

# WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective January 1, 2014, between the Idaho Water Resource Board ("**Board**"), and

**Lessor:** MITCHELL D SORENSEN  
ELAINE R SORENSEN  
3871 W 2500 N  
MOORE ID 83255  
(208) 527-3271

RECEIVED

MAY 07 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> |
|-------------------------------|-------------------|---------------------|-------------------|---------------------------|
| 34-07035B                     | 0.13 CFS          | 34.3 AF             | NA                | 9.8 AC                    |
| 34-07052                      | 6.00 CFS          | 2,195.5 AF          | NA                | 472.0 AC                  |
| 34-07110                      | 8.07 CFS          | N/A                 | NA                | 472.0 AC                  |
|                               | 13.49 CFS         | 2,360.0 AF          |                   | 472.0 AC                  |
| <b>Combined Lease Totals:</b> | <b>13.62 CFS</b>  | <b>2,394.3 AF</b>   | <b>N/A</b>        | <b>481.8 AC</b>           |

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

Authorized Period of Use under Lease: 04/01 to 11/01

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.

SUPPORT DATA

FILE # 34-7035B

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.

**MITCHELL D SORENSEN**

3871 W 2500 N  
MOORE ID 83255

By 

Printed Name Mitchell D. Sorensen

Date May 5, 2014

Title owner

**ELAINE R SORENSEN**

3871 W 2500 N  
MOORE ID 83255

By 

Printed Name Elaine R. Sorensen

Date May 5, 2014

Title Owner

**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 05-07-2014

Lease approved by IDWR 

Date 05-07-2014

**ATTACHMENT A**  
**WATER RIGHT NO. 34-07035B**  
**WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE**

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

**Lessor:** MITCHELL D SORENSEN  
 3871 W 2500 N  
 MOORE ID 83255  
 (208) 527-3271

**Priority Date:** 4/12/1973

**Source:** GROUND WATER

| <u>BENEFICIAL USE</u> | <u>From</u>   | <u>To</u> | <u>Diversion Rate</u> | <u>Volume</u>  |
|-----------------------|---------------|-----------|-----------------------|----------------|
| IRRIGATION            | 04/01         | to 11/01  | 0.13 CFS              | 34.3 AF        |
|                       | <b>Total:</b> |           | <b>0.13 CFS</b>       | <b>34.3 AF</b> |

**LOCATION OF POINT(S) OF DIVERSION:**  
 GROUND WATER SESE Sec. 5, Twp 04N, Rge 26E, BUTTE County

**PLACE OF USE TO BE IDLED UNDER THIS LEASE:** IRRIGATION

|     |     |     | NE |    |    |    | NW |    |     |     | SW |    |    |    | SE |    |    |    | Totals |
|-----|-----|-----|----|----|----|----|----|----|-----|-----|----|----|----|----|----|----|----|----|--------|
| Twp | Rng | Sec | NE | NW | SW | SE | NE | NW | SW  | SE  | NE | NW | SW | SE | NE | NW | SW | SE |        |
| 03N | 25E | 2   |    |    |    |    |    |    | 4.3 | 5.5 |    |    |    |    |    |    |    |    | 9.8    |

Total Acres: 9.8

Limited to acres within place of use described above: 9.8

**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> |
|----------------------------------|-------------------|---------------------|-------------------|---------------------------|
| 34-7035B, 34-7052<br>and 34-7110 | 13.62 CFS         | 2,394.3 AF          | NA                | 481.8 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. Use of rights 34-2428 and 34-12416 and the unleased portion of 34-7035B are limited when combined to one or more of the following in accordance with the conditions of approval on the water rights: total combined diversion rate of 8.70 cfs and annual diversion volume of 3,717.3 af.
7. Use of rights 34-496A, 34-692D, 34-2428 and 34-12416 and the unleased portion of 34-7035B are limited when combined to one or more of the following in accordance with the conditions of approval on the water rights: 935.2 total acres authorized for irrigation.
8. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
9. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
10. 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.
11. 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.
12. 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.
13. 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.
14. The period of use for irrigation described above may be extended in seasons of unusual characteristics to a beginning date of 04-20 and an ending date of 10-31 at the discretion of the Director of the Idaho Department of Water Resources.
15. This right is subject to regulation by the Watermaster of Water District 34.

**ATTACHMENT A**  
**WATER RIGHT NO. 34-07052**  
**WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE**

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

**Lessor:** MITCHELL D SORENSEN  
 ELAINE R SORENSEN  
 3871 W 2500 N  
 MOORE ID 83255  
 (208) 527-3271

**Priority Date:** 11/13/1973

**Source:** GROUND WATER

| <u>BENEFICIAL USE</u> | <u>From</u>   | <u>To</u> | <u>Diversion Rate</u> | <u>Volume</u>     |
|-----------------------|---------------|-----------|-----------------------|-------------------|
| IRRIGATION            | 04/01         | to 11/01  | 6.00 CFS              | 2,195.5 AF        |
|                       | <b>Total:</b> |           | <b>6.00 CFS</b>       | <b>2,195.5 AF</b> |

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

|              |        |                                            |
|--------------|--------|--------------------------------------------|
| GROUND WATER | NWSWSW | Sec. 27, Twp 05N, Rge 26E, BUTTE County    |
| GROUND WATER | NWNWNW | Sec. 26, Twp 04N, Rge 26E, BUTTE County(I) |
| GROUND WATER | NWNWNW | Sec. 26, Twp 04N, Rge 26E, BUTTE County(R) |

**PLACE OF USE TO BE IDLED UNDER THIS LEASE:** IRRIGATION

| Twp | Rng | Sec | NE | NW | SW | SE | NE | NW   | SW   | SE | NE   | NW   | SW   | SE   | NE   | NW   | SW   | SE   | Totals |
|-----|-----|-----|----|----|----|----|----|------|------|----|------|------|------|------|------|------|------|------|--------|
| 04N | 27E | 28  |    |    |    |    |    |      |      |    |      |      | 40.0 | 40.0 |      |      |      |      | 80.0   |
| 04N | 27E | 29  |    |    |    |    |    |      |      |    | 39.0 | 40.0 | 39.0 | 39.0 | 40.0 | 40.0 | 39.0 | 39.0 | 315.0  |
|     |     |     |    |    |    |    |    |      |      |    |      |      | L4   | L3   |      |      | L2   | L1   |        |
| 04N | 27E | 32  |    |    |    |    |    | 39.0 | 38.0 |    |      |      |      |      |      |      |      |      | 77.0   |

Total Acres: 472.0

Limited to acres within place of use described above: 472.0 AC

**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> |
|----------------------------------|-------------------|---------------------|-------------------|---------------------------|
| 34-7052 and 34-7110              | 13.49 CFS         | 2,360.0 AF          | NA                | 472.0 AC                  |
| 34-7035B, 34-7052<br>and 34-7110 | 13.62 CFS         | 2,394.3 AF          | NA                | 481.8 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. Point of injection and point of redirection from Big Lost River.
13. Water is delivered through Island Canal and Arco Canal.
14. This right is subject to regulation by the Watermaster of Water District 34.

**ATTACHMENT A**  
**WATER RIGHT NO. 34-07110**  
**WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE**

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

**Lessor:** MITCHELL D SORENSEN  
 ELAINE R SORENSEN  
 3871 W 2500 N  
 MOORE ID 83255  
 (208) 527-3271

**Priority Date:** 5/15/1975

**Source:** BIG LOST RIVER

**Tributary to:** SINKS

| <u>BENEFICIAL USE</u> | <u>From</u>   | <u>To</u> | <u>Diversion Rate</u> | <u>Volume</u> |
|-----------------------|---------------|-----------|-----------------------|---------------|
| IRRIGATION            | 04/01         | to 11/01  | 8.07 CFS              | N/A           |
|                       | <b>Total:</b> |           | <b>8.07 CFS</b>       | <b>N/A</b>    |

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

BIG LOST RIVER NWNWNW Sec. 26, Twp 04N, Rge 26E, BUTTE County

**PLACE OF USE TO BE IDLED UNDER THIS LEASE:** IRRIGATION

| Twp | Rng | Sec | NE |    |    |    | NW |    |      |      | SW   |      |      |      | SE   |      |      |      | Totals |
|-----|-----|-----|----|----|----|----|----|----|------|------|------|------|------|------|------|------|------|------|--------|
|     |     |     | NE | NW | SW | SE | NE | NW | SW   | SE   | NE   | NW   | SW   | SE   | NE   | NW   | SW   | SE   |        |
| 04N | 27E | 28  |    |    |    |    |    |    |      |      |      | 40.0 | 40.0 |      |      |      |      |      | 80.0   |
| 04N | 27E | 29  |    |    |    |    |    |    |      |      | 39.0 | 40.0 | 39.0 | 39.0 | 40.0 | 40.0 | 39.0 | 39.0 | 315.0  |
|     |     |     |    |    |    |    |    |    |      |      |      |      | L4   | L3   |      |      | L2   | L1   |        |
| 04N | 27E | 32  |    |    |    |    |    |    | 39.0 | 38.0 |      |      |      |      |      |      |      |      | 77.0   |

Total Acres: 472.0

Limited to acres within place of use described above: 472.0 AC

**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> |
|----------------------------------|-------------------|---------------------|-------------------|---------------------------|
| 34-7052 and 34-7110              | 13.49 CFS         | 2,360.0 AF          | NA                | 472.0 AC                  |
| 34-7035B, 34-7052<br>and 34-7110 | 13.62 CFS         | 2,394.3 AF          | NA                | 481.8 AC                  |

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11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Water is delivered through Arco Canal.
13. This right is subject to regulation by the Watermaster of Water District 34.