

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective January 29, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: CALVIN E SANDFORT
MACHEL L SANDFORT
2286 E POEN RD
KUNA ID 83634
(208) 484-2150

RECEIVED

MAR 03 2014

Department of Water Resources

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

<u>Water Right</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
63-32329	0.14 CFS	40.5 AF	NA	9.0 AC
Combined Lease Totals:	0.14 CFS	40.5 AF	NA	9.0 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, 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.

CALVIN E SANDFORT
MACHEL L SANDFORT
2286 E POEN RD
KUNA ID 83634

By Calvin E. Sandfort
Printed Name Calvin E. Sandfort

Date March 3, 2014
Title Lessor

By Machel L. Sandfort
Printed Name Machel L. Sandfort

Date 3/3/2014
Title Lessor

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

By Brian Patton
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 03-03-2014

Lease approved by IDWR Camila S. Skaggs

Date 03-03-2014

ATTACHMENT A
WATER RIGHT NO. 63-32329
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: **CALVIN E SANDFORT**
 MACHEL L SANDFORT
 2286 E POEN RD
 KUNA ID 83634
 (208) 484-2150

Priority Date: 05/10/1971

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	0.14 CFS	40.5 AF
	Total:		0.14 CFS	40.5 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER SE¼SW¼ Sec. 18 Twp 01N Rge 01E ADA County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

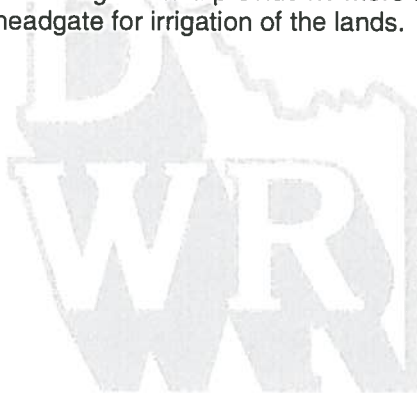
Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01N	01E	18												9.0					9.0

Total Acres: 9.0

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. The period of use for the irrigation described in this approval may be extended to a beginning date 3/1 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 3/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier 5/29/2007.
13. This right when combined with all other rights shall provide no more that 0.02 cfs per acre nor more than 4.5 afa per acre at the field headgate for irrigation of the lands.



**STATE OF IDAHO
WATER RESOURCE BOARD
WATER SUPPLY BANK
REQUEST TO EXTEND LEASE TERM
ONE FORM PER WATER RIGHT**

**RECEIVED
JAN 29 2014
DEPARTMENT OF
WATER RESOURCES**

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: 63-32329 Telephone No: 208-484-2150
Name(s) of Lessor(s): Calvin E. Sandfort and Machel L. Sandfort
Mailing Address: 2286 Poen Rd
City: Kuna State: ID Zip: 83634
Current Expiration Date: Dec. 31, 2013
Requested Expiration Date: Dec. 31, 2018
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.
- CS 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.

<u>Calvin E. Sandfort</u> Signature of Lessor	<u>Calvin E. Sandfort</u> Printed Name and Title*	<u>01/28/2014</u> Date
<u>Machel L. Sandfort</u> Signature of Lessor	<u>Machel L. Sandfort</u> Printed Name and Title*	<u>01/28/14</u> 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: 1/29/14 Receipt No: C098246

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 1A

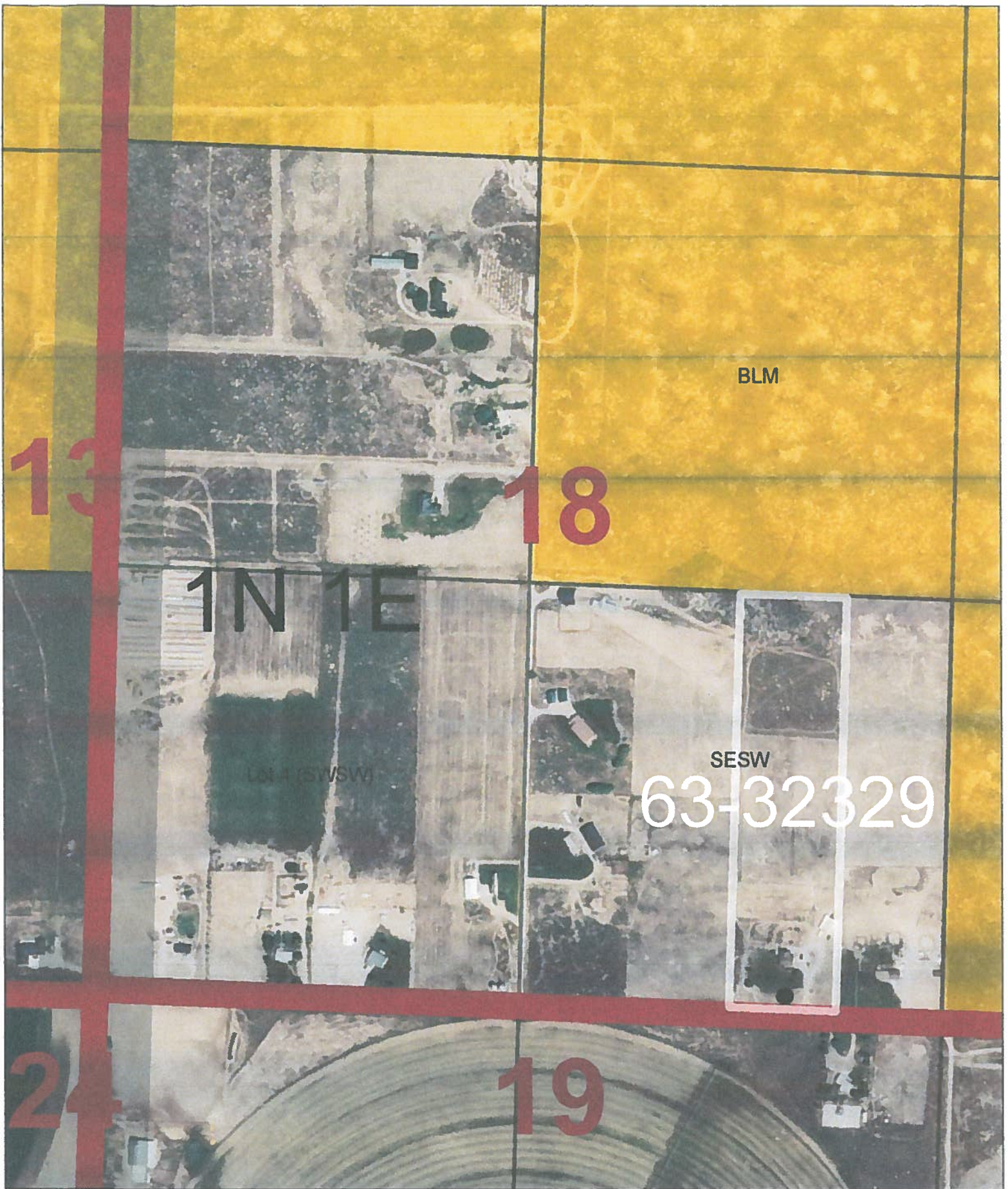
Additional Water Right Holders Party to the Lease Application

List all individuals or business entities that are owners of the property to which the water right on this application is appurtenant. All water right holders must be signatories to a Water Supply Bank Lease Application however only the Designated Applicant needs to provide a completed IRS Form W-9 (Attachment 1B). **All correspondence and any financial payment associated with the rental of this water right will be directed to the Designated Applicant.** If additional space is needed to list any other water right holders, attach a second copy of Attachment 1A.

Water Right No. 63-32329

	Designated Applicant	Applicant #2	Applicant #3
Name	Cahon E. Sandfort	Machel L. Sandfort	
Mailing Address	2286 Poen Rd. Kuna, ID 83634	2286 Poen Road Kuna, ID 83634	
Phone Number	208 484-2150	208-484-2151	
Email Address	sandforc@clear.net	sandform@clear.net	
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature	Cahon Sandfort	Machel Sandfort	

	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			



1:1,131

2286 E. Poen Rd, Kuna, ID 83634
R2517270300, Lot 3, Blk 1, Esther Estates Sub
W2E2SESW, S18, T01N, R01E, BM



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 3, 2014

CALVIN E SANDFORT
MACHEL L SANDFORT
2286 E POEN RD
KUNA ID 83634

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 63-32329

Dear Lessor:

Water Right 63-32329 was leased into the Water Supply Bank on January 29, 2014 in accordance with the executed original Lease Contract enclosed. **Your water right 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 right will automatically be released from the Bank on **December 31, 2018**, unless the right is released earlier by the Board, or upon your request. **Please note your 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: John Westra- IDWR Western Regional Manager



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

February 21, 2014

CALVIN E SANDFORT
MACHEL L SANDFORT
2286 E POEN RD
KUNA ID 83634

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 63-32329 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."

I have also enclosed a Form W9 for Machel L Sandfort to fill out and return. Since both Calvin E Sandfort and Machel L Sandfort are listed as owners, we need to have Form W9 from all owners. The Department has a W9 on file for Calvin E Sandfort. You may complete the Attachment 1A, if you would like to have one designated applicant.

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: Proposed Lease Contracts

2

Hersley, Jean

From: Lester, Steve
Sent: Tuesday, February 18, 2014 9:01 AM
To: Hersley, Jean
Subject: RE: WSB Lease Extension 63-32329 for Calvin and Machel Sandfort

Looks good to me.

From: Hersley, Jean
Sent: Monday, February 10, 2014 9:57 AM
To: Lester, Steve
Subject: WSB Lease Extension 63-32329 for Calvin and Machel Sandfort

<< File: Lease Review Memo.docx >>

The extension request is for the entire right. It has been in the Bank since 2012. Attached is the review memo.

Jean

MEMORANDUM

To: Water Right No(s). 63-32329
From: Jean Hersley
Date: February 10, 2014
Re: Review of Application to Extend Leased Water Right to the State Water Supply Bank

PURPOSE/NARRATIVE: The Department received this extension request on January 29, 2014. The Sandfort's would like to extend their lease through December, 2018. The entire right has been in the Bank since 2012. It is for 9.0 acres of irrigation. The diversion rate is 0.14 cfs and the volume is 40.5. POU is located within Lot 3, Blk 1, Esther Estates Subdivision.

AUTHORITY TO FILE: Both water right holders signed the extension.

WATER RIGHT VALIDITY: This water right was decreed in 2007 and has been in the Bank since 2012. Aerial photography indicates no irrigation has taken place.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

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

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 not subject to any Water District at this time.