

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective January 29, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: JOHN D MC GONIGAL
ROSEMARY MC GONIGAL
PO BOX 102
JEROME ID 83338
(208) 731-8830

RECEIVED
APR 30 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>
37-655A	0.61 CFS	NA	39.8 AC	39.8 AC
37-21477	0.67 CFS	NA	39.8 AC	39.8 AC
Combined Lease Totals:	1.28 CFS	NA	39.8 AC	39.8 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.

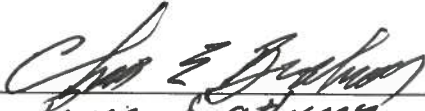
SUPPORT DATA
IN FILE #

37-655A

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.

JOHN D MC GONIGAL
ROSEMARY MC GONIGAL
PO BOX 102
JEROME ID 83338

By 
Power of Attorney
Printed Name Charles E. Brockway

Date 4/29/2014
Title Rep.

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 05-01-2014

Lease approved by IDWR 

Date 05-01-2014

ATTACHMENT A
WATER RIGHT NO. 37-655A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: JOHN D MC GONIGAL
 ROSEMARY MC GONIGAL
 PO BOX 102
 JEROME ID 83338
 (208) 731-8830

Priority Date: 07/01/1888

Source: WILLOW CREEK **Tributary to:** BIG WOOD RIVER
 UNNAMED STREAM WILLOW CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	05/01	to 09/15	0.61 CFS	NA
STOCKWATER	01/01	to 12/31	0.01 CFS	NA
	Total:		0.61 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

WILLOW CREEK	SW¼SW¼SW¼	Sec. 13	Twp 01S	Rge 18E	BLAINE County
UNNAMED STREAM	NW¼NE¼SW¼	Sec. 13	Twp 01S	Rge 18E	BLAINE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION AND STOCKWATER

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01S	18E	14													2.3	22.0	14.0	1.5	39.8

Total Acres: 39.8

Limited to acres within place of use described above: 39.8 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>
37-655A and 37-21477,	1.28 CFS	NA	39.8 AC	39.8 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. The quantity of water under this right for stockwater use shall not exceed 7530 gallons per day.
13. Right Nos. 37-655A and 37-21477 are limited to the irrigation of a combined total of 39.85 acres in a single irrigation season.

ATTACHMENT A
WATER RIGHT NO. 37-21477
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: JOHN D MC GONIGAL
 ROSEMARY MC GONIGAL
 PO BOX 102
 JEROME ID 83338
 (208) 731-8830

Priority Date: 05/15/1881

Source: UNNAMED STREAM **Tributary to:** WILLOW CREEK
 WILLOW CREEK BIG WOOD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	05/01 to	09/15	0.67 CFS	NA
STOCKWATER	01/01 to	12/31	0.01 CFS	NA
	Total:		0.67 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

WILLOW CREEK	SW¼SW¼SW¼	Sec. 13	Twp 01S	Rge 18E	BLAINE County
UNNAMED STREAM	NW¼NE¼SW¼	Sec. 13	Twp 01S	Rge 18E	BLAINE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION AND STOCKWATER

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01S	18E	14													2.3	22.0	14.0	1.5	39.8

Total Acres: 39.8

Limited to acres within place of use described above: 39.8 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>
37-655A and 37-21477,	1.28 CFS	NA	39.8 AC	39.8 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. The quantity of water under this right for stockwater use shall not exceed 7530 gallons per day.
13. Right Nos. 37-655A and 37-21477 are limited to the irrigation of a combined total of 39.85 acres in a single irrigation season.

RECEIVED
APR 30 2014
DEPARTMENT OF
WATER RESOURCES

LIMITED POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENT:

I, John D. McGonigal and Rosemary McGonigal, hereby nominate and appoint Chales E. Brockway (Brockway Engineering) as my attorney-in-fact with full authority to act for and on my behalf to undertake any and all acts or matters pertaining to water right transfers before the Idaho Department of Water Resources for the following water right transactions:

All water rights associated with the Spring of Gladness Ranch (37-104, 37-105A, 37-8407, 37-11387, 37-11390, 37-11392, 37-11393, & 37-11394)

All water rights pertaining to land in Twp 01S, Rge 18E, Sec's 13, 14, 23, & 24 (37-653, 37-654, 37-655, etc...)

in Blaine County, Idaho. Additionally, I hereby ratify and confirm any and all such acts on matters as contemplated herein.

My agent is hereby authorized to sign, seal and deliver, as my act in deed, those said instruments of writing that may be necessary or proper to carry into execution and effect the applications, and transfers above-mentioned. Further, I hereby declare that each and every application, transfer, agreement, receipt, or payment which shall be by my said agent given, made or done for the aforesaid purposes shall be as good, valid, and effectual as if they had been signed, sealed, and delivered by me in my own proper person; and I hereby undertake at all times to ratify whatsoever my said agent shall lawfully do or cause to be done in or concerning the said premises by virtue of these present. This Limited Power of Attorney will become void upon approval, denial or withdrawal of the above referenced applications.

Dated this 17 day of June, 2001⁵ JDM

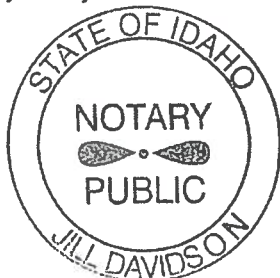
John D. McGonigal Signature
Rosemary McGonigal Signature

State of Idaho)
County of Twin Falls) ss.

On this 17th Day of June, 2001⁵, before me, a Notary Public in and for said County and State, personally appeared John & Rosemary McGonigal, known or identified to me to be the individual whose name and subscription to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

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[Signature]
Notary Public
In and for said State and County

November 18, 2010
My Commission Expires

RECEIVED

JAN 29 2014

DEPT. OF WATER RESOURCES
SOUTHERN REGIONSTATE OF IDAHO
WATER RESOURCE BOARDReceipt No. 5033780Fee Amount \$ 500-Date/by 1-29-2014 W

(For Department Use Only)

APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKName of Seller/Lessor John D McGonigal Phone (208) 731-8830Mailing address PO Box 102 Jerome Idaho 83338 Email _____

A. DESCRIPTION OF WATER RIGHT, OR PORTION THEREOF, OFFERED TO THE BANK

If the entire right is for sale or lease, check here ☐, list the water right number, and skip to Part B.

1. <u>Water Right Number</u>	<u>Amount (cfs/ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
<u>37-655A</u>	<u>0.61/-</u>	<u>Irrigation</u>	<u>05/01</u> to <u>09/15</u>
	<u>0.01</u>	<u>Stockwater</u>	<u>01/01</u> to <u>12/31</u>
			to _____
Total Amount: <u>0.61</u>			

2. Source of water Unnamed Stream/ Willow Creek tributary to _____

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
01S	18E	13		NW	NE	SW	BLAINE
01S	18E	13		SW	SW	SW	BLAINE

4. Lands irrigated or place of use: *See Part D for additional information regarding place of use.

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01S	18E	14													2.3	22	14	1.55	39.85

If the right is for irrigation, show total number of acres offered to the bank. Total Acres 39.85

B. OWNERSHIP

1. Are you currently listed in IDWR's records as the owner of the water right being offered to the bank? Yes ☒ No ☐
 If no, provide documentation of your authority to sign on behalf of the right holder OR attach a Notice of Change in Water Right Ownership form along with the required documentation and fee.

2. 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 to the proposed sale or lease and list name of entity:

C. GENERAL INFORMATION

1. Please provide a description of the current diversion system.

2. Describe any other water rights used for the same purpose or at the same place of use as described above.

N/A

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

Yes ☐ No ☒

If yes, describe.

4. 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 right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.

5. Is this water right involved in any other Department process such as an application for transfer or a mitigation plan? Yes ☒ No ☐

If yes, describe. SE portion of this water right will be split off, the NW portion will remain in the water supply bank.

D. REQUIRED ITEMS

This form must be signed and submitted with the following REQUIRED items:

1. Plat map, survey map or aerial photograph clearly showing the specific acres proposed to be idled by this lease application.
2. Filing fee of \$250.00. If you are submitting more than one lease application and the rights have a common place of use or common diversion rate or common diversion volume, the combined maximum fee is \$500.00.
3. A completed [Internal Revenue Service \(IRS\) Form W-9](#). If your water right is rented, we will be unable to issue payment to you without a current W-9 form.

E. SALE/LEASE AGREEMENT

1. Is the water right, or portion thereof, described above offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☒?

If lease, for a period from 1/15/2014 to 1/15/2019 (not to exceed 5 years).
(Month / Day / Year) (Month / Day / Year)

2. 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 right for sale or lease to the Idaho Water Resource Board.

The owner/lessor acknowledges the following:

1. Payment to the owner/lessor is contingent upon the sale or rental of the right from the bank.
2. While a right is in the bank, the owner/lessor of the right may not use the right even if the right is not rented from the bank.
3. A right accepted into the bank stays in the bank until the Board releases it or the lease term expires.
4. While a right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.


Signature of Applicant

CHARLES E. BROCKWAY P.O.A.
Printed Name and Title*

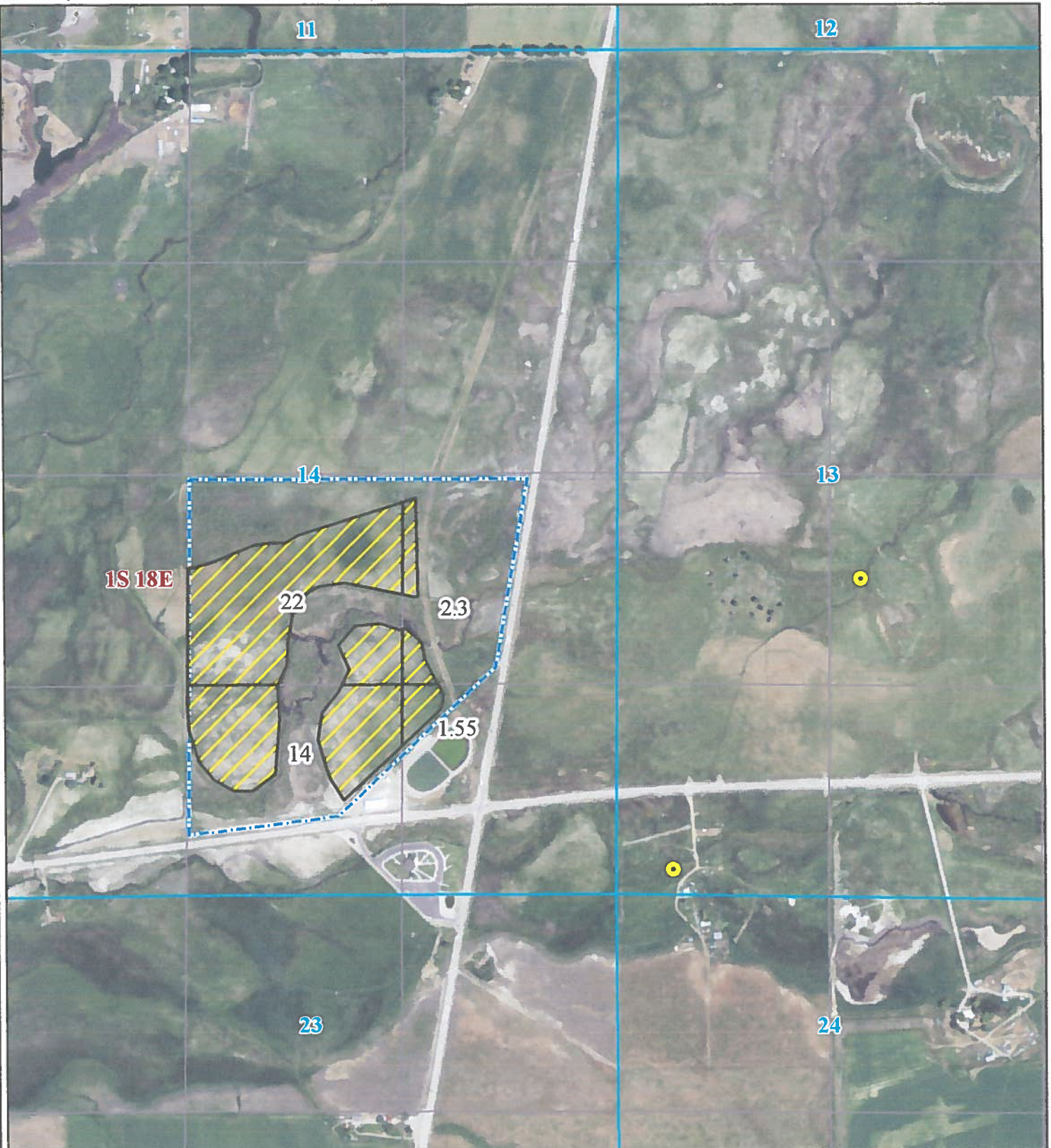
1/28/14
Date

Signature of Applicant

Printed Name and Title*

Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney



0 280 560 1,120 Feet

**JOHN MCGONIGAL
WATER BANK LEASE 2014, 37-655A & 37-21477
NAIP 2011 AERIAL**

BROCKWAY ENGINEERING, PLLC.
ALR Date: 1/15/2014



LIMITED POWER OF ATTORNEY

RECEIVED

DEC 31 2013

DEPT. OF WATER RESOURCES
SOUTHERN REGION

KNOWN ALL MEN BY THESE PRESENT:

I, John D. McGonigal and Rosemary McGonigal, hereby nominate and appoint Chales E. Brockway (Brockway Engineering) as my attorney-in-fact with full authority to act for and on my behalf to undertake any and all acts or matters pertaining to water right transfers before the Idaho Department of Water Resources for the following water right transactions:

All water rights associated with the Spring of Gladness Ranch (37-104, 37-105A, 37-8407, 37-11387, 37-11390, 37-11392, 37-11393, & 37-11394)
All water rights pertaining to land in Twp 01S, Rge 18E, Sec's 13, 14, 23, & 24 (37-653, 37-654, 37-655, etc...)

in Blaine County, Idaho. Additionally, I hereby ratify and confirm any and all such acts on matters as contemplated herein.

My agent is hereby authorized to sign, seal and deliver, as my act in deed, those said instruments of writing that may be necessary or proper to carry into execution and effect the applications, and transfers above-mentioned. Further, I hereby declare that each and every application, transfer, agreement, receipt, or payment which shall be by my said agent given, made or done for the aforesaid purposes shall be as good, valid, and effectual as if they had been signed, sealed, and delivered by me in my own proper person; and I hereby undertake at all times to ratify whatsoever my said agent shall lawfully do or cause to be done in or concerning the said premises by virtue of these present. This Limited Power of Attorney will become void upon approval, denial or withdrawal of the above referenced applications.

Dated this 17 day of June, 2005 ~~2004~~ *JDM*

John D. McGonigal Signature
Rosemary McGonigal Signature

State of Idaho)

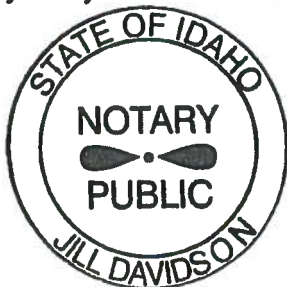
County of Twin Falls)

ss.

On this 17th Day of June, 2005, before me, a Notary Public in and for said County and State, personally appeared John & Rosemary McGonigal, known or identified to me to be the individual whose name and subscription to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

S
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A
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[Signature]
Notary Public
In and for said State and County

November 18, 2010
My Commission Expires

RECEIVED

JAN 29 2014

DEPT. OF WATER RESOURCES
SOUTHERN REGION

STATE OF IDAHO
WATER RESOURCE BOARD

WATER SUPPLY BANK
REQUEST TO RELEASE A WATER RIGHT FROM THE BANK

ONE FORM PER WATER RIGHT

This form is a statement that the lessor requests the termination of a Water Supply Bank ("Bank") lease for the water right identified below. A water right remains in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. However, if a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

If requesting a change in lease amounts (reducing acreage, etc.), you must file an Application to Sell or Lease a Water Right to the Water Supply Bank. This form can be found on IDWR's website at: www.idwr.idaho.gov.

Water Right No: 37-655A Telephone No: (208) 731-8830

Name(s) of Lessor(s): John D McGonigal

Mailing Address: PO Box 102

City: Jerome State: ID Zip: 83338

Requested Release Date: 1/15/2014


Signature of Lessor

Charles E Brockway P.O.A
Printed Name and Title*

1/23/14
Date

Signature of Lessor

Printed Name and Title*

Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney.

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



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

May 2, 2014

JOHN D MCGONIGAL
ROSEMARY MCGONIGAL
PO BOX 102
JEROME ID 83338

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 37-655A and 37-21477

Dear Lessor:

Water Rights 37-655A and 37-21477 were leased into the Water Supply Bank on January 29, 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,

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

Enclosure: Executed Lease Contract

c: Brockway Engineering PLLC
Allen Merritt- IDWR Southern Regional Manager
Kevin Lakey- Water District No. 37



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

April 25, 2014

JOHN D MC GONIGAL
ROSEMARY MC GONIGAL
PO BOX 102
JEROME ID 83338

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 37-655A and 37-21477 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,

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

Enclosure: Proposed Lease Contracts

c. Brockway Engineering PLLC

Hersley, Jean

From: Kevin Lakey [watermanager@cableone.net]
Sent: Tuesday, April 22, 2014 9:06 AM
To: Hersley, Jean
Subject: RE: WSB Lease Applications 37-655A and 37-21477

Jean,
I have no comments or concerns.

Kevin Lakey

From: Hersley, Jean [<mailto:Jean.Hersley@idwr.idaho.gov>]
Sent: Tuesday, April 22, 2014 7:53 AM
To: Kevin Lakey
Subject: WSB Lease Applications 37-655A and 37-21477

John McGonigal has had these rights in the Bank since about 2010. He recently transferred off a portion and would like to keep the remaining piece of these rights in the Bank. Transfer # 79034 was approved in March. Attached is the review memo. If you have any comments or concerns, please let me know within 7 days. Thank you.

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

Hersley, Jean

From: Greg Sullivan [greg.sullivan@brockwayeng.com]
Sent: Monday, April 21, 2014 2:17 PM
To: Hersley, Jean; Palmer, Cherie
Cc: Charles E. Brockway; Zach Latham
Subject: McGonigal Lease Applications
Attachments: doc00730020140421132407.pdf; WaterRight37-22856.pdf; WaterRight37-655A.pdf

Jean and Cherie,

I believe that there is some confusion about the lease applications for 37-655A and 37-21477.

(NW portion of parent water rights 37-655A and 37-21477)

The lease applications for 37-655A and 37-21477 are proposing to lease 39.85 acres from the NESE, NWSE, SWSE and the SESE of Section 14 as identified on the attached aerial maps.

This 39.85 acre portion of irrigation water will be split off by pending transfer (79034) that is being processed by the Southern IDWR office. John McGonigal will be retaining ownership of the water rights 37-655A and 37-21477 but not the property.

I have attached an IDWR POU map for 37-665A which clearly shows the POU of 37-655A and 37-21477.

(SE portion of parent water rights 37-655A and 37-21477)

Water rights 37-22857 and 37-22856 are the water right children of 37-655A and 37-21477 that will be split off and sold with the property located in the SESE of Section 14 and NENE of Section 23. Water rights 37-22857 and 37-22856 will not be leased to the Idaho Water Supply Bank at this time.

I have attached an IDWR POU map for 37-22856 which clearly shows the POU of 37-22857 and 37-22856.

Please continue processing the lease application for the 39.85 acres of 37-655A and 37-21477.

This email is in response to Jean Hersley's letter dated April 8, 2014 and has a response deadline of April 22, 2014.

Please call or contact Chuck Sr. or me if you have any further questions.

Thank you,

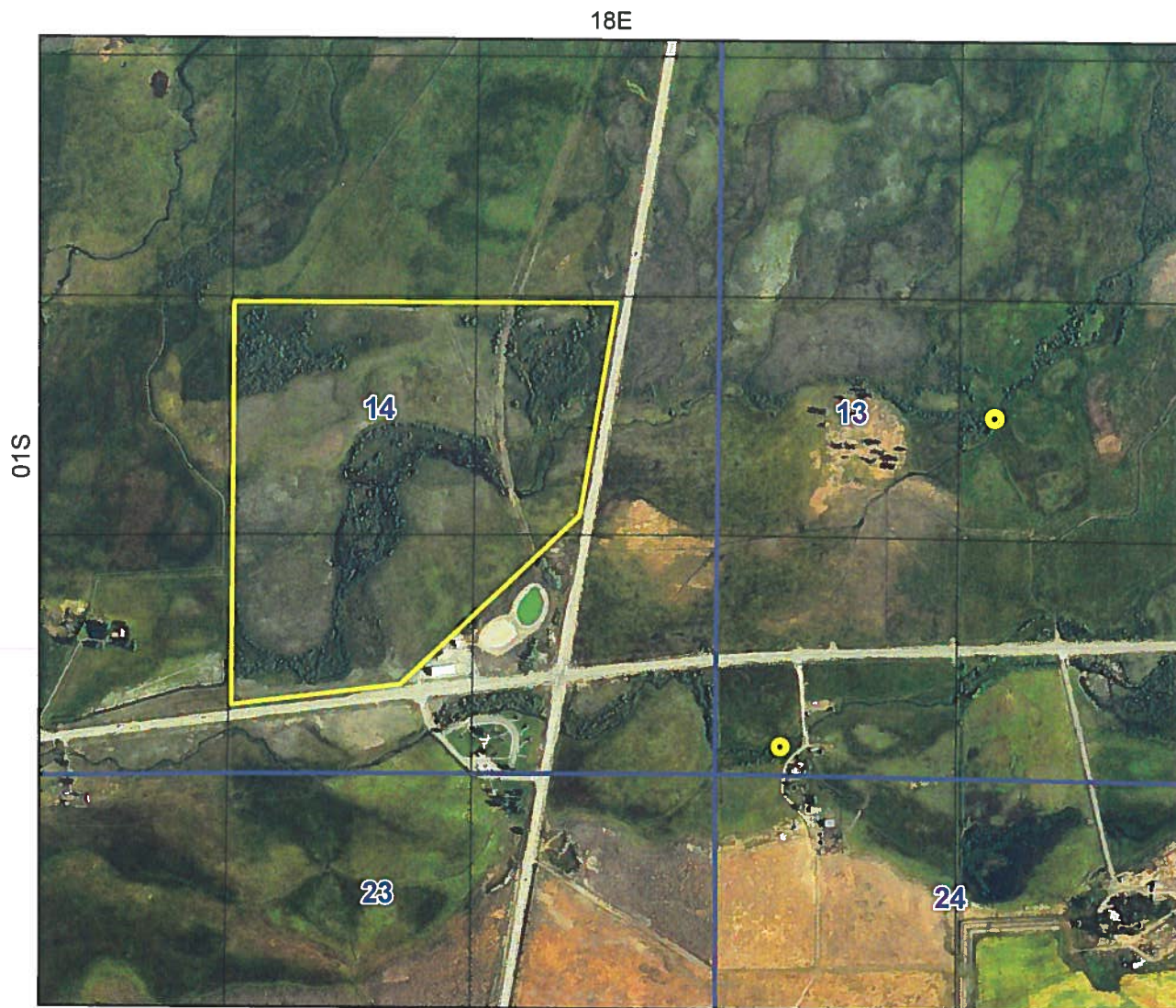
Greg Sullivan
Brockway Engineering
2016 N. Washington St. Suite 4
Twin Falls, Id 83301
208-736-8543

State of Idaho
Department of Water Resources

Water Right
37-655A

STOCKWATER

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



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

0 0.1 0.2 0.4 Miles

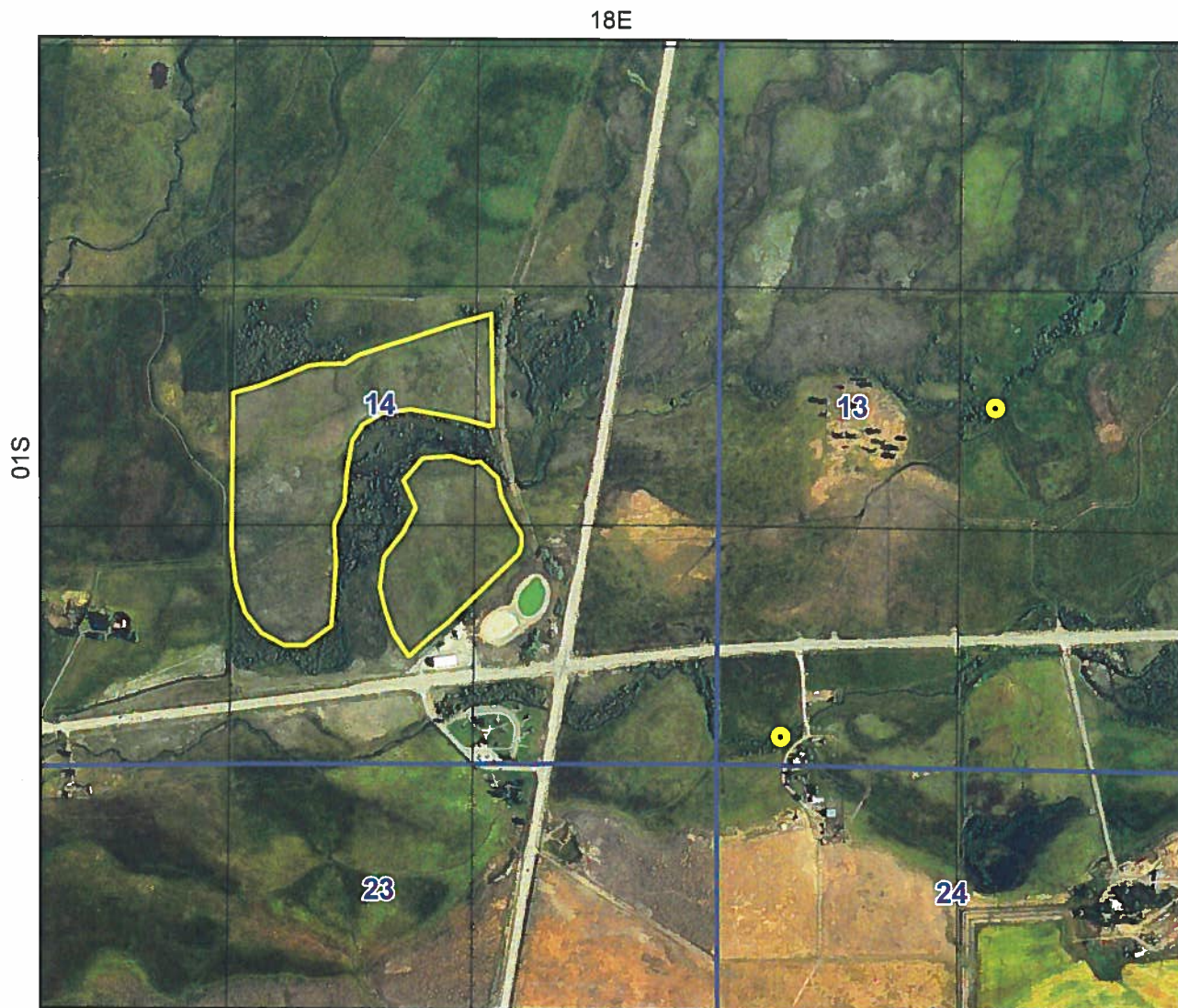


State of Idaho
Department of Water Resources

Water Right 37-655A

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



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

0 0.1 0.2 0.4 Miles

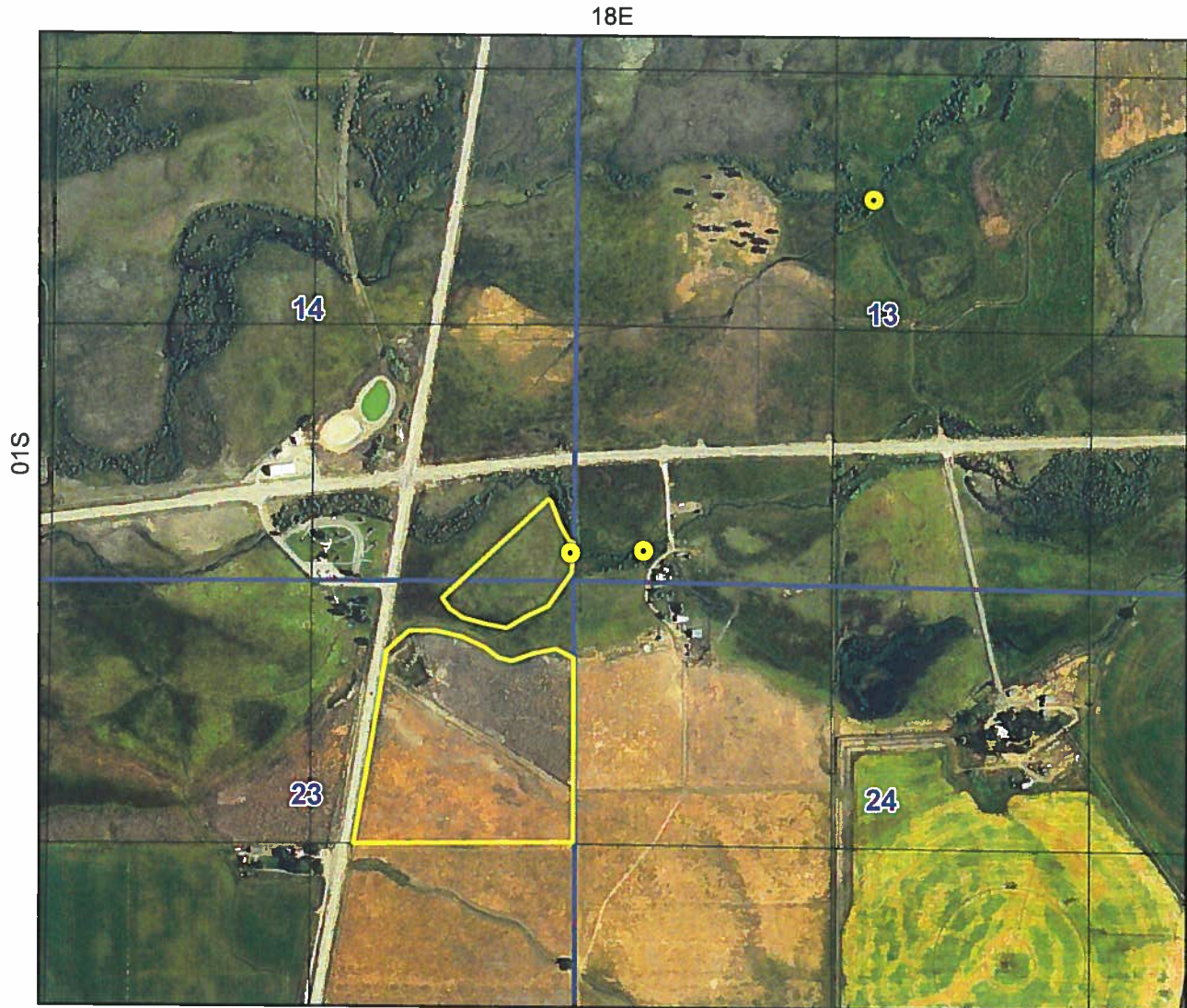


State of Idaho
Department of Water Resources

Water Right
37-22856

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



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

0 0.1 0.2 0.4 Miles

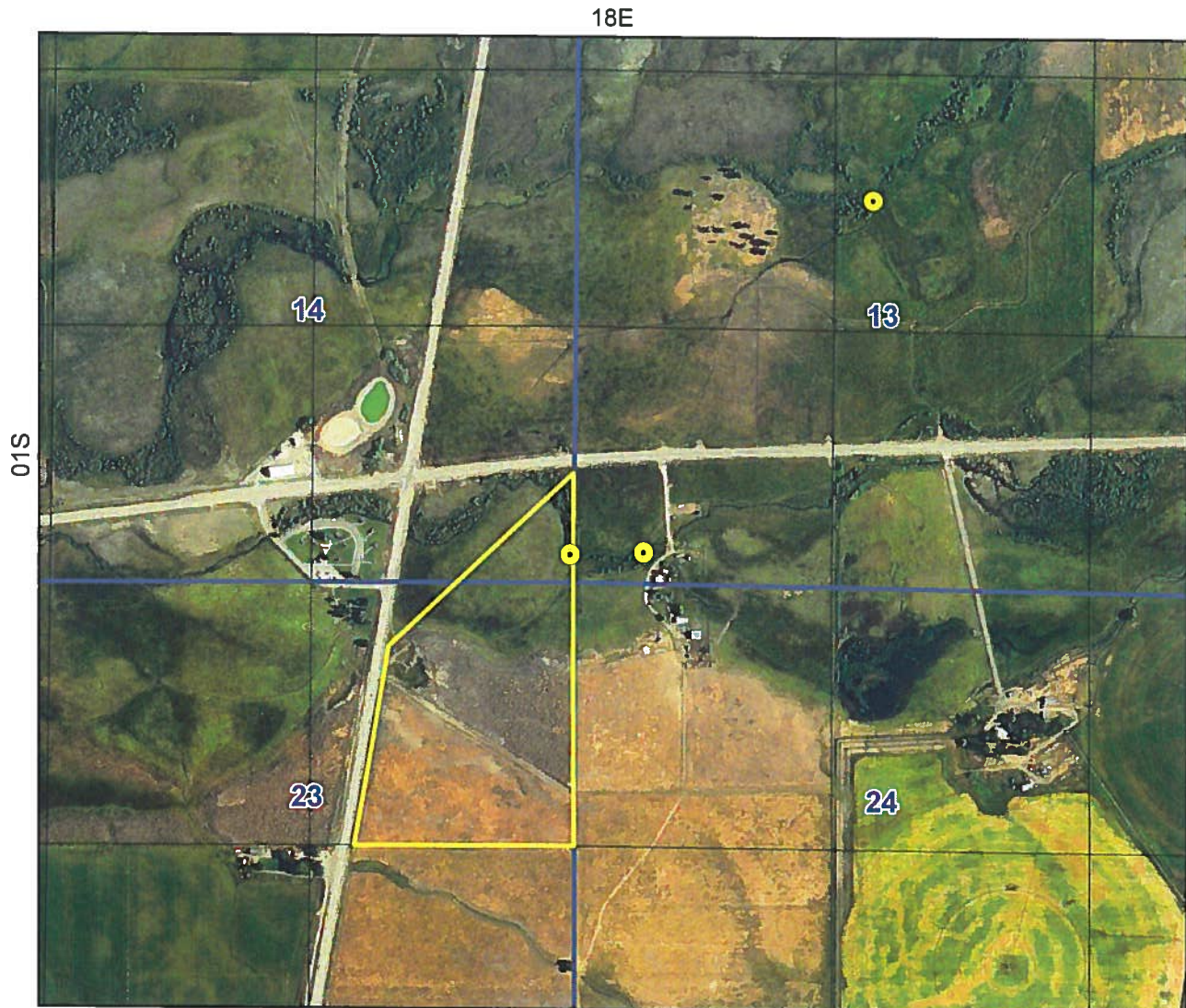


State of Idaho
Department of Water Resources

Water Right 37-22856

STOCKWATER

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



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

0 0.1 0.2 0.4 Miles





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

April 8, 2014

BROCKWAY ENGINEERING PLLC
ATTN: CHARLES E BROCKWAY
2016 N WASHINGTON ST STE 4
TWIN FALLS ID 83301

**RESPONSE
DEADLINE
APRIL 22, 2014**

**RE: ADDITIONAL INFORMATION REQUEST FOR PROCESSING APPLICATION(S) TO LEASE
WATER RIGHT NO(S). 37-655A and 37-21477TO THE WATER SUPPLY BANK**

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

Dear Applicant:

The Idaho Department of Water Resources (Department) acknowledges receipt of the application(s) to lease the above referenced water right(s) to the Idaho Water Resource Board's Water Supply Bank (Bank). The Department will review your application as resources allow.

The right(s) have been determined for acceptance into the Bank. The acceptance date may be adjusted when additional information is required. A preliminary review of your application(s) has been completed and it has been determined that additional information is required to continue processing.

Please provide the following information within 14 days of the date of this letter or the application will be returned:

- Clarification is needed on application question #5. "Is this water right involved in any other Department process such as an application for transfer or a mitigation plan? The "yes" box was checked and the description was, "SE portion of this water right will be split off, the NW portion will remain in the Water Supply Bank." However on the land description for the place of use, the SE portion is listed as the portion to be leased to the Bank.

The department will continue processing your application(s) once you have submitted the requested information. Water right forms are available from the Department's web site at www.idwr.idaho.gov. If you have any questions, please contact me at (208) 287-4944.

Sincerely,

Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Copy of applications

c: John McGonigal

MEMORANDUM

To: Water Right No(s). 37-655A and 37-21477

From: Jean Hersley

Date: March 21, 2014

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

PURPOSE/NARRATIVE: The Department received these applications on January 29, 2014. Transfer # 79034, which was approved March 21, 2014, split these rights. In the transfer, John McGonigal is retaining ownership of the water rights but not the property. (see email from Greg Sullivan) This is an updated lease contract. The entire right has been offered to the Bank.

AUTHORITY TO FILE: Charles E Brockway, who has Power of Attorney, signed on behalf of the applicant.

WATER RIGHT VALIDITY: These water rights were decreed in 2010 and have been in the Bank since then. 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 # 37. Watermaster and region manager did not have any concerns with this lease.

Hersley, Jean

From: Merritt, Allen
Sent: Tuesday, March 25, 2014 3:45 PM
To: Hersley, Jean
Subject: RE: WSB Lease Application for 37-655A and 37-21477

No issue with this.

From: Hersley, Jean
Sent: Tuesday, March 25, 2014 1:02 PM
To: Kevin Lakey; Merritt, Allen
Subject: WSB Lease Application for 37-655A and 37-21477

Both of these rights were involved in transfer # 79034 which was approved this month. The transfer split off a portion of the rights and the water right holder wishes to update the current lease with the remaining portion. My review memo is enclosed.

Your comments or concerns are needed as soon as possible.
Thank you.

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

Hersley, Jean

From: Hersley, Jean
Sent: Tuesday, March 25, 2014 1:15 PM
To: 'charles.e.brockway@brockwayeng.com'
Subject: WSB Lease Applications for John McGonigal

The Department of Water Resources is in the process of reviewing the Water Supply Bank Lease applications. On the application question # 5. *"Is this water right involved in any other Department process such as an application for transfer or a mitigation plan.* And the "yes" box was checked and your description was, "SE portion of this water right will be split off, the NW portion will remain in the water supply bank. However, on the front of the application, you listed the SE portion as the portion to be leased. I need you to clarify this for me.

Thank you.

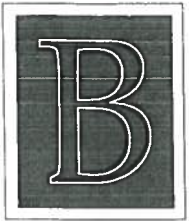
*Jean Hersley
Idaho Dept Water Resources
Technical Records Specialist II
208-287-4942*

RECEIVED

JAN 29 2014

DEPT. OF WATER RESOURCES
SOUTHERN REGION

COPY



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

January 28, 2014

Mr. William Mills
Southern District
Idaho Department of Water Resources
650 Addison Ave. W., Ste. 500
Twin Falls, ID 83301

RE: WSB Lease & Water rights transfer #79034, for John McGonigal

Dear Bill:

Enclosed are the water supply bank release forms as well as applications to lease water rights. To be processed in conjunction with transfer #79034 as requested in your January 14, 2014 email.

I have also enclosed a limited power of attorney regarding these water rights, a check for \$500.00 and the required W9 form. If you have any questions regarding these forms do not hesitate to contact our office.

Sincerely

Amy Runser for Charles E Brockway, Ph.D., P. E.

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

Attachments: Aerial Map
W9
Application to Lease WR
Application to Release WR from bank
Brockway Engineering Check

cc: John McGonigal

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506