

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED
APR 16 2014
DEPARTMENT OF
WATER RESOURCES

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

Lessor: MASON CREEK DITCH CO
1905 MASON RD
CALDWELL ID 83605
(208) 459-0428
djbicandi@aol.com

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>
63-00179C	13.92 CFS	NA	NA	580.0 AC
63-33392	6.55 CFS	NA	NA	580.0 AC
63-32580	6.55 CFS	NA	NA	580.0 AC
Combined Lease Totals:		20.30 CFS	NA	NA
				580.0 AC

The water rights described herein shall be available for rental from the Bank as follows:
Authorized Period of Use under Lease: 3/1 to 11/15

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

Minimum Payment Acceptable: Negotiated 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, 2014.
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

63-179C

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.

MASON CREEK DITCH CO
1905 MASON RD
CALDWELL ID 83605

By 
Printed Name MARTIN C GALVIN

Date 4-11-14
Title Board Member

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 04-16-2014

Lease approved by IDWR 

Date 04-16-2014

ATTACHMENT A
WATER RIGHT NO. 63-00179C
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: MASON CREEK DITCH CO
 1905 MASON RD
 CALDWELL ID 83605
 (208) 459-0428

Priority Date: 6/1/1869

Source: BOISE RIVER

Tributary to: SNAKE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01	to 11/15	13.92 CFS	NA
	Total:		13.92 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:
 BOISE RIVER NENENE Sec. 24, Twp 04N, Rge 02W, CANYON 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	
04N	02W	7																21.0	21.0
04N	02W	8											8.0						8.0
04N	02W	17			20.0			7.0		14.0	40.0	40.0	40.0	20.0		40.0	40.0		261.0
04N	02W	18	10.0	30.0	15.0	5.0	40.0	40.0	40.0	30.0		40.0	40.0						290.0

Total Acres: 580.0

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
63-00179C, 63-33392 and 63-32580	20.30 CFS	NA	580.0 AC	580.0 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water right(s) referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter. The right will be rented from the bank at a rate according to an agreement between Idaho Power and Mason Creek Ditch Co.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.

5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. The unleased portion of Right 63-179C can be used to irrigate up to 924.3 acres within the boundary of the Mason Creek Ditch Company.
13. Whenever it becomes necessary for the watermaster to deliver this right the following condition shall apply. This right shall receive 100 percent of its decreed quantity until the natural flow of the waters of the Boise River shall decrease so that all rights containing this condition cannot receive 100 percent of their decreed quantities, at which time this right and the other rights containing this condition shall first be cut to 75 percent of their decreed quantities, as the natural flow of the river decreases, beginning with the latest rights containing this condition and proceeding to the earliest rights containing this condition in the order of their priority dates, and after all of the rights containing this condition shall have been reduced to 75 percent of their decreed quantities, should the natural flow of the waters of the river decrease below the amount necessary to supply 75 percent of those decreed quantities, then this right and the other rights containing this condition, beginning with the latest and proceeding to the earliest, shall be reduced to 60 percent of their decreed quantities.
14. Diversion for irrigation under this water right prior to April 1 and after October 31 shall occur only when the natural flow in the Boise River below the Star Bridge in Township 04 North, Range 01 West, Section 18, NE¼ of the SE¼ of the SE¼, Boise Meridian (approximate river mile 33.9) is sufficient for water to be available for diversion at the point of diversion described above, provided that any such use of this water right prior to April 1 and after October 31 shall be subordinated to water rights for storage in Lucky Peak Reservoir, Lake Lowell, Arrowrock Reservoir, and/or Anderson Ranch Reservoir, as decreed in SRBA Case No. 39576.
15. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No 63.

ATTACHMENT A
WATER RIGHT NO. 63-33392
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: MASON CREEK DITCH CO
1905 MASON RD
CALDWELL ID 83605
(208) 459-0428

Priority Date: 6/1/1869

Source: FIFTEEN MILE CREEK **Tributary to:** BOISE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01	to 11/15	6.55 CFS	NA
	Total:			6.55 CFS
				NA

LOCATION OF POINT(S) OF DIVERSION:
FIFTEEN MILE CREEK SWSW Sec. 16, Twp 04N, Rge 02W, CANYON 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	
04N	02W	7																21.0	21.0
04N	02W	8											8.0						8.0
04N	02W	17			20.0			7.0		14.0	40.0	40.0	40.0	20.0		40.0	40.0		261.0
04N	02W	18	10.0	30.0	15.0	5.0	40.0	40.0	40.0	30.0		40.0	40.0						290.0

Total Acres: 580.0

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
63-00179C, 63-33392 and 63-32580	20.30 CFS	NA	580.0 AC	580.0 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water right(s) referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter. The right will be rented from the bank at a rate according to an agreement between Idaho Power and Mason Creek Ditch Co.
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.
12. 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.
13. The unleased portions of Rights 63-179C, 63-32580 and 63-33392 are limited to the irrigation of a combined total of 924.3 acres in a single irrigation season.
14. The unleased portions of Right Nos. 63-179C, 63-32580 and 63-33392 are limited to a total combined diversion rate of 32.90 cfs
15. The source of this water right includes waste water. The wasting of water may be discontinued at any time.
16. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No 63.

ATTACHMENT A
WATER RIGHT NO. 63-32580
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: MASON CREEK DITCH CO
 1905 MASON RD
 CALDWELL ID 83605
 (208) 459-0428

Priority Date: 3/1/1922

Source: MASON CREEK **Tributary to:** BOISE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01	to 11/15	6.55 CFS	NA
	Total:		6.55 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

MASON CREEK	NWNW	Sec. 19, Twp 04N, Rge 02W, CANYON County
MASON CREEK	SEnw	Sec. 19, Twp 04N, Rge 02W, CANYON 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	
04N	02W	7																21.0	21.0
04N	02W	8											8.0						8.0
04N	02W	17			20.0			7.0		14.0	40.0	40.0	40.0	20.0		40.0	40.0		261.0
04N	02W	18	10.0	30.0	15.0	5.0	40.0	40.0	40.0	30.0		40.0	40.0						290.0

Total Acres: 580.0

Limited to acres within place of use described above: 1504.3 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>
63-00179C, 63-33392 and 63-32580	20.30 CFS	NA	580.0 AC	580.0 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water right(s) referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter. The right will be rented from the bank at a rate according to an agreement between Idaho Power and Mason Creek Ditch Co.
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.
12. 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.
13. Unleased portions of this right and Right 63-179C are limited to the irrigation of a combined total of 924.3 acres in a single irrigation season.
14. The source of this water right includes waste water. The wasting of water may be discontinued at any time.
15. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No 63.

RECEIVED

JAN 30 2014

DEPARTMENT OF
WATER RESOURCESSTATE OF IDAHO
WATER RESOURCE BOARD
 Receipt No. C098251
 Fee Amount \$ 250.00
 Date/by 1/30/14
 (For Department Use Only)

APPLICATION TO SELL OR LEASE A WATER RIGHT TO THE WATER SUPPLY BANK

Name of Seller/Lessor Mason Creek Ditch Company Phone 208-459-0428 CELL 208-941-0960
 Mailing address 1905 Mason Rd. Caldwell, Idaho, 83605 Email djbicandi@aol.com

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>63-179C</u>	<u>13.92 cfs</u>	<u>irrigation</u>	<u>3/1/14</u> to <u>11-15-14</u>
_____	_____	_____	_____ to _____
_____	_____	_____	_____ to _____

Total Amount: 13.92cfs

2. Source of water Boise River tributary to Snake River

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	1/4	1/4	1/4	County
04N	02W	24		NE	NE	NE	Canyon

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

Twp	Rge	Sec	NE 1/4				NW 1/4				SW 1/4				SE 1/4				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	

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

B. OWNERSHIP

- 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.
- 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.
63-32580 63-33392

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. _____

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 3 1 14 to 11 15 14 (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 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.

Richard Bicandi
Signature of Applicant

RICHARD BICANDI SECRETARY
Printed Name and Title*

1-30-14
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

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

Attachment A

Current Total Irrigated Place of Use:

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	02W	7															X	X	
																	L 9	L 10	
04N	02W	8											X						
													L 5						
04N	02W	17			X		X	X	X	X	X	X	X	X		X	X	X	
04N	02W	18	X	X	X	X	X	X	X	X		X	X		X				
								L 1	L 2				L 3	L 4					
04N	02W	19	X	X			X	X											
								L 1											
04N	03W	11													X	X	X	X	
															L 1	L 2	L 6	L 7	
04N	03W	12																X	
																		L 6	
04N	03W	13	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
				L 2				L 3											
04N	03W	14	X	X	X	X	X	X	X	X			X		X	X			
								L 1	L 2										
04N	03W	24	X																

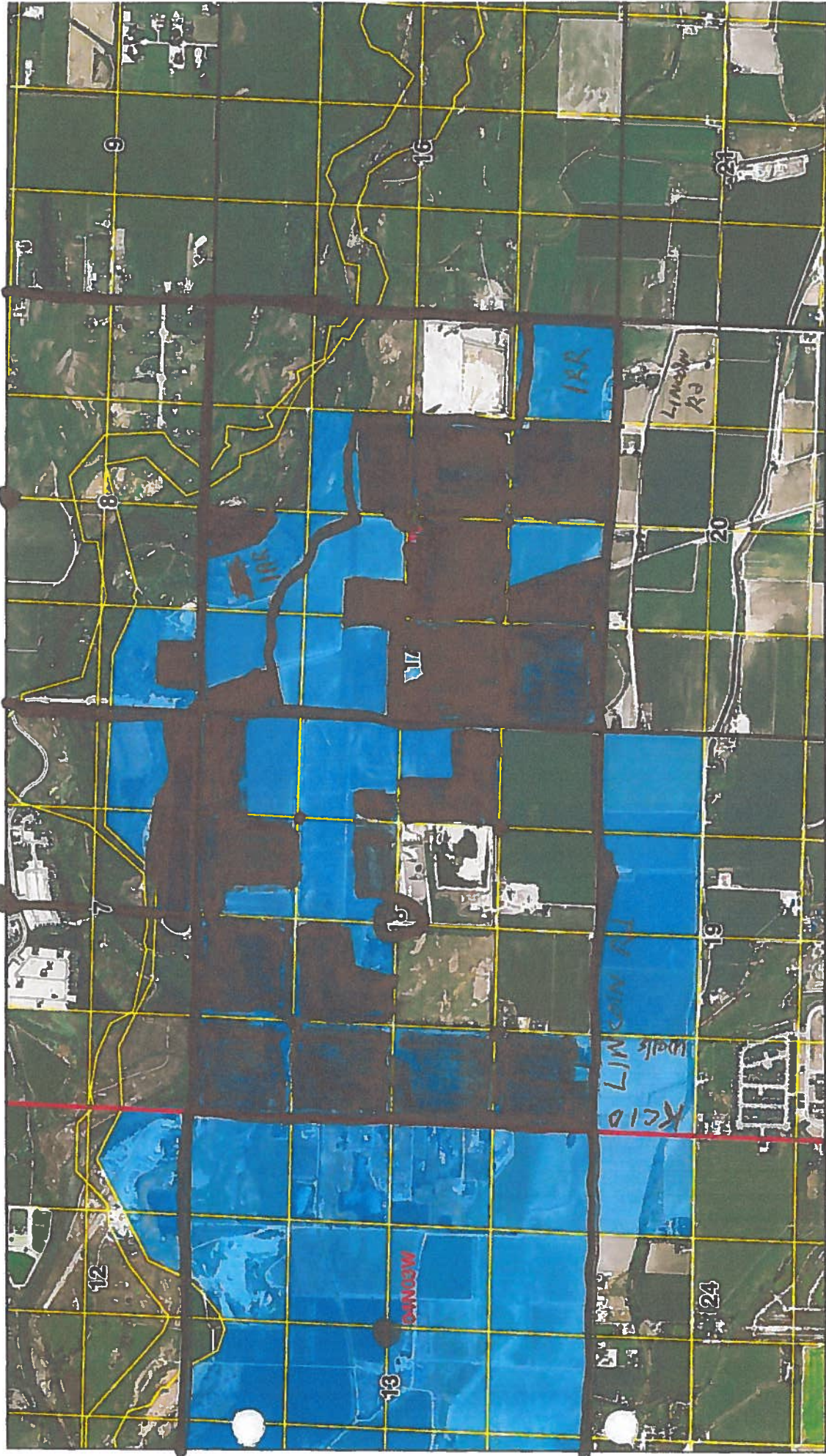
Acres to be Dried Up:

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	02W	7																	21.0
																			21.0
04N	02W	8											8.0						8.0
04N	02W	17			20.0			7.0		14.0	40.0	40.0	40.0	20.0		40.0	40.0		261.0
04N	02W	18	10.0	30.0	15.0	5.0	40.0	40.0	40.0	30.0		40.0	40.0						290.0

Total Number of Acres: 580.0

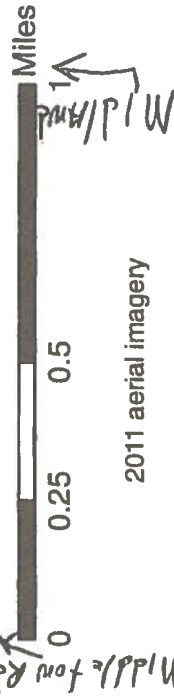
Mason Creek Ditch Co Lease Applications

Rights 63-179C and 63-32580



Legend

- Township/Range QQ
- Sections
- 63-179C & 63-32580 Place of Use



2011 aerial imagery

STATE OF IDAHO
WATER RESOURCE BOARDWATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLISTRECEIVED
MAR 03 2014
DEPARTMENT OF
WATER RESOURCES

An application to lease or sell a water right into the Water Supply Bank must be prepared in accordance with the minimum requirements listed below to be acceptable for processing by the Department. Use this checklist to ensure all necessary documentation has been provided. This checklist is part of the lease application and must be included with the lease application. **Incomplete applications will be returned to applicants for completion.**

Designated Applicant _____

Water Right No. 63-32580
One water right per applicationAll items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*

YES

- ☒ Completed *Water Supply Bank Lease or Sale Application Checklist* (this form).
- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank* (pages 2-3).
- ☒ Application filing fee of \$250.00. If you are submitting more than one lease application and the water rights have a common place of use, or common diversion rate, or common diversion volume, the combined maximum fee is \$500.00.

Attachment N/A YES

- 1A ☐ ☒ Contact information for **all owners** of the water right that is being leased or sold on this application.
- 1B ☐ An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant. *on File*
- 1C ☒ ☐ *Notice of Change in Water Right Ownership* form (accessible from www.idwr.idaho.gov).
- 1D ☐ ☐ Written consent from irrigation district or water delivery company.
- 1E ☒ ☐ Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.
- 2 ☐ ☒ Description of a water right portion offered to the Water Supply Bank.
- 3D ☐ ☒ Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.
- 4 ☐ ☒ A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. If you don't already have a detailed map, you can create one using IDWR's online General Mapping Tool (<http://maps.idwr.idaho.gov/mapall/>) to locate a water right place of use or point of diversion.

Department Use Only

Fee Amount \$ <u>250.00</u>	Received By: <u>CB</u>	Date Received: <u>3/3/14</u>	Receipt # <u>C098406</u>
W-9 received? Yes ☐ No ☒	(Route W-9 to Fiscal)	Name on W-9: <u>Mason Creek Ditch Co.</u>	

on File

**STATE OF IDAHO
WATER RESOURCE BOARD**

APPLICATION TO SELL OR LEASE A WATER RIGHT TO THE WATER SUPPLY BANK

1. CONTACT INFORMATION

- A. An application to sell or lease a water right to the Water Supply Bank must be completed by a Designated Applicant who is a recognized owner of the water right being sold or leased to the Water Supply Bank. If there are additional owners recorded for the property to which the water right is appurtenant, those individuals must authorize the Designated Applicant to represent them on this application by completing and signing Attachment 1A of this application package.

Designated Applicant Mason Creek Ditch Co. Email Address _____
Mailing Address 1905 Mason Rd Caldwell, Id 83605 Phone Number 208-459-0428 cell 208-740966

☐ The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Applicant is representing additional water right holders who have completed Attachment 1A.

B. Has the designated applicant completed an IRS Form W-9 (Attachment 1B)? Yes ☐ No ☐

C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐
If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

D. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☒ No ☐
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 1D).

E. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☒ No ☐
If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1E).

Name of Representative _____ Organization _____

Professional Title _____ Email Address _____

Mailing Address _____ Phone Number _____

☐ Send all correspondence for this application to the representative and not to the Designated Applicant.

OR

☐ Send original correspondence to the Designated Applicant and copies to the representative.

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

Water Right Number 63-32580 ☐ The full water right is being offered to the Bank.

OR

☒ A part of the water right is being offered to the Bank.
(If a portion of a water right is being offered, complete Attachment 2)

3. GENERAL INFORMATION

A. Please provide a description of the current water diversion system.

B. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank.

63-1790 and 63-33392

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

Yes ☐ No ☒

If yes, describe. _____

D. Has any portion of this water right undergone a period of five or more consecutive years of non-use?

Yes ☐ No ☒

If yes, describe and attach Watermaster records or other evidence to demonstrate that the water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code. _____

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

If yes, describe. _____

4. SALE/LEASE AGREEMENT

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

If lease, for a period from 3/1/14 to 11/15/14 (maximum lease period 5 years).
(Month / Day / Year) (Month / Day / Year)

B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.

CURRENT RATE

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture provisions are stayed.
5. Acceptance of a water right into the ank does not, in itself, confirm the validity of the water right or any elements of the water right.

M. Galvin

Signature of Designated Applicant

MARTIN GALVIN

Printed Name

3-3-2014

Date

Signature of Authorized Representative

Printed Name

Date

Mail to:

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

Attachment A

Current Total Irrigated Place of Use:

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	02W	7															X	X	
																	L 9	L 10	
04N	02W	8											X						
													L 5						
04N	02W	17			X		X	X	X	X	X	X	X	X		X	X	X	
04N	02W	18	X	X	X	X	X	X	X	X		X	X		X				
								L 1	L 2			X	X						
04N	02W	19	X	X			X	X											
								L 1											
04N	03W	11													X	X	X	X	
															L 1	L 2	L 6	L 7	
04N	03W	12																X	
																		L 6	
04N	03W	13	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
				L 2				L 3											
04N	03W	14	X	X	X	X	X	X	X	X				X	X	X			
								L 1	L 2										
04N	03W	24	X																

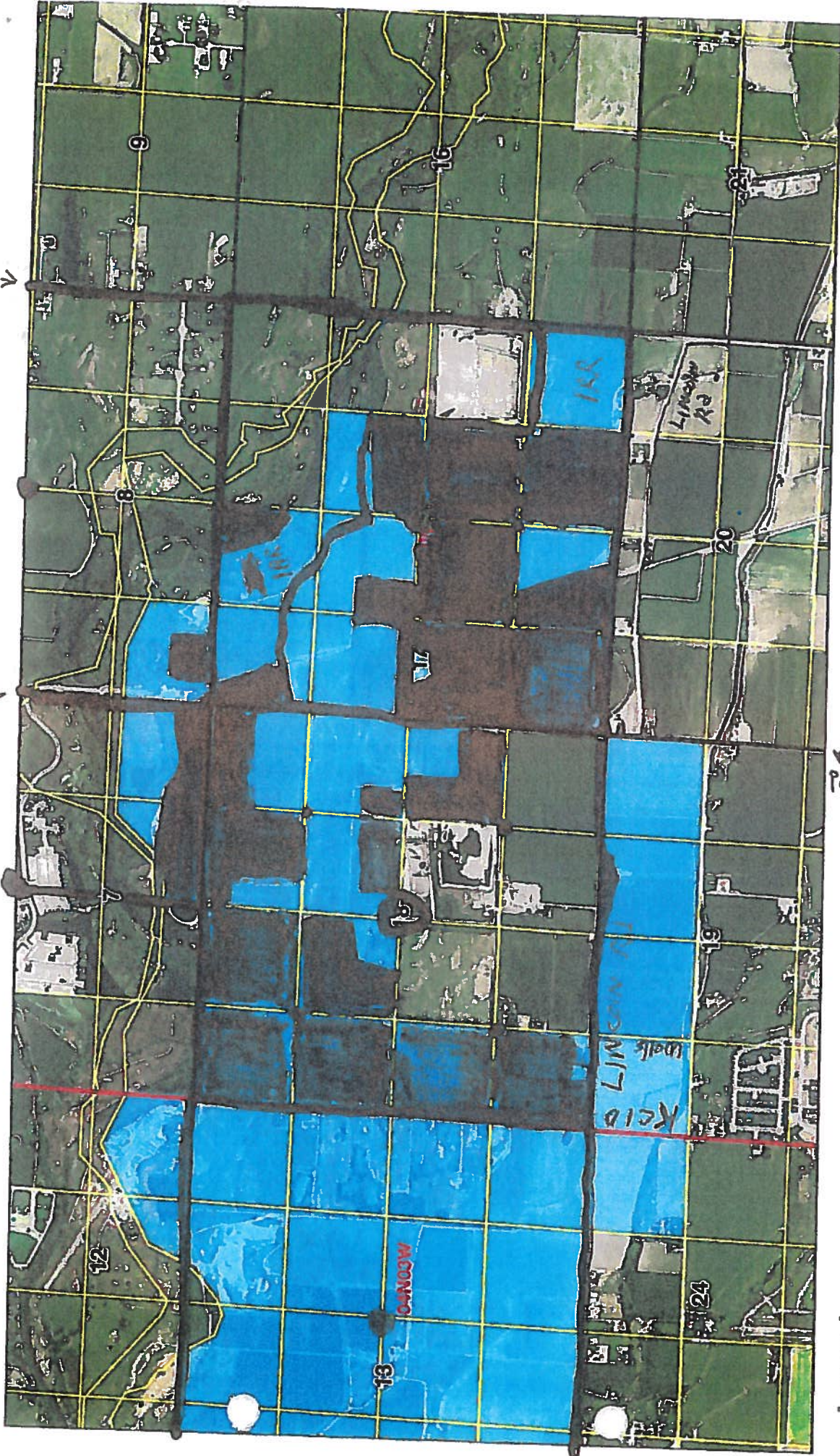
Acres to be Dried Up:

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	02W	7																	21.0
																			21.0
04N	02W	8											8.0						8.0
04N	02W	17			20.0			7.0	14.0	40.0	40.0	40.0	20.0		40.0	40.0			261.0
04N	02W	18	10.0	30.0	15.0	5.0	40.0	40.0	40.0	30.0		40.0	40.0						290.0

Total Number of Acres: 580.0

Mason Creek Ditch Co Lease Applications

Rights 63-179C and 63-32580



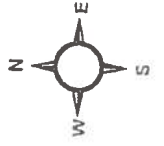
Legend

- Township/Range QQ
- Sections
- 63-179C & 63-32580 Place of Use

Miles

0 0.25 0.5

2011 aerial imagery



STATE OF IDAHO
WATER RESOURCE BOARD

WATER SUPPLY BANK LEASE OR SALE APPLICATION CHECKLIST

RECEIVED
MAR 03 2014
DEPARTMENT OF
WATER RESOURCES

An application to lease or sell a water right into the Water Supply Bank must be prepared in accordance with the minimum requirements listed below to be acceptable for processing by the Department. Use this checklist to ensure all necessary documentation has been provided. This checklist is part of the lease application and must be included with the lease application. **Incomplete applications will be returned to applicants for completion.**

Designated Applicant _____

Water Right No. _____

63-33392
One water right per application

All items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*

YES

- ☒ Completed *Water Supply Bank Lease or Sale Application Checklist* (this form).
- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank* (pages 2-3).
- ☒ Application filing fee of \$250.00. If you are submitting more than one lease application and the water rights have a common place of use, or common diversion rate, or common diversion volume, the combined maximum fee is \$500.00.

Attachment N/A YES

- | | | | |
|-----------|--------------------------|--------------------------|---|
| 1A | ☐ | ☐ | Contact information for <i>all owners</i> of the water right that is being leased or sold on this application. |
| 1B | ☐ | ☐ | An <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant. |
| 1C | ☐ | ☐ | <i>Notice of Change in Water Right Ownership</i> form (accessible from www.idwr.idaho.gov). |
| 1D | ☐ | ☐ | Written consent from irrigation district or water delivery company. |
| 1E | ☐ | ☐ | Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity. |
| 2 | ☐ | ☐ | Description of a water right portion offered to the Water Supply Bank. |
| 3D | ☐ | ☐ | Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code. |
| 4 | ☐ | ☐ | A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. If you don't already have a detailed map, you can create one using IDWR's online General Mapping Tool (http://maps.idwr.idaho.gov/mapall/) to locate a water right place of use or point of diversion. |

Department Use Only			
Fee Amount \$ <u>250.00</u>	Received By: <u>CJ</u>	Date Received: <u>3/3/14</u>	Receipt # <u>0098406</u>
W-9 received? Yes ☐ No ☒ (Route W-9 to Fiscal)		Name on W-9: <u>Mason Creek Ditch Co.</u>	

on file CD

**STATE OF IDAHO
WATER RESOURCE BOARD**

**APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK**

1. CONTACT INFORMATION

- A. An application to sell or lease a water right to the Water Supply Bank must be completed by a Designated Applicant who is a recognized owner of the water right being sold or leased to the Water Supply Bank. If there are additional owners recorded for the property to which the water right is appurtenant, those individuals must authorize the Designated Applicant to represent them on this application by completing and signing Attachment 1A of this application package.

Designated Applicant Mason Creek Ditch Co. Email Address _____
Mailing Address 1905 Mason Rd Caldwell, Id 83605 Phone Number 208-459-0428 Cell 208-944-096

☐ The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Applicant is representing additional water right holders who have completed Attachment 1A.

- B. Has the designated applicant completed an IRS Form W-9 (Attachment 1B)? Yes ☐ No ☐

- C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐
If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

- D. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☒ No ☐
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 1D).

- E. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☐ No ☐
If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1E).

Name of Representative _____ Organization _____

Professional Title _____ Email Address _____

Mailing Address _____ Phone Number _____

☐ Send all correspondence for this application to the representative and not to the Designated Applicant.

OR

☐ Send original correspondence to the Designated Applicant and copies to the representative.

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

Water Right Number 63-33392 ☐ The full water right is being offered to the Bank.

OR

☒ A part of the water right is being offered to the Bank.
(If a portion of a water right is being offered, complete Attachment 2)

3. GENERAL INFORMATION

- A. Please provide a description of the current water diversion system.

- B. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank.

63-1790 and 63-32580

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

Yes ☐ No ☒

If yes, describe. _____

D. Has any portion of this water right undergone a period of five or more consecutive years of non-use?

Yes ☐ No ☒

If yes, describe and attach Watermaster records or other evidence to demonstrate that the water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code. _____

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

If yes, describe. _____

4. SALE/LEASE AGREEMENT

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

If lease, for a period from 3/1/14 to 1/15/14 (maximum lease period 5 years).
(Month / Day / Year) (Month / Day / Year)

B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.

CURRENT Rate

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture provisions are stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any elements of the water right.

M. Galvin
Signature of Designated Applicant

MARTIN GALVIN
Printed Name

3-3-2014
Date

Signature of Authorized Representative

Printed Name

Date

Mail to:

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 2

DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

1. Water Right Number Amount (cfs/ac-ft) Nature of Use Period of Use
63-33392 6.55 Irrigation 03/01 to 11/15
 _____ to _____
 _____ to _____
 _____ to _____
 _____ to _____

Total Amount: 6.55

2. Source of water Fifteen Mile Creek tributary to Boise River

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
<u>04N</u>	<u>02W</u>	<u>16</u>		<u>SWSW</u>			<u>Canyon</u>

4. Lands irrigated or place of use:

TWP	RGE	SEC	NE				NW				SW				SE				TOTALS
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	

If the water right is for irrigation, show total number of acres offered to the Bank. **Total Acres** _____

Attachment A

Current Total Irrigated Place of Use:

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	02W	7															X	X	
																	L 9	L 10	
04N	02W	8																	
													X						
													L 5						
04N	02W	17			X		X	X	X	X	X	X	X	X		X	X	X	
04N	02W	18	X	X	X	X	X	X	X	X		X	X		X				
								L 1	L 2			L 3	L 4						
04N	02W	19	X	X			X	X											
								L 1											
04N	03W	11													X	X	X	X	
															L 1	L 2	L 6	L 7	
04N	03W	12																X	
																		L 6	
04N	03W	13	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
				L 2			L 3												
04N	03W	14	X	X	X	X	X	X	X	X				X	X	X			
							L 1	L 2											
04N	03W	24	X																

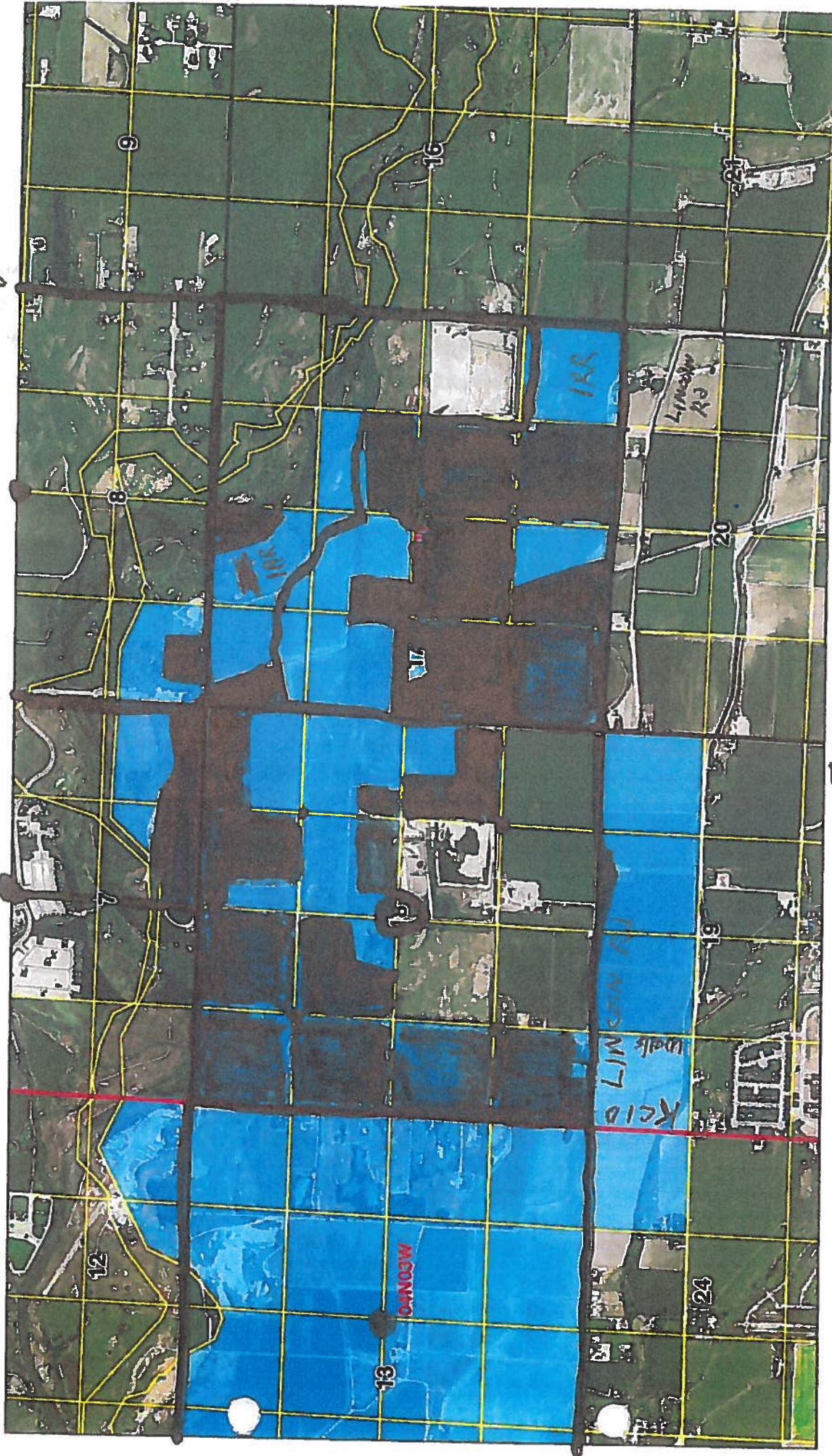
Acres to be Dried Up:

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	02W	7																	21.0
																			21.0
04N	02W	8																	
																			8.0
																			8.0
04N	02W	17			20.0			7.0		14.0	40.0	40.0	40.0	20.0		40.0	40.0		261.0
04N	02W	18	10.0	30.0	15.0	5.0	40.0	40.0	40.0	30.0		40.0	40.0						290.0

Total Number of Acres: 580.0

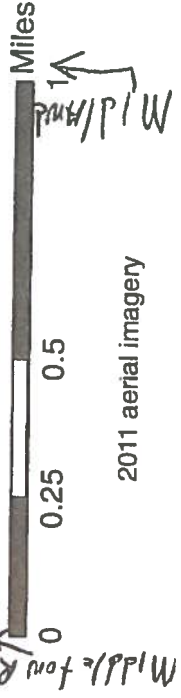
Mason Creek Ditch Co Lease Applications

Rights 63-179C and 63-32580



Legend

- Township/Range QQ
- Sections
- 63-179C & 63-32580 Place of Use



2011 aerial imagery



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 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

September 30, 2014

MASON CREEK DITCH CO
C/O MARTIN C GALVIN
PO BOX 115
MIDDLETON, ID 83644

**RE: NOTIFICATION OF WATER SUPPLY BANK LEASE EXPIRATION FOR WATER
RIGHT(S): 63-179C, 63-32580, and 63-33392**

Dear Lessor:

The Idaho Department of Water Resources (Department) records show that all or a portion of the above referenced water right, currently leased to the Water Supply Bank (Bank), will expire December 31, 2014. This letter is notice that the right will be considered released from the Bank at that time.

If you would like the right to remain leased to the Bank, please complete the enclosed Application to Lease a Water Right to the Water Supply Bank.

Please consider that the five (5) year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the Bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the Bank.

If you have questions regarding this matter, you may contact the Department at any time.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cherie Palmer', is written over a light blue horizontal line.

Cherie Palmer
Water Rights Supervisor
Water Allocation Bureau

Enclosure: Application to Lease a Water Right

c: IDWR Regional Office
Albert P Barker – Barker Rosholt & Simpson LLP
PO Box 2139
Boise ID 83701-2139



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 16, 2014

MASON CREEK DITCH CO
1905 MASON RD
CALDWELL ID 83605

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 63-00179C, 63-33392 & 63-32580

Dear Lessor:

Water Rights 63-00179C, 63-33392 and 63-32580 were leased into the Water Supply Bank on March 1, 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, 2014**, 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 287-4910.

Sincerely,

Clay Webster
Technical Records Specialist

Enclosure: Executed Lease Contract

c: John Westra – IDWR Western Regional Manager
Rex Barrie – Watermaster District 63

MEMORANDUM

To: Water Right No(s). 63-179C, 63-32580 and 63-33392

From: ~~Clay~~ Webster thru Pam Skaggs

Date: April 16, 2014

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

PURPOSE/NARRATIVE: On January 30, 2014, the department received an application to lease 13.92 cfs/580 acres out of the 36.2 cfs/1504.3 acres that 63-179C authorizes. Upon review, it was discovered that portions of the overlapping rights should have been leased as well. On March 3, 2014, the department received the other two applications at a meeting held with Mr. Galvin, the Director of Mason Creek Ditch Co. This lease is the result of an agreement between Mason Creek Ditch Co. (Lessor) and Idaho Power (Renter).

AUTHORITY TO FILE: The application for 63-179C is signed by Richard Bicandi, the secretary of Mason Creek Ditch Co., The applications for 63-32580 and 63-33392 were signed by Martin Galvin the Director of Mason Creek Ditch Co., the current owner of this water right.

WATER RIGHT VALIDITY: 63-179C was partially decreed in April 2012. These acres have been leased into the bank since June 2012. 63-33392 was partially decreed in the SRBA in October of 2012 and 63-32580 was partially decreed in April 2012. Forfeiture is not an issue.

INJURY TO OTHER WATER RIGHTS: No injury is apparent. Pioneer Irrigation District has provided written agreement to the lease of the specific portions of these rights represented by the lease in their 03-13-2014 letter.

ENLARGEMENT OF USE: Satellite imagery indicates that the required acres have been dried up or are ponds. According to Mr. Galvin, the ponds are a result of gravel pits being dug and then filling up with water. No enlargement is evident through the lease alone. Proper rental review should protect against enlargement.

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

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The leased right(s) are subject to Water District # 63. The watermaster expressed concerns with a potential problem with accounting for these flows since they are not delivered across a weir see e-mail March 18, 2014.



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

MASON CREEK DITCH CO
1905 MASON RD
CALDWELL ID 83605

**RE: REQUEST FOR RETURN OF SIGNED WATER SUPPLY BANK LEASE CONTRACTS FOR
WATER RIGHT(S) 63-00179C, 63-33392 AND 63-32580**

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

Dear Applicant,

The Department of Water Resources (Department) mailed **two original Water Supply Bank Lease Contracts for your review and signature** on March 24, 2014. The signed contracts have not been returned to the Department.

Please sign both original Lease Contracts and return them to the Department within ten (10) days of this letter to complete processing. The Lease Contract is not considered final until both you and the Department have signed.

If the signed lease contracts are not received by the Department within the 10-day period, the lease application(s) will be returned, and the application fee will not be refunded. You can reapply to lease the water right(s) in the future by submitting new application form(s) along with applicable fees.

Please note the forfeiture period is not tolled unless a right is accepted into the Bank, or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. If forfeiture is a concern, you may consider filing an Application for Extension of Time to Avoid Forfeiture of a Water Right form. This and other water right forms are available from the Department's web site at www.idwr.idaho.gov.

If you have questions regarding this matter, please contact me at 287-4910.

Sincerely,

Clay Webster
Technical Records Specialist



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 24, 2014

MASON CREEK DITCH CO
1905 MASON RD
CALDWELL ID 83605

**RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 63-00179C, 63-33392 AND 63-32580 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, 2014**, 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 287-4910.

Sincerely,

Clay Webster
Technical Records Specialist

Enclosure: Proposed Lease Contracts
Receipt #s C098251 and C098406

Webster, Clay

From: Lester, Steve
Sent: Friday, March 21, 2014 3:01 PM
To: Webster, Clay
Subject: RE: Processing Lease for Mason Creek Ditch Co.

Looks good, Clay.

From: Webster, Clay
Sent: Monday, March 17, 2014 10:19 AM
To: Lester, Steve
Subject: Processing Lease for Mason Creek Ditch Co.

Good Morning Steve,

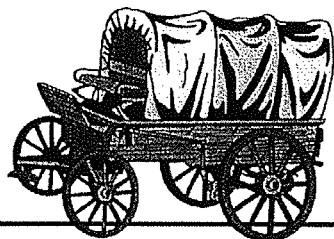
I am processing this lease. Do you have any concerns?

Sincerely,

Clay Webster

Technical Records Specialist
clay.webster@idwr.idaho.gov
208-287-4910

Idaho Department of Water Resources (IDWR)
208-287-4800
www.idwr.idaho.gov



Pioneer Irrigation District

P.O. BOX 426 • CALDWELL, IDAHO 83606
(208) 459-3617
www.pioneerirrigation.com

March 13, 2014

Mason Creek Ditch Company
c/o Martin C. Galvin
P.O. Box 115
Middleton, ID 83644

RE: 2014 Lease to Idaho Water Resource Board Water Supply Bank of 14.4 cfs of Water Right #63-00179C (13.92 cfs), #63-33392 (6.55 cfs), and #63-32580 (6.55 cfs)

Dear Mr. Galvin,

This letter serves as written consent to the Mason Creek Ditch Company to lease 20.3 cfs of water from Water Rights #63-00179C, #63-33392, and #63-32580 to the Idaho Water Resource Board's Water Supply Bank for the 2014 irrigation season.

The Pioneer Irrigation District Board of Directors met on March 7, 2014, and considered Mason Creek Ditch Companies request and concurred to approve the rental. Also enclosed is Pam Skaggs with the Idaho Department of Water Resources and Pioneer's Superintendent Mark Zirschky e-mail correspondence regarding the numbers given to Pioneer Irrigation District. She has confirmed that the amounts are as follows for each water right #63-00179C (13.92 cfs), #63-33392 (6.55 cfs), and #63-32580 (6.55 cfs) for a combined lease total of 20.30 cfs. Their correspondence is attached.

Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erica Slayton'. The signature is fluid and cursive.

Erica Slayton
Secretary

Enclosure

cc: Pioneer Irrigation District Board of Directors,
Clay Webster, IDWR via fax at 208-287-6700
Rex Barrie, Watermaster via e-mail

Mark Zirschky

From: Skaggs, Pam <Pam.Skaggs@idwr.idaho.gov>
Sent: Thursday, March 13, 2014 12:17 PM
To: mark@pioneerirrigation.com
Subject: Water Supply Bank Lease of Mason Creek Ditch Company Rights
Attachments: Mason Creek Ditch Co 63-179C etc.rtf; _Certification_.htm

Mark,

As we discussed this morning on the phone, the three Mason Creek Ditch Company rights have conditions that show all three rights when combined are limited to 1504.3 acres and 53.20 cfs. A portion of all three rights associated with 580.0 acres will be leased into the Water Supply Bank. (See attached reports & description below.)

Basin	Sequence	Suffix	Process	Basis	Priority Date	Diversion Rate	Source List	Water Use List	Current Owner	Water District
63	179	C	Water Right	Decreed	6/1/1869	36.20	BOISE RIVER	IRRIGATION	MASON CREEK DITCH CO	63 - Boise River
This right can be used to irrigate up to 1504.3 acres within the boundary of the Mason Creek Ditch Company.										
63	32580		Water Right	Decreed	3/1/1922	17.00	MASON CREEK	IRRIGATION	MASON CREEK DITCH CO	63 - Boise River
This right and Right No. 63-179C are limited to the irrigation of a combined total of 1504.3 acres in a single irrigation season.										
63	33392		Water Right	Decreed	6/1/1869	17.00	FIFTEEN MILE CREEK	IRRIGATION	MASON CREEK DITCH CO	
Right Nos. 63-179C, 63-32580 and 63-33392 are limited to the irrigation of a combined total of 1504.3 acres in a single irrigation season.										
Right Nos. 63-179C, 63-32580 and 63-33392 are limited to a total combined diversion rate of 53.20 cfs .										

The proposed lease portions of each right equal 13.92 cfs for 63-179C, 6.55 cfs for 63-33392 and 6.55 cfs for 63-32580 for a combined total of **20.30 cfs**. The rate of the three rights are not additive (27.02 cfs), but limited to a total diversion rate of 20.30 cfs.

Let me know if you have any additional questions.

Pam

Pamela S. Skaggs
 Water Rights Supervisor
 Idaho Department of Water Resources
 322 E Front St
 PO Box 83720
 Boise ID 83720-0098
 Phone (208) 287-4951

Message

Reply
Reply to All
Forward

Respond

Delete
Move to Folder
Create Rule
Other Actions

Actions

Block Sender
Not Junk

Junk E-mail

Categorize
Follow Up
Mark as Unread

Options

Find
Related
Select

Find

Save

eDOCS DM

From: Skaggs, Pam
To: 'mark@pioneerirrigation.com'
Cc:
Subject: Water Supply Bank Lease of Mason Creek Ditch Company Rights

Sent: Thu 3/13/2014 12:17 PM

Message | Mason Creek Ditch Co 63-179C etc.rtf (150 KB)

Mark,

As we discussed this morning on the phone, the three Mason Creek Ditch Company rights have conditions that show all three rights when combined are limited to 1504.3 acres and 53.20 cfs. A portion of all three rights associated with 580.0 acres will be leased into the Water Supply Bank. (See attached reports & description below.)

Basin	Sequence	Suffix	Process	Basis	Priority Date	Diversion Rate	Source List	Water Use List	Current Owner	Water District
63	179	C	Water Right	Decreed	6/1/1869	36.20	BOISE RIVER	IRRIGATION	MASON CREEK DITCH CO	63 - Boise River
This right can be used to irrigate up to 1504.3 acres within the boundary of the Mason Creek Ditch Company.										
63	32580		Water Right	Decreed	3/1/1922	17.00	MASON CREEK	IRRIGATION	MASON CREEK DITCH CO	63 - Boise River
This right and Right No. 63-179C are limited to the irrigation of a combined total of 1504.3 acres in a single irrigation season.										
63	33392		Water Right	Decreed	6/1/1869	17.00	FIFTEEN MILE CREEK	IRRIGATION	MASON CREEK DITCH CO	
Right Nos. 63-179C, 63-32580 and 63-33392 are limited to the irrigation of a combined total of 1504.3 acres in a single irrigation season.										
Right Nos. 63-179C, 63-32580 and 63-33392 are limited to a total combined diversion rate of 53.20 cfs.										

The proposed lease portions of each right equal 13.92 cfs for 63-179C, 6.55 cfs for 63-33392 and 6.55 cfs for 63-32580 for a combined total of 20.30 cfs. The rate of the three rights are not additive (27.02 cfs), but limited to a total diversion rate of 20.30 cfs.

Let me know if you have any additional questions.

Pam

Pamela S. Skaggs
Water Rights Supervisor
Idaho Department of Water Resources
322 E Front St
PO Box 83720
Boise ID 83720-0098
Phone (208) 287-4951
Fax (208) 287-6700

Webster, Clay

From: Rex Barrie [waterdistrict63@qwestoffice.net]
Sent: Tuesday, March 18, 2014 9:48 AM
To: Webster, Clay
Cc: Cresto, Liz
Subject: RE: Processing Lease for Mason Creek Ditch Co.

Clay,

I do not object to these. However, There is a potential problem with accounting for these flows since they are not delivered across a weir.

Liz Cresto and I have discussed this in the past and she may have some insight on how we account for these.

My only concern is if Idaho Power came back and said they did not get all their water at Middleton.

Rex R. Barrie
Boise River Watermaster

From: Webster, Clay [mailto:Clay.Webster@idwr.idaho.gov]
Sent: Monday, March 17, 2014 10:40 AM
To: waterdistrict63@qwestoffice.net
Subject: Processing Lease for Mason Creek Ditch Co.

Good Morning Rex,

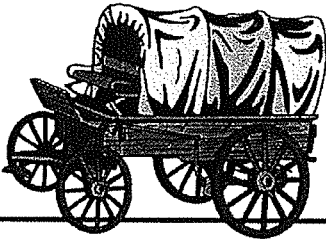
I am processing the lease on these three water rights. I have received the letter from Pioneer Irrigation District that you were also sent. Do you have any concerns?

Sincerely,

Clay Webster

Technical Records Specialist
clay.webster@idwr.idaho.gov
208-287-4910

Idaho Department of Water Resources (IDWR)
208-287-4800
www.idwr.idaho.gov



Pioneer Irrigation District

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March 13, 2014

Mason Creek Ditch Company
c/o Martin C. Galvin
P.O. Box 115
Middleton, ID 83644

RE: 2013 Lease to Idaho Water Resource Board Water Supply Bank of 14.4 cfs of Water Right #63-00179C (13.92 cfs), #63-33392 (6.55 cfs), and #63-32580 (6.55 cfs)

Dear Mr. Galvin,

This letter serves as written consent to the Mason Creek Ditch Company to lease 20.3 cfs of water from Water Rights #63-00179C, #63-33392, and #63-32580 to the Idaho Water Resource Board's Water Supply Bank for the 2014 irrigation season.

The Pioneer Irrigation District Board of Directors met on March 7, 2014, and considered Mason Creek Ditch Companies request and concurred to approve the rental. Also enclosed is Pam Skaggs with the Idaho Department of Water Resources and Pioneer's Superintendent Mark Zirschky e-mail correspondence regarding the numbers given to Pioneer Irrigation District. She has confirmed that the amounts are as follows for each water right #63-00179C (13.92 cfs), #63-33392 (6.55 cfs), and #63-32580 (6.55 cfs) for a combined lease total of 20.30 cfs. Their correspondence is attached.

Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erica Slayton'. The signature is fluid and cursive, with a large initial 'E' and 'S'.

Erica Slayton
Secretary

Enclosure

cc: Pioneer Irrigation District Board of Directors,
Clay Webster, IDWR via fax at 208-287-6700
Rex Barrie, Watermaster via e-mail

Webster, Clay

From: Webster, Clay
Sent: Tuesday, March 11, 2014 1:14 PM
To: 'erica@pioneerirrigation.com'
Subject: Mason Creek Ditch Company numbers for lease.

Erica,

The following are the numbers that we have for the Mason Creek Ditch Company's lease. Is there a way we can get an updated letter with the correct numbers for this? Thanks for your help.

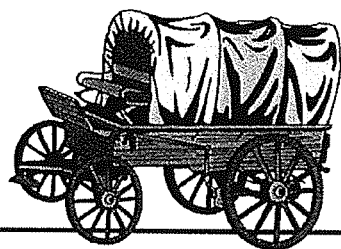
Water Right	Lease Rate	Lease Volume	Acre Limit	Total Leased Acres
63-00179C	13.92 CFS	NA	NA	580.0 AC
63-33392	6.55 CFS	NA	NA	580.0 AC
63-32580	6.55 CFS	NA	NA	580.0 AC
Combined Lease Totals:	20.30 CFS	NA	NA	580.0 AC

Sincerely,

Clay Webster

Technical Records Specialist
clay.webster@idwr.idaho.gov
208-287-4910

Idaho Department of Water Resources (IDWR)
208-287-4800
www.idwr.idaho.gov



Pioneer Irrigation District

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March 11, 2014

Mason Creek Ditch Company
c/o Martin C. Galvin
P.O. Box 115
Middleton, ID 83644

RE: 2013 Lease to Idaho Water Resource Board Water Supply Bank of 14.4 cfs of Water Right #63-00179C (6 cfs), #63-33392 (6 cfs), and #63-32580 (2.4 cfs)

Dear Mr. Galvin,

This letter serves as written consent to the Mason Creek Ditch Company to lease 14.4 cfs of water from Water Rights #63-00179C, #63-33392, and #63-32580 to the Idaho Water Resource Board's Water Supply Bank for the 2013 irrigation season.

The Pioneer Irrigation District Board of Directors met on March 7, 2014, and considered Mason Creek Ditch Companies request and concurred to approve the rental.

Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Erica Slayton". The signature is fluid and cursive.

Erica Slayton
Secretary

cc: Pioneer Irrigation District Board of Directors,
Clay Webster, IDWR via fax at 208-287-6700

MEMORANDUM

DATE: March 4, 2014
TO: Water Right File 63-179C
FROM: Clay Webster 

RE: WSB Lease Application

Today I had a phone conversation with Martin Galvin of Mason Creek Ditch Co. he asked me for the new numbers for the Pioneer Irrigation District consent letter. I informed him that WR 63-00179C would need to be 13.92 cfs and that 63-33392 would be 6.5 CFS and 63-32580 would be 6.5 cfs. He also asked me to fax him a copy of the 2012 letter from Pioneer Irrigation District. I faxed him the letter.

MEMORANDUM

DATE: March 3, 2014
TO: Water Right File 63-179C
FROM: Clay Webster 

RE: WSB Lease Application

Today Mr. Martin Galvin of Mason Creek Ditch Co. came in to discuss his WSB lease application for 63-00179C. This right has two associated rights 63-32580 and 63-33392. After discussing the way the Mason Creek, the Boise River and Fifteen mile Creek provide water to their systems the three water rights with Dan Nelson, Pam Skaggs and me. It was decided that all three water rights needed to have a portion placed in the bank. We filled out WSB lease forms for the two associated WR numbers, collected the additional fee. He informed me that he would be meeting with the Pioneer Irrigation District on Friday and that he would request the consent letter at that time. We discussed the ponds in the idled areas of the lease. He informed me that those are holes in a gravel pit of Leary Construction and Idaho Concrete. He stated that when they are dug, they fill with water.

MEMORANDUM

DATE: February 25, 2014
TO: Water Right File 63-179C
FROM: Clay Webster 

RE: WSB Lease Application

Today I had a phone conversation with Martin Galvin of Mason Creek Ditch Co. about the WSB lease application for 63-00179C. This right has two associated rights 63-32580 and 63-33392. I informed him that I would need lease applications for these rights also with an additional \$250 fee. I also informed him that I needed a letter from Pioneer irrigation district with their consent to this lease. I informed him of the 15.3 acre area that was irrigated in section 18 of the SWNW. He stated that he would get the needed documents together and deliver them to us at IDWR.