

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective March 17, 2015, between the Idaho Water Resource Board ("**Board**"), and

Lessor: LYNN CAMPION
PO BOX 3710
HAILEY ID 83333
208-788-4953
lcampwaddell@me.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 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>
37-22888	0.113 CFS	Not Stated	NA	17.4 AC
37-22889	0.235 CFS	Not Stated	NA	17.4 AC
37-22914	0.288 CFS	50.4 AF	NA	14.4 AC
Combined Lease Totals: 0.348 CFS 60.9 AF NA 17.4 AC				

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

Authorized Period of Use under Lease: See Individual Water Rights

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 # 37-22888

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.

LYNN CAMPION
PO BOX 3710
HAILEY ID 83333

By Lynn Campion

Date May 18 2015

Printed Name Lynn Campion

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 May 19, 2015

Lease approved by IDWR Cherie Palmer

Date 5/19/2015

RECEIVED

MAY 19 2015

DEPARTMENT OF
WATER RESOURCES

ATTACHMENT A
WATER RIGHT NO. 37-22888
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: LYNN CAMPION
PO BOX 3710
HAILEY ID 83333
208-788-4953

Priority Date: 03/24/1883

Source: GROUND WATER
BIG WOOD RIVER

Tributary to: BIG WOOD RIVER
MALAD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	10/31	0.11 CFS	Not Stated
	Total:		0.11 CFS	Not Stated

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NE¼SW¼	Sec. 29, Twp 03N, Rge 18E, BLAINE County
GROUND WATER	SE¼SW¼	Sec. 29, Twp 03N, Rge 18E, BLAINE County
BIG WOOD RIVER	NE¼SE¼SW¼	Sec. 20, Twp 03N, Rge 18E, BLAINE County
BIG WOOD RIVER	SE¼NE¼SW¼	Sec. 29, Twp 03N, Rge 18E, BLAINE 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	
03N	18E	29									3.0			14.4					17.4

Total Acres: 17.4

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. If surface water is being diverted to satisfy this water right, it shall be measured at the point of diversion from the Purdum Slough in T03N, R18E, Sec 29, SENESW.
13. Water right 37-8485 and the unleased portions of water rights 37-22888, 37-22889 and 37-22914 when combined shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate and shall not exceed 20.0 acres.
14. 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. 37.
15. Diversion of ground water is limited to those times water is available for diversion under this right and priority from the Big Wood River.

ATTACHMENT A
WATER RIGHT NO. 37-22889
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: LYNN CAMPION
 PO BOX 3710
 HAILEY ID 83333
 208-788-4953

Priority Date: 07/15/1889

Source: GROUND WATER
 BIG WOOD RIVER

Tributary to: BIG WOOD RIVER
 MALAD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15 to	10/31	0.24 CFS	Not Stated
	Total:		0.24 CFS	Not Stated

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NE¼SW¼	Sec. 29, Twp 03N, Rge 18E, BLAINE County
GROUND WATER	SE¼SW¼	Sec. 29, Twp 03N, Rge 18E, BLAINE County
BIG WOOD RIVER	NE¼SE¼SW¼	Sec. 20, Twp 03N, Rge 18E, BLAINE County
BIG WOOD RIVER	SE¼NE¼SW¼	Sec. 29, Twp 03N, Rge 18E, BLAINE 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	
03N	18E	29									3.0			14.4					17.4

Total Acres: 17.4

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. If surface water is being diverted to satisfy this water right, it shall be measured at the point of diversion from the Purdum Slough in T03N, R18E, Sec 29, SENESW.
13. Water right 37-8485 and the unleased portions of water rights 37-22888, 37-22889 and 37-22914 when combined shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate and shall not exceed 20.0 acres.
14. 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. 37.
15. Diversion of ground water is limited to those times water is available for diversion under this right and priority from the Big Wood River.

ATTACHMENT A
WATER RIGHT NO. 37-22914
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: LYNN CAMPION
 PO BOX 3710
 HAILEY ID 83333
 208-788-4953

Priority Date: 10/31/1989

Source: GROUND WATER
 GROUND WATER

Tributary to: BIG WOOD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 11/01	0.29 CFS	50.4 AF
	Total:		0.29 CFS	50.4 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	SE¼SE¼SW¼	Sec. 29, Twp 03N, Rge 18E, BLAINE County
GROUND WATER	NE¼SW¼	Sec. 29, Twp 03N, Rge 18E, BLAINE County
GROUND WATER	SE¼SW¼	Sec. 29, Twp 03N, Rge 18E, BLAINE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

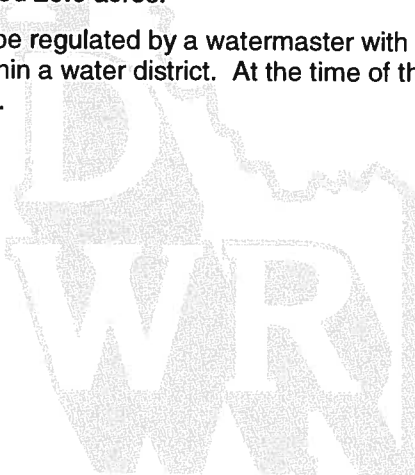
Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
03N	18E	29												14.4					14.4

Total Acres: 14.4

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. Water right 37-8485 and the unleased portions of water rights 37-22888, 37-22889 and 37-22914 when combined shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate and shall not exceed 20.0 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. 37.



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

MAR 17 2015

DEPARTMENT OF
WATER RESOURCESWATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLIST

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 Lynn H. CampionWater Right No. 37-22888
One water right per applicationAll 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. If you are submitting more than one lease application and the water rights have a common place of use, or common diversion rate, or common diversion volume, the combined maximum fee is \$500.00.

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.
- 3D ☐ ☒ 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. If you don't already have a detailed map, you can create one using IDWR's online General Mapping Tool (<http://maps.idwr.idaho.gov/mapall/>) to locate a water right place of use or point of diversion.

Department Use Only

Fee Amount \$

Received By: J. StrangeDate Received: 3-17-15Receipt # 5034362W-9 received? Yes ☒ No ☐

(Route W-9 to Fiscal)

Name on W-9: Lynn Campion

**STATE OF IDAHO
WATER RESOURCE BOARD**

**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 Lynn H. Campion Email Address lcampwaddell@me.com
Mailing Address PO Box 3710, Hailey, ID 83333 Phone Number 208-788-4953

☒ 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 Lori Graves Organization SPF Water Engineering, LLC
Professional Title Water Rights Specialist Email Address lgraves@spfwater.com
Mailing Address 300 East Mallerd Dr., Ste. 350, Boise, 83706 Phone Number 208-383-4140

☐ 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 37-22888 ☐ 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.

Shallow well, pump, headgates, ditches, sprinklers

- 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.
37-22889, 37-22914

C. Will the present place of use continue to receive water from any other source? Yes ☐ No ☒
If yes, describe. No

D. 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. _____

E. 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. 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, for a period from Submittal to 5 years (maximum lease period 5 years).
(Month / Day / Year) (Month / Day / 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.

Lynn H. Campion
Signature of Designated Applicant

Lynn H. Campion
Printed Name

3-12-15
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.

Water Right No. 37-22888

	Designated Applicant	Applicant #2	Applicant #3
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

17.4 acres within 37.4-acre
POU proposed for lease

29

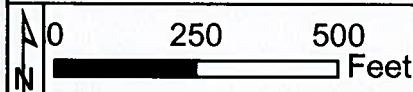
3N 18E

32

Legend

-  SW Rights POU per XFR approval (37.4 acres)
-  Irrigation to remain (20 acres)

37-22888 & 37-22889 Water Bank Lease Applications





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 20, 2015

LYNN CAMPION
PO BOX 3710
HAILEY ID 83333

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 37-22888, 37-22889 and 37-22914

Dear Lessor:

Water Rights 37-22888, 37-22889 and 37-22914 were leased into the Water Supply Bank on March 17, 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,

A handwritten signature in black ink, appearing to read "Jay Webster", is written over a horizontal line.

Jay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: Speck & Aanestad
IDWR Southern Region
Kevin Lakey – Water District No. 37
SPF Water Engineering LLC



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

LYNN CAMPION
PO BOX 3710
HAILEY ID 83333

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 37-22888, 37-22889 and 37-22914 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.

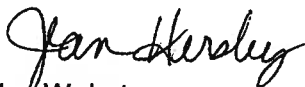
The rights will automatically be released from the Bank on **December 31, 2019**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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

c. SPF Water Engineering LLC
Speck & Aanestad

Hersley, Jean

From: Hersley, Jean
Sent: Friday, May 01, 2015 8:10 AM
To: Merritt, Allen; 'Kevin Lakey'
Subject: Lease applications for 37-22888, 37-22889 and 37-22914
Attachments: 37-22888.pdf; 37-22889.pdf; 37-22914.pdf; Lease Review Memo.docx

Attached are the applications and review memo. Please let me know your comments or concerns within 7 days. Thank you.

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

Hersley, Jean

From: Merritt, Allen
Sent: Friday, May 01, 2015 8:22 AM
To: Hersley, Jean
Subject: Re: Lease applications for 37-22888, 37-22889 and 37-22914

I do not have any issues.

Sent from my iPhone

On May 1, 2015, at 7:10 AM, Hersley, Jean <Jean.Hersley@idwr.idaho.gov> wrote:

Attached are the applications and review memo. Please let me know your comments or concerns within 7 days. Thank you.

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

<37-22888.pdf>

<37-22889.pdf>

<37-22914.pdf>

<Lease Review Memo.docx>

MEMORANDUM

To: Water Right No(s). 37-577CA (now 37-22888), 37-659A (now 37-22889), & 37-7017 (now 37-22914) and 37-8485

From: Michele Edl/Jean Hersley

Date: 2/11/2015

Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: On December 2, 2014, IDWR received three applications to lease portions of the above rights to the WSB for five years from 2015 - 2019.

Transfer 79235 acted on the three rights, adding PODs to each of them and splitting them. Transfer 79235 was approved in Southern Region on February 5, 2015. Former right 37-577CA is now represented by reduced right 37-577CA and 37-22888. Former right 37-659A is now represented by reduced right 37-369A and split 37-22889. Former Right 37-7017 is now represented by reduced right 37-7017 and split 37-22914.

Because the WSB lease applications were submitted before the transfer was approved, they list the pre-transfer water right numbers. On 2/11/2015, I conferred with the applicant's representative and confirmed that these lease applications intend to act on the larger split portions in each case. The WSB lease application naming 37-577CA is intended to act on 37-22888. The WSB lease application naming 37-659A is intended to act on 37-22889. And the application naming 37-7017 is intended to act on 37-22914.

New applications were submitted on March 17, 2015 for all six water rights. Applications for 37-577CA, 37-659A and 37-7017 will be returned as ownership for the land is under question. The Department will process the applications for 37-22888, 37-22889 and 37-22914.

AUTHORITY TO FILE: IDWR records show that Ms. Lynn H. Campion is still the owner of record for all the rights and the splits. Ms. Campion signed the applications.

WATER RIGHT VALIDITY: Right 37-7017 was decreed in the SRBA on January 28, 2015. Rights 37-577CA and 37-659A were decreed in the SRBA on January 29, 2010. Forfeiture is not an issue at this time.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: No enlargement is evident through the leases alone.

The POUss for rights 37-22888 and 37-22889 completely overlap and are for irrigation from surface water (the Big Wood River). 37-22914 is for irrigation from ground water and partially overlaps the POUss for 37-22888 and 37-22889. The system to divert and distribute the surface water from the new shallow wells has not yet been constructed. But conditions on the approval document of Transfer 79235, stacks the water rights.

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 surface and ground water rights are subject to Water District 37. The ground water rights are within the Big Wood River Ground Water Management area.

There is also a domestic/irrigation ground water right (37-8485) located within the POU. Although conditions on the transfer approval stack this right with the irrigation rights, the authorized POU on this water right will continue to be irrigated, 3 acres.

Comment will be solicited from WM and Southern Region.