

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective February 11, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: ELISE G LUFKIN
2817 10TH AVE E
SEATTLE WA 98102
206-450-3020
egbl@cox.net

RECEIVED
MAR 12 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

Water Right	Lease Rate	Lease Volume	Acre Limit	Total Leased Acres
37-496B	0.31 CFS	NA	NA	15.6 AC
37-497B	0.16 CFS	NA	NA	15.6 AC
Combined Lease Totals:	0.47 CFS	NA	NA	15.6 AC

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

Authorized Period of Use under Lease: April 1 to November 1

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

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31, 2018.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.

SUPPORT DATA

IN FILE # 37-496B

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.

ELISE G LUFKIN
2817 10TH AVE E
SEATTLE WA 98102

By 
Printed Name Elise G. Lufkin

Date 3/9/14
Title owner

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-9098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 03-14-2014

Lease approved by IDWR 

Date 03-14-2014

ATTACHMENT A
WATER RIGHT NO. 37-496B
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: ELISE G LUFKIN
 2817 10TH AVE E
 SEATTLE WA 98102
 206-450-3020

Priority Date: 07/01/1883

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	04/01	to 11/01	0.31 CFS	NA
	Total:		0.31 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

BIG WOOD RIVER NE¼NE¼ Sec. 19 Twp 03N 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	
03N	18E	19	14.6			1.0													15.6

Total Acres: 15.6

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
37-496B and 36-497B, 37	0.47 CFS	NA	15.6 AC	15.6 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Lease of Right Nos. 37-496B and 37-497B is limited to the irrigation of a combined total of 15.6 acres in a single irrigation season.
13. Use of water under this water right will be regulated by the watermaster of State Water District No. 37. The watermaster shall have access to the point of diversion from the Big Wood River and the point of return flow to the Big Wood River.
14. The total combined annual consumptive volume of water diverted under Right nos. 37-496B and 37-497B as authorized by transfer no. 3810 shall not exceed 2.5 af per acre or a total of 75 af. For purposes of this lease, rental of Right Nos. 37-496B and 37-497B shall not exceed 2.5 af per acre or a total of 39.0 af.
15. Measuring devices of a type approved by this Department shall be maintained at the point of diversion and point of discharge to the Big Wood River.
16. A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion

ATTACHMENT A
WATER RIGHT NO. 36-497B
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: ELISE G LUFKIN
 2817 10TH AVE E
 SEATTLE WA 98102
 206-450-3020

Priority Date: 07/01/1892

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	04/01	11/01	0.16 CFS	NA
	Total:		0.16 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

BIG WOOD RIVER NE¼NE¼ Sec. 19 Twp 03N 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	
03N	18E	19	14.6			1.0													15.6

Total Acres: 15.6

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
37-496B and 36-497B,	0.47 CFS	NA	15.6 AC	15.6 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Lease of Right Nos. 37-496B and 37-497B is limited to the irrigation of a combined total of 15.6 acres in a single irrigation season.
13. Use of water under this water right will be regulated by the watermaster of State Water District No. 37. The watermaster shall have access to the point of diversion from the Big Wood River and the point of return flow to the Big Wood River.
14. The total combined annual consumptive volume of water diverted under Right nos. 37-496B and 37-497B as authorized by transfer no. 3810 shall not exceed 2.5 af per acre or a total of 75 af. For purposes of this lease, rental of Right Nos. 37-496B and 37-497B shall not exceed 2.5 af per acre or a total of 39.0 af.
15. Measuring devices of a type approved by this Department shall be maintained at the point of diversion and point of discharge to the Big Wood River.
16. A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion works.

RECEIVED

STATE OF IDAHO
WATER RESOURCE BOARD

Print form one-sided.

FEB 11 2014

DEPARTMENT OF
WATER RESOURCESWATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLIST

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 Elise LufkinWater Right No. 37-496 B
37-497 BAll 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.
- 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 \$ 500⁰⁰Received By: CSDate Received: 2/11/14Receipt # C098311W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)Name on W-9: Elise Lufkin

RECEIVED
FEB 11 2014
 DEPARTMENT OF
 WATER RESOURCES

STATE OF IDAHO
 WATER RESOURCE BOARD

Receipt No. _____
 Fee Amount \$ _____
 Date/by _____
 (For Department Use Only)

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

Name of Seller/Lessor Elise Lufkin Phone 206-450-3020
 Mailing address 2817 10th Ave E Seattle WA 98102 Email EGBL@COX.NET

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. Water Right Number 37-496b Amount (cfs/ac-ft) 0.31 cfs Nature of Use irrigation Period of Use April 1 to November 1
 _____ to _____
 _____ to _____

Total Amount: _____

2. Source of water Big Wood River tributary to Malad River

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
3N	18E	19			NE	NE	Blaine

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

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	18E	19	15.6																

If the right is for irrigation, show total number of acres offered to the bank. **Total Acres** 15.6

B. OWNERSHIP

1. Are you currently listed in IDWR's records as the owner of the water right being offered to the bank? Yes ☒ No ☐
 If no, provide documentation of your authority to sign on behalf of the right holder OR attach a Notice of Change in Water Right Ownership form along with the required documentation and fee.
2. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☒
 If yes, provide written consent from the company, corporation or irrigation district to the proposed sale or lease and list name of entity:

C. GENERAL INFORMATION

1. Please provide a description of the current diversion system.
no diversion system in place for the acres proposed to be leased.
2. Describe any other water rights used for the same purpose or at the same place of use as described above.
37-497B
3. Will the present place of use continue to receive water from any source? Yes ☒ No ☐
If yes, describe. 37-497B
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.

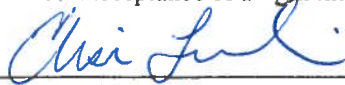
E. SALE/LEASE AGREEMENT

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 4/1/2014 to 4/1/2019 (not to exceed 5 years).
(Month / Day / Year) (Month / Day / Year)
2. Show the minimum payment acceptable to the Seller/Lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.
current rental rate

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

The owner/lessor acknowledges the following:

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


Signature of Applicant

Elise Lufkin
Printed Name and Title*

2/7/14
Date

Signature of Applicant

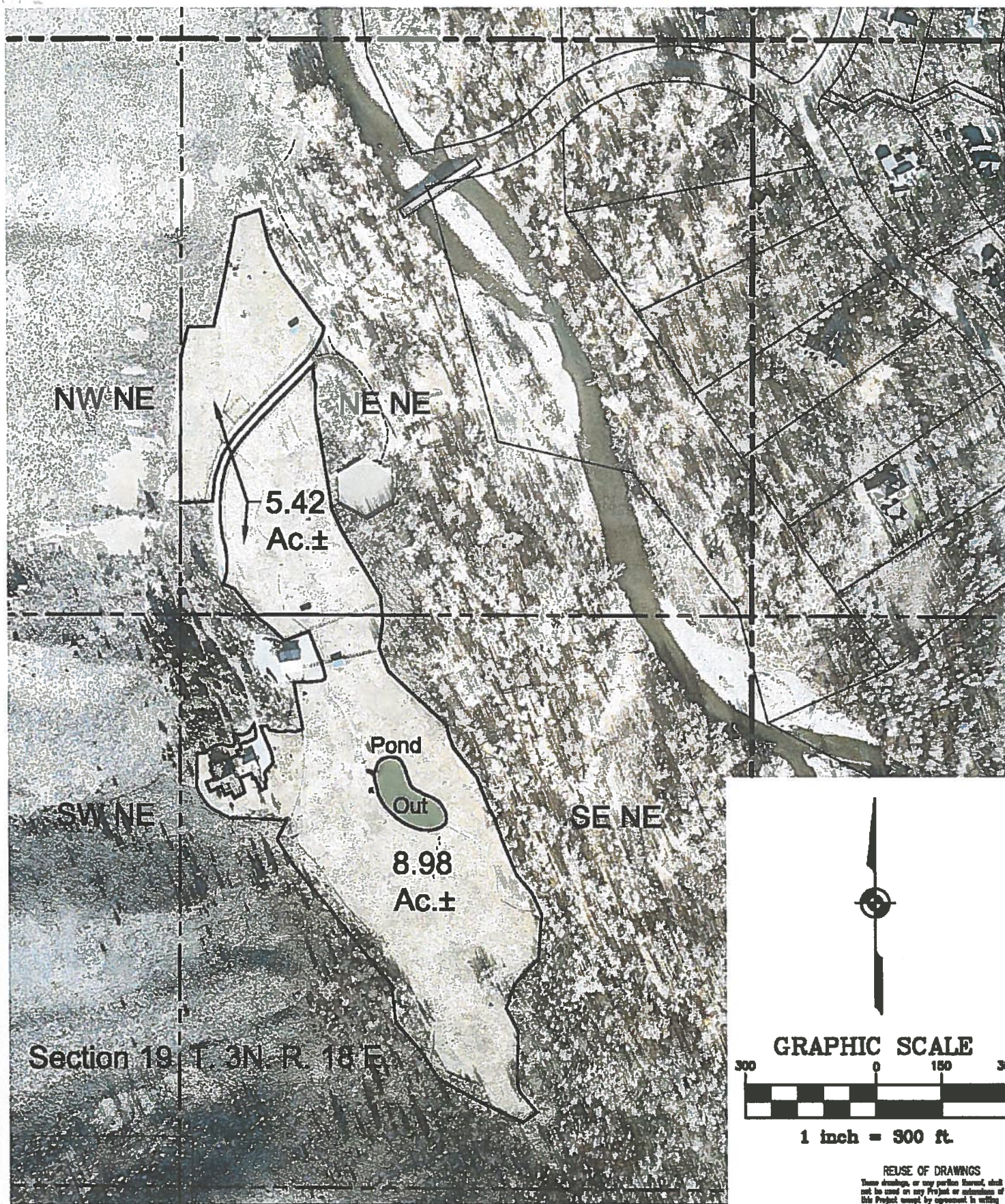
Printed Name and Title*

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

Lufkin - Water rights 37-4966 and 37-4976



**Galena
Engineering
Inc.**

Civil Engineers & Land Surveyors
650 Second Avenue North
P.O. Box 485
Ketchikan, Idaho 83340
(800) 728-4728
(800) 728-4728 fax
email galena@galena-engineering.com

A WATER RIGHTS PLACE OF USE MAP SHOWING
WATER RIGHT 37-496B
WITHIN S. 19, T. 3N., R. 18E., B.M., BLAINE COUNTY, IDAHO
PREPARED FOR ELISE LUFKIN

PROJECT INFORMATION

P:\sdsproj\4114-02\dwg\Boundary-Plat\411402 Irr water rights exhibit-rev 2-3-14.dwg

SHT 1 OF 1

Receipt No. _____

Fee Amount \$ _____

Date/by _____

(For Department Use Only)

RECEIVED
FEB 11 2014**DEPARTMENT OF
WATER RESOURCES****STATE OF IDAHO
WATER RESOURCE BOARD****APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK**Name of Seller/Lessor Elise Lufkin Phone 206-450-3020Mailing address 2817 10th Ave E Seattle WA 98102 Email egbl@cox.net**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. Water Right Number 37-497B Amount (cfs/ac-ft) 0.16 cfs Nature of Use irrigation Period of Use April 1 to November 1

_____ to _____

_____ to _____

Total Amount: 0.16 cfs

2. Source of water Big Wood River tributary to Malad River

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
3N	18E	19			NE	NE	Blaine

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

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	18E	19	15.6																

If the right is for irrigation, show total number of acres offered to the bank. **Total Acres** 15.6**B. OWNERSHIP**

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

2. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☒
If yes, provide written consent from the company, corporation or irrigation district to the proposed sale or lease and list name of entity:

C. GENERAL INFORMATION

1. Please provide a description of the current diversion system.
no diversion system in place for the acres proposed to be leased
2. Describe any other water rights used for the same purpose or at the same place of use as described above.
37-496B
3. Will the present place of use continue to receive water from any source? Yes ☒ No ☐
If yes, describe. 37-496B
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.

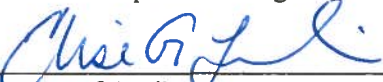
E. SALE/LEASE AGREEMENT

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 4/1/2014 to 4/1/2019 (not to exceed 5 years).
(Month / Day / Year) (Month / Day / Year)
2. Show the minimum payment acceptable to the Seller/Lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.
current rental rate

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

The owner/lessor acknowledges the following:

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


Signature of Applicant

Elise G. Lufkin
Printed Name and Title*

2/7/14
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



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

ELISE G LUFKIN
2817 10TH AVE E SEATTLE WA 98102

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 37-496B and 37-497B

Dear Lessor:

Water Rights 37-496B and 37-497B were leased into the Water Supply Bank on February 11, 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.** Please note the clerical error that was corrected on one of the water rights was corrected. Both water rights are in Basin 37.

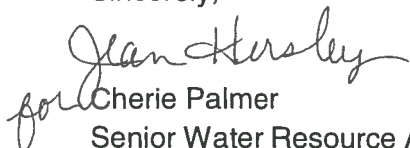
The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. **Please note your rights may not be available for immediate release if they have been rented.** To release the right from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available from our public website at www.idwr.idaho.gov.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

If you have questions regarding this matter, please contact me at 287-4944.

Sincerely,


for Cherie Palmer

Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: Kevin Lakey- Water District 37
Allen Merritt- IDWR Southern 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 6, 2014

ELISE G LUFKIN
2817 10TH AVE E
SEATTLE WA 98102

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 37-496B and 37-497B 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,

Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

MEMORANDUM

To: Water Right No(s). 37-496B and 37-497B
From: Jean Hersley
Date: March 4, 2014
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: The Department received these applications on February 11, 2014 to lease these rights through the 2018 season. The rights had previously been in the Bank but these applications revised the contract by reducing the number of acres from 16.3 to 15.6. Only the irrigation portion of these rights are leased to the Bank.

AUTHORITY TO FILE: Elise Lufkin, the water holder signed the applications.

WATER RIGHT VALIDITY: These water rights were decreed in 2011 and have been in the Bank since 2013 so forfeiture is not an issue.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: No enlargement is evident through the lease alone. Proper rental review should protect against enlargement.

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

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The leased right(s) are subject to Water District # 37. See email from Kevin Lakey and Allen Merritt, IDWR Southern Regional Manager.

Hersley, Jean

From: Merritt, Allen
Sent: Tuesday, March 04, 2014 2:34 PM
To: Hersley, Jean
Subject: RE: Water Supply Bank Leases for 37-496B and 37-497B

Since they were in the bank before I to not have any issues.

From: Hersley, Jean
Sent: Tuesday, March 04, 2014 2:01 PM
To: Kevin Lakey; Merritt, Allen
Subject: Water Supply Bank Leases for 37-496B and 37-497B

Elise Lufkin submitted new applications to reduce the number of acres from 16.3 to 15.6 she had in the Bank previously. I have attached a review memo. If you have any questions, please contact me.
Please respond within 7 days so these rights may be available for rental for the 2014 irrigation season.

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

Hersley, Jean

From: Kevin Lakey [watermanager@cableone.net]
Sent: Tuesday, March 04, 2014 2:11 PM
To: Hersley, Jean
Subject: RE: Water Supply Bank Leases for 37-496B and 37-497B

Jean,
The changes sound fine to me.
Kevin Lakey

From: Hersley, Jean [<mailto:Jean.Hersley@idwr.idaho.gov>]
Sent: Tuesday, March 04, 2014 2:01 PM
To: Kevin Lakey; Merritt, Allen
Subject: Water Supply Bank Leases for 37-496B and 37-497B

Elise Lufkin submitted new applications to reduce the number of acres from 16.3 to 15.6 she had in the Bank previously. I have attached a review memo. If you have any questions, please contact me.
Please respond within 7 days so these rights may be available for rental for the 2014 irrigation season.

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

Palmer, Cherie

From: Skaggs, Pam
Sent: Wednesday, February 12, 2014 8:01 AM
To: Palmer, Cherie
Subject: FW: New Lease proposal for Water Supply Bank Leased Water Rights 37-496B & 37-497B (16.3 acres)
Attachments: 2014 37-496B Application to Lease to Water Supply Bank.pdf; 2014 37-497B Application to Lease to Water Supply Bank.pdf; Irr water rights exhibit-rev 2-3-14.pdf

Cherie,

Just FYI. Won't mean a thing if she doesn't mail them. She is already in the bank & wants to revise the lease. Also rent water for the non-leased acres with a better priority.

Pam

From: Elise Lufkin [mailto:Elise@lostdrawranch.com]
Sent: Monday, February 10, 2014 11:11 AM
To: Skaggs, Pam
Subject: RE: New Lease proposal for Water Supply Bank Leased Water Rights 37-496B & 37-497B (16.3 acres)

Hi Pam,

thanks so much for your help. I've attached the applications here and am mailing a hard copy today.

thanks again, Elise

From: Skaggs, Pam [mailto:Pam.Skaggs@idwr.idaho.gov]
Sent: Thursday, January 23, 2014 12:28 PM
To: Elise Lufkin
Subject: RE: New Lease proposal for Water Supply Bank Leased Water Rights 37-496B & 37-497B (16.3 acres)

Elise,

Yes, you will need to submit a separate **lease application** for each right and describe the 15.6 acres to be dried-up.

If you are proposing to rent water from the Bank, you will need to submit an **Application to Rent Water from the Water Supply Bank**. Describe the 14.4 remaining (unleased) acres you want to irrigate and supplement with rented water on the application. You will need a copy of the map I sent you to identify the acres you want to irrigate. This should be the acres you have not included on the lease application since you propose to continue irrigation on them. Be clear on your application that you are seeking to rent water with a priority as early as possible to supplement your existing rights during curtailment. You will be seeking rights that are at least better than the priorities of your rights. You can identify a rate of 0.02 cfs per acre for the rate of diversion or 0.29 cfs for 14.4 acres. When your rental application is received it will be added to the pending rental applications and reviewed in turn. When it is processed the reviewer can seek the earliest priority for any rights leased to the Bank that can be delivered to your property.

Let me know if you have other questions.

Pam

Pam Skaggs
Water Rights Supervisor
(208) 287-4951

From: Elise Lufkin [mailto:Elise@lostdrawranch.com]

Sent: Thursday, January 23, 2014 10:39 AM

To: Skaggs, Pam

Subject: RE: New Lease proposal for Water Supply Bank Leased Water Rights 37-496B & 37-497B (16.3 acres)

thanks Pam, this is very helpful. To clarify, do I need to submit 2 applications - one for each right?

Also, I am hoping to rent water to use on my land this summer when my rights are turned off. So I am looking to rent water with as early a priority date as I can find. Are you the person to work with on this?

many thanks, Elise

From: Skaggs, Pam [mailto:Pam.Skaggs@idwr.idaho.gov]

Sent: Thursday, January 23, 2014 8:55 AM

To: Elise Lufkin

Subject: New Lease proposal for Water Supply Bank Leased Water Rights 37-496B & 37-497B (16.3 acres)

Elise,

Your current lease agreement is for 16.3 acres. If you want to irrigate 0.7 acre more, we need to reduce the leased acres to 15.6.

(We round acres to the tenth of acre and rate of diversion to hundredths in order to identify reasonable amounts for administration.)

16.3 currently leased

- 0.7 more to be released from Bank & irrigated

15.6 proposed leased in new applications for both 37-496B & 37-497B.

The proportional rate of diversion associated with 15.6 acres under each right would be:

0.31 cfs under 37-496B

0.16 cfs under 37-497B.

I have attached copies of the two maps attached to your 2013 application. Both rights share the same place of use. You can make changes then initial & date the pages for your new application.

The priority of each right is an element of the right and cannot be changed. Your right will be available for renters when the lease contract has been signed & executed. Rental evaluation takes into account several factors like the length of time in the Bank, location related to the proposed rental & concerns about injury or enlargement. We cannot guarantee your right will be rented, but it appears to have been this last year.

I recommend you submit your new lease proposal quickly to avoid the 16.3 acres being rented. The 16.3 acres are available until we receive your new application and fee. Let me know if you have any other 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

From: Elise Lufkin [mailto:Elise@lostdrawranch.com]

Sent: Monday, January 20, 2014 3:02 PM

To: Skaggs, Pam

Subject: RE: Water Supply Bank Leased Water Rights 37-496B & 37-497B (16.3 acres)

Hi Pam,

I've pretty much got the application completed except for a few things.

Do you have the "Plat map, survey map or aerial photograph clearly showing the specific acres proposed to be idled by this lease application" on record from my previous application? I can't seem to find it. If you don't have it, I can ask my attorney.

I am increasing my irrigated acres by .68 of an acre so need to reduce the amount I am leasing by that amount. Is there a formula I can use to figure out that amount? I'm specifically referring to the place on the form where it asks for the amount (cfs.ac-ft). The original was for 0.319.

I've attached my application here. Would you be willing to take a look at it and let me know if I got everything right? If it's good to go and we figure out these other things, I'll send it in with my check.

And lastly, I'd like to lease water for this year with as early a priority as I can get. Are you the person to work with on that too?

Thanks so much for your help with this!

Elise

From: Skaggs, Pam [<mailto:Pam.Skaggs@idwr.idaho.gov>]

Sent: Friday, December 20, 2013 11:11 AM

To: Elise Lufkin

Cc: Palmer, Cherie

Subject: RE: Water Supply Bank Leased Water Rights 37-496B & 37-497B (16.3 acres)

Elise,

Thank you for taking the time to find out the necessary process. You recently received a request for a current W-9 because your rights were rented last year and we want to send you the lessor portion of the rental payment. The rental was only for the 2013 season, so you do have an opportunity to change your lease agreement while they are not obligated by a rental.

You will need to submit a new Water Supply Bank Lease Application identifying the exact portion of your rights that you want to leave in the bank for future rental.

This form can be found at

http://www.idwr.idaho.gov/RulesStatutesForms/WaterRights/PDFs/Water_Supply_Bank_Lease_Application.pdf .

If you choose to remove your rights from the bank entirely, you should submit a Request to Release a Water Right from the Bank.

This form can be found at

<http://www.idwr.idaho.gov/RulesStatutesForms/WaterRights/PDFs/WSB%20Lease%20Release%20Request.pdf> .

If you have any additional questions regarding this matter, please contact Cherie Palmer, WSB Processing Point of Contact at 287-4944.

I am also available to assist you. I should tell you that we will both be out of the office after today until after Christmas.

Happy Holidays.

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

From: Elise Lufkin [<mailto:Elise@lostdrawranch.com>]

Sent: Friday, December 20, 2013 10:36 AM

To: Skaggs, Pam

Subject: water bank

Hi Pam,

Jim Speck suggested I contact you about the water bank. I currently have some water donated to the bank, but am going to need some of it back. The fire in Hailey burned my fence and enough trees that I am going to expand my irrigated area, probably by about an acre or two. I've got to get the engineers out to give me the precise calculation.

I wanted to give you a heads up and also to find out what exactly I need to do to in order to make this change.

Many thanks, Elise Lufkin