**  
**IDAHO WATER RESOURCE BOARD**  
322 East Front Street  
P.O. Box 83720  
Boise, ID 83720-9098

By Brian Patton Date May 21, 2015  
Brian Patton, Acting Administrator  
Idaho Water Resource Board

Lease approved by IDWR Chris Palmer Date 5/21/2015

**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	0.76 CFS	Not Stated
	<b>Total:</b>		<b>0.76 CFS</b>	<b>Not Stated</b>

**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																		
17N	20E	15		7.7																

Total Acres: 63.7  
 Limited to acres within place of use described above: 26.7 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
	<b>Total:</b>		<b>0.42 CFS</b>	<b>Not Stated</b>

**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

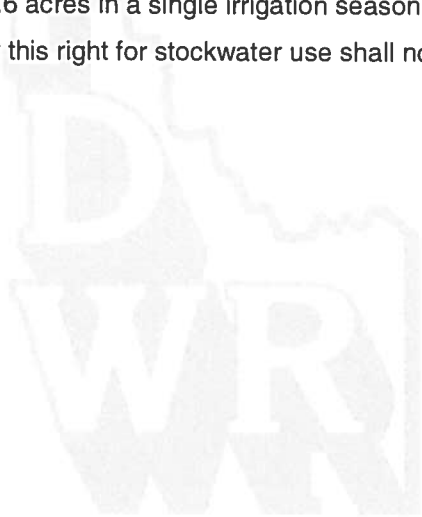
Total Acres: 39.0

Limited to acres within place of use described above: 12.3 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.



**ATTACHMENT A  
WATER RIGHT NO. 75-4200  
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:** HAT CREEK **Tributary to:** 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	1.28 CFS	Not Stated
STOCKWATER	01/01	to 12/31	0.03 CFS	Not Stated
<b>Total:</b>			<b>1.28 CFS</b>	<b>Not Stated</b>

**LOCATION OF POINT(S) OF DIVERSION:**

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																					
17N	20E	15		7.7									0.6									11.0	17.0
																							7.7

Total Acres: 24.7

**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 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.



APR 27 2015

DEPARTMENT OF WATER RESOURCES

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

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 Erik Storlie  
(Select one owner – see item 1A on the application)

Water Right No. 75-2137  
(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 | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Contact information for <i>all owners</i> of the water right that is being leased or sold on this application.   |
| 1B |                                     | <input checked="" type="checkbox"/> | An <i>Internal Revenue Service (IRS) Form W-9</i> for the Designated Applicant.  |
| 1C | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <i>Notice of Change in Water Right Ownership</i> form (accessible from <a href="http://www.idwr.idaho.gov">www.idwr.idaho.gov</a> ).   |
| 1D | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Written consent from irrigation district or water delivery company.  |
| 1E | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | 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  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Description of a water right portion offered to the Water Supply Bank.   |
| 3E | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to <a href="#">Section 42-222(2), Idaho Code</a> .  |
| 4  |                                     | <input checked="" type="checkbox"/> | 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: <a href="http://www.idwr.idaho.gov">www.idwr.idaho.gov</a> .  |

**Department Use Only**

Fee Amount \$	Received By: <u>J. Strange</u>	Date Received: <u>4-27-15</u>	Receipt #
W-9 received? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	(Route W-9 to Fiscal)	Name on W-9: <u>Erik F. Storlie</u>	

## 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 Erik Storie Email Address \_\_\_\_\_  
 Mailing Address 3217 Humboldt Ave. South Minneapolis, MN 55408 Phone Number (612)822-8555

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 75-2137  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.

ditch irrigation / flood with some pipes

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.

WRs 75-4199 and 75-4200

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. Some of the water rights have been in the WSB, tolling forfeiture; others have a partial decree within the 5-year window. (WR Proof reports attached).

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 2017 (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.

These water rights will be donated to the IWRB for rental to the Hat Creek minimum stream flow.

**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.

Erik F. Storlie  
Signature of Designated Applicant

Erik F. Storlie  
Printed Name

4/21/15  
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 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>	
75-2137	0.7CFS	Irrigation	04/01	to 10/31
_____	_____	_____	_____	to _____
_____	_____	_____	_____	to _____
_____	_____	_____	_____	to _____
_____	_____	_____	_____	to _____
_____	_____	_____	_____	to _____

Total Amount: \_\_\_\_\_

2. Source of water Big Hat Creek and Hat Creek tributary to Hat Creek and Salmon River, respectively

3. Point(s) of diversion:







Twp	Rge	Sec	Lot	¼	¼	¼	County
17N	20E	8		NW	NE	SE	LEMHI
17N	20E	3		SE	SW	SW	LEMHI

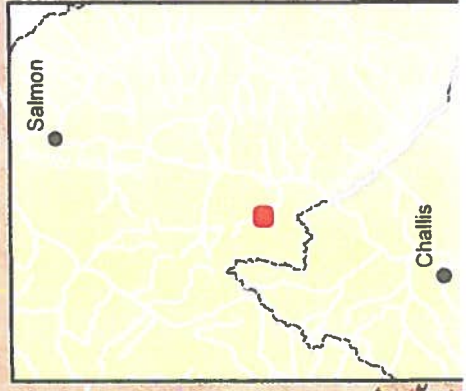
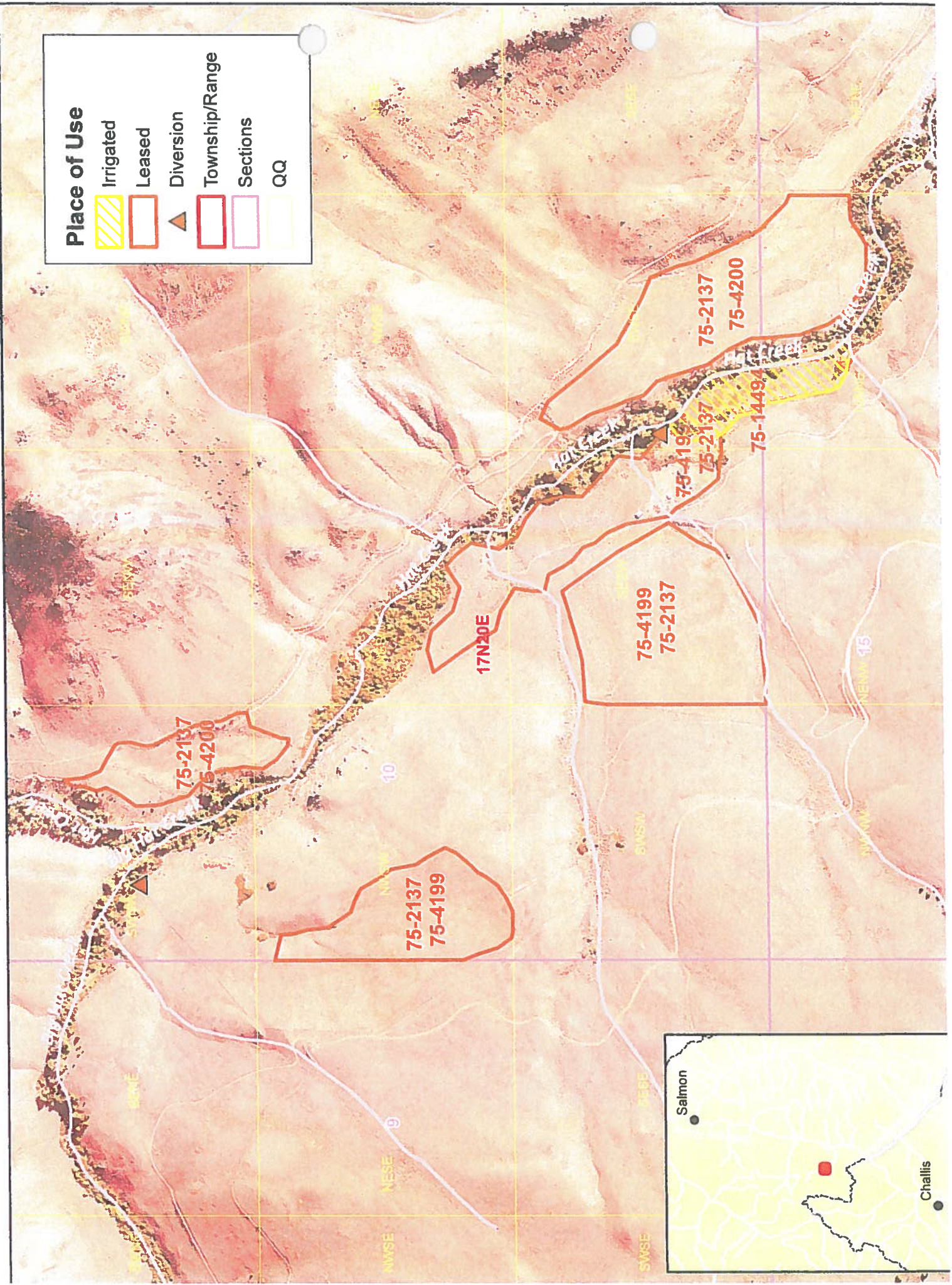
4. Acres to be idled within the place of use:

Twp	Rge	Sec	NE				NW				SW				SE				Totals			
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE				
17N	20E	10							5.4			3.6	10.5				25			11.5		56.0
17N	20E	15		7.7																		7.7

If the water right is for irrigation, show total number of acres offered to the Bank. **Total Acres** 63.7

**Place of Use**

	Irrigated
	Leased
	Diversion
	Township/Range
	Sections
	QQ





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

May 22, 2015

ERIK STORLIE  
3217 HUMBOLDT AVE  
SOUTH MINNEAPOLIS MN 55408

**RE: WATER SUPPLY BANK 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 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.**

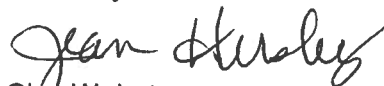
The rights will automatically be released from the Bank on **December 31, 2017**, unless the rights are released earlier by the Board, or upon your request. **Please note your rights may not be available for immediate release if they have been rented.** To release the right from the Bank prior to the 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](http://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  
IWRB

# Memo

To: Sascha Marston  
From: Morgan Case *mle*  
Date: 5/21/2015  
Re: 2015 Lease Application Fees

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Please transfer the following 2015 lease application fees to the Water Supply Bank:

- \$1250 – Beaver Creek DOT LLP
- \$750 – Hat Creek and Big Hat Creek Storlie/Kaiser
- \$250 – Badger Creek Old West Business Park

Funds to cover these payments will come from NFWF through the CBWTP (PCA 24332) at the end of the irrigation season.

c: Cynthia Bridge Clark  
Brian Patton  
Remington Buyer  
Cherie Palmer



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

May 13, 2015

ERIK STORLIE  
3217 HUMBOLDT AVE  
SOUTH MINNEAPOLIS MN 55408

**COPY**

**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 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 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 287-4910.

Sincerely,

*for*   
Clay Webster  
Water Resource Agent  
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

c. Morgan Case- IDWR

## MEMORANDUM

**To:** Water Right No(s). 75-2137, 75-4199 and 75-4200  
**From:** Jean Hersley  
**Date:** May 7, 2015  
**Re:** Review of Applications to Lease Water Rights to the State Water Supply Bank

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**PURPOSE/NARRATIVE:** This application(s) were received on April 27, 2015. These rights were placed in the Bank in 2009 for an indefinite amount of time. The applicant submitted these applications to change the end date to 2017. The amounts on these applications do not match the amounts on the original app. With the way these rights overlap with the PPU, to be able to lease 63.7 acres all of the rights are to be leased to the Bank based on each rights acre limit.  
36-2137 26.7acres  
36-4199 12.3 acres  
36-4200 24.7 acres

**AUTHORITY TO FILE:** Erik Storlie signed the applications. He is the current owner of the water rights.

**WATER RIGHT VALIDITY:** These water rights were decreed in 2009. 75-2137 and 75-4199 have been in the Bank since then. 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 not subject any Water District.

## Palmer, Cherie

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**From:** Palmer, Cherie  
**Sent:** Friday, May 01, 2015 12:06 PM  
**To:** Pearson, Mandi  
**Cc:** Case, Morgan  
**Subject:** RE: Big Hat and Hat Creek Rental Paperwork

Mandi,

On April 27, we received three lease applications for the Kaiser/Storlie folks. The leases are for water rights 75-2137,75-4199, and 75-4200. No money was received with these applications though. Am I correct in thinking that the Board is going to pay for the leases? In addition, I don't think we received any rental paperwork for these water rights.

Cherie

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**From:** Pearson, Mandi  
**Sent:** Thursday, April 30, 2015 4:23 PM  
**To:** Palmer, Cherie  
**Subject:** FW: Big Hat and Hat Creek Rental Paperwork

Hi Cherie,

I just wanted to double check- have you received the lease paperwork from the Storlie/Kaisers? I got an email last week that said he had sent it, but I haven't seen it yet...

Mandi

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**From:** Case, Morgan  
**Sent:** Tuesday, March 24, 2015 10:22 AM  
**To:** Pearson, Mandi  
**Subject:** Big Hat and Hat Creek Rental Paperwork

Mandi,

I have attached the rental paperwork for the Big Hat and Hat Creek transaction. Could you have Brian sign the cover letter and rental app and then hold the paperwork until you receive the lease paperwork from the Storlie/Kaisers? Could you also include a copy of the Hat Creek funding resolution?

Thanks a bunch,

Morgan

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*Morgan Case  
Project Manager - IWRB Water Transactions Program  
Idaho Department of Water Resources  
7600 Mineral Dr. Suite 100  
Coeur d'Alene, ID 83815  
Phone 208.762.2803  
Fax 208.287.2819*

*\* IDWR email attachments must be smaller than 8MB*