

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED
MAR 10 2014
DEPARTMENT OF
WATER RESOURCES

This Lease Contract ("**Lease**") is effective January 23, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: BMCS DEVELOPMENT LLC
C/O NELSON ENGINEERING
PO BOX 1508
~~30 N 1ST E~~
GYPSUM CO 81637

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>
22-13814	0.33 CFS	79.6 AF	37.5 AC	37.5 AC
22-13816	0.75 CFS	NA	37.5 AC	37.5 AC
Combined Lease Totals:	1.08 CFS	79.6 AF	37.5 AC	37.5 AC

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

Authorized Period of Use under Lease: 22-13814 06/01 to 10/01
22-13816 04/15 to 10/31

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

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31, 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.

**BMCS DEVELOPMENT LLC
C/O NELSON ENGINEERING**
PO BOX 1508
~~30 N 1ST E~~
GYPSUM CO 81637

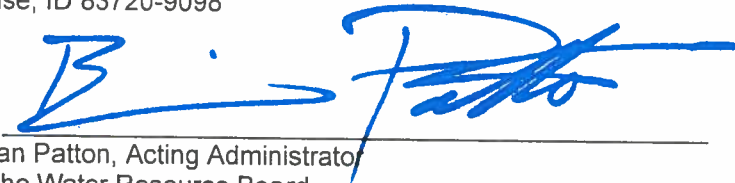
By 

Date 3/5/2014

Printed Name Beric Christiansen
member

Title 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 03-10-2014

Lease approved by IDWR Camila S. Skaggs

Date 03-10-2014

ATTACHMENT A
WATER RIGHT NO. 22-13814
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: BMCS DEVELOPMENT LLC
C/O NELSON ENGINEERING
PO BOX 1508
~~30 N 1ST E~~
GYPSUM CO 81637

Priority Date: 7/5/1967

Source: GROUND WATER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	06/01	10/01	0.35 CFS	84.9 AF
	<u>Total Diversion</u>		0.35 CFS	84.9 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER NWSESW Sec. 35, Twp 06N, Rge 45E, TETON County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06N	45E	35											40.0						40.0

POU Total Acres: 40.0

Total Acres: 40

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>
22-13814 and 22-13816,	NA	NA	NA	40.0 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. The use of water for irrigation under this right may begin as early as April 15 and may continue to as late as October 31, provided other elements of the right are not exceeded. The use of water before June 1 and after October 1 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.
13. The rights listed below are limited to the irrigation of a combined total of 40 acres in a single irrigation season. Combined Right Nos.: 22-13814 and 22-13816.
14. Right No. 22-7002B is also diverted through point of diversion described above.

ATTACHMENT A
WATER RIGHT NO. 22-13816
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: BMCS DEVELOPMENT LLC
C/O NELSON ENGINEERING
PO BOX 1508
~~36 N 191 E~~
GYPSUM CO 81637

Priority Date: 4/1/1889

Source
SOUTH LEIGH CREEK

Tributary
TETON RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	to 10/31	0.80CFS	NA
	Total:		0.80 CFS	NA

Source and Point(s) of Diversion
SOUTH LEIGH CREEK NWNWSW Sec. 32, Twp 06N, Rge 46E, TETON County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06N	45E	35											40.0						40.0

POU Total Acres: 40.0

Total Acres: 40

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>
22-13814 and 22-13816,	NA	NA	NA	40.0 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. The rights listed below are limited to the irrigation of a combined total of 40 acres in a single irrigation season. Combined Right Nos.: 22-13814 and 22-13816.
13. Water is conveyed through the Desert Ditch.

RECEIVED
JAN 23 2014
 DEPARTMENT OF
 WATER RESOURCES

STATE OF IDAHO
 WATER RESOURCE BOARD

Receipt No. C098213
 Fee Amount \$ 250.00
 Date/by 1/23/14 DAB
 (For Department Use Only)

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

Name of Seller/Lessor BMC'S Development LLC Phone Harvey Walker 520-7480
Shirley Mollon 354-2345 Attorney
 Mailing address P.O. Box 1508 30N 15E CIPSUM CO 81639 Email _____

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

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

1. Water Right Number 22-13814 Amount (cfs/ac-ft) .350 cfs 84.9 AF Nature of Use IRR. Period of Use April 15 to Oct 31
 _____ to _____
 _____ to _____

Total Amount: _____

2. Source of water Ground tributary to _____

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	1/4	1/4	1/4	County
6N	45E	35		NW	SE	SW	TETON

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	
6N	45	35											40						40

If the right is for irrigation, show total number of acres offered to the bank. Total Acres 40

B. OWNERSHIP

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

C. GENERAL INFORMATION

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

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

22 - 13816

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 (attached). If your water right is rented, we will be unable to issue payment to you without a current W-9 form. *DAB*

E. SALE/LEASE AGREEMENT

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

If lease, for a period from 1-23-14 to 1-23-19 (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.

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.

Adam D. Marshall
Signature of Applicant

SEAN R. MONTAL - Attorney
Printed Name and Title*

1-15-14
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

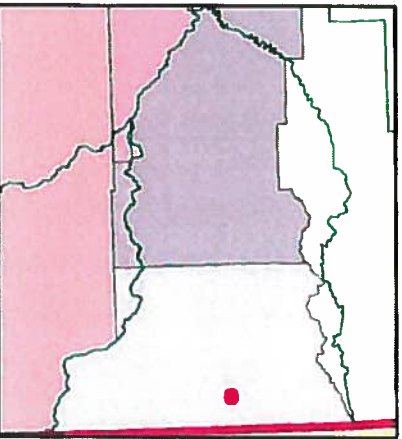
Mail to: Idaho Department of Water Resources, P.O. Box 83720, Boise, ID 83720-0098

Idaho Department of Water Resources



Water Right
22-13814 & 22-13816
(IRRIGATION)

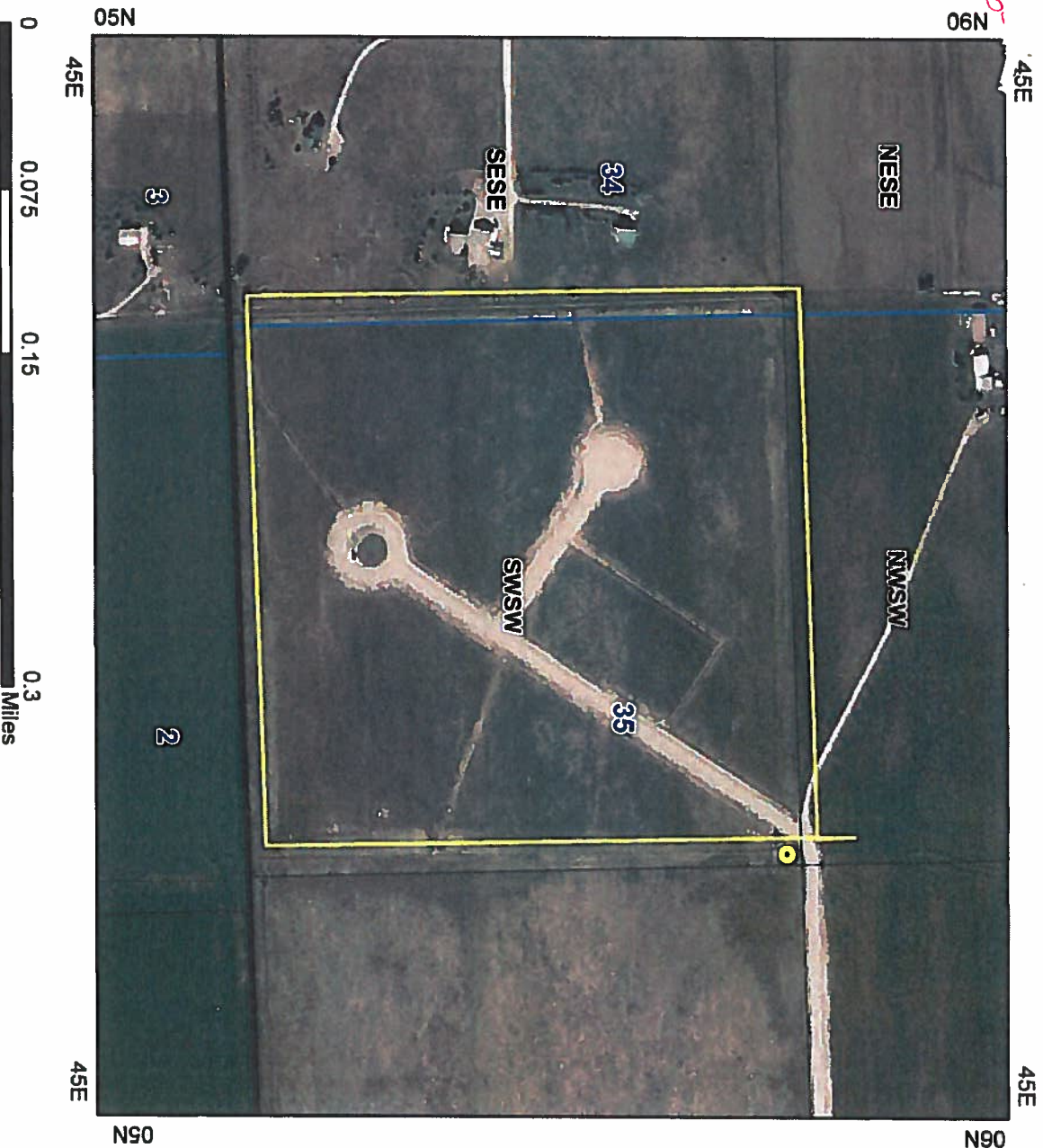
- Point of Diversion
- Place of Use
- State Outline
- Townships
- PLS Sections
- Quarter Quarters



Teton County
IDWR Basin 22

Prepared by Barg, Jonie

2009 Aerial Photography



RECEIVED
JAN 23 2014
 DEPARTMENT OF
 WATER RESOURCES

STATE OF IDAHO
 WATER RESOURCE BOARD

Receipt No. C09212
 Fee Amount \$ 250.00
 Date/by 1/23/14 DAB
 (For Department Use Only)

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

Name of Seller/Lessor BMC5 DEVELOPMENT LLC Phone Henry Walker 520-1880
Shaw Moulton 364-2345 Attorney
 Mailing address P.O. Box 1508 30N 1st GYPSUM CO. 81631 Email _____

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

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

1. Water Right Number 22-13816 Amount (cfs/ac-ft) 800 cfs Nature of Use IRRIGATION Period of Use 4/15 to 10/31
 _____ to _____
 _____ to _____

Total Amount: _____

2. Source of water SOUTH LEIGH CREEK tributary to TETON RIVER
 3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	1/4	1/4	1/4	County
6N	46	32		NW	NW	SW	TETON

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	
6N	45E	35											40						40

If the right is for irrigation, show total number of acres offered to the bank. Total Acres 40

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.

Delivered through Desert Ditch

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

22-13814

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 (attached). If your water right is rented, we will be unable to issue payment to you without a current W-9 form. DOB

E. SALE/LEASE AGREEMENT1. Is the water right, or portion thereof, described above offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☒.If lease, for a period from 1-23-14 to 1-23-19 (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.

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.

Adam D. Marshall
Signature of ApplicantAdam D. Marshall Attorney in Fact/Deed
Printed Name and Title*1-15-14
Date

Signature of Applicant

Printed Name and Title*

Date

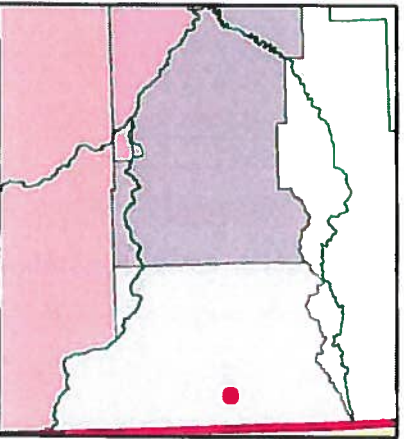
*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

Idaho Department of Water Resources



Water Right
 22-13814 + 22-13816
 (IRRIGATION)

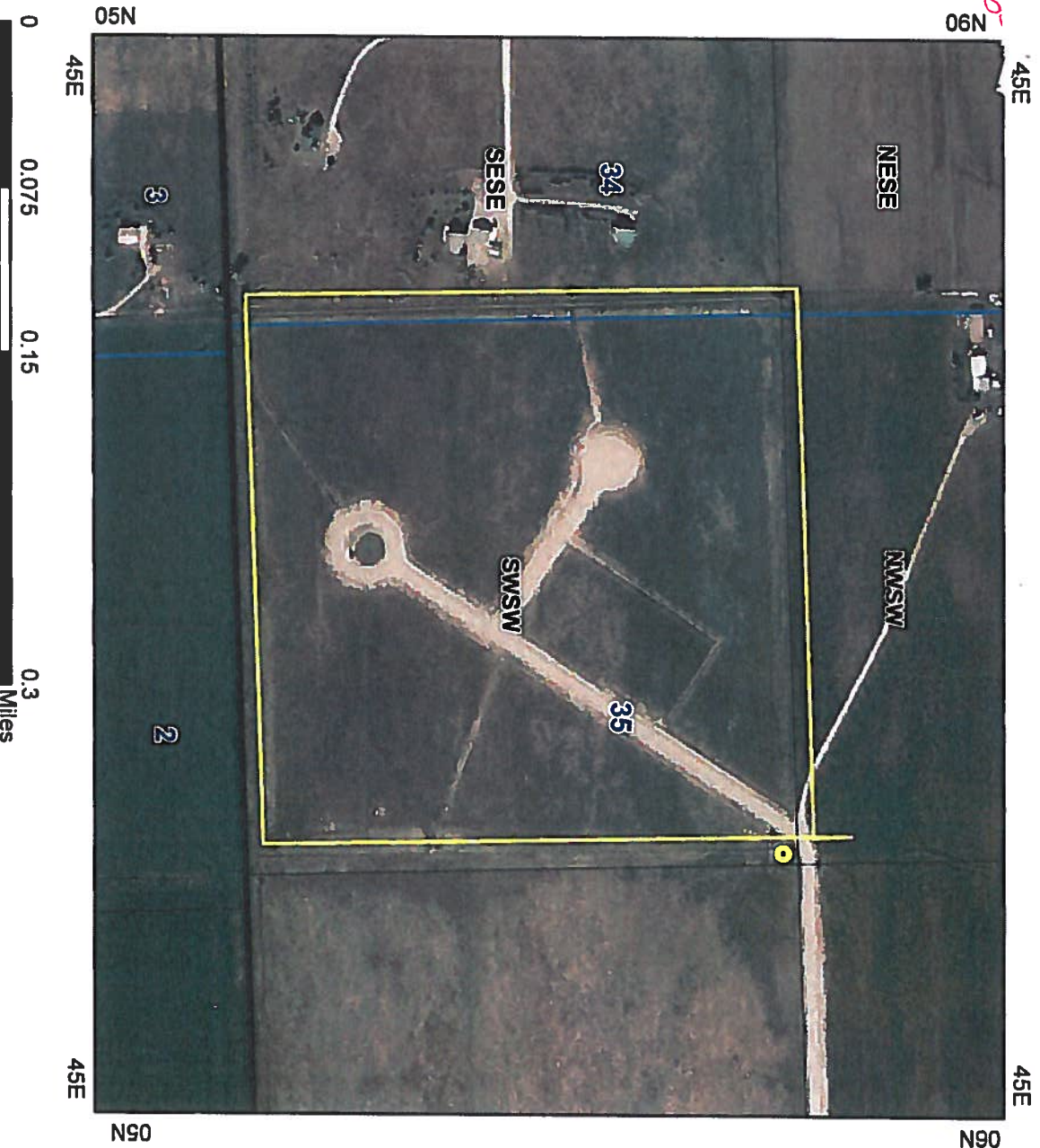
- Point of Diversion
- Place of Use
- State Outline
- Townships
- PLS Sections
- Quarter Quarters



Teton County
 IDWR Basin 22

Prepared by Barg, Jonie

2009 Aerial Photography





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 12, 2014

BMCS DEVELOPMENT LLC
C/O BERIC CHRISTIANSEN
PO BOX 1508
GYPSUM CO 81637

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 22-13814 & 22-13816

Dear Lessor:

Water Rights 22-13814 and 22-13816 were leased into the Water Supply Bank on January 23, 2014 in accordance with the executed original Lease Contract enclosed. **Your water rights as described on the Lease Contract are considered leased into the Bank and should remain unused until they are formally released from the Bank.**

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

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

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

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

Sincerely,

Clay Webster
Technical Records Specialist

Enclosure: Executed Lease Contract

c: Harvey Walker – Water Consultant
James Cefalo- IDWR Eastern Region

**For this Record...**

Filing history and documents
Get a certificate of good standing
File a form
Subscribe to email notification
Unsubscribe from email notification

Business Home
Business Information
Business Search

FAQs, Glossary and Information

Summary

Details			
Name	BMCS Development, LLC		
Status	Good Standing	Formation date	12/13/2005
ID number	20051463673	Form	Corporation
Periodic report month	December	Jurisdiction	Colorado
		Term of duration	Perpetual
Principal office street address	170 Red Fox Drive, Gypsum, CO 81637, United States		
Principal office mailing address	P.O. Box 1508, Gypsum, CO 81637, United States		

Registered Agent	
Name	Beric Christiansen
Street address	170 Red Fox Drive, Gypsum, CO 81637, United States
Mailing address	P.O. Box 1508, Gypsum, CO 81637, United States

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[Terms and Conditions](#)



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

February 27, 2014

BMCS DEVELOPMENT LLC
PO BOX 1508
30 N 1ST E
GYPSON CO 81639

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 22-13814 AND 22-13816 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 287-4910.

Sincerely,

Clay Webster
Technical Records Specialist

Enclosure: Proposed Lease Contracts
Receipt C098213
Receipt C098212
c. Harvey Walker – Water Consultant

Webster, Clay

From: Webster, Clay
Sent: Friday, February 21, 2014 9:00 AM
To: Swank, Lyle
Subject: FW: WSB Lease Application Comments and Concerns with Questions
Attachments: Lease Applications and Map BMCS Development LLC 22-13814 and 22-13816.pdf; Lease Review Memo BMCS Development LLC.docx

Lyle,

Do you have any info on Dessert Ditch? Thanks

Clay

From: Webster, Clay
Sent: Thursday, February 13, 2014 10:05 AM
To: Swank, Lyle
Subject: WSB Lease Application Comments and Concerns with Questions

Lyle,

I'm processing these lease applications and some questions about Dessert Ditch. Is this part of the water district or a canal company? If so would there be a conveyance loss requirements on this lease?

Sincerely,

Clay Webster

Technical Records Specialist
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208-287-4910

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