

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective January 3, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: STANLEY D MORSE
ELLEN M MORSE
11282 FLOATING FEATHER
STAR ID 83669
(208) 286-7226

RECEIVED

APR 11 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>
2-10378	0.271 CFS	NA	NA	19.0 AC
Combined Lease Totals: 0.271 CFS NA NA 19.0 AC				

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

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

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31, 2018.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

STANLEY D MORSE

ELLEN M MORSE

11282 FLOATING FEATHER
STAR ID 83669

By Stanley D. Morse
Printed Name Stanley D. Morse

Date April 9, 2014
Title CO-owner

By Ellen M. Morse
Printed Name Ellen M. Morse

Date April 9, 2014
Title CO-owner

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 04-11-2014

Lease approved by IDWR Camille S. Skaggs

Date 04-11-2014

ATTACHMENT A
WATER RIGHT NO. 2-10378
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: **STANLEY D MORSE**
ELLEN M MORSE
11282 FLOATING FEATHER
STAR ID 83669
(208) 286-7226

Priority Date: 1/11/1963

Source: SNAKE RIVER

Tributary to: COLUMBIA RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01 to	11/15	0.271 CFS	NA
	Total:			0.271 CFS
				NA

LOCATION OF POINT(S) OF DIVERSION:

SNAKE RIVER L7(SW¼SW¼NE¼) Sec. 36 Twp 01N Rge 03W 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	
01N	03W	2		19.0 L2															19.0

Total Acres: 19.0

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. Rights 2-2172, 2-2177, 2-2184, 2-2185, 2191A and splits of 2-2191B, 2-2192, 2-2193, 2-2194A, 2-2196, 2-2199, 2-2208, 2-2280, 2-2363, 2-2368, 2-2422, 2-7010, 2-7011, 2-7078, 2-7081, 2-10029, 2-10059, 2-10184, 2-10185, 2-10218, 2-10219, 2-10220 and 2-10221 when combined shall not exceed a total diversion rate of 74.30 cfs.

RECEIVED

JAN 03 2014

DEPARTMENT OF
WATER RESOURCES

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

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: 02-10-378 Telephone No: 208 286 7226

Name(s) of Lessor(s): Stanley and Ellen Morse

Mailing Address: 11282 W. Floating Feather

City: Star State: ID Zip: 83669

Current Expiration Date: 12-31-13

Requested Expiration Date: indefinite period
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.

Stan Morse
Signature of Lessor

Stan Morse
Printed Name and Title*

1-1-2014
Date

Ellen Morse
Signature of Lessor

Ellen Morse
Printed Name and Title*

1-1-2014
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

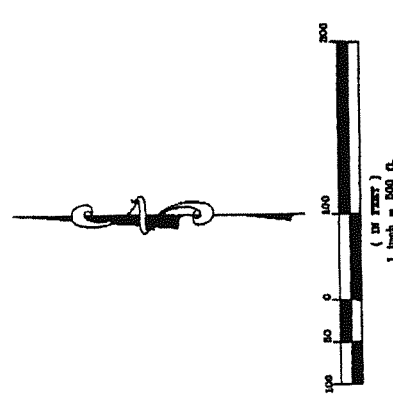
FOR OFFICE USE ONLY

Filing fee received by: hpl Date: 1-3-14 Receipt No: 0098139

RECORDER'S CERTIFICATE

STATE OF IDAHO S.S. INSTRUMENT NO. _____
 COUNTY OF CANYON FEE: _____
 I, THE UNDERSIGNED, HEREBY CERTIFY THAT THIS INSTRUMENT WAS
 FILED FOR RECORD AT THE REQUEST OF ARROW LAND SURVEYING, INC.,
 AT _____ MINUTES PAST _____ O'CLOCK _____ M. ON THE _____ DAY OF
 _____, 2005.

RECORDER _____ DEPUTY _____



LEGEND
 Found Section Corner
 Placed 1/2" x 24" iron rod
 or a 5/8" x 30" iron rod
 with a yellow plastic cap
 marked P.L.S. 7323

SURVEYOR'S CERTIFICATE

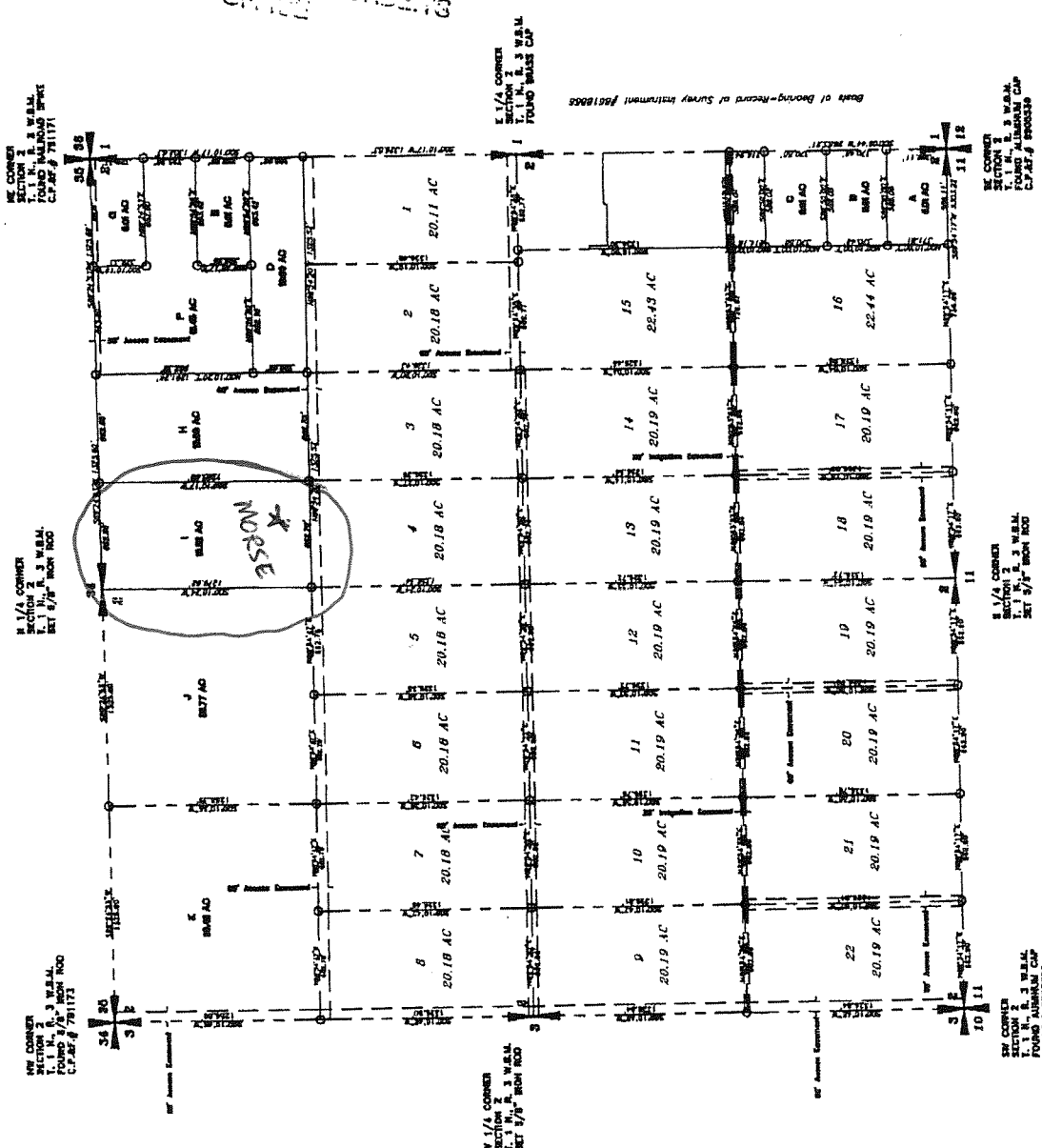
I, DARREN R. LEAVITT, DO HEREBY CERTIFY THAT I AM A
 PROFESSIONAL LAND SURVEYOR, LICENSED BY THE STATE OF IDAHO, AND
 THAT THIS MAP HAS BEEN PREPARED FROM AN ACTUAL SURVEY MADE ON THE
 GROUND UNDER MY SUPERVISION, AND THAT THIS MAP IS AN ACCURATE
 REPRESENTATION OF SAID SURVEY.



DARREN R. LEAVITT, P.L.S. IDAHO LICENSE NO. 7323

RECORD OF SURVEY			
NO. _____			
HERB MONTERTH			
SEC. 2, T. 1 N., R. 3 W.B.M.			
SUBD.	PLAT	DATE	BY
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2	2	2	2
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4	4	4	4
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PART OF
 THE E 1/2 OF THE SE 1/4 OF
 SECTION 2, T. 1 N., R. 3 W.B.M.
 CANYON COUNTY, IDAHO



INSTRUMENT NO. 200578300



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 14, 2014

STANLEY D MORSE
ELLEN M MORSE
11282 FLOATING FEATHER
STAR ID 83669

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 2-10378

Dear Lessor:

Water Rights 2-10378 was leased into the Water Supply Bank on January 3, 2014 in accordance with the executed original Lease Contract enclosed. **Your water right as described on the Lease Contract is considered leased into the Bank and should remain unused until it is formally released from the Bank.**

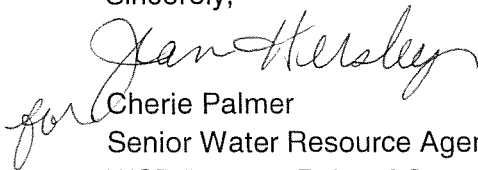
The right will automatically be released from the Bank on **December 31, 2018**, unless the right is released earlier by the Board, or upon your request. **Please note your right may not be available for immediate release if it has been rented.** To release the right from the Bank prior to the release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


Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: Corbin Knowles- Water District # 02
John Westra- IDWR Western Regional Manager



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 19, 2014

STANLEY D MORSE
ELLEN M MORSE
11282 FLOATING FEATHER
STAR ID 83669

RE: APPLICATION(S) TO LEASE WATER RIGHT 2-10378 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 Jan Hershey
Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

MEMORANDUM

To: Water Right No(s). 2-10398

From: Jean Hersley

Date: February 4, 2014

Re: Review of Application to Lease Water Right to the State Water Supply Bank

PURPOSE/NARRATIVE: On January 3, 2014, the Department received a Request to Extend Lease Term from Stanley and Ellen Morse. The lease previously expired in 2013. The water right holders requested a lease expiration date of "indefinitely". However, the Water Resource Board is not approving indefinite leases at this time. The lease is for the entire water right which is located in T01N, R03W, Section 2, Gov't Lot 2 (NWNE). The source is the Snake River and the POD is located in T01N, R03W, Section 36, Gov't Lot 7 (SWSWNE). This is a split from 2-2121B (Montierth).

AUTHORITY TO FILE: The application was signed by both water right holders.

WATER RIGHT VALIDITY: The water right was decreed in 2009 and has been in the Bank since 2010. Aerial photography indicates no irrigation has taken place.

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. Combined right diversion limit should be addressed when considering rental to avoid 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 is subject to Water District # 02.

Hersley, Jean

From: Knowles, Corbin
Sent: Monday, March 17, 2014 3:48 PM
To: Hersley, Jean
Subject: Automatic reply: WSB Lease Extension 2-10378 for Stanley & Ellen Morse

I will be out of the office 3/17-3/21, returning Monday 3/24 Contact info if you need to get a hold of me 208-731-0435

Hersley, Jean

From: Hersley, Jean
Sent: Monday, March 17, 2014 3:48 PM
To: Knowles, Corbin
Subject: WSB Lease Extension 2-10378 for Stanley & Ellen Morse
Attachments: Lease Review Memo.docx

This is a renewal of a lease. The water right has been in the Bank since 2010. If you have any comments or concerns, please let me know.

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

MEMORANDUM

TO: Water Right File 2-10378

FROM: Jean Hersley

DATE: ~~January 15, 2014~~ February 4, 2014 jnh

RE: RENTING THIS RIGHT FROM WATER SUPPLY BANK

The comment below is a condition of approval on all the water rights. This water right is leased into the Bank. The rental amount if diverted from different point of diversion should be a proportional reduction of the overall diversion rate. Please adjust accordingly.

"Rights 2-2172, 2-2177, 2-2184, 2-2185, 2-2191A, splits of 2-2191B, 2-2192, 2-2193, 2-2194A, 2-2196, 2-2199, 2-2208, 2-2280, 2-2363, 2-2368, 2-2422, 2-7010, 2-7011, 2-7078, 2-7081, 2-10029, 2-10059, 2-10184, 2-10185 2-10218, 2-10219, 2-10220 and 2-10221 when combined shall not exceed a total diversion rate of 74.30 cfs."

The total diversion rate of all 62 water rights (not all water rights are listed) is 95.339 cfs.

$74.30 \div 95.339 = 0.779$ or 0.78

Hersley, Jean

From: Hersley, Jean
Sent: Tuesday, February 04, 2014 2:37 PM
To: Lester, Steve
Subject: WSB Lease Extension Request 2-10378 for Stanley and Ellen Morse



Lease Review
Memo.docx

Steve,

Attached is my review memo for the lease extension for water right 2-10378. I think the only thing I forgot to put on the memo is that it is located in Canyon County.

If you have any questions, please let me know.

I would like your comments or concerns within 14 days so I can continue processing the lease.

Thank you.

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