

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED
FEB 14 2014
DEPARTMENT OF
WATER RESOURCES

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

Lessor: NORTHRIDGE II SUBDIVISION OWNERS ASSOCIATION INC
PO BOX 5552
KETCHUM ID 83340

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>
37-22810	0.06 CFS	NA	NA	7.2 AC
37-22811	0.06 CFS	NA	NA	7.2 AC
37-22812	0.12 CFS	NA	NA	7.2 AC
37-22813	0.07 CFS	NA	NA	7.2 AC
Combined Lease Totals:	0.31 CFS	NA	7.2 AC	7.2 AC

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

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.

SUPPORT DATA

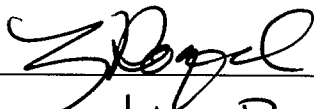
37-22810

IN FILE #

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

NORTHRIDGE II SUBDIVISION OWNERS ASSOCIATION

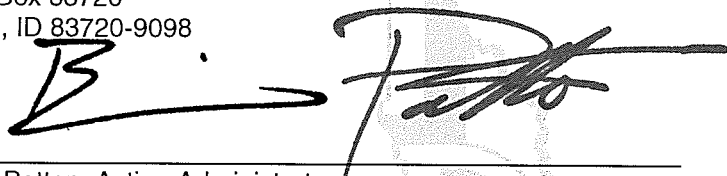
PO BOX 5552
KETCHUM ID 83340

By 
Printed Name Liz Roquet

Date 2-12-14
Title President

IDAHO WATER RESOURCE BOARD

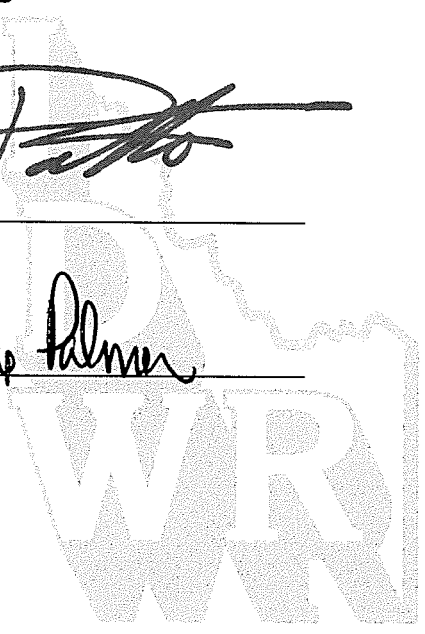
322 East Front Street
P.O. Box 83720
Boise, ID 83720-9098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 2/14/2014

Lease approved by IDWR 

Date 2/14/2014



ATTACHMENT A
WATER RIGHT NO. 37-22810
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: NORTHBRIDGE II SUBDIVISION OWNERS ASSOCIATION
 PO BOX 5552
 KETCHUM ID 83340

Priority Date: 05/01/1888

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	04/15 to	10/31	0.06 CFS	NA
	Total:			0.06 CFS
				NA

LOCATION OF POINT(S) OF DIVERSION:

BIG WOOD RIVER SW¼NW¼ Sec. 20 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	
02N	18E	4					7.2												7.2
							L3												

Total Acres: 7.2

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>
37-22810, 37-22811, 37-22812, and 37-22813	0.31 CFS	NA	7.2 AC	7.2 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. Because the place of use will continue receiving irrigation water from a municipality, this water right cannot be rented without causing enlargement.
4. 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.
5. 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.
6. While a water right is in the bank, forfeiture provisions are stayed.

7. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
8. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
9. 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.
10. 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.
11. 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.
12. 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.
13. Right Nos. 37-22810, 37-22811, 37-22812 and 37-22813 are limited to the irrigation of a combined total of 7.2 acres in a single irrigation season.
14. Right Nos. 37-22810, 37-22811, 37-22812 and 37-22813 shall provide no more than 3.5 afa per acre at the field headgate for irrigation of the lands in the places of use whenever sprinkler methods of irrigation are used.
15. When Right nos. 37-22810, 37-22811, 37-22812 and 37-22813 are rented to a party outside of the Hiawatha Canal, 20% will be left in the Hiawatha Canal as a conveyance loss.

ATTACHMENT A
WATER RIGHT NO. 37-22811
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: NORTHBRIDGE II SUBDIVISION OWNERS ASSOCIATION
 PO BOX 5552
 KETCHUM ID 83340

Priority Date: 09/18/1885

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	10/31	0.06 CFS	NA
	Total:		0.06 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

BIG WOOD RIVER SW¼NW¼ Sec. 20 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	
02N	18E	4					7.2												7.2
							L3												

Total Acres: 7.2

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>
37-22810, 37-22811, 37-22812, and 37-22813	0.31 CFS	NA	7.2 AC	7.2 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. Because the place of use will continue receiving irrigation water from a municipality, this water right cannot be rented without causing enlargement.
4. 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.
5. 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.
6. While a water right is in the bank, forfeiture provisions are stayed.

7. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
8. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
9. 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.
10. 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.
11. 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. Right Nos. 37-22810, 37-22811, 37-22812 and 37-22813 are limited to the irrigation of a combined total of 7.2 acres in a single irrigation season.
13. Right Nos. 37-22810, 37-22811, 37-22812 and 37-22813 shall provide no more than 3.5 afa per acre at the field headgate for irrigation of the lands in the places of use whenever sprinkler methods of irrigation are used.
14. When Right nos. 37-22810, 37-22811, 37-22812 and 37-22813 are rented to a party outside of the Hiawatha Canal, 20% will be left in the Hiawatha Canal as a conveyance loss.

ATTACHMENT A
WATER RIGHT NO. 37-22812
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: NORTHBRIDGE II SUBDIVISION OWNERS ASSOCIATION
 PO BOX 5552
 KETCHUM ID 83340

Priority Date: 06/30/1884

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	03/01	to 11/15	0.12 CFS	NA
	Total:			0.12 CFS
				NA

LOCATION OF POINT(S) OF DIVERSION:

BIG WOOD RIVER SW¼NW¼ Sec. 20 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	
02N	18E	4					7.2												7.2
							L3												

Total Acres: 7.2

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>
37-22810, 37-22811, 37-22812, and 37-22813	0.31 CFS	NA	7.2 AC	7.2 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. Because the place of use will continue receiving irrigation water from a municipality, this water right cannot be rented without causing enlargement.
4. 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.
5. 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.
6. While a water right is in the bank, forfeiture provisions are stayed.

7. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
8. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
9. 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.
10. 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.
11. 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. Right Nos. 37-22810, 37-22811, 37-22812 and 37-22813 are limited to the irrigation of a combined total of 7.2 acres in a single irrigation season.
13. Right Nos. 37-22810, 37-22811, 37-22812 and 37-22813 shall provide no more than 3.5 afa per acre at the field headgate for irrigation of the lands in the places of use whenever sprinkler methods of irrigation are used.
14. When Right nos. 37-22810, 37-22811, 37-22812 and 37-22813 are rented to a party outside of the Hiawatha Canal, 20% will be left in the Hiawatha Canal as a conveyance loss.

ATTACHMENT A
WATER RIGHT NO. 37-22813
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: NORTH RIDGE II SUBDIVISION OWNERS ASSOCIATION
 PO BOX 5552
 KETCHUM ID 83340

Priority Date: 03/24/1884

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	03/01	to 11/15	0.07 CFS	NA
	Total:			0.07 CFS
				NA

LOCATION OF POINT(S) OF DIVERSION:

BIG WOOD RIVER SW¼NW¼ Sec. 20 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	
02N	18E	4					7.2												7.2

Total Acres: 7.2

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>
37-22810, 37-22811, 37-22812, and 37-22813	0.31 CFS	NA	7.2 AC	7.2 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. Right Nos. 37-22810, 37-22811, 37-22812 and 37-22813 are limited to the irrigation of a combined total of 7.2 acres in a single irrigation season.
13. Right Nos. 37-22810, 37-22811, 37-22812 and 37-22813 shall provide no more than 3.5 afa per acre at the field headgate for irrigation of the lands in the places of use whenever sprinkler methods of irrigation are used.
14. When Right nos. 37-22810, 37-22811, 37-22812 and 37-22813 are rented to a party outside of the Hiawatha Canal, 20% will be left in the Hiawatha Canal as a conveyance loss.

RECEIVED
JAN 23 2014
DEPARTMENT OF
WATER RESOURCES

Receipt No. C098208
Fee Amount \$ 500.00
Date/by 1/23/14 CD
(For Department Use Only)

STATE OF IDAHO
WATER RESOURCE BOARD

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

Name of Seller/Lessor Northridge II Subdivision Owners' Association, Inc. Phone _____
Mailing address P.O. Box 3552 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. <u>Water Right Number</u>	<u>Amount (cfs/ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
<u>37-22810</u>	_____	_____	_____ to _____
	_____	_____	_____ to _____
	_____	_____	_____ to _____
Total Amount: _____			

2. Source of water _____ tributary to _____

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County

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	

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

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:
See attached letter from Hiawatha Canal.

C. GENERAL INFORMATION

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

Water is diverted out of Big Wood River and into Hiawatha Canal where it is delivered to the place of use by ditches.

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

Water delivered to place of use by City of Hailey municipal water system (37-296A, 37-906, 37-1216, 37-2698, 37-2699, 37-7305, 37-7854, 37-8837, 37-20831 and 37-22019).

3. Will the present place of use continue to receive water from any source?

Yes ☒ No ☐

If yes, describe. City of Hailey municipal water system.

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. Right was decreed on August 30, 2011.

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 April 15, 2014 to October 31, 2018 (not to exceed 5 years).
(Month / Day / Year) (Month / Day / Year)

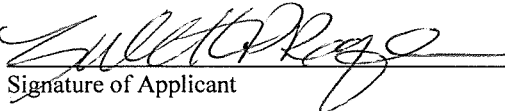
2. Show the minimum payment acceptable to the Seller/Lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.

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 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.


Signature of Applicant

Elizabeth Proquet/President
Printed Name and Title*

1-16-14
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

Receipt No. C098208
 Fee Amount \$ 500.00
 Date/by 4/23/14 CS
 (For Department Use Only)

RECEIVED
 JAN 23 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 Northridge II Subdivision Owners' Association, Inc. Phone _____
 Mailing address P.O. Box 3552 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 37-22811 Amount (cfs/ac-ft) _____ Nature of Use _____ Period of Use _____
 _____ to _____
 _____ to _____
 _____ to _____
 Total Amount: _____

2. Source of water _____ tributary to _____

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County

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	

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

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:
See attached letter from Hiawatha Canal.

C. GENERAL INFORMATION

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

Water is diverted out of Big Wood River and into Hiawatha Canal where it is delivered to the place of use by ditches.

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

Water delivered to place of use by City of Hailey municipal water system (37-296A, 37-906, 37-1216, 37-2698, 37-2699, 37-7305, 37-7854, 37-8837, 37-20831 and 37-22019).

3. Will the present place of use continue to receive water from any source?

Yes ☒ No ☐

If yes, describe. City of Hailey municipal water system.

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. Right was decreed on August 30, 2011.

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 April 15, 2014 to October 31, 2018 (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.


Signature of Applicant

Elizabeth Proquet / President
Printed Name and Title*

1-16-14
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

RECEIVED
JAN 23 2014
DEPARTMENT OF
WATER RESOURCES

STATE OF IDAHO
WATER RESOURCE BOARD

Receipt No. C098208
Fee Amount \$ 500.00
Date/by 1/23/14 CS
(For Department Use Only)

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

Name of Seller/Lessor Northridge II Subdivision Owners' Association, Inc. Phone _____
Mailing address P.O. Box 3552 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. <u>Water Right Number</u>	<u>Amount (cfs/ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
<u>37-22812</u>	_____	_____	_____ to _____
	_____	_____	_____ to _____
	_____	_____	_____ to _____
Total Amount: _____			

2. Source of water _____ tributary to _____

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County

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	

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

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:
See attached letter from Hiawatha Canal.

C. GENERAL INFORMATION

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

Water is diverted out of Big Wood River and into Hiawatha Canal where it is delivered to the place of use by ditches.

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

Water delivered to place of use by City of Hailey municipal water system (37-296A, 37-906, 37-1216, 37-2698, 37-2699, 37-7305, 37-7854, 37-8837, 37-20831 and 37-22019).

3. Will the present place of use continue to receive water from any source?

Yes ☒ No ☐

If yes, describe. City of Hailey municipal water system.

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. Right was decreed on August 30, 2011.

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
- ☒
- ?

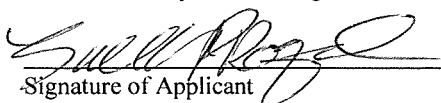
If lease, for a period from April 15, 2014 to October 31, 2018 (not to exceed 5 years).
(Month / Day / Year) (Month / Day / Year)

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.


Signature of Applicant

Elizabeth Proquet (President)
Printed Name and Title*

1-16-14
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

RECEIVED
JAN 23 2014
 DEPARTMENT OF
 WATER RESOURCES

STATE OF IDAHO
 WATER RESOURCE BOARD

Receipt No. 6098208
 Fee Amount \$ 500.00
 Date/by 1/23/14 CJ
 (For Department Use Only)

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

Name of Seller/Lessor Northridge II Subdivision Owners' Association, Inc. Phone _____
 Mailing address P.O. Box 3552 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 37-22813 Amount (cfs/ac-ft) _____ Nature of Use _____ Period of Use _____
 _____ to _____
 _____ to _____
 _____ to _____
 Total Amount: _____

2. Source of water _____ tributary to _____

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County

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	

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

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:
See attached letter from Hiawatha Canal.

C. GENERAL INFORMATION

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

Water is diverted out of Big Wood River and into Hiawatha Canal where it is delivered to the place of use by ditches.

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

Water delivered to place of use by City of Hailey municipal water system (37-296A, 37-906, 37-1216, 37-2698, 37-2699, 37-7305, 37-7854, 37-8837, 37-20831 and 37-22019).

3. Will the present place of use continue to receive water from any source?

Yes ☒ No ☐

If yes, describe. City of Hailey municipal water system.

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. Right was decreed on August 30, 2011.

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 April 15, 2014 to October 31, 2018 (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 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.


Signature of Applicant

Elizabeth P Roguet / President
Printed Name and Title*

1-16-14
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

February 14, 2014

NORTHRIDGE II SUBDIVISION OWNERS ASSOCIATION INC
PO BOX 5552
KETCHUM ID 83340

**RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 37-22810, 37-22811, 37-22812
and 37-22813**

Dear Lessor:

Water Rights 37-22810, 37-22811, 37-22812 and 37-22813 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.**

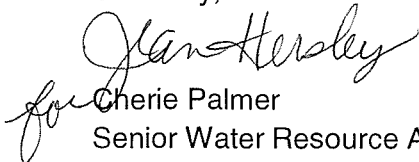
The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. **Please note your rights may not be available for immediate release if they have been rented.** To release the right from the Bank prior to the 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 287-4944.

Sincerely,


for Cherie Palmer

Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: Haemmerle & Haemmerle PLLC
Allen Merritt- IDWR Southern Regional Manager
Hiawatha Canal
Kevin Lakey, Water District No. 37



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 6, 2014

NORTHRIDGE II SUBDIVISION OWNERS ASSOCIATION INC
PO BOX 5552
KETCHUM ID 83340

**RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 37-22810, 37-22811, 37-22812 and 37-22813
TO THE WATER SUPPLY BANK**

******TIME SENSITIVE RESPONSE REQUIRED*****

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return BOTH Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your rights may not be available for immediate release if they have been rented.

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

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

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

Sincerely,

for 
Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

c: Haemmerle & Haemmerle PLLC

MEMORANDUM

To: Water Right No(s). 37-22810, 37-22811, 37-22812 and 37-22813
From: Jean Hersley
Date: February 4, 2014 *updated 2-6-14*
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: On January 23, 2014, the Department received these applications from Northridge II Subdivision Owners' Association Inc. to lease the entirety of all rights to the Bank. The rights are located in the Big Wood River GWMA and the moratorium area of the ESPA. The place of use will continue to receive water from the City of Hailey. Water is diverted out of the Big Wood River into the Hiawatha Canal where it is delivered by ditches. Hiawatha Canal does not object to the rights being leased into the Bank provided that if the rights are rented to a party outside of the Hiawatha Canal a 20% conveyance loss is left in the Canal. (See letter from Hiawatha Canal.)
Lease period is from April 15, 2014 until the end of 2018.

AUTHORITY TO FILE: The applications were signed by Elizabeth Roquet, president of the Association. Verified with IDSOS.

WATER RIGHT VALIDITY: The parent rights (37-21811, 37-21813, 37-21815 and 37-21817) of these rights were decreed in 2011. Forfeiture is not an issue.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: Because the place of use will continue receiving irrigation water from a municipality, this water right cannot be rented without causing 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. Kevin Lakey, watermaster has no concerns with these applications.

Allen Merritt is ok with leasing them but thinks renting them would raise issue of the water rights being supplemental since the land is being irrigated with water from the City of Hailey.

Hersley, Jean

From: Merritt, Allen
Sent: Thursday, February 06, 2014 7:29 AM
To: Hersley, Jean
Subject: RE: WSB Lease Applications from Northridge II Subdivision Owners' Assoc Inc

I guess I'm ok with leasing them but renting them would raise issues of them being supplemental since land appears to be irrigated with City of Hailey water.

From: Hersley, Jean
Sent: Tuesday, February 04, 2014 12:55 PM
To: Merritt, Allen; Kevin Lakey
Subject: WSB Lease Applications from Northridge II Subdivision Owners' Assoc Inc

Attached is the review memo for WSB Lease Applications for water rights 37-22810 through 37-22813. Your comments or concerns are needed within 14 days. If we don't hear from you within this time period, I will assume you do not have any objections to the lease of these rights and will continue processing the applications.

If you have any questions, please contact me.

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

<< File: DOC005.pdf >>

Hersley, Jean

From: Kevin Lakey [watermanager@cableone.net]
Sent: Thursday, February 06, 2014 8:02 AM
To: Hersley, Jean
Subject: RE: WSB Lease Applications from Northridge II Subdivision Owners' Assoc Inc

I don't have a problem with this application.

Kevin Lakey
Water District 37

From: Hersley, Jean [<mailto:Jean.Hersley@idwr.idaho.gov>]
Sent: Tuesday, February 04, 2014 12:55 PM
To: Merritt, Allen; Kevin Lakey
Subject: WSB Lease Applications from Northridge II Subdivision Owners' Assoc Inc

Attached is the review memo for WSB Lease Applications for water rights 37-22810 through 37-22813.

Your comments or concerns are needed within 14 days. If we don't hear from you within this time period, I will assume you do not have any objections to the lease of these rights and will continue processing the applications.

If you have any questions, please contact me.

Jean Hersley

Idaho Dept Water Resources

Technical Records Specialist II

208-287-4942

<<DOC005.pdf>>

HAEMMERLE & HAEMMERLE, P.L.L.C.

Attorneys & Counselors at Law

Fritz X. Haemmerle
Jennifer L. K. Haemmerle

P. O. Box 1800
Hailey, ID 83333

400 South Main Street, Suite 102
Tel: (208) 578-0520
Fax: (208) 578-0564

January 16, 2014

RECEIVED
JAN 23 2014
DEPARTMENT OF
WATER RESOURCES

Idaho Dept. of Water Resources
c/o Water Bank
P.O. Box 83720
Boise, ID 83720-0098

Re: (1) Request to Water Bank 37-22810, 37-22811, 37-22812 and 37-22813
Applicant: Northridge II Subdivision Owners' Association, Inc; (2) and
Change of Address

To Whom It May Concern:

Please find enclosed my client's Application to Lease Water to Water Bank, for water rights 37-22810, 37-22811, 37-22812 and 37-22813. The application includes: (1) forms to bank four water rights; (2) letter from the Hiawatha Canal authorizing the banking of the water; (3) completed W-9 Form, and (4) a fee of \$500.00 as all water rights are stacked and share the same place of use. Please confirm receipt of this Application.

I have also included a Change of Address form for Northridge II Subdivision Owners' Association, Inc., the lessor in this matter.

If you require any further information, please advise.

Sincerely,

HAEMMERLE & HAEMMERLE, P.L.L.C.



Fritz X. Haemmerle

FXH: fxh
Encl.
cc: client

RECEIVED

JAN 29 2015

Department of Water Resources

HIAWATHA CANAL

P.O. Box 1604 • Hailey, ID 83333

January 14, 2014

Idaho Department of Water Resources or
Idaho Water Board

Re: *Water Right Transfers to Water Bank (Rights 37-22810, 37-22811, 37-22812 and 37-22813)*

To Whom It May Concern:

I am the duly elected President of The Hiawatha Canal Company (a.k.a. The Hiawatha Canal Water Users Association of Lateral or Laterals ("Hiawatha"). I understand that the Northridge II Subdivision Owners' Association, Inc. ("Northridge II") wishes to transfer the aforementioned water rights, delivered from the Hiawatha Canal, into the State Water Bank.

Please be advised that the Hiawatha does not object to such a transfer into the Water Bank provided that if the rights are leased to a party outside of the Hiawatha Canal, then Northridge II and/or the State leaves twenty-percent (20%) in the Hiawatha Canal as conveyance loss. This conveyance has been recognized by the Idaho Department of Water Resources in similar transfers.

If you have any questions, please do not hesitate to call. Thank you for involving the Hiawatha Canal. We thank you in advance for your anticipated cooperation.

Sincerely,

HIAWATHA CANAL COMPANY



Dave Cropper, President

FXH: fxh

Encl.

cc: clients

Kevin D. Lakey, District 37

107 W. 1st

Shoshone, ID 83352