

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED
MAR 10 2014
DEPARTMENT OF
WATER RESOURCES

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

Lessor: BLUE LAKES COUNTRY CLUB INC
PO BOX 5729
TWIN FALLS ID 83303-5729
(208)733-2330

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>
36-2083A	0.16 CFS	49.6 AF	12.4 AC	12.7 AC
36-2083B	0.01 CFS	1.2 AF	0.3 AC	12.7 AC
36-8593	0.09 CFS	49.6 AF	12.4 AC	12.7 AC
Combined Lease Totals:	0.25 CFS	50.8 AF	12.7 AC	12.7 AC

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

5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

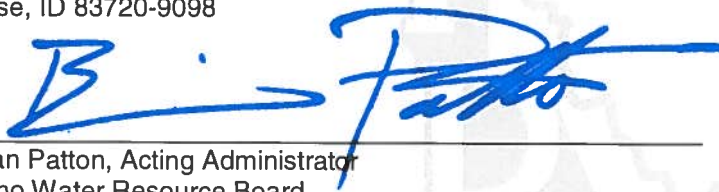
IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

BLUE LAKES COUNTRY CLUB INC
PO BOX 5729
TWIN FALLS ID 83303-5729

By 
Printed Name John A. Strugi

Date 3/6/14
Title _____

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 

Date 03-10-2014

ATTACHMENT A
WATER RIGHT NO. 36-2083A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: BLUE LAKES COUNTRY CLUB INC
 PO BOX 5729
 TWIN FALLS ID 83303-5729
 (208)733-2330

Priority Date: 05/26/1949

Source
 ALPHEUS CREEK

Tributary
 SNAKE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	11/15	1.150 CFS	
	<u>Total Diversion</u>		1.150 CFS	

LOCATION OF POINT(S) OF DIVERSION:

ALPHEUS CREEK	L6(NWNE)	Sec. 33, Twp 09S, Rge 17E, JEROME County
ALPHEUS CREEK	NWSE	Sec. 28, Twp 09S, Rge 17E, JEROME 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	
09S	17E	28											1.93 (L14)	0.82 (L12)		0.5	1.48 (L5) 0.7 (L11)		5.43
09S	17E	33	3.65	1.8 (L6)		1.8 (L7)													7.25
09S	17E	34							0.02										0.02

Total Acres: 12.7

Limited to acres within place of use described above: 12.4

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>
36-2083A and 36-2083B	0.25 CFS	49.6 AF	12.4 AC	12.4 AC
36-2083A, 36-2083B and 36-8593	0.25 CFS	50.8 AF	12.7 AC	12.7 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. 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. 130.
13. The lease of Rights 36-2083A and 36-8593 when combined shall not exceed a total diversion rate of 0.25 cfs, a total annual maximum diversion volume of 49.6 af at the field headgate, and the irrigation of 12.4 acres.
14. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
15. The total leased instantaneous diversion of water from all points of diversion under Rights 36-2083A, 36-2083B and 36-8593 shall not exceed 0.25 cfs, nor a total combined annual volume of 50.8 af for the irrigation of 12.7 acres in a single irrigation season.

ATTACHMENT A
WATER RIGHT NO. 36-2083B
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: BLUE LAKES COUNTRY CLUB INC
 PO BOX 5729
 TWIN FALLS ID 83303-5729
 (208)733-2330

Priority Date: 5/26/1949

Source: ALPHEUS CREEK

Tributary to: SNAKE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	0.01 CFS	1.2 AF
	Total:		0.01 CFS	1.2 AF

Source and Point(s) of Diversion

ALPHEUS CREEK	L6(NWNE)	Sec. 33, Twp 09S, Rge 17E, JEROME County
ALPHEUS CREEK	NWSE	Sec. 28, Twp 09S, Rge 17E, JEROME 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	
09S	17E	28											1.93 (L14)	0.82 (L12)		0.5	1.48 (L5) 0.7 (L11)		5.43
09S	17E	33	3.65	1.8 (L6)		1.8 (L7)													7.25
09S	17E	34							0.02										0.02

Total Acres: 12.7

Limited to acres within place of use described above: 0.3

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>
36-2083A and 36-2083B	0.25 CFS	49.6 AF	12.4 AC	12.4 AC
36-2083A, 36-2083B and 36-8593	0.25 CFS	50.8 AF	12.7 AC	12.7 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. 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. 130.
13. The lease of Rights 36-2083A and 36-8593 when combined shall not exceed a total diversion rate of 0.25 cfs, a total annual maximum diversion volume of 49.6 af at the field headgate, and the irrigation of 12.4 acres.
14. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
15. The total leased instantaneous diversion of water from all points of diversion under Rights 36-2083A, 36-2083B and 36-8593 shall not exceed 0.25 cfs, nor a total combined annual volume of 50.8 af for the irrigation of 12.7 acres in a single irrigation season.

ATTACHMENT A
WATER RIGHT NO. 36-8593
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: BLUE LAKES COUNTRY CLUB INC
 PO BOX 5729
 TWIN FALLS ID 83303-5729
 (208)733-2330

Priority Date: 7/19/1991

Source
 ALPHEUS CREEK

Tributary
 SNAKE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	0.09 CFS	49.6 AF
	Total:		0.09 CFS	49.6 AF

LOCATION OF POINT(S) OF DIVERSION:

ALPHEUS CREEK	L6(NWNE)	Sec. 33, Twp 09S, Rge 17E, JEROME County
ALPHEUS CREEK	NWSE	Sec. 28, Twp 09S, Rge 17E, JEROME 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	
09S	17E	28											1.93 (L14)	0.82 (L12)		0.5	1.48 (L5)	0.7 (L11)	5.43
09S	17E	33	3.65	1.8 (L6)		1.8 (L7)													7.25
09S	17E	34							0.02										0.02

Total Acres: 12.7

Limited to acres within place of use described above: 12.4

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>
36-2083A, 36-2083B and 36-8593	0.25 CFS	50.8 AF	12.7 AC	12.7 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.

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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.
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 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Use of water under this 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. 130.
13. The lease of Rights 36-2083A and 36-8593 when combined shall not exceed a total diversion rate of 0.25 cfs, a total annual maximum diversion volume of 49.6 af at the field headgate, and the irrigation of 12.4 acres.
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15. The total leased instantaneous diversion of water from all points of diversion under Rights 36-2083A, 36-2083B and 36-8593 shall not exceed 0.25 cfs, nor a total combined annual volume of 50.8 af for the irrigation of 12.7 acres in a single irrigation season.

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

RECEIVED
JAN 22 2014
DEPARTMENT OF
WATER RESOURCES

ONE FORM PER WATER RIGHT

This form is a statement that the lessor requests an extension of a Water Supply Bank ("Bank") lease for the water right identified below. A water right remains in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. However, if a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

If requesting a change in lease amounts (reducing or increasing acreage, etc.), you must file an Application to Sell or Lease a Water Right to the Water Supply Bank. This form can be found on IDWR's website at: www.idwr.idaho.gov.

Water Right No: 36-2083A Telephone No: (208) 733-2330

Name(s) of Lessor(s): Blue Lakes Country Club, Inc.

Mailing Address: P.O. Box 5729

City: Twin Falls State: Idaho Zip: 83303

Current Expiration Date: December 31, 2013

Requested Expiration Date: December 31, 2014

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.

John Sfingi John Sfingi - President 1/16/14
Signature of Lessor Printed Name and Title* Date

Signature of Lessor Printed Name and Title* Date

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

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

FOR OFFICE USE ONLY

Filing fee received by: CS Date: 01/22/14 Receipt No: C098207

BLUE LAKES COUNTRY CLUB IRRIGATED ACREAGE

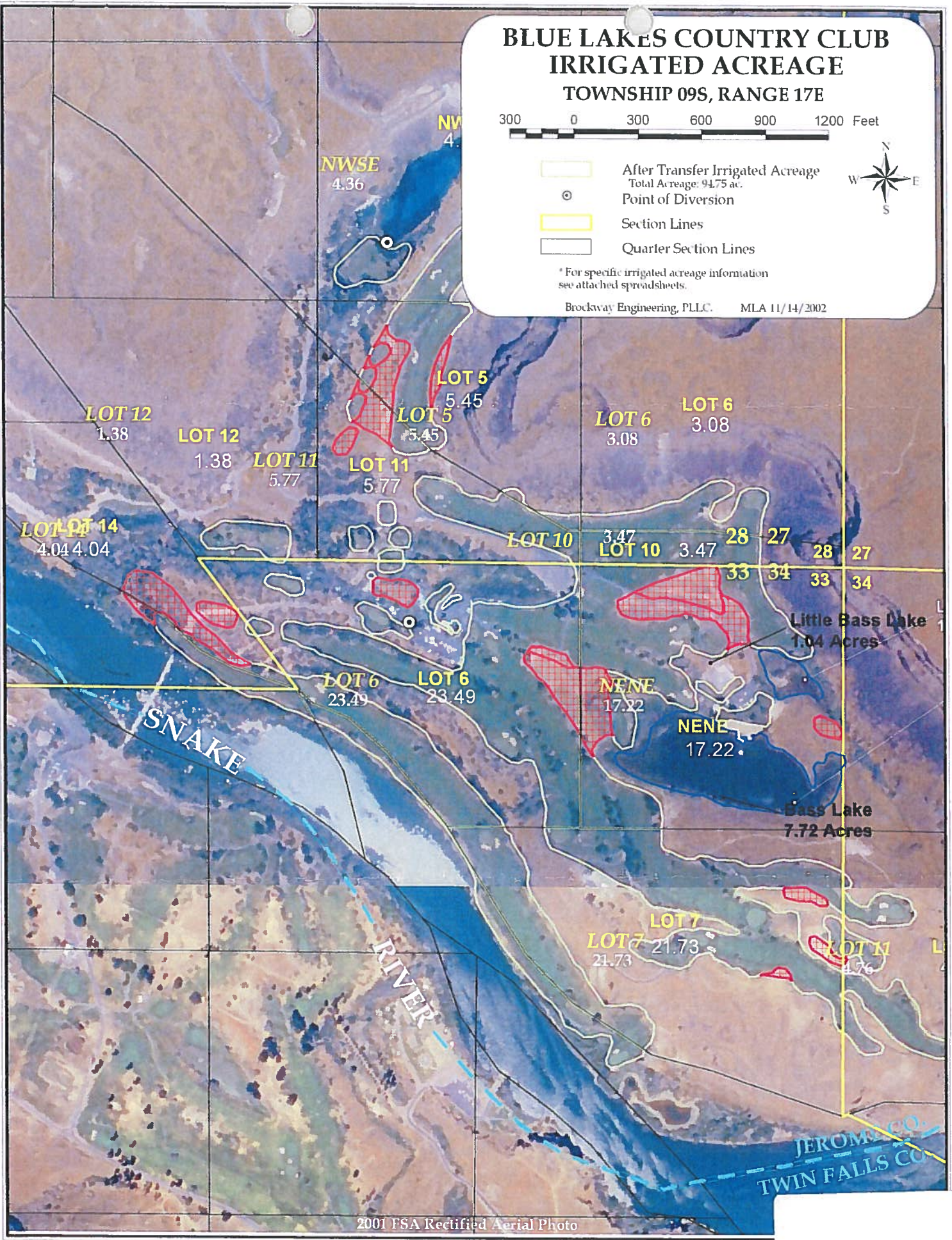
TOWNSHIP 09S, RANGE 17E

300 0 300 600 900 1200 Feet

-  After Transfer Irrigated Acreage
Total Acreage: 94.75 ac.
-  Point of Diversion
-  Section Lines
-  Quarter Section Lines

* For specific irrigated acreage information
see attached spreadsheets.

Brockway Engineering, PLLC. MLA 11/14/2002



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

RECEIVED
JAN 22 2014
DEPARTMENT OF
WATER RESOURCES

ONE FORM PER WATER RIGHT

This form is a statement that the lessor requests an extension of a Water Supply Bank ("Bank") lease for the water right identified below. A water right remains in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. However, if a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

If requesting a change in lease amounts (reducing or increasing acreage, etc.), you must file an Application to Sell or Lease a Water Right to the Water Supply Bank. This form can be found on IDWR's website at: www.idwr.idaho.gov.

Water Right No: 36-2083B Telephone No: (208) 733-2330

Name(s) of Lessor(s): Blue Lakes Country Club, Inc.

Mailing Address: P.O. Box 5729

City: Twin Falls State: Idaho Zip: 83303

Current Expiration Date: December 31, 2013

Requested Expiration Date: December 31, 2014
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.

John Sfingi John Sfingi - President 1/16/14
Signature of Lessor Printed Name and Title* Date

Signature of Lessor Printed Name and Title* Date

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

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

FOR OFFICE USE ONLY

Filing fee received by: CS Date: 01/22/14 Receipt No: C098207

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

RECEIVED
JAN 22 2014
DEPARTMENT OF
WATER RESOURCES

ONE FORM PER WATER RIGHT

This form is a statement that the lessor requests an extension of a Water Supply Bank ("Bank") lease for the water right identified below. A water right remains in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. However, if a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

If requesting a change in lease amounts (reducing or increasing acreage, etc.), you must file an Application to Sell or Lease a Water Right to the Water Supply Bank. This form can be found on IDWR's website at: www.idwr.idaho.gov.

Water Right No: 36-8593 Telephone No: (208) 733-2330

Name(s) of Lessor(s): Blue Lakes Country Club, Inc.

Mailing Address: P.O. Box 5729

City: Twin Falls State: Idaho Zip: 83303

Current Expiration Date: December 31, 2013

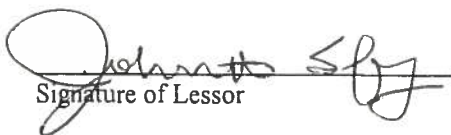
Requested Expiration Date: December 31, 2014

Lease term not to exceed 5 years.

All lease extension request forms must be signed and submitted with the following REQUIRED items:

1. Plat map, survey map or aerial photograph clearly showing the specific acres proposed to be idled for the duration of this lease.
2. Filing fee of \$250.00. If you are submitting more than one lease application and the rights have a common place of use or common diversion rate or common diversion volume, the combined maximum fee is \$500.00.
3. A completed Internal Revenue Service (IRS) Form W-9 (attached). If your water right is rented, we will be unable to issue payment to you without a current W-9 form.

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


Signature of Lessor

John Sfingi - President
Printed Name and Title*

1/16/14
Date

Signature of Lessor

Printed Name and Title*

Date

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

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

FOR OFFICE USE ONLY

Filing fee received by: CJ Date: 01/22/14 Receipt No: C098207

*John A. Rosholt
Albert P. Barker
John K. Simpson
Travis L. Thompson
Shelley M. Davis
Paul L. Arrington
Scott A. Magnuson
Sarah W. Higer*



195 River Vista Pl., Suite 204
Twin Falls, ID 83301-3029
(208) 733-0700 telephone
(208) 735-2444 facsimile

1010 W. Jefferson St., Suite 102
P.O. Box 2139
Boise, ID 83701-2139
(208) 336-0700 telephone
(208) 344-6034 facsimile
brs@idahowaters.com

Travis L. Thompson
tlt@idahowaters.com

January 17, 2014

RECEIVED

JAN 22 2014

DEPARTMENT OF
WATER RESOURCES

Christine Field
IDWR
322 E. Front St.
P.O. Box 83720
Boise, Idaho 83720-0098

Dear Ms. Field:

As discussed on the phone earlier this week, please find enclosed three water bank extension forms to extend the water bank lease filed by Blue Lakes Country Club last year. The lease term expired at the end of December 2013 and we are seeking to extend the same lease through the end of December 2014.

I have also enclosed a check for \$500 to cover the filing fees. The map is on file with IDWR in the application submitted in 2012. Also, I presume the W-9 is on file with IDWR so an additional copy is not needed. I understand the process has changed and that you will be sending a new contract form to execute as well.

Please contact me at 733-0700 if you have any questions or need further information.

Sincerely,

BARKER ROSHOLT & SIMPSON LLP

Travis L. Thompson

Enc.

cc: Bonnie Stevens, BLCC



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 11, 2014

BLUE LAKES COUNTRY CLUB INC
PO BOX 5729
TWIN FALLS ID 83303-5729

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 36-2083A, 36-2083B AND 36-8593

Dear Lessor:

Water Rights 36-2083A, 36-2083B and 36-8593 were leased into the Water Supply Bank on January 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: Travis L. Thompson – Barker Rosholt & Simpson LLP
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

February 24, 2014

BLUE LAKES COUNTRY CLUB INC
PO BOX 5729
TWIN FALLS ID 83303-5729

**RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 36-2083A, 36-2083B and 36-8593 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

c: Travis L Thompson – Barker Rosholt & Simpson LLP

MEMORANDUM

To: Water Right No(s). 36-2083A, 36-2083B and 36-8593
From: Clay Webster
Date: February 10, 2014
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: The department received the requests to extend lease terms on January 22, 2014.

AUTHORITY TO FILE: The applications were signed by John Sfingi, President of Blue Lakes Country Club Inc. They are the owners on file for these water rights.

WATER RIGHT VALIDITY: 36-2083A and 36-2083B were partially decreed in the SRBA in January 1998. 36-8593 was licensed in July 1991. These parts of these rights have been leased to the Water Supply Bank since April 2003. 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 #130. Water master did not oppose approval.

State of Idaho
Department of Water Resources

RECOMMENDATION OF WATERMASTER

Application No: Water Supply Bank Lease
Water Right No: 36-2083A, 36-2083B, 36-8593
Applicant Name: Blue Lakes Country Club

Watermaster's Recommendation:

- a) ☒ I do not oppose approval of this application
- b) ☐ I do not oppose approval of this application under the following terms:
- c) ☐ I oppose approval of this application(s) for the following reasons:
- d) ☐ Additional comment:

GCDB shifts and irregular boundaries of irrigated acreage makes it difficult to precisely match the dried areas identified on the application map to the actual idled acres. However I have confirmed that these areas do basically correspond and that total remaining irrigation as based on 2011 photo is not more than 82 acres.

Dated: February 10, 2014

Water District 130

submitted electronically
Cindy J Yenter, Watermaster