

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective April 24, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: NEW UNION DITCH CO LTD
PO BOX 31
EAGLE ID 83616
208-859-9360

RECEIVED
JUN 24 2014
Department of Water Resources
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>Acre Limit</u>	<u>Total Leased Acres</u>
63-146	5.43 CFS	NA	271.7 AC
Combined Lease Totals:	5.43 CFS	NA	271.7 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.

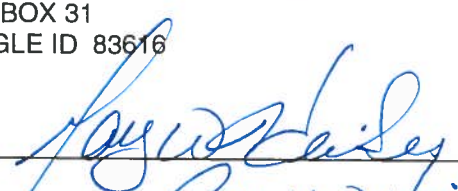
Minimum Payment Acceptable: Current Rental Rate

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

NEW UNION DITCH CO LTD

PO BOX 31
EAGLE ID 83616

By 

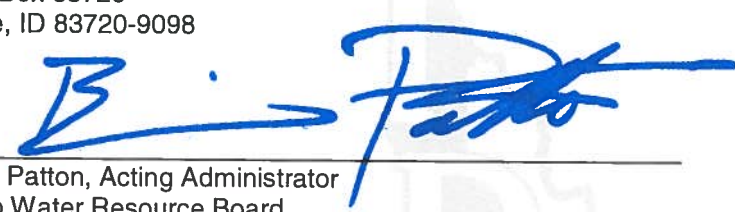
Printed Name Gary W Heikes

Date June 22 2014

Title President

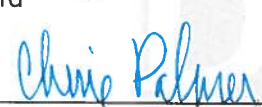
IDAHO WATER RESOURCE BOARD

322 East Front Street
P.O. Box 83720
Boise, ID 83720-9098

By 

Brian Patton, Acting Administrator
Idaho Water Resource Board

Date June 24, 2014

Lease approved by IDWR 

Date June 24, 2014

ATTACHMENT A
WATER RIGHT NO. 63-146
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: NEW UNION DITCH CO LTD
PO BOX 31
EAGLE ID 83616
208-859-9360

Priority Date: 06/01/1865

Source: BOISE RIVER

Tributary to: SNAKE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>
IRRIGATION	03/01	to 11/15	5.43 CFS
	Total:		5.43 CFS

LOCATION OF POINT(S) OF DIVERSION:

BOISE RIVER L1 (NE¼SE¼) Sec. 23 Twp 04N Rge 01E ADA County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Large POU not Displayed

Total Acres: 686.5

Limited to acres within place of use described above: 271.7

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.

9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. The unleased portion of this right is limited to the irrigation of 378.1 acres within the boundary of the New Union ditch Co LTD in a single irrigation season.
13. Use of this 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.
14. Diversion for irrigation under this water right prior to April 1 and after October 31 shall occur only as authorized by the Water District 63 watermaster and only when water is being released for flood control by the United States from the Lucky Peak Dam outlet under procedures and requirements for the Memorandum of Agreement between the US Department of the Army and the US Department of the Interior for Flood Control Operations of the Boise River Reservoirs, dated November 20, 1953, the Water Control Manual for Boise River Reservoir Dated April 1985 and any future amendments or revisions made thereto pursuant to state or federal procedures or law; provided that any such use of this water right prior to April 1 and after October 31 shall be subordinated to water rights for storage in Lucky Peak Reservoir, Lake Lowell, Arrowrock Reservoir and/or Anderson Ranch Reservoir, as decreed in SRBA Case No. 39576.
15. This right shall receive 100 percent of its decreed quantity until the natural flow of the waters of the Boise River shall decrease so that all rights containing this condition cannot receive 100 percent of their decreed quantities, at which time this right and the other rights containing this condition shall first be cut to 75 percent of their decreed quantities, as the natural flow of the river decreases, beginning with the latest rights containing this condition and preceding to the earliest rights containing this condition in the order of their priority dates, and after all of the rights containing this condition shall have been reduced to 75 percent of their decreed quantities, should the natural flow of the waters of the river decrease below the amount necessary to supply 75 percent of those decreed quantities, then this right and the other rights containing this condition, beginning with the latest and preceding to the earliest, shall be reduced to 60 percent of their decreed quantities.

STATE OF IDAHO
WATER RESOURCE BOARD

WATER SUPPLY BANK LEASE OR SALE APPLICATION CHECKLIST

RECEIVED
APR 24 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 New Union Ditch Co., Ltd.Water Right No. 63-146
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 <u>Internal Revenue Service (IRS) Form W-9</u> 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 \$ <u>250⁰⁰</u>	Received By: <u>DS</u>	Date Received: <u>4/24/14</u>	Receipt # <u>C098740</u>
W-9 received? Yes ☒ No ☐	(Route W-9 to Fiscal)	Name on W-9: <u>New Union Ditch Co. LLC</u>	

STATE OF IDAHO
WATER RESOURCE BOARDRECEIVED
APR 24 2014
DEPARTMENT OF
WATER RESOURCESAPPLICATION 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 New Union Ditch Co., Ltd. Email Address _____
Mailing Address PO Box 31, Eagle, ID 83616 Phone Number 208-859-9360

☒ 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 Christian Petrich Organization SPF Water Engineering, LLC
Professional Title Principal Engineer/Hydrologist Email Address cpetrich@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 63-146 ☐ 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.

Gravity ditch 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.

Various private domestic and municipal water rights

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. Non-use protected per (1) Section 42-222, Subsection 7, Idaho Code and (2) Extension of Time to Avoid Forfeiture approved until 7/1/2017

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.
standard 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.

Signature of Designated Applicant

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. 63-146

	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			

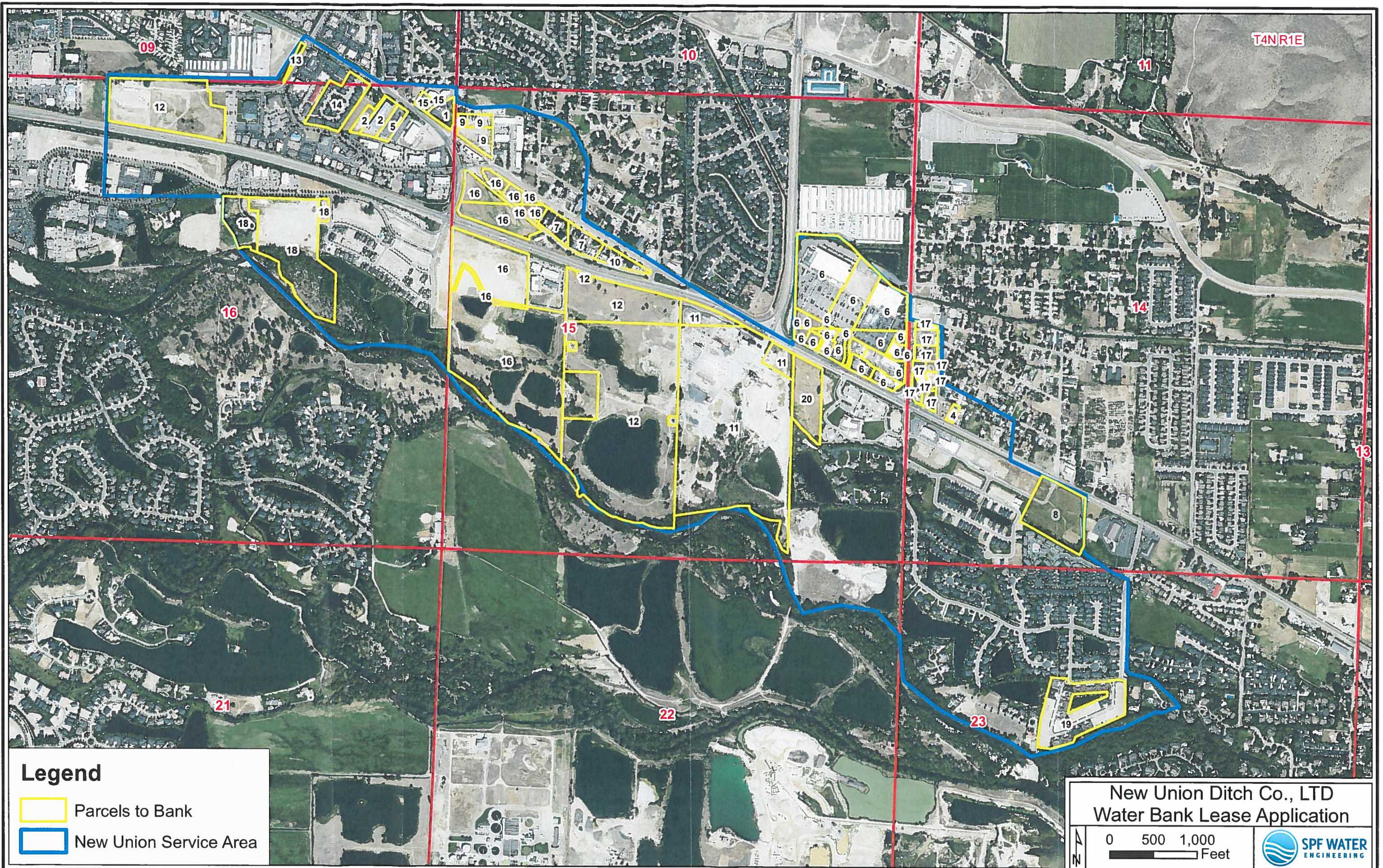
	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated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

CALCULATION OF WATER BANK LEASE ACRES

ID	OWNER	PARCEL NO.	PARCEL ACRES (within service area)	AGGREGATE PARCEL SIZE	NEW UNION SHARES	WATER BANK ACRES
1	LGJ INC	S0516110026	1.680	1.68	1.81	1.68
2	MCCAULEY JAMES R & ARLENE TRUST	S0516110130	2.000	2.94	4.00	2.94
2	MCCAULEY JAMES R & ARLENE TRUST	S0516110180	0.940			
4	GORDON JONES INC	R7334200010	0.360	0.36	1.35	0.36
5	ZEKO DANNY	S0516110126	1.390	1.39	1.72	1.39
6	WINCO FOODS LLC	R9714000010	5.888	37.33	31.64	31.64
6	WINCO FOODS LLC	R9714000020	2.702			
6	EAGLE DEVELOPMENT ASSOCIATES LLC	R9714000030	6.000			
6	EAGLE DEVELOPMENT ASSOCIATES LLC	R9714000040	0.169			
6	HD DEVELOPMENT OF MARYLAND INC	R9714000050	12.077			
6	EAGLE DEVELOPMENT ASSOCIATES LLC	R9714000063	1.036			
6	EAGLE DEVELOPMENT ASSOCIATES LLC	R9714000073	0.119			
6	EAGLE DEVELOPMENT ASSOCIATES LLC	R9714000080	0.113			
6	EAGLE DEVELOPMENT ASSOCIATES LLC	R9714000090	0.544			
6	EAGLE DEVELOPMENT ASSOCIATES LLC	R9714000100	0.641			
6	PETERSON HOLDING LLC	R9714000113	0.136			
6	PETERSON HOLDING LLC	R9714000123	0.603			
6	AYLAIAN FAMILY 1991 REVOCABLE TRUST	R9714000130	0.561			
6	L SQUARED LLC	R9714000140	1.094			
6	STODDARD PROPERTY INVESTMENTS LP	R9714000160	1.112			
6	EP12 LLC	R9714000170	1.036			
6	EP 13 LLC	R9714000180	2.276			
6	WINCO HOLDINGS INC	R9714000192	0.340			
6	RIM VIEW LLC	R9714000210	0.651			
6	WINCO HOLDINGS INC	R9714000230	0.229			
7	EAGLE PARK INC	S0515233650	1.760	3.96	5.00	3.96
7	EAGLE PARK INC	S0515233651	2.200			
8	STATE STREET PROPERTY LLC	S0514346650	9.576	9.58	1.75	1.75
9	HALL INVESTMENTS LP	S0515223101	1.040	3.39	14.20	3.39
9	HALL INVESTMENTS LP	S0515223105	0.350			
9	HALL INVESTMENTS LP	S0515223153	2.000			
10	HOFFER RANDY	S0515244310	1.470	1.47	2.25	1.47
11	OLDCASTLE MMG INC	S0515131303	2.640	66.61	78.61	66.61
11	MONROC INC	S0515427800	2.040			
11	OLDCASTLE MMG INC	S0515428050	61.930			

CALCULATION OF WATER BANK LEASE ACRES

ID	OWNER	PARCEL NO.	PARCEL ACRES (within service area)	AGGREGATE PARCEL SIZE	NEW UNION SHARES	WATER BANK ACRES
12	KALDENBERG MILAN	S0515244405	0.234	86.38	57.25	57.25
12	KALDENBERG MILAN	S0515244505	12.651			
12	KALDENBERG MILAN	S0515314910	57.142			
12	KALDENBERG MILAN	S0516212425	16.354			
13	ROCKY MOUNTAIN BUSINESS PARK ASSOCIATION INC	R5674010250	0.419	0.42	0.95	0.42
14	PACIFIC HEIGHTS SUB	NUMEROUS	5.953	5.95	5.96	5.95
15	DECHAMBEAU FAMILY 1 LLC	R3295510010	0.468	0.80	1.81	0.80
15	DECHAMBEAU FAMILY 1 LLC	R3295510020	0.330			
16	ROCK CONTRACTORS INC	S0515233920	11.830	60.45	91.58	60.45
16	ADA COUNTY HIGHWAY DISTRICT	S0515233960	0.958			
16	ROCK CONTRACTORS INC	S0515325555	37.385			
16	ROCK CONTRACTORS INC	S0515223324	1.050			
16	ROCK CONTRACTORS INC	S0515223360	2.407			
16	ROCK CONTRACTORS INC	S0515223365	4.892			
16	ROCK CONTRACTORS INC	S0515223400	0.790			
16	ROCK CONTRACTORS INC	S0515223452	0.713			
16	ROCK CONTRACTORS INC	S0515223401	0.040			
16	ROCK CONTRACTORS INC	S0515223450	0.380			
17	KINGDOM HOLDINGS LLC	R7025310037	0.661	4.72	9.00	4.72
17	STOENNER CRAIG H	R7025310052	0.370			
17	P J C DEVELOPMENT COMPANY INC	R7025310065	0.360			
17	P J C DEVELOPMENT COMPANY INC	R7025310080	0.420			
17	CJSD HOLDINGS INC	R7025310095	0.540			
17	PETTICOAT JUNCTION PROPERTY OWNERS ASSOCIATION INC	R7025310112	0.918			
17	BERRYMAN MICK	R7334201550	0.380			
17	RAMSEY ELLIS LLC	R7334201562	1.073			
17	CASHMAN RICHARD L	R7334201585	1.072			
18	TAUNTON PROPERTIES LLC	R5321520010	0.674	23.67	8.60	8.60
18	SEA 2 SEA LLC	S0516131225	4.416			
18	BHH INVESTMENTS II LLC	S0516131325	18.583			
19	ULMER LANE TOWNHOME SUB	NUMEROUS	12.055	12.06	13.82	12.06
20	ALI LLC	S0515417575	6.236	6.24	6.24	6.24
TOTALS				329.4	337.5	271.7





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 24, 2014

NEW UNION DITCH CO LTD
PO BOX 31
EAGLE ID 83616

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 63-146

Dear Lessor:

Water Right 63-146 was leased into the Water Supply Bank on April 24, 2014 in accordance with the executed original Lease Contract enclosed. **Your water right as described on the Lease Contract is considered leased into the Bank and should remain unused until it is formally released from the Bank.**

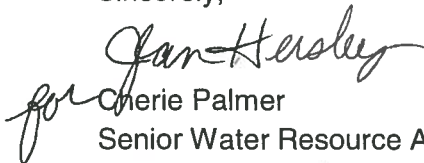
The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. **Please note your rights may not be available for immediate release if they have been rented.** To release the right from the Bank prior to the 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,


for Cherie Palmer

Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: SPF Water Engineering LLC
John Westra- IDWR Western Regional Manager
Water District No. 63



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 16, 2014

NEW UNION DITCH CO LTD
PO BOX 31
EAGLE ID 83616

RE: APPLICATION(S) TO LEASE WATER RIGHT 63-146 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.

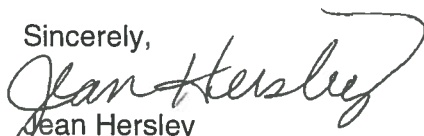
Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"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."

I have enclosed a copy of the Form W9 that was submitted with your application. Please fill in the highlighted areas and return it with your signed lease contracts.

If you have questions regarding this matter, please contact me at 287-4942.

Sincerely,


Jean Hersley
Technical Records Specialist II

Enclosure: Proposed Lease Contracts

c. SPF Water Engineering LLC

Hersley, Jean

From: Lester, Steve
Sent: Wednesday, June 11, 2014 2:27 PM
To: Hersley, Jean
Subject: RE: Water Supply Bank Lease Application 63-146 New Union Ditch Co

Jean:

Leasing 42% of irrigation in New Union Ditch Co. right 63-146 looks very good.

Provides 5.43 cfs / 272 acres possible rental thru 2018 if accepted to WSB.

Excellent tool for short-term uses etc. --- but *not* for long-term mitigation required under some types of applications for permit.

Am providing this info to Western with copy to Shelley Keen & Rob Whitney for handy reference if this will help in some situations.

Steve

From: Hersley, Jean
Sent: Thursday, June 05, 2014 11:12 AM
To: Lester, Steve; Rex Barrie (waterdistrict63@qwestoffice.net)
Subject: Water Supply Bank Lease Application 63-146 New Union Ditch Co

I have attached my review memo and the application for your benefit. Please review and let me know if you have any comments or concerns about this application. Please respond within 14 days. If no response is received, I will continue processing the application.

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

Hersley, Jean

From: Rex Barrie [waterdistrict63@qwestoffice.net]
Sent: Friday, June 06, 2014 7:08 AM
To: Hersley, Jean
Subject: RE: Water Supply Bank Lease Application 63-146 New Union Ditch Co

Jean,

I have no objection to this application.

Rex R. Barrie
Boise River Watermaster

From: Hersley, Jean [<mailto:Jean.Hersley@idwr.idaho.gov>]
Sent: Thursday, June 05, 2014 11:12 AM
To: Lester, Steve; Rex Barrie (waterdistrict63@qwestoffice.net)
Subject: Water Supply Bank Lease Application 63-146 New Union Ditch Co

I have attached my review memo and the application for your benefit. Please review and let me know if you have any comments or concerns about this application. Please respond within 14 days. If no response is received, I will continue processing the application.

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

MEMORANDUM

To: Water Right No(s). 63-146
From: Jean Hersley
Date: June 5, 2014
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: The Department received this application on April 24, 2014. The applicant wants to put 271.7 acres into the Bank. The specific acres are noted on a map attached to the application. An Extension of Time to Avoid Forfeiture was approved on February 26, 2013 and use to resume on or by July 1, 2017. Attached is the reason NUDC gave for the extension and Water Bank Application. Applicant will be asked to release extension in lieu of Bank. Lease will expire after the 2018 season.

AUTHORITY TO FILE: The application was signed by Gary Heikes, president.

WATER RIGHT VALIDITY: The water right was decreed in 2007. Forfeiture is not an issue.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

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

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The lease appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The leased right(s) are subject to Water District # 63.

The SRBA partial decree for water right 63-146 was entered on September 21, 2007. The service area for the NUDC is an area that has rapid urbanization occurring since the start of the SRBA on November 19, 1987. The water master records for delivery of this water right for 2011 indicate no more than 8.0 cfs of the 13.76 cfs were delivered. NUDC does not want to lose any of water right 63-146 due to non-use.

For a number of years, NUDC has been working actively with other water users and has obtained transfers of 63-146 for continued but changed uses within the NUDC service area. NUDC also intends to place the portion of water right 63-146 that is not in current use by its shareholders into the IWRB water supply bank. It is the intent of NUDC to make every effort to continue full use of water right 63-146 within the Boise River drainage.

SCANNED
FEB 01 2013



SPF WATER
ENGINEERING

April 23, 2014

RECEIVED
APR 24 2014
DEPARTMENT OF
WATER RESOURCES

Cherie Palmer
IDWR State Office
PO Box 83720
Boise, ID 83720-0098

Subject: *New Union Ditch Co., Ltd. Water Bank Lease Application*

Dear Cherie,

Enclosed on behalf of New Union Ditch Co., Ltd., is an application to lease a portion of water right 63-146 to the Idaho Water Supply Bank.

Check No. 1122 is enclosed for the \$250 enrollment fee. Please let me or Christian Petrich know if you have any questions. Thanks Cherie.

Sincerely,

Lori Graves
Water Rights Specialist

Cc: Gary Heikes, New Union Ditch Co., Ltd.

Enclosures

SPF file number: 1087.0010