

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective January 21, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: JERRY TURCO
525 RIVERSIDE AVE
LYNDHURST NJ 07071
(201) 460-9069
Turco228@aol.com

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>
37-363D	0.28* CFS	NA	NA	16.0 AC
Combined Lease Totals:	0.28 CFS	NA	NA	16.0 AC

*Total of 0.06 cfs for conveyance loss in Wood River Irrigation District # 45 canal

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

Authorized Period of Use under Lease: April 15 to October 31

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, 2016.
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.

JERRY TURCO
525 RIVERSIDE AVE
LYNDHURST NJ 07071

By

Printed Name

JERRY TURCO

Date

4-23-14

Title

IDAHO WATER RESOURCE BOARD

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

By

Brian Patton
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date

05-01-2014

Lease approved by IDWR

Camille S. Skaggs

Date

05-01-2014

ATTACHMENT A
WATER RIGHT NO. 37-363D
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: JERRY TURCO
525 RIVERSIDE AVE
LYNDHURST NJ 07071
(201) 460-9069

Priority Date: 04/12/1883

Source: BIG WOOD RIVER

Tributary to: MALAD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	10/31	0.30 CFS	NA
	Total:		0.30 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

BIG WOOD RIVER L3 (NE¼SW¼NW¼) Sec. 36 Twp 02N Rge 18E BLAINE 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	
01N	18E	13																16.0	16.0

Total Acres: 16.0

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Use of water under this water right will be regulated by the watermaster of State Water District No. 37, Big Wood River.
13. A portion of this right provides conveyance for other right holders in the shared delivery of water through the Wood River Irrigation District # 45 canal. To prevent injury to other water right holders, the watermaster shall deliver 20% or 0.06 cfs of this right into the District # 45 canal whether it is rented or not.
14. The portion of 37-363D used for conveyance losses is 0.02 cfs per approved transfer #3404 that remains undiverted in the Big Wood River and is the unleased portion of this right.
15. A rental of this leased right proposing diversion of water from a different point of diversion shall be conditioned to prevent injury to other water rights, including the minimum stream flow in the Big Wood River and water rights diverted through the Irrigation District #45 Canal.

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("Lease") is effective January 21, 2014, between the Idaho Water Resource Board ("Board"), and

Lessor: JERRY TURCO
525 RIVERSIDE AVE
LYNDHURST NJ 07071
(201) 460-9069
Turco228@aol.com

RECEIVED
APR 14 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>
37-363D	0.28* CFS	NA	NA	16.0 AC
Combined Lease Totals:	0.28 CFS	NA	NA	16.0 AC

*Total of 0.06 cfs for conveyance loss in Wood River Irrigation District # 45 canal

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

Authorized Period of Use under Lease: April 15 to October 31

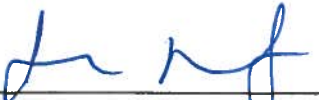
2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

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, 2016.
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.

JERRY TURCO
525 RIVERSIDE AVE
LYNDHURST NJ 07071

By 

Printed Name Jerry Turco

Date 4-7-14

Title Pres

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 _____

Lease approved by IDWR _____

Date _____

ATTACHMENT A
WATER RIGHT NO. 37-363D
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: JERRY TURCO
525 RIVERSIDE AVE
LYNDHURST NJ 07071
(201) 460-9069

Priority Date: 04/12/1883

Source: BIG WOOD RIVER

Tributary to: MALAD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15 to	10/31	0.30 CFS	NA
	Total:		0.30 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

BIG WOOD RIVER L3 (NE¼SW¼NW¼) Sec. 36 Twp 02N Rge 18E BLAINE 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	
01N	18E	13																16.0	16.0

Total Acres: 16.0

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Use of water under this water right will be regulated by the watermaster of State Water District No. 37, Big Wood River.
13. A portion of this right provides conveyance for other right holders in the shared delivery of water through the Wood River Irrigation District # 45 canal. To prevent injury to other water right holders, the watermaster shall deliver 20% or 0.06 cfs of this right into the District # 45 canal whether it is rented or not.
14. The portion of 37-363D used for conveyance losses is 0.02 cfs per approved transfer #3404 that remains undiverted in the Big Wood River and is the unleased portion of this right.

STATE OF IDAHO
WATER RESOURCE BOARD
WATER SUPPLY BANK
REQUEST TO EXTEND LEASE TERM

RECEIVED

JAN 21 2014

DEPARTMENT OF
WATER RESOURCES

ONE FORM PER WATER RIGHT

This form is a statement that the lessor requests an extension 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 or increasing 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: 37-363D, 37-20348 Telephone No: 201-460-9069

Name(s) of Lessor(s): JERRY TURCO

Mailing Address: 525 RIVERSIDE AVE.

City: LYNDHURST State: ND Zip: 57071

Current Expiration Date: DECEMBER 31, 2013

Requested Expiration Date: DECEMBER 31, 2018
Lease term not to exceed 5 years.

All lease extension request forms 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 for the duration of this lease.
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 (attached). If your water right is rented, we will be unable to issue payment to you without a current W-9 form.

The lessor requests that the above water right remain in the Bank through the date referenced above.

[Signature]
Signature of Lessor

JERRY TURCO Pres.
Printed Name and Title*

1-14-14
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

FOR OFFICE USE ONLY

Filing fee received by: CS Date: 01/21/14 Receipt No: C098194 (\$250.00)



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

JERRY TURCO
525 RIVERSIDE AVE
LYNDHURST NJ 07071

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 37-363D and 37-20348

Dear Lessor:

Water Rights 37-363D and 37-20348 were leased into the Water Supply Bank on January 21, 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.**

Water right 37-363D will automatically be released from the Bank on **December 31, 2016** and water right 37-20348 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: Hawley Troxell Ennis & Hawley LLP
Allen Merritt- IDWR Southern Regional Manager
Wood River Valley Irrigation District #45
Kevin Lakey- Water District No. 37

Subj: **WSB Lease Contracts 37-363D and 37-20348**
Date: 4/17/2014 12:52:00 P.M. Eastern Daylight Time
From: Jean.Hersley@idwr.idaho.gov
To: turco228@aol.com, ttyree@hawleytroxell.com

Attached you will find new Lease contracts for the above mentioned water rights to be leased to the Water Supply Bank. Wood River Irrigation District #45 sent their approval of your renewal with an additional condition. I have added the condition to both contracts. I apologize for the delay in getting these contracts finalized.

Mr. Turco,

Please print two copies of each contract, sign the second page and return them to the Department by May 2, 2014. If you have any questions, please contact me or Pam Skaggs (208) 287-4951.

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

4/24/14
Attached please find (2)
copies of each contract
executed on second page.
Thanks for your help
JTH

RECEIVED
APR 30 2014
DEPARTMENT OF
WATER RESOURCES

Hersley, Jean

From: Tim Tyree [ttyree@hawleytroxell.com]
Sent: Friday, April 18, 2014 9:07 AM
To: Hersley, Jean
Cc: Jerry Turco
Subject: RE: WSB Lease Contracts 37-363D and 37-20348 [IWOV-DMSMSG1.FID453157]

Jean,

This was the reason only a portion of the right is available for lease. Part of the right remains in the district to cover conveyance loss. It is our position that no further action or "condition" need be taken by IDWR. That said, I'm recommending approval of the lease to my client as drafted.

Tim Tyree

HAWLEY TROXELL ENNIS & HAWLEY LLP
877 MAIN STREET, SUITE 1000
P.O. Box 1617
BOISE, IDAHO 83701-1617
DIRECT 208.388.4873
FAX 208.954.5276
E-MAIL TTYREE@HAWLEYTROXELL.COM
WEB WWW.HAWLEYTROXELL.COM

HAWLEY TROXELL
ATTORNEYS AND COUNSELORS

This e-mail message from the law firm of Hawley Troxell Ennis & Hawley, LLP is intended only for named recipients. It contains information that may be confidential, privileged, attorney work product, or otherwise exempt from disclosure under applicable law. If you have received this message in error, are not a named recipient, or are not the employee or agent responsible for delivering this message to a named recipient, be advised that any review, disclosure, use, dissemination, distribution, or reproduction of this message or its contents is strictly prohibited. Please notify us immediately at 208.344.6000 if you have received this message in error, and delete the message.

From: Hersley, Jean [<mailto:Jean.Hersley@idwr.idaho.gov>]
Sent: Thursday, April 17, 2014 12:11 PM
To: Tim Tyree
Subject: RE: WSB Lease Contracts 37-363D and 37-20348 [IWOV-DMSMSG1.FID453157]

This is the condition that was added:

It is something we look at when we rent a right out anyway, but they wanted it on the contract.

A rental of this leased right proposing diversion of water from a different point of diversion shall be conditioned to prevent injury to other water rights, including the minimum stream flow in the Big Wood River and water rights diverted through the Irrigation District #45 Canal.

From: Tim Tyree [<mailto:ttyree@hawleytroxell.com>]
Sent: Thursday, April 17, 2014 10:59 AM
To: Hersley, Jean; Jerry Turco
Subject: RE: WSB Lease Contracts 37-363D and 37-20348 [IWOV-DMSMSG1.FID453157]

Ms. Hersley,

What was the condition you added and any other changes made?

Tim Tyree

HAWLEY TROXELL ENNIS & HAWLEY LLP
877 MAIN STREET, SUITE 1000
P.O. BOX 1617
BOISE, IDAHO 83701-1617
DIRECT 208.388.4873
FAX 208.954.5276
E-MAIL TTYREE@HAWLEYTROXELL.COM
WEB WWW.HAWLEYTROXELL.COM

HAWLEY TROXELL
ATTORNEYS AND COUNSELORS

This e-mail message from the law firm of Hawley Troxell Ennis & Hawley, LLP is intended only for named recipients. It contains information that may be confidential, privileged, attorney work product, or otherwise exempt from disclosure under applicable law. If you have received this message in error, are not a named recipient, or are not the employee or agent responsible for delivering this message to a named recipient, be advised that any review, disclosure, use, dissemination, distribution, or reproduction of this message or its contents is strictly prohibited. Please notify us immediately at 208.344.6000 if you have received this message in error, and delete the message.

From: Hersley, Jean [<mailto:Jean.Hersley@idwr.idaho.gov>]
Sent: Thursday, April 17, 2014 10:52 AM
To: Jerry Turco; Tim Tyree
Subject: WSB Lease Contracts 37-363D and 37-20348

Attached you will find new Lease contracts for the above mentioned water rights to be leased to the Water Supply Bank. Wood River Irrigation District #45 sent their approval of your renewal with an additional condition. I have added the condition to both contracts. I apologize for the delay in getting these contracts finalized.

Mr. Turco,
Please print two copies of each contract, sign the second page and return them to the Department by May 2, 2014. If you have any questions, please contact me or Pam Skaggs (208) 287-4951.

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

RECEIVED

APR 16 2014

Department of Water Resources

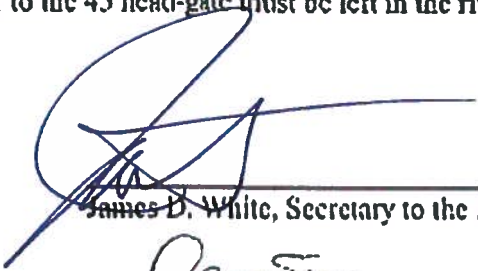
**CERTIFICATE OF ACTION TAKEN BY
THE WOOD RIVER VALLEY IRRIGATION DISTRICT # 45**

The undersigned hereby certify that at the March 25, 2014 meeting of the Board of Directors of the WOOD RIVER VALLEY IRRIGATION DISTRICT # 45 the board took up the matter of the RENEWAL OF THE TURCO WATER BANK APPLICATION and the board, after discussion and on motion by Director Gardner, seconded by Director Frugard, and unanimously approved the following resolution was adopted by the Board and is at this time in full force and effect:

RESOLVED, THAT the Secretary was instructed to notify the IDWR Water Bank officials of the District's consent to the renewal of the Turco Water Bank renewal application with the continuing condition of a 20% hold-back in the District 45 system and on the further condition that there be no adverse impact on minimum stream flow in the river and that carriage loss sufficient to convey water to the 45 head-gate must be left in the river if the water right is to be leased upstream,

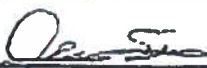
Dated:

4/16/14


James D. White, Secretary to the Board

Dated:

04/15/2015


James Super, President and Director

Skaggs, Pam

From: James White [jdw@jamesdwhitelaw.com]
Sent: Wednesday, April 16, 2014 9:06 PM
To: Skaggs, Pam
Cc: Jim Super; Sarah Gardner; Gary Frugard
Subject: Secretary's Certificate of Board Resolution Re Turco Water Bank Matter
Attachments: Sec's Cert of Reso Re Turco signed JS and JW.pdf

Pam,
Please see attached.
I trust this meets your needs.
Thanks again for all your help.
Regards,
Jim

Hersley, Jean

From: Tim Tyree [ttyree@hawleytroxell.com]
Sent: Thursday, March 27, 2014 4:03 PM
To: Hersley, Jean
Cc: Jerry Turco
Subject: Water Supply Bank Lease Contracts [IWOV-DMSMSG1.FID453157]

Jean,

Thank you for discussing the lease terms with me. On water right 37-363D, Mr. Turco would like a three year term and on water right 37-20348, Mr. Turco would like a five year term. Please prepare the leases accordingly and e-mail them out for signature. Mr. Turco is copied on this e-mail.

Tim Tyree

HAWLEY TROXELL ENNIS & HAWLEY LLP
877 MAIN STREET, SUITE 1000
P.O. Box 1617
BOISE, IDAHO 83701-1617
DIRECT 208.388.4873
FAX 208.954.5276
E-MAIL TTYREE@HAWLEYTROXELL.COM
WEB WWW.HAWLEYTROXELL.COM

HAWLEY TROXELL
ATTORNEYS AND COUNSELORS

This e-mail message from the law firm of Hawley Troxell Ennis & Hawley, LLP is intended only for named recipients. It contains information that may be confidential, privileged, attorney work product, or otherwise exempt from disclosure under applicable law. If you have received this message in error, are not a named recipient, or are not the employee or agent responsible for delivering this message to a named recipient, be advised that any review, disclosure, use, dissemination, distribution, or reproduction of this message or its contents is strictly prohibited. Please notify us immediately at 208.344.6000 if you have received this message in error, and delete the message.

MEMORANDUM

TO: Sascha Marston
FROM: Jean Hersley
DATE: March 14, 2014
RE: Refund: Water Supply Bank

Please refund \$50.

NAME: JERRY TURCO
ADDRESS: 525 RIVERSIDE AVE
LYNDHURST NJ 07071

RECEIPT #:C098280

Thank you.

Jean



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

March 14, 2014

JERRY TURCO
525 RIVERSIDE AVE
LYNDHURST NJ 07071

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 37-363D and 37-20348 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. Fritz Haemmerle

Skaggs, Pam

From: James White [jdwhite@q.com]
Sent: Thursday, March 13, 2014 4:50 PM
To: Skaggs, Pam
Cc: Jim Super; Sarah Gardner; Gary Frugard
Subject: Turco renewal

Pam,

The Board of District 45 has passed a resolution to approve the Turco renewal application with the same 20% hold back for conveyance losses.

Please let me know if you need any further information or documentation.

Regards,

Jim White,

Sec./Treas.

Wood River Valley Irrigation District # 45

Skaggs, Pam

From: James White [jdwhite@q.com]
Sent: Wednesday, March 05, 2014 1:05 PM
To: Skaggs, Pam
Cc: Jim Super; Sarah Gardner; Gary Frugard
Subject: FW: Irrigation District 45 & Leased Water Rights
Attachments: 37-363D, 37-20348 Turco to 2013.pdf; 37-21506,18,29,40,51,62 Armstrong to 2017.pdf

Pam,

Thanks for this. The board will be meeting on Tuesday, March 11 and will take up this matter then.

I will be back to you after the meeting.

Thanks again,

Regards,

Jim

From: Skaggs, Pam [<mailto:Pam.Skaggs@idwr.idaho.gov>]
Sent: Wednesday, March 05, 2014 12:16 PM
To: jdwhite@q.com
Cc: Hersley, Jean
Subject: Irrigation District 45 & Leased Water Rights

Jim,

Of the four names you provided this morning (Casson, Boyer, Armstrong & Turco) it appears that only the Turco lease has expired. The Turco lease originated in 2011 before the conveyance loss condition was agreed upon & the lease expired at the end of 2013. I have attached a copy of the Turco & Armstrong lease approval letters for your files.

We have a request to extend the Turco lease under review which raised the question of District approval. The new lease is for the same portion of the rights leased before. We will need a new consent before we can move forward with Mr. Turco's new lease contract. The condition drafted last year for the Casson, Boyer & Armstrong leases will be added to the Turco lease according to the leased rate of each right & the Irrigation District's consent.

A portion of this right provides conveyance for other right holders in the shared delivery of water through the Irrigation District #45 canal. To prevent injury to other water right holders, the watermaster shall deliver 20% or ____ cfs of this right into the District #45 Canal whether it is rented or not.

Right 37-363D: Leased 0.28 cfs for 16 acres = 0.06 cfs conveyance to canal.

Right 37-20348: Leased 0.17 cfs for 8.4 acres = 0.03 cfs conveyance to canal.

Please let me know if you need any additional information to move forward with review of this lease extension proposal.

Pam

Hersley, Jean

From: Kevin Lakey [watermanager@cableone.net]
Sent: Monday, February 17, 2014 8:11 AM
To: Hersley, Jean
Subject: RE: WSB Lease Extensions for Jerry Turco 37-363D and 37-20348

Jean,
As long as Wood River Valley Irrigation District has been consulted on this, I have no problem with it.

Kevin Lakey

From: Hersley, Jean [<mailto:Jean.Hersley@idwr.idaho.gov>]
Sent: Friday, February 07, 2014 10:19 AM
To: Merritt, Allen; Kevin Lakey
Subject: RE: WSB Lease Extensions for Jerry Turco 37-363D and 37-20348

<<Lease Review Memo.docx>>

Sorry. Here is the attachment.

Jean Hersley

From: Hersley, Jean
Sent: Friday, February 07, 2014 9:56 AM
To: Merritt, Allen; Kevin Lakey
Subject: WSB Lease Extensions for Jerry Turco 37-363D and 37-20348

Attached is the review memo. Please let me know if you have any questions. Comments or concerns are needed within 14 days.

Jean Hersley

Idaho Dept Water Resources

Technical Records Specialist II

208-287-4942

Hersley, Jean

From: Merritt, Allen
Sent: Tuesday, February 11, 2014 3:45 PM
To: Hersley, Jean
Subject: RE: WSB Lease Extensions for Jerry Turco 37-363D and 37-20348

I do not have any problem other than the 2011 imagery for right 37-363D shows one field is sort of green but this might just be a residual of past hay crop. You might want o inquire if the water was used or not.

From: Hersley, Jean
Sent: Friday, February 07, 2014 10:19 AM
To: Merritt, Allen; Kevin Lakey
Subject: RE: WSB Lease Extensions for Jerry Turco 37-363D and 37-20348

<< File: Lease Review Memo.docx >>
Sorry. Here is the attachment.

Jean Hersley

From: Hersley, Jean
Sent: Friday, February 07, 2014 9:56 AM
To: Merritt, Allen; Kevin Lakey
Subject: WSB Lease Extensions for Jerry Turco 37-363D and 37-20348

Attached is the review memo. Please let me know if you have any questions. Comments or concerns are needed within 14 days.

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

MEMORANDUM

To: Water Right No(s). 37-363D and 37-20348

From: Jean Hersley

Date: February 7, 2014

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

PURPOSE/NARRATIVE: On January 21, 2014, the Department received a request to extend the leases on these water rights. The entirety of these rights is in the Bank. 37-363D is 0.28 cfs for 16 acres. 37-20348 is 0.17 cfs for 8.4 acres for a 0.02 conveyance loss per transfer 3404. The original applications listed the term of the leases until 2018. An email from Mr. Turco's attorney requested 37-363D to be leased until 2016 and 37-20348 until 2018. New leases were sent out.

AUTHORITY TO FILE: The water right holder signed the application.

WATER RIGHT VALIDITY: 37-363D was decreed in 2011 and 37-20348 in 2010. Both rights have been in the Bank since 2011.

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. Comments were also solicited from Wood River Valley Irrigation District # 45 and Allen Merritt.

RECEIVED

FEB 05 2014

Department of Water Resources

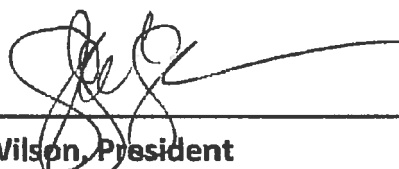
APPROVE THE WATER SUPPLY BANK APPLICATIONS
FOR RIGHT NOS. 37-363D AND 37-20348

RESOLUTION # 4-13-2012

The Board of Directors of Wood River Valley Irrigation District #45 hereby resolves to ~~allow any water user in WRVID #45 to deposit their adjudicated water right(s)~~ into the Idaho State Water Supply Bank under the following conditions:

- WRVID #45 will retain mitigation/conveyance rights consistent with the guidelines set forth by the Snake River Basin Adjudication.
- All water users placing their water right(s) into the Idaho State Water Supply Bank will be responsible for the usual annual assessment of their water right(s) by WRVID #45 during the term of their agreement with the Idaho State Water Supply Bank.
- ~~Any water right(s) leased by the Idaho State Water Supply Bank from WRVID #45 must be to users within the district boundaries of WRVID #45.~~

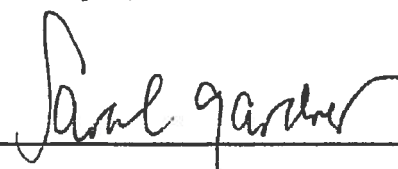
Signed this 13th day of April, 2012.



Steve Wilson, President



Jim Super, Vice President



Sarah Gardner, Director

RECEIVED

FEB 05 2014

Department of Water Resources



Idaho Department of Water Resources

SRBA Recommendation:

37-363D

(Irrigation)

Legend

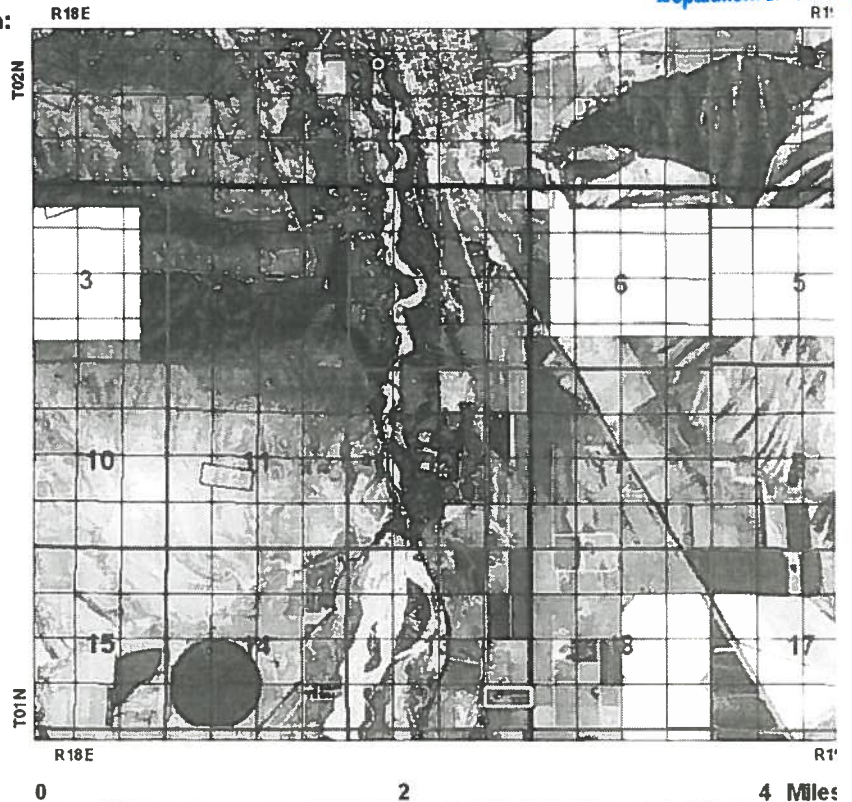
- ⊙ Point of Diversion
Place of Use
- ▭ Townships
- ▭ PLS Sections
- ▭ Quarter Quarters



Blaine County
IDWR Basin 37



Prepared by J. Roberts
On Friday, November 10, 2006
1987/88 Aerial Photography



Owner: Lauri Crandall-cooper

NOTE: Only one owner is listed. There may or may not be more than this in the IDWR database.



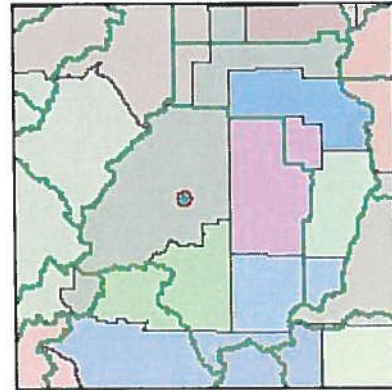
Idaho Department of Water Resources

SRBA Recommendation:

37-20349

Legend

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



Blaine County
ID WR Basin 37

Prepared by N. Erickson
On Saturday, November 11, 2006
2004 Aerial Photography



0 0.1 0.2 Miles

RECEIVED
FEB 05 2014
Department of Water Resources



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

January 22, 2014

JERRY TURCO
525 RIVERSIDE AVE
LYNDHURST NJ 07071

**RE: ADDITIONAL INFORMATION REQUIRED TO PROCESS
WATER SUPPLY BANK REQUEST TO EXTEND LEASE TERM
RIGHTS 37-363D & 37-20348**

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

Dear Applicant:

The Department of Water Resources (Department) acknowledges receipt of your Water Supply Bank (Bank) Request to Extend Lease Term. A receipt for \$250.00 application fee is enclosed. The application form submitted is designed for a single right and \$250.00 fee. You listed both rights on the form and paid a single right fee. An additional \$250.00 fee is due before processing of your application can begin.

A preliminary review of your application has found the following required information was not included with the application:

- 1) \$250.00 application fee for second right
- 2) A map of each right proposed leased to the bank
- 3) A current IRS W-9 form for possible rental payments
- 4) Documentation from Wood River Valley Irrigation District #45 continued agreement to leasing these rights to the Bank.

Rights 37-363D & 37-20348 are delivered through Irrigation District #45 Canal. Idaho Administrative Code IDAPA 37-02.03.025 Acquisition of Water Rights for the Board's Water Supply Bank at <http://adminrules.idaho.gov/rules/current/37/0203.pdf> requires the written consent of an irrigation company. **Please contact Irrigation District #45 for written consent and submit it to the department to complete your application.**

The application will be returned, unprocessed, if the consent is not received within thirty (30) days from the date of this letter. If you have questions regarding this matter, please contact me at 287-4951.

Sincerely,

Pamela S. Skaggs
Water Rights Supervisor

Enclosures: Receipt #C098194, IRS W-9 form