

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective January 1, 2015, between the Idaho Water Resource Board ("**Board**"), and

Lessor: SV HOMEOWNERS ASSOCIATION INC
C/O AMI
PO BOX 5714
BOISE ID 83705
(208) 921-8973

RECEIVED
FEB 18 2015
DEPARTMENT OF
WATER RESOURCES

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>Total Leased Acres</u>
63-161BN	0.50 CFS	112.5 AF	25.0 AC
63-2932	0.18 CFS	2.5 AF	25.0 AC
Combined Lease Limits	0.50 CFS	112.5 AF	25.0 AC

The water rights described herein shall be available for rental from the Bank as follows:
Authorized Period of Use under Lease: March 1 to November 15

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 # 63-161BN

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

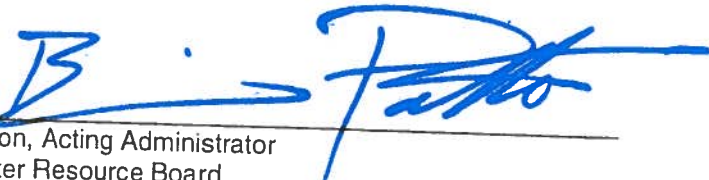
IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

SV HOMEOWNERS ASSOCIATION INC
PO BOX 5714
BOISE ID 83705

By 
Printed Name ELDON K. CROCKETT

Date 2/17/2015
Title TREASURER
SURPRISE VALLEY HOA

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 February 18, 2015

Lease approved by IDWR 

Date 2/18/2015

ATTACHMENT A
WATER RIGHT NO. 63-161BN
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: **SV HOMEOWNERS ASSOCIATION INC**
C/O AMI
PO BOX 5714
BOISE ID 83705
(208) 921-8973

Priority Date: 5/1/1866

Source: BOISE RIVER

Tributary to: SNAKE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01 to	11/15	0.50 CFS	112.5 AF
	Total:		0.50 CFS	112.5 AF

LOCATION OF POINT(S) OF DIVERSION:

BOISE RIVER L6(NW¼NE¼) Sec. 4, Twp 02N, Rge 03E, ADA 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	
02N	03E	4		14.5 L7			26.0 L3	3.0 L4											43.5
03N	03E	29											0.5 L6						0.5
03N	03E	32		1.5 L2	31.5	4.0 L1	24.0	8.5		16.5					35.0	10.0		8.0	139.0
03N	03E	33										16.0	34.5	21.5					72.0

Total Acres: 255

Limited to acres within place of use described above: 25 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. 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. 63 (Boise River).
13. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.5 afa per acre at the field headgate for irrigation of the lands above.
14. Un-leased portions of this right are limited to the irrigation of 116 acres within the authorized place of use in a single irrigation season.
15. Un-leased portions of rights 63-161BN and 63-2932 when combined shall not exceed a total diversion rate of 2.32 cfs, a total annual maximum diversion volume of 522.0 af at the field headgate, and the irrigation of 116 acres.

ATTACHMENT A
WATER RIGHT NO. 63-2932
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: SV HOMEOWNERS ASSOCIATION INC
C/O AMI
PO BOX 5714
BOISE ID 83705
(208) 921-8973

Priority Date: 3/16/1953

Source: BOISE RIVER

Tributary to: SNAKE RIVER

BENEFICIAL USE

IRRIGATION

From 03/01 to **To** 11/15

Diversion Rate

0.18 CFS

Total: 0.18 CFS

Volume

2.5 AF

2.5 AF

LOCATION OF POINT(S) OF DIVERSION:

BOISE RIVER SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 33, Twp 03N, Rge 03E, ADA 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	
02N	03E	4		14.5 L7			26.0 L3	3.0 L4											43.5
03N	03E	29											0.5 L6						0.5
03N	03E	32		1.5 L2	31.5	4.0 L1	24.0	8.5		16.5					35.0	10.0		8.0	139.0
03N	03E	33										16.0	34.5	21.5					72.0

Total Acres: 255

Limited to acres within place of use described above: 25 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:
 - d. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - e. 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.
 - f. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 63 – Boise River.
13. The primary source of water for the irrigation of up to 141 acres of the Surprise Valley Development is to be provided from Boise River water via Water Right No. 63-161BN. This water right is to be utilized to the maximum extent during periods of time when it is available for diversion. The water right holder shall develop and maintain operational storage in the amount of 4.0 to 6.0 acre-feet to enable this water right to be used to satisfy diurnal fluctuations in rate of flow demands.
14. The secondary source of water for the irrigation of up to 141 acres of the Surprise Valley Development is to be provided by ground water via Water Right No. 63-2932 (this right). This water right is to be utilized only during periods when (1) full diversion under Water Right No. 63-161BN is inadequate to provide sufficient water to satisfy the irrigation requirements, and (2) during periods not to exceed seven (7) days per irrigation season when the surface water system becomes un-operational due to an unanticipated mechanical failure. The total annual diversion volume under Right No. 63-2932 (this right) shall not exceed 14.0 acre feet.
15. Un-leased portions of this right are limited to the irrigation of 116 acres within the authorized place of use in a single irrigation season.
16. Un-leased portions of rights 63-161BN and 63-2932 when combined shall not exceed a total diversion rate of 2.32 cfs, a total annual maximum diversion volume of 522.0 af at the field headgate, and the irrigation of 116 acres.
17. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.5 afa per acre at the field headgate for irrigation of the lands above.

STATE OF IDAHO
WATER RESOURCE BOARDWATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLISTRECEIVED
NOV 13 2014
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 SV Homeowners' Association Inc.Water Right No. 63-2932

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. 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 \$ <u>500⁰⁰</u>	Received By: <u>CS</u>	Date Received: <u>11/13/14</u>	Receipt # <u>C099603</u>
W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)		Name on W-9: <u>SV Homeowners Association Inc. (Surprise Vall</u>	

**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 SV Homeowners' Association Inc. Email Address _____
Mailing Address c/o AMI, 1310 N. Main Street, Meridian, ID 83642 Phone Number 208-385-9650

☒ 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
Professional Title Water Rights Specialist Email Address lgraves@spfwater.com
Mailing Address 300 E Mallard Dr., Ste 350, Boise, ID 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 63-2932 ☐ 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.

Well, pump, pressurized irrigation system

- 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.
Overlapping ground water right 63- 161BN (same portion also being re-submitted to bank)

C. Will the present place of use continue to receive water from any other source?

Yes ☐ No ☒

If yes, describe. _____

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 date 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 ank does not, in itself, confirm the validity of the water right or any elements of the water right.


Signature of Designated Applicant

TREASURER - SVHOA

ELDON K. CROCKETT
Printed Name

11/12/2014
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. 63-2932

	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			

**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> |
|------------------------------|---------------------------|----------------------|----------------------|
| 63-2932 | 0.18 cfs/2.5 afa | Irrigation | 3/1 to 11/15 |
| | | | to |
| | | | to |
| | | | to |
| | | | to |
| | | | to |
| Total Amount: | 0.18 cfs/2.5afa | | |

2. Source of water Boise River tributary to Snake River

3. Point(s) of Diversion:

[illegible]

4. Lands irrigated or place of use: 25 acres within a 255-acre permissible place of use

[illegible]

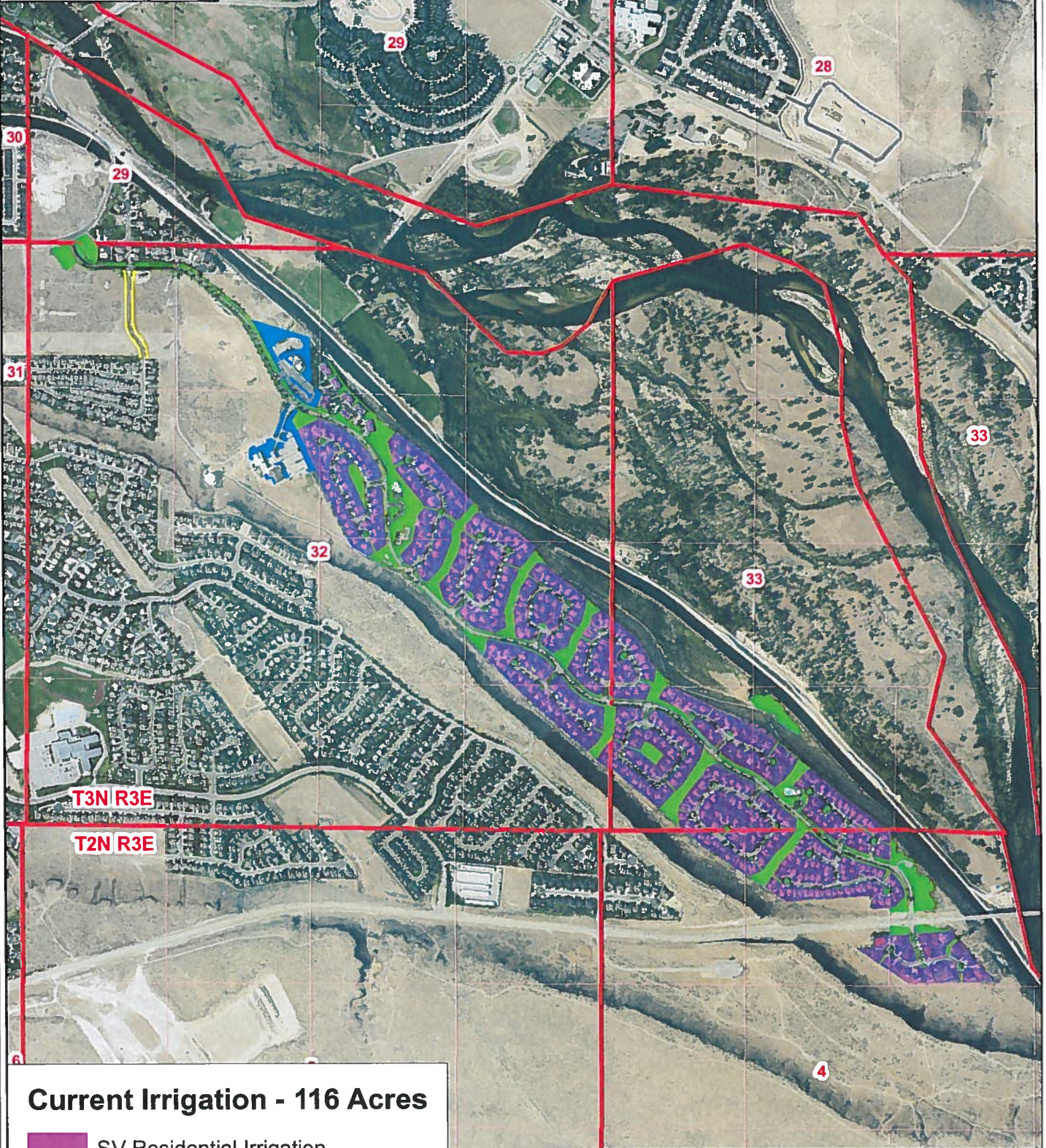
If the water right is for irrigation, show total number of acres offered to the Bank. **Total Acres** 255

*Plus 0.5...could not add due to space limitations

No. C 111404	Due no later than Jul 31, 2014 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. SV HOMEOWNERS' ASSOCIATION, INC. C/O AMI INC 1310 N MAIN ST MERIDIAN ID 83642-1703		ASSOCIATION MANAGEMENT INC 1310 N MAIN ST MERIDIAN ID 83642			
			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	LARRY CROWLEY	1310 N MAIN ST	MERIDIAN	ID	USA	83642-1703
TREASURER	ELDON CROCKETT	1310 N MAIN ST	MERIDIAN	ID	USA	83642-1703
VICE PRESIDENT	GARY WIGGINS	1310 N MAIN ST	MERIDIAN	ID	USA	83642-1703
5. Organized Under the Laws of: ID C 111404		6. Annual Report must be signed.* Signature: Margaret Lluellyn Name (type or print): Margaret Lluellyn Date: 07/31/2014 Title: Admin				
Processed 07/31/2014		* Electronically provided signatures are accepted as original signatures.				

2013 Photo

141 Decreed Acres
-116 Irrigated Acres
= 25 Water Bank Acres



Current Irrigation - 116 Acres

- SV Residential Irrigation
- SV Common Area
- Homestead Rim Strips
- Church Irrigation

SV HOA WB Lease Applications 63-141BN & 63-2932

