

WATER SUPPLY BANK LEASE CONTRACT

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

Lessor: BARBARA JEAN CHESTER CHILD
DBA TERRA GRANDE WATER CO
4932 S SILVERMAPLE AVE
BOISE ID 83709
(208)761-2977

RECEIVED
FEB 07 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>
63-18443	1.00 CFS	36.0 AF	N/A	8.0 AC
Combined Lease Totals:	1.00 CFS	36.0 AF	N/A	8.0 AC

The water rights described herein shall be available for rental from the Bank as follows:
Authorized Period of Use under Lease: January 1 to December 31

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

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31, 2018.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

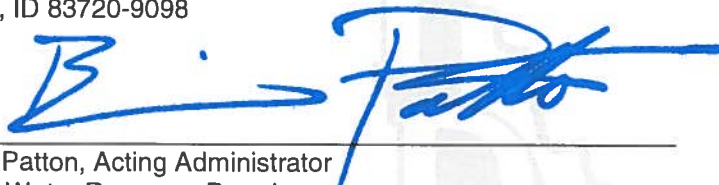
IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

BARBARA JEAN CHESTER CHILD
DBA TERRA GRANDE WATER CO
4932 S SILVERMAPLE AVE
BOISE ID 83709

By Barbara Jean Chester Child
Printed Name Barbara Jean Chester Child

Date 2-5-2014
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. 63-18443
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: BARBARA JEAN CHESTER CHILD
 DBA TERRA GRANDE WATER CO
 4932 S SILVERMAPLE AVE
 BOISE ID 83709
 (208)761-2977

Priority Date: 11/04/1959

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01	to 11/15	0.16 CFS	36.0 AF
DOMESTIC	01/01	to 12/31	0.84 CFS	
	Total:		1.00 CFS	36.0 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NWNE	Sec. 24, Twp 03N, Rge 01E, ADA County
GROUND WATER	SWNE	Sec. 24, Twp 03N, Rge 01E, ADA County
GROUND WATER	NWNE	Sec. 24, Twp 03N, Rge 01E, ADA County
GROUND WATER	NWNE	Sec. 24, Twp 03N, Rge 01E, ADA County

PLACE OF USE TO BE IDLED UNDER THIS LEASE:

DOMESTIC within ADA County

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
03N	01E	24		X	X														

IRRIGATION within ADA County

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
03N	01E	24		7.0	1.0														8.0

Right Acre Limit: 8.0

POU Total Acres: 8.0

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. Domestic use is for 112 homes and does not include lawn, garden, landscape, or other types of irrigation.
13. The quantity of water decreed for this water right for domestic use is not a determination of historical beneficial use.

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

RECEIVED
JAN 07 2014
DEPARTMENT OF
WATER RESOURCES

ONE FORM PER WATER RIGHT

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

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

Water Right No: 63-18443 Telephone No: 208-761-2977
Name(s) of Lessor(s): Barbara Jean Chester Child
Mailing Address: 4932 S Silvermaple Ave
City: Boise State: Idaho Zip: 83709
Current Expiration Date: 12-31-2013
Requested Expiration Date: 12-31-2018
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.
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.

Barbara Jean Chester Child Barbara Jean Owner 01-06-2014
Signature of Lessor Printed Name and Title* Date

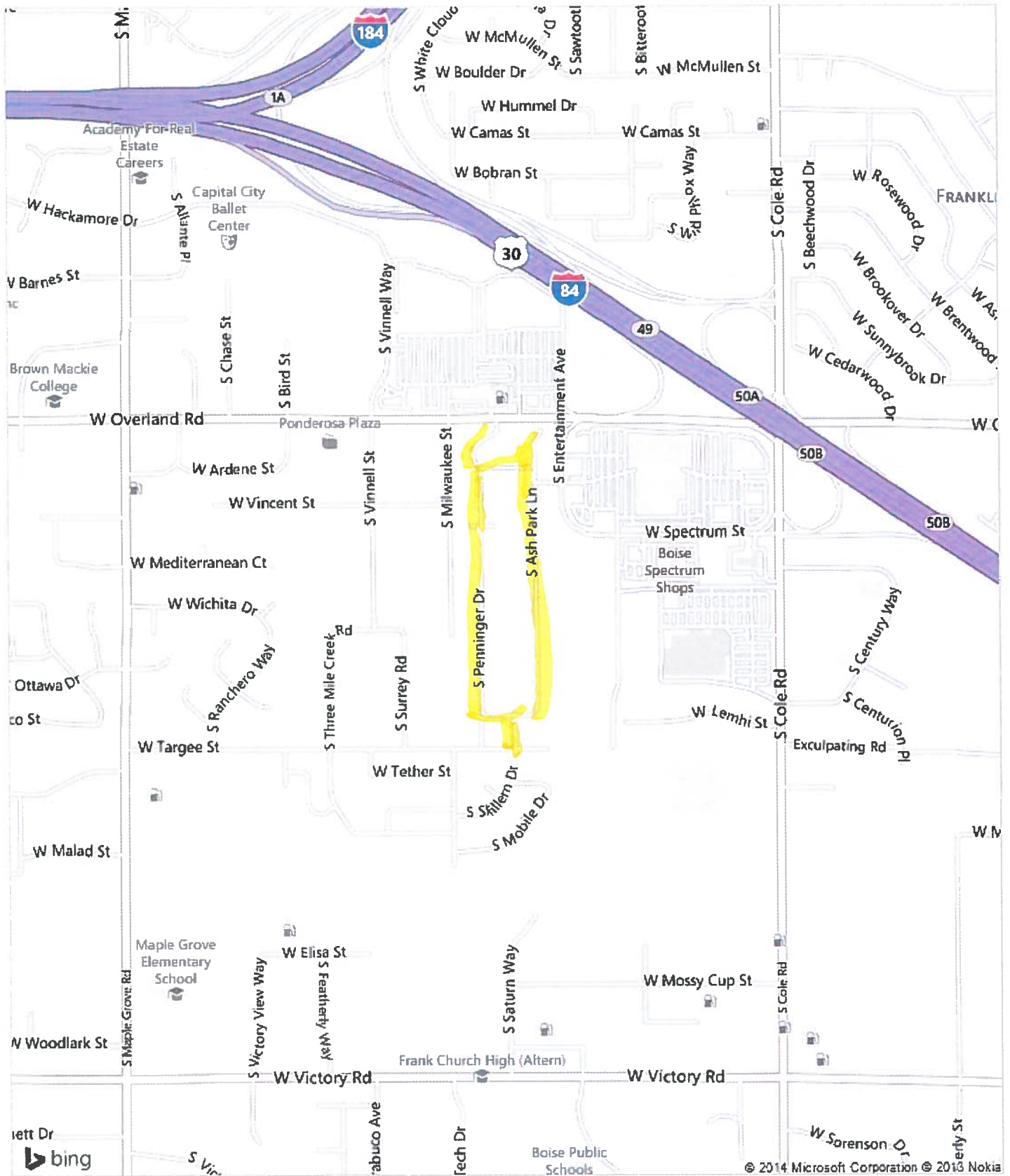
Signature of Lessor Printed Name and Title* Date

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

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

FOR OFFICE USE ONLY

Filing fee received by JAL Date: 1-7-14 Receipt No: C098150





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

BARBARA JEAN CHESTER CHILD
DBA TERRA GRANDE WATER CO
4932 S SILVERMAPLE AVE
BOISE ID 83709

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 63-18443

Dear Lessor:

Water Right 63-18443 was leased into the Water Supply Bank on January 1, 2014 in accordance with the executed original Lease Contract enclosed. **Your water rights as described on the Lease Contract are considered leased into the Bank and should remain unused until they are formally released from the Bank.**

The rights will automatically be released from the Bank on **December 31, 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. 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 287-4910.

Sincerely,

Clay Webster

Technical Records Specialist

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 3, 2014

BARBARA JEAN CHESTER CHILD
DBA TERRA GRANDE WATER CO
4932 S SILVERMAPLE AVE
BOISE ID 83709

RE: APPLICATION TO LEASE WATER RIGHT 63-18443 TO THE WATER SUPPLY BANK

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

Dear Applicant:

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

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

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

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

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

Sincerely,

Clay Webster
Technical Records Specialist

Enclosure: Proposed Lease Contracts (2)
Receipt # C098150

Webster, Clay

From: Lester, Steve
Sent: Monday, February 03, 2014 2:26 PM
To: Webster, Clay
Subject: RE: Processing Lease Extension for 63-18443

Hi Clay:

No, looks good.

For future reference, renting this right to different POD(s) could involve issues regarding shallow ground water < 200' deep upstream from Star (Appl Memo #59) , and/or cold water deeper than 300' within Boise Front GWMA (approved management plan for this GWMA includes this deeper cold water aquifer).

Steve

From: Webster, Clay
Sent: Tuesday, January 28, 2014 8:17 AM
To: Lester, Steve
Subject: Processing Lease Extension for 63-18443

Good morning Steve,

I am processing a lease extension. Do you have any concerns?

Sincerely,

Clay Webster

Technical Records Specialist
clay.webster@idwr.idaho.gov
208-287-4910

Idaho Department of Water Resources (IDWR)
208-287-4800
www.idwr.idaho.gov

MEMORANDUM

To: Water Right No(s). 63-18443
From: Clay Webster
Date: January 27, 2014
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: On January 7, 2014 the department received an application to extend the lease of the entirety of 63-18443 through December 31, 2018. Upon review it was noted that there are several overlapping water rights. It appeared that the areas were still being irrigated. I contacted the owner via telephone to find that the homes are now serviced by United Water Idaho Inc.

AUTHORITY TO FILE: The application was signed by Barbara Jean Chester Child, the owner on record with the department.

WATER RIGHT VALIDITY: This right was decreed in the SRBA in February of 2007. It has been leased to the WSB since August 8, 2008.

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. For future reference, renting this right to different POD(s) could involve issues regarding shallow ground water <200' deep upstream from Star (Appl Memo #59), and/or cold water deeper than 300' within the Boise Front GWMA (approved management plan for this GWMA includes this deeper cold water aquifer).