

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective April 29, 2013, between the Idaho Water Resource Board ("**Board**"), and

Lessor: JOHN F STEVENSON
36 HILLSIDE RANCH RD
BELLEVUE ID 83313
208-788-4826

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>
37-2649B	0.64 CFS	112.0 AF	NA	32.0 AC
Combined Lease Totals:	0.64 CFS	112.0 AF	NA	32.0 AC

The water rights described herein shall be available for rental from the Bank as follows:
Authorized Period of Use under Lease: 4/1 to 11/1

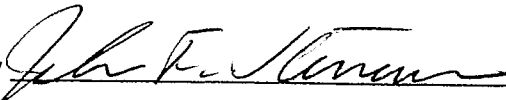
2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

Minimum Payment Acceptable: Negotiated Rental Rate: One dollar (\$1.00) per irrigation season.

3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31, 2017.
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.

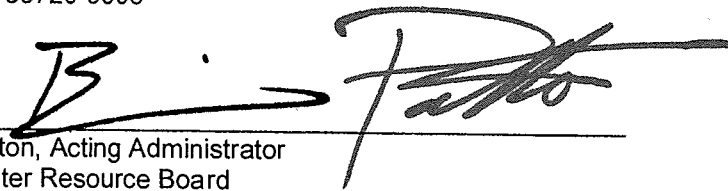
IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

JOHN F STEVENSON
36 HILLSIDE RANCH RD
BELLEVUE ID 83313

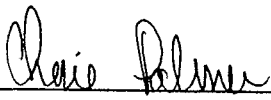
By 
Printed Name John F. Stevenson

Date 1/17/14
Title owner

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

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 2/7/2014

Lease approved by IDWR 

Date 2/7/2014

ATTACHMENT A
WATER RIGHT NO. 37-2649B
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: JOHN F STEVENSON
36 HILLSIDE RANCH RD
BELLEVUE ID 83313
208-788-4826

Priority Date: 01/27/1961

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	11/01	0.64 CFS	112.0 AF
	Total:		0.64 CFS	112.0 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NWNWNE	Sec. 20	Twp 01S	Rge 19E	BLAINE County
GROUND WATER	NWNWNE (Injection)	Sec. 20	Twp 01S	Rge 19E	BLAINE County
GROUND WATER	SESWW (Rediversion)	Sec. 21	Twp 01S	Rge 19E	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	
01S	19E	21							32										32.0

Total Acres: 32.0

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water right(s) referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter. The right will be rented from the bank at an annual rental charge of one dollar (\$1.00) per irrigation season.
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.

WATER RIGHT NO. 37-2649B
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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. Point of diversion is known locally as The Lucke Well.
13. The right holder shall maintain measuring devices at the point of injection into and redirection from Patton Creek and shall maintain lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion.
14. The conveyance losses under the unleased portion of right 37-2649B is 2% or 0.05 cfs.
15. Water diverted under this right is injected in Patton Creek then redirected from Patton Creek to the place of use. The amount of water redirected from Patton Creek under this right shall not exceed 98% of the amount of water injected into Patton Creek.
16. During the term of this lease, the remaining number of acres authorized for irrigation is 128 acres.
17. During the term of this lease, use of the unleased portions of this right when combined with 37-2649A irrigate a specific 340 acres within the 397.0 acre place of use in a single irrigation season. Before changing the 340.0 acres to be irrigated within the 397 acre place of use, the right holder shall submit a new land list and representative electric shape file or map to the Department prior to the irrigation season in which the change will occur.
18. During the term of this lease, use of the unleased portions of right 37-2649B when combined with rights 37-7644, 37-2649A, and 37-7014 are limited to a total maximum diversion rate of 6.8 cfs.
19. The right holder shall record the quantity of water diverted and annually report diversions of water and/or other pertinent hydrologic and system information as required by Section 42-701, Idaho Code.
20. 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. 37.

WSB No. _____
 Receipt No. 5033217
 Date/by 4/30/13 C. SKINNER
 (For Department Use Only)

STATE OF IDAHO
 WATER RESOURCE BOARD

RECEIVED

APR 29 2013

DEPT. OF WATER RESOURCES
SOUTHERN REGION

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

Name of Seller/Lessor John F. Stevenson Phone 208-788-4826
 Mailing address 36 Hillside Ranch Road, Bellevue, ID 83313 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 37-2649B Amount (cfs/ac-ft) 0.64 cfs Nature of Use Irrigation Period of Use 4/1 to 11/1
 _____ to _____
 _____ to _____
 Total Amount: 0.64 cfs

2. Source of water Groundwater tributary to _____

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
1S	19E	20		NW	NW	NE	BLAINE

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

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
1S	19E	21							32										32

If the right is for irrigation, show total number of acres offered to the bank. Total Acres 32

B. OWNERSHIP

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

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

C. GENERAL INFORMATION

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

Water is diverted from a well in NWNWNE, Section 20, T.1S, R.19E, then injected into Patton Creek and rediverted to POU

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

37-2649A is part of Applicant's PPU

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

Yes ☐ No ☐If yes, describe. 37-2599, Thomas O'Gara water irrigation system. See "Water Use Agreement" between the parties.

4. Has any portion of this water right undergone a period of five or more consecutive years of non-use?

Yes ☐ No ☐If yes, describe and attach watermaster records or other evidence to demonstrate that the right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.

5. Is this water right involved in any other Department process such as an application for transfer or a mitigation plan? Yes
- ☐
- No
- ☐

If yes, describe.**D. REQUIRED ITEMS**

This form must be signed and submitted with the following REQUIRED items:

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

E. SALE/LEASE AGREEMENT

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

If lease, for a period from 4-15-2013 to 4-15-2018 (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.
-
- See "Water Use Agreement" between applicant and Thomas M. O'Gara Family Trust, attached hereto.

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 ApplicantJohn F. Stevenson
Printed Name and Title*7/25/13
Date

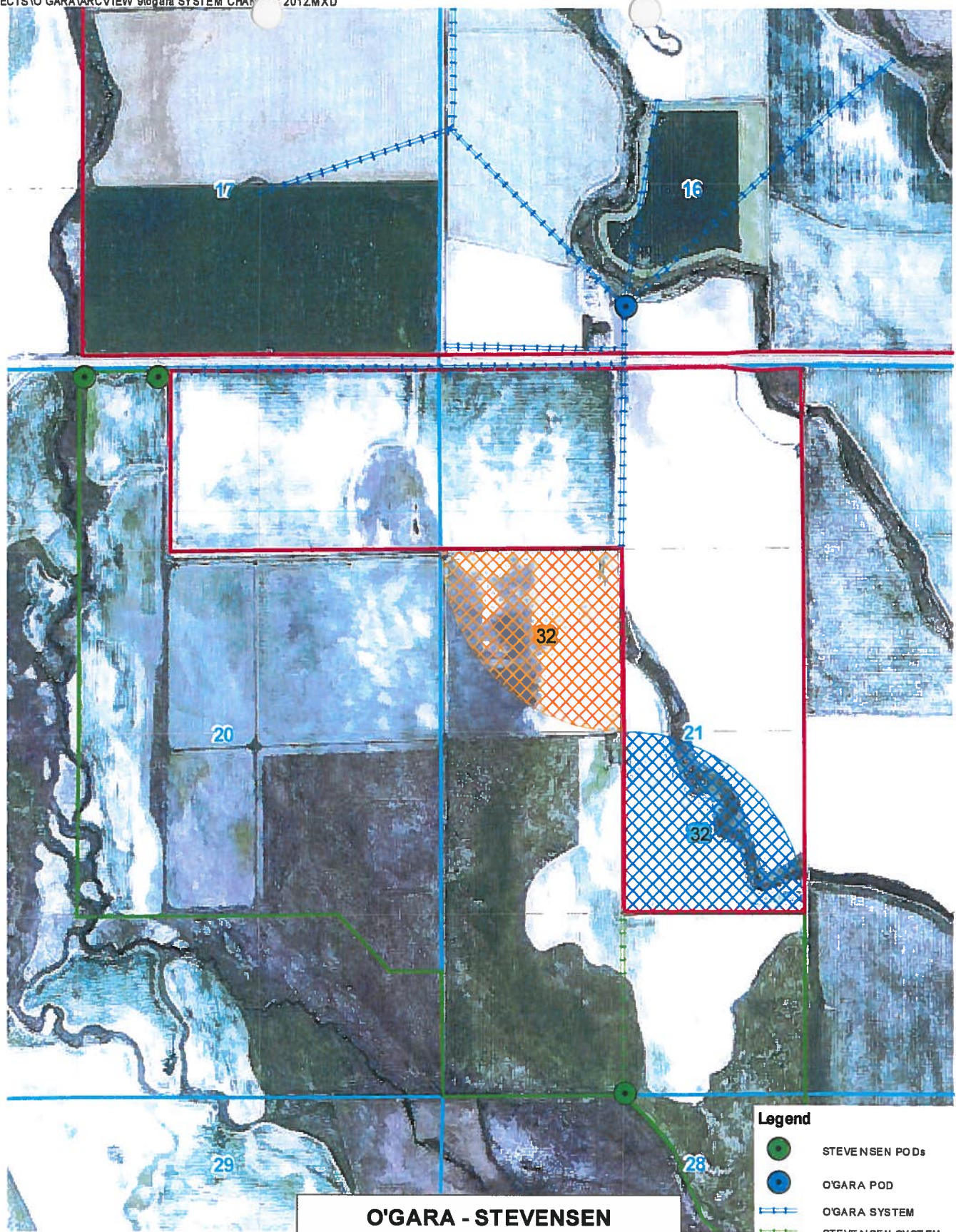
Signature of Applicant

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



**O'GARA - STEVENSEN
WATER BANK APPLICATIONS
T1S R19E SEC 21
BLAINE COUNTY IDAHO
NAIP 2011 AERIAL PHOTOGRAPH**

Legend

- STEVENSEN PODs
- O'GARA POD
- O'GARA SYSTEM
- STEVENSEN SYSTEM
- O'GARA PPU
- Stevensen PPU
- WATER SOURCE**
- O'GARA PROPERTY
- STEVENSEN PROPERTY

0 500 1,000 2,000 Feet

BROCKWAY ENGINEERING, PLLC.
GEP - APRIL 19, 2013



WATER USE AGREEMENT

THIS AGREEMENT is entered this 25th day of April, 2013, by and between the THOMAS M. O'GARA FAMILY TRUST, with THOMAS M. O'GARA, Trustee, c/o Brian Barsotti, P.O. Box 370, Ketchum, Idaho, 83340 ("O'GARA") and JOHN F. STEVENSON, 36 Hillside Ranch Road, Bellevue, Idaho 83313 ("STEVENSON").

WHEREAS, O'GARA owns certain real property in Blaine County, specifically identified as the NESW § 21, T1S, R19E, Blaine County (the "O'GARA PROPERTY"); and

WHEREAS, O'GARA is authorized to irrigate the O'GARA PROPERTY using water rights identified in Idaho Department of Water Resources ("Department") Transfer No. 76658, including Water Right 37-2599; and

WHEREAS, STEVENSON owns certain real property in Blaine County, specifically identified as the SWNW § 21, T1S, R19E, Blaine County (the "STEVENSON PROPERTY"), which is adjacent to the O'GARA PROPERTY; and

WHEREAS, STEVENSON is authorized to irrigate the STEVENSON PROPERTY using Water Right 37-2469B, as identified in Idaho Department of Water Resources ("Department") Transfer No. 78424; and

WHEREAS, O'GARA's irrigation system includes a pivot that will allow O'GARA to irrigate a portion of the STEVENSON PROPERTY; and

WHEREAS, STEVENSON's irrigation system includes a new pivot that will allow STEVENSON to irrigate a portion of the O'GARA PROPERTY; and

WHEREAS the Parties desire to enter into this AGREEMENT to provide water for the irrigation of an approximately thirty two (32) acre portion of each other's property; and

WHEREAS, certain administrative actions are required to authorize the irrigation contemplated by this AGREEMENT;

NOW THEREFORE, in consideration of the mutual promises and performances set forth below, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Authority to Divert:

1.1. STEVENSON hereby authorizes O'GARA to divert 0.64 cfs of STEVENSON's water right 37-2649B to irrigate thirty two (32) acres of the STEVENSON PROPERTY using the O'GARA irrigation system. The STEVENSON PROPERTY to be irrigated pursuant to this AGREEMENT is identified on the aerial photo attached hereto as ATTACHMENT A, and incorporated herein.

1.2. O'GARA hereby authorizes STEVENSON to divert 0.64 cfs of O'GARA's water right 37-2599 to irrigate thirty two (32) acres of the O'GARA PROPERTY using the STEVENSON irrigation system. The O'GARA PROPERTY to be irrigated pursuant to this AGREEMENT is identified on the aerial photo attached hereto as ATTACHMENT A.

1.3. Each Party shall irrigate the other Party's property using sound irrigation practices appropriate for the crop and soil types and use an application rate equal to the rate on the other Party's land equal to that used by the owner of the pivot on his land under that same pivot.

2. Water Bank Applications:

2.1. STEVENSON and O'GARA shall each file an *Application to Sell or Lease a Water Right to the Water Supply Bank* with the Department, placing the portion of their respective water rights, as identified in Article 1, into the Idaho State Water Supply Bank.

2.2. STEVENSON shall file an *Application to Rent Water From the Water Supply Bank* with the Department, in order to rent the portion of O'GARA's Water Right No. 37-2599 for diversion through the STEVENSON irrigation system.

2.3. O'GARA shall file an *Application to Rent Water From the Water Supply Bank* with the Department, in order to rent the portion of STEVENSON's Water Right No. 37-2469B, for diversion through the O'GARA irrigation system.

3. Rental Term & Termination: This AGREEMENT shall begin on the above date and shall continue from year to year until either Party terminates the AGREEMENT by providing written notice at least thirty (30) days prior to the beginning of the irrigation season.

4. Rental Rate & Fees:

4.1. O'GARA shall pay STEVENSON an annual rental charge of one dollar (\$1.00) per irrigation season;

4.2. STEVENSON shall pay to O'GARA an annual rental charge of one dollar (\$1.00) per irrigation season;

4.3. In addition to these rental payments, each Party shall be responsible for administrative charges associated with putting the above water rights into the water bank, as follows:

4.3.1. Each Party shall be responsible for the two hundred fifty dollar (\$250) filing fee associated with their respective *Applications to Sell or Lease a Water Right to the Water Supply Bank*, identified in Article 2.1, above.

4.3.2. Each Party shall be responsible for the annual administrative charges associated with renting water from the Water Bank, as discussed in Articles 2.2 and 2.3, above.

5. Contingency: This Agreement is contingent upon the Department approving the water bank applications identified in Article 2, above.

6. Farming of Property: The Parties shall continue to farm their own respective properties and shall retain all rents, profits and other proceeds associated with the farming of their respective properties. Nothing in this AGREEMENT gives either Party a right to share in the rents, profits or any other proceeds associated with farming activities on the other Party's property.

7. Placement of Pivots: During the term of this Agreement O'GARA and STEVENSON consent to the placement and use of the pivot belonging to the other Party on their respective lands, and consent to the other Party's entry on their respective lands for routine operation and maintenance of the pivots. Each Party shall provide reasonable notice to the other Party if extraordinary measures are required to deal with the pivots on the land of the other Party and will consult on appropriate measures to protect the land and crops of the other Party, as necessary.

IN WITNESS WHEREOF, the Parties hereto have executed this Water Use Agreement on the day and date first above written.

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"O'GARA"

THOMAS M. O'GARA FAMILY TRUST

By: [Signature]
Thomas M. O'Gara, Trustee

STATE OF CA)
)ss.
COUNTY OF LA)

On this 25th day of April, 2013 before me, the undersigned Notary Public in and for said County and State, personally appeared THOMAS M. O'GARA, known or identified to be to be the Trustee of the THOMAS M. O'GARA FAMILY TRUST, and signed the above documents as the Trustee of the THOMAS M. O'GARA FAMILY TRUST.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Christine L. Rogers
NOTARY PUBLIC FOR CA
Residing At: 14218 Isis Ave. Nelly 9124. CA 90250
Commission Expires: 10-30-2016



"STEVENSON"

By:

John F. Stevenson
John F. Stevenson

STATE OF Idaho

COUNTY OF Blaine

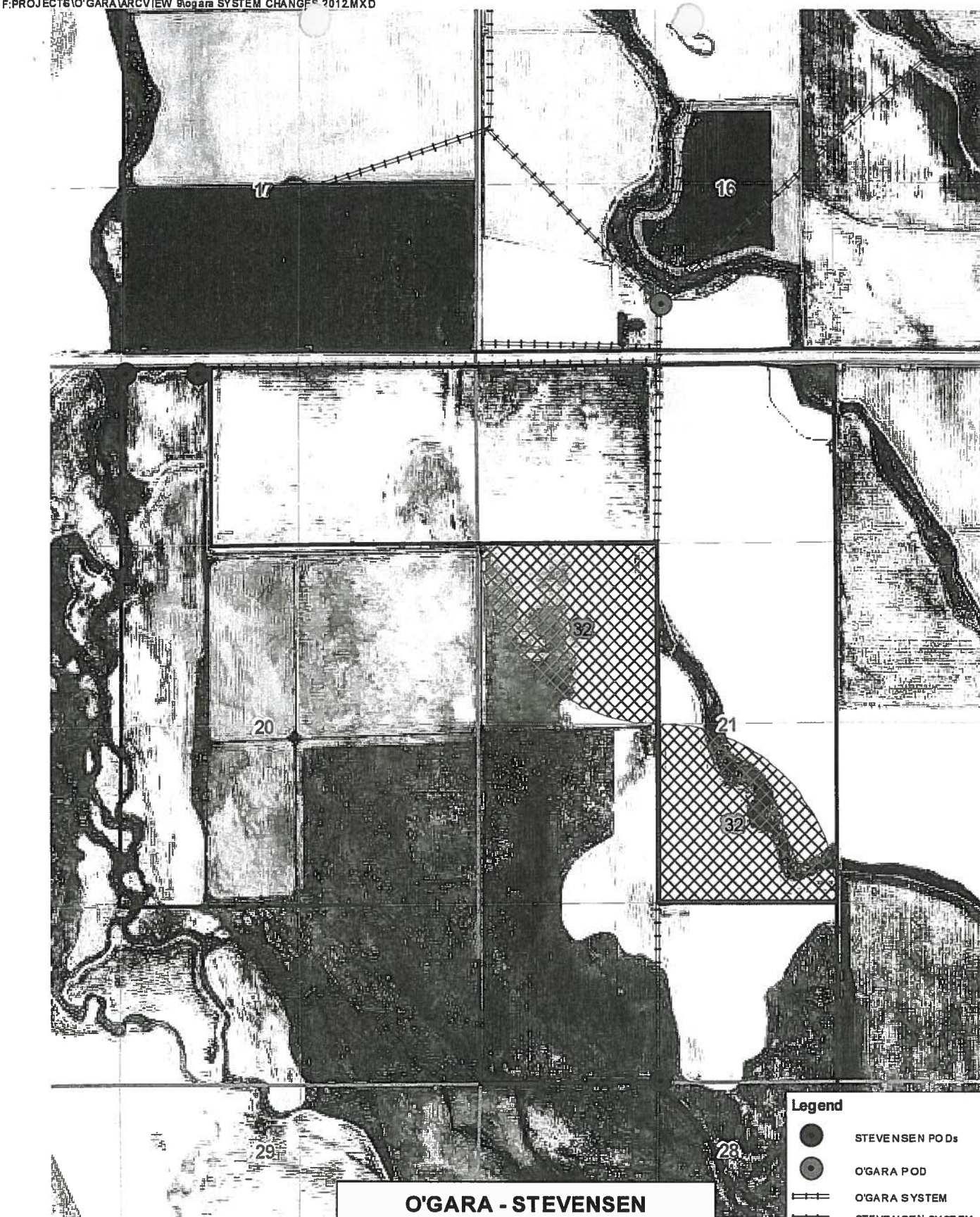
)
)ss.
)

On this 25 day of April, 2013 before me, the undersigned Notary Public in and for said County and State, personally appeared JOHN F. STEVENSON, who, being by me first duly sworn, declared that he is the individual who signed the foregoing document

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.



Donna M. Scifres
NOTARY PUBLIC FOR IDAHO
Residing At: Bellevue, Idaho
Commission Expires: 6/17/17



**O'GARA - STEVENSEN
WATER BANK APPLICATIONS
T1S R19E SEC 21
BLAINE COUNTY IDAHO
NAIP 2011 AERIAL PHOTOGRAPH**



BROCKWAY ENGINEERING, PLLC.
GEP - APRIL 19, 2013

Legend

- | | |
|---|--------------------|
|  | STEVENSEN PODs |
|  | O'GARA POD |
|  | O'GARA SYSTEM |
|  | STEVENSEN SYSTEM |
|  | O'GARA PPU |
|  | Stevensen PPU |
| WATER SOURCE | |
|  | O'GARA PROPERTY |
|  | STEVENSEN PROPERTY |





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

January 5, 2015

JOHN STEVENSON
36 HILLSIDE RANCH RD
BELLEVUE ID 83313

RE: RENTAL OF WATER RIGHT(S) LEASED TO THE WATER SUPPLY BANK.
WATER RIGHT NO. 37-2649B

Dear Lessor:

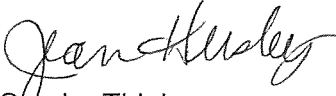
The Department of Water Resources is enclosing a state warrant in the amount of **\$1.00** as payment to you for the rental of the above referenced water right(s) from the Water Supply Bank managed by the Idaho Water Resource Board. Payment for the rental of your water rights is represented by a single rental agreement as follows:

Receipt No.	Water Right	Amount	Volume	Renter	Rate/Acre
C098446	37-2649B	\$191.4	112 AF	Thomas O'Gara Family Trust	\$1.70

In accordance with Water Supply Bank rule 35.01, *IDAPA 37.02.03* return for the rental is ninety percent (90%) of the gross amount received at the rate per acre described above.

If you have questions regarding this matter, please contact me at (208) 287-4881.

Sincerely,


for Sandra Thiel
Sr. Water Resource Agent

Warrant Number: 127045921



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 10, 2014

JOHN F STEVENSON
36 HILLSIDE RANCH RD
BELLEVUE ID 83316

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 37-2649B

Dear Lessor:

Water Right 37-2649B was leased into the Water Supply Bank on April 29, 2013 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, 2017**, 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. To request an extension of the lease period, submit a *Request to Extend the Lease Term* form along with applicable fees to the Department prior to the release date. These forms are 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,

Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact
Enclosure: Executed Lease Contract

c: Allen Merritt – IDWR Southern Regional Office

Kevin Lakey – State Water District No. 37

Paul Arrington – Barker Rosholt & Simpson LLP



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

January 27, 2014

JOHN STEVENSON
36 HILLSIDE RANCH RD
BELLEVUE ID 83313

RE: REQUEST FOR RETURN OF SIGNED WATER SUPPLY BANK LEASE CONTRACTS
FOR WATER RIGHT(S) 37-2649B

TIME SENSITIVE RESPONSE REQUIRED

Dear Applicant,

The Department of Water Resources (Department) mailed **two original Water Supply Bank Lease Contracts for your review and signature** on January 13, 2014. The signed contracts have not been returned to the Department.

Please sign both original Lease Contracts and return them to the Department within ten (10) days of this letter to complete processing. The Lease Contract is not considered final until both you and the Department have signed.

If the signed lease contracts are not received by the Department within the 10-day period, the lease application(s) will be returned, and the application fee will not be refunded. You can reapply to lease the water right(s) in the future by submitting new application form(s) along with applicable fees.

Please note the forfeiture period is not tolled unless a right is accepted into the Bank, or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. If forfeiture is a concern, you may consider filing an Application for Extension of Time to Avoid Forfeiture of a Water Right form. This and other water right forms are available from the Department's web site at www.idwr.idaho.gov.

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

Sincerely,

for Cherie Palmer

Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

c: Paul Arrington-Barker Rosholt & Simpson LLP



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

January 10, 2014

JOHN STEVENSON
36 HILLSIDE RANCH RD
BELLEVUE ID 83313

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 37-2649B 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, 2017**, 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 request an extension of the lease period, submit a Request to Extend the Lease Term form along with applicable fees to the Department prior to the release date. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your rights may not be available for immediate release if they have been rented.

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

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

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

Sincerely,

Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

c: Paul Arrington-Barker Rosholt & Simpson LLP