

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective June 23, 2014 between the Idaho Water Resource Board ("**Board**"), and

**Lessor: HOWARD WOOD
SHEILA WOOD**
2326 N 3000 W
ARCO ID 83213
(208) 527-3419
woodsheila@atcnet.net

RECEIVED
OCT 08 2014
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>Acre Limit</u>	<u>Total Leased Acres</u>
34-2478	0.76 CFS	Not Stated	0.00 AC	38.0 AC
34-2500B	0.13 CFS	Not Stated	0.00 AC	16.0 AC
Combined Lease Totals:	0.76 CFS	133.0 AF	38.0 AC	38.0 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, 2018.
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 # 34-2478

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.

• **HOWARD WOOD**
SHEILA WOOD
2326 N 3000 W
ARCO ID 83213

By Howard Wood
Printed Name Howard Wood

Date 10/5/14
Title JESSOR

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 October 8, 2014

Lease approved by IDWR Cherie Palmer

Date 10/8/2014

ATTACHMENT A
WATER RIGHT NO. 34-2478
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: HOWARD WOOD
SHEILA WOOD
2326 N 3000 W
ARCO ID 83213
(208) 527-3419

Priority Date: 06/16/1966

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>
IRRIGATION	04/01	to 11/01	0.76 CFS
	Total:		0.76 CFS

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 06 Twp 03N Rge 27E BUTTE 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	27E	6										38.0							38.0

Total Acres: 38.0

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
34-2478 and 34-2500B	0.76 CFS	133.0 AF	38.0 AC	38.0 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.

7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Use of this right with right no 34-2500B is limited to a total combined diversion rate of 0.76 cfs and to a total combined annual diversion volume of 133 af.
13. Use of this right with right no 34-2500B is limited to the irrigation of a combined total of 38.0 acres in a single irrigation season.

ATTACHMENT A
WATER RIGHT NO. 34-2500B
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: HOWARD WOOD
SHEILA WOOD
2326 N 3000 W
ARCO ID 83213
(208) 527-3419

Priority Date: 11/30/1966

Source: SPRINGS

Tributary to: SINKS

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>
IRRIGATION	04/01	to 10/31	0.13 CFS
	Total:		0.13 CFS

LOCATION OF POINT(S) OF DIVERSION:

SPRING SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 6 Twp 03N Rge 27E BUTTE 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	27E	6										16.0							16.0

Total Acres: 16.0

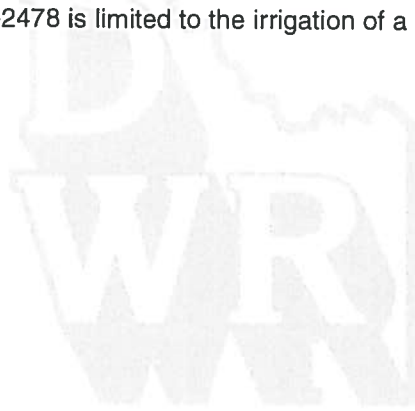
COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
34-2478 and 34-2500B	0.76 CFS	133.0 AF	38.0 AC	38.0 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.

7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Use of this right with right no 34-2478 is limited to a total combined diversion rate of 0.76 cfs and to a total combined annual diversion volume of 133.0 af.
13. Use of this right with right no. 34-2478 is limited to the irrigation of a combined total of 38.0 acres in a single irrigation season.



STATE OF IDAHO
WATER RESOURCE BOARD

WATER SUPPLY BANK LEASE OR SALE APPLICATION CHECKLIST

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JUN 02 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 Howard WoodWater Right No. 34-02478

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 <i>all owners</i> 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 | ☒ | ☐ | <i>Notice of Change in Water Right Ownership</i> 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: ASDate Received: 06/02/14Receipt # C098926W-9 received? Yes ☒ No ☐

(Route W-9 to Fiscal)

Name on W-9: Howard Wood

STATE OF IDAHO
WATER RESOURCE BOARD

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WATER RESOURCES

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 Howard Wood Email Address woodsheila@atcnet.net
Mailing Address 2326 N 3000 W Arco, ID 83213 Phone Number 208-527-3419

☐ 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 34-02478 ☒ 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.

There is none at the present-pump pulled due to diminished water level. We will notify IDWR or Watermaster when well is re-drilled in the future.

- 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.
source: spring (which is has been dry for over two years), right #34-02500B

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 June 1, 2014 to November 1, 2017 (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.

Howard Wood
Signature of Designated Applicant

Howard Wood
Printed Name

5/30/2014
Date

Signature of Authorized Representative

Printed Name

Date

Mail to:

Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Wood
34-02478RECEIVED
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DEPARTMENT OF
WATER RESOURCES

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 AGREEMENTA. 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 June 1, 2014 to November 1, 2017 (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

Howard Wood

Printed Name

Date

Signature of Authorized Representative

Printed Name

Date

Mail to:Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

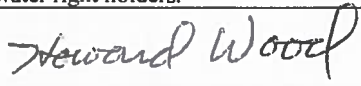
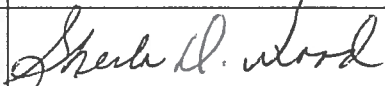
**STATE OF IDAHO
WATER RESOURCE BOARD**

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. 34-02478

	Designated Applicant	Applicant #2	Applicant #3
Name	Howard Wood	Sheila Wood	
Mailing Address	2326 N 3000 W Arco, ID 83213	2326 N 3000 W Arco, ID 83213	
Phone Number	208-527-3419	208-527-3419	
Email Address	woodsheila@atcnet.net	woodsheila@atcnet.net	
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			

24-02418 W0000



03N26E1NESE

03N26E1SESE

03N27E6NWSW

03N27E6NWSW



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

October 9, 2014

HOWARD WOOD
SHEILA WOOD
2326 N 3000 W
ARCO ID 83213

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 34-2478 and 34-2500B

Dear Lessor:

Water Rights **34-2478 and 34-2500B** were leased into the Water Supply Bank on June 23, 2014, 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, 2018**, 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 287-4944.

Sincerely,


Cherie Palmer
Water Rights Supervisor
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: James Cefalo – IDWR Eastern Region
Watermaster – Water District # 34



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

September 29, 2014

HOWARD WOOD
SHEILA WOOD
2326 N 3000 W
ARCO ID 83213

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 34-2478 and 34-2500B 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 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.

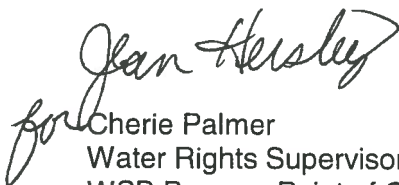
The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your rights may not be available for immediate release if they have been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

If you have questions regarding this matter, please contact me at 287-4944.

Sincerely,


Cherie Palmer
Water Rights Supervisor
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

Hersley, Jean

From: Cefalo, James
Sent: Monday, August 11, 2014 9:00 AM
To: Hersley, Jean
Subject: RE: WSB Lease for 34-2478 and 34-2500B

Jean,

I think there are real forfeiture concerns with water right 34-2478. The point of diversion for right 34-2478 is a ground water well located on the property. Therefore, the drought declarations should not have had any effect on the water user's ability to irrigate. I will defer to your judgment as to whether water right 34-2478 has been forfeited. Instead of arguing no forfeiture due to drought, you may want to argue that the 2009 aerial photo shows irrigation.

James

From: Hersley, Jean
Sent: Monday, August 11, 2014 8:09 AM
To: Cefalo, James; M TODD PERKES (watermaster34@atcnet.net)
Subject: WSB Lease for 34-2478 and 34-2500B

The water right holder wishes to lease the entirety of both rights to the Bank. Please let me know within 7 days if you have any comments or concerns. Review memo is attached.
Thank you.

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



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

July 25, 2014

HOWARD WOOD
SHEILA WOOD
2326 N 3000 W
ARCO ID 83213

*The additional \$250.00 is enclosed
Please include 34-2500B for 5 years, 2014-2018
Thanks for your patience and help.*

Sheila Wood

C.L. BUTCHER OTTER
Governor

RECEIVED

AUG 08 2014

DEPARTMENT OF
WATER RESOURCES

RE: Applications to Lease Water Rights to Water Supply Bank for Water Rights: 34-2478 and 34-2500B

Dear Lessor:

The Department received your correspondence that indicates water right 34-2500B has not been diverted in many years because the source associated with water right has been unavailable. Regardless of the deliverability of water right 34-2500B, conditions on water right 34-2478 and 34-2500B tie the water rights together.

The Water Supply Bank Rules provide criteria to be considered when determining whether to accept a water right into the Bank. The criteria include assessing whether enlargement will occur upon rental of the right. Water right 34-2500B, judging by the legal description of the irrigated place of use and the condition limiting irrigated acres, is stacked with 34-2478 and rental of 34-2478 alone would constitute an enlargement of the right.

At this point you have three options regarding your lease applications:

1). Remit the lease application for water right 34-2500B. Once the Department receives the fee, water right 34-2478 and water right 34-2500B will be accepted into the bank and protected for up to 5 years. Please note that the lease applications cost \$250 each regardless of the amount of years you would like to lease the water rights. Because we received the applications this year and you have not been using water this year, it is in your best interest to lease these water rights beginning in 2014.

OR

2). Withdraw your lease application of 34-2478 and 34-2500B. Please note the forfeiture period is not tolled unless a right is accepted into the Bank, or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223.

OR

3). You may abandon water right 34-2500B. The Department would be able to accept the lease of 34-2478 into the bank if water right 34-2500B was no longer connected to water right 34-2478. Abandoning water right 34-2500B means that the abandoned water right would be permanently expunged from the Department's water rights database.



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

July 25, 2014

HOWARD WOOD
SHEILA WOOD
2326 N 3000 W
ARCO ID 83213

RE: Applications to Lease Water Rights to Water Supply Bank for Water Rights: 34-2478 and 34-2500B

Dear Lessor:

The Department received your correspondence that indicates water right 34-2500B has not been diverted in many years because the source associated with water right has been unavailable. Regardless of the deliverability of water right 34-2500B, conditions on water right 34-2478 and 34-2500B tie the water rights together.

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At this point you have three options regarding your lease applications:

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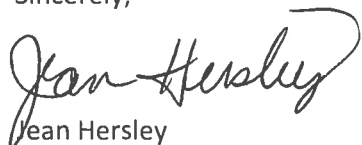
OR

3). You may abandon water right 34-2500B. The Department would be able to accept the lease of 34-2478 into the bank if water right 34-2500B was no longer connected to water right 34-2478. Abandoning water right 34-2500B means that the abandoned water right would be permanently expunged from the Department's water rights database.

Please let me know at your earliest convenience on how you would like to proceed. If I do not receive a response in 15 days, your lease applications will be returned to you unprocessed. If the application is returned to you, the Department would retain the fees that have already been paid to offset the cost of reviewing your lease applications.

If you have any questions, please contact Cherie Palmer at (208) 287-4944. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jean Hersley". The signature is fluid and cursive, with a large loop at the end of the last name.

Jean Hersley

Technical Records Specialist II

RECEIVED

JUN 23 2014

DEPARTMENT OF
WATER RESOURCES

June 21, 2014

To Whom it May Concern:

I wasn't aware that I had to submit an additional application for 34-2500B. I consider it a separate right because it is a spring that is dry. I did not want to lease it to begin with.

I hesitate to send more money without clarification from you or a lawyer.

I did what I could with this application because of the 14 day time constraint. I have been working where I can't make a long distant call and no cell service. I have Friday, June 27 off and will be able to make a call, if need be.

Additionally, due to the delay in processing, I wish to change the start and end dates for both rights to May 1, 2015 through November 1, 2018. The irrigation season may be over for 2014 before this gets resolved.

Sincerely,

Sheila D. Wood
woodsheila@atenet.net



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

June 10, 2014

HOWARD WOOD
SHEILA WOOD
2326 N 3000 W
ACRO ID 83213

**RE: APPLICATION(S) TO SELL LEASE A WATER RIGHT TO THE WATER SUPPLY BANK
FOR WATER RIGHT NO(S). 34-2478**

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

Dear Lessor:

The Department of Water Resources received an application to Lease Water Right 34-2478 from you on June 2, 2014. During the review of this application, it was discovered that this right overlaps with water right 34-2500B. You will need to complete another Application to Sell or Lease a Water Right to the Water Supply Bank for water right 34-2500B or withdraw your application of water right 34-2478. I have enclosed an application for you or you may find this form and all water right forms on our website, www.idwr.idaho.gov.

Because the Department cannot process the Application to lease this water right without the accompanying application, we will hold any action on your application pending receipt of the necessary information. If we do not receive the necessary information within **14 days**, this application will be denied because it cannot be processed without the additional application.

If you have any questions or no longer have an interest in the water right, please contact me at (208) 287-4944.

Sincerely,

for Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure

MEMORANDUM

To: Water Right No(s). 34-2478 and 34-2500B
From: Jean Hersley
Date: June 9, 2014
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: the Department received this application on June 2, 2014. The applicant wished to place the entire right in the Bank. This water right is located in Butte County, in which a drought declaration has been made by the State. Emergency drought declarations has been issued by the state in 2014, 2013, 2010 and 2008.

This water right overlaps completely with water right 34-2500B. The applicant will be asked to submit a Lease application for this overlapping right. The Department received an application to lease water right 34-2500B on June 23, 2014, with no fees. A letter was written and fees were received on August 8, 2014.

AUTHORITY TO FILE: The application was signed by the designated applicant.

WATER RIGHT VALIDITY: The water rights were decreed in 1997. 2009 aerial photography shows irrigation. We are giving them the benefit of doubt that irrigation has taken place in the last 5 years.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

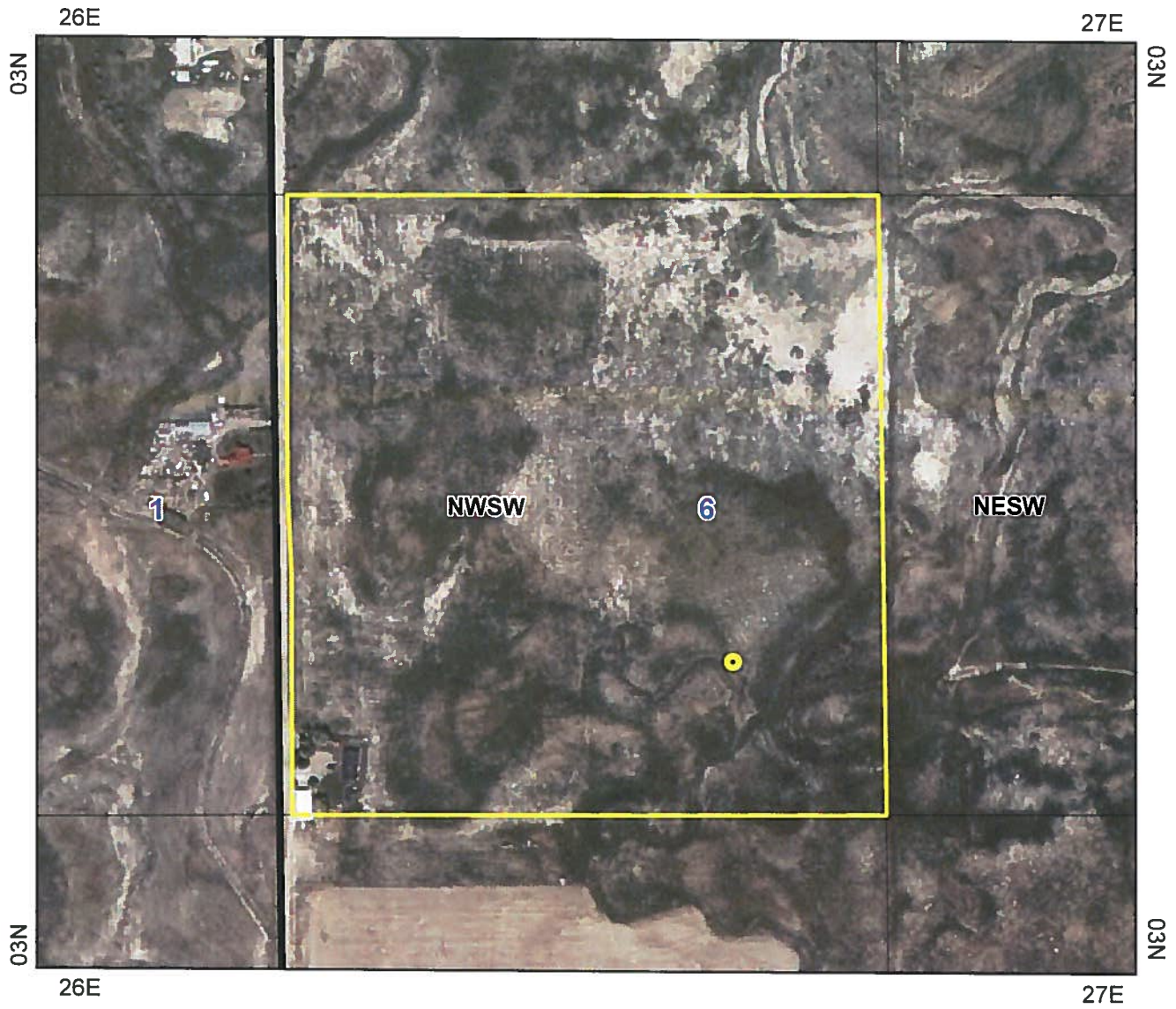
ENLARGEMENT OF USE: No enlargement is evident through the lease alone. Proper rental review should protect against enlargement.

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 subject to Water District # 34.

State of Idaho
Department of Water Resources
Water Right License
34-2478



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

0 0.045 0.09 0.18 Miles

