

MEMORANDUM

To: File 63-161BN
Associated File: 63-2932

From: Cherie Palmer

Date: July 11, 2013

Re: Review/Analysis for Application to Rent Water from the State Water Supply Bank

Attachments: IDSOS, Blackrock Ap Chronology / Watermaster + region email comment

PURPOSE/NARRATIVE: The applicant would like to rent Boise River water to be delivered through the Boise-Kuna Irrigation District (BKID) to supplement their existing BKID water for irrigation use on 25 acres of subdivision lots.

The subject of partial season rental has come up a few times this season. We have received guidance from Jeff Peppersack, Bureau Chief, that we will not allow partial season rentals for numerous reasons; WSB guidance is focused on full season rentals, too many variables once we open the door, we must maintain the highest value of lessor's water rights. The applicant submitted their application consistent with our full season policy.

AUTHORITY TO FILE: Tim Foster signed the application and according to IDSOS he is an officer for Blackrock Subdivision Homeowner's Association Inc.

WATER RIGHT VALIDITY: Water right 63-161BN is a valid water right that has been in the bank since 2009 and will be expiring in 2014. The right was decreed in 2007 and was entered into the bank before the forfeiture clock was up.

Water right 63-2932 is leased into the Bank in combination with 63-161BN. For the purposes of this Rental Agreement, water right 63-2932 does not add a benefit and is not necessary to rent. Conversely, the Department and the lessee gain nothing by having right 63-2932 rented. Water right 63-2932 cannot be rented on its own as it is only used when surface water under 63-161BN is present at the place of use.

INJURY TO OTHER WATER RIGHTS: The Boise Project Board of Control (Board) has agreed to deliver the rented water through the BKID. The Board charges a 50% loss. Ultimately, the right holder will receive ½ the water they are renting through the Bank. Note that the rental is for the full amount available under the right, since the water is being inserted into the BKID system, any conveyance losses will be charged separately by the Board.

ENLARGEMENT OF USE: No evidence suggests that enlargement will occur through the rental.

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 rental appears consistent with conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: No concerns, please see attached emails from watermaster and regional staff.

Blackrock WSB Application Chronology

- July 2, 2013 we received an application to rent water from the WSB using right 63-161BN
- July 8 I received the application at my desk. Pam had a conversation already with Shelley and Jeff confirming that we will not do partial season rentals and the applicant must rent the entire season.
- Later that day I reviewed the application and noticed question B1 was not completed on the application and returned the application as unprocessed.
- On July 9, first thing in the morning, Lori called me wondering when this application would be approved. I told her it was returned because it was not complete and we needed documentation that the Boise Project would deliver the rented water. She told me she would pursue authorization from Tim Page of the Boise Project today.
- On July 9 at 430 I get an email from Tim giving authorization.
- Right after I received the email I talked to Tim Page on the phone. I wanted to know how this application was different from previous applications requesting the same rental of water. Tim said he would deliver this right only if it was not cut-able and, in a different conversation, SPF told Tim that right 63-161BN was not cut-able. However, I spoke with Liz Cresto this morning at about 10 am and found that this right is already at 60% of its value and may or may not get cut later this year based on previous drought years. When I conveyed this information to Tim he told me to wait on the approval because he wanted to talk to SPF first as Tim felt SPF was misrepresenting the situation.
- On July 10 at 11 I called SPF in response to a phone message from them. I explained Liz's findings to Lori at SPF. Lori said that she talked to Rex and got different information that this right is never cut and we needed to double check our information.
- Right after talking to SPF I sent an email to Liz and Rex requesting information regarding the cut-ability of right 63-161BN. Liz responded with the same information she relayed to me yesterday.
- At roughly 1230 Rex called me and pointed out that the SRBA spreadsheet site ID 13203527 had a watermaster comment on it saying that it is not a cut-able right. Rex suggested I confirm this information with Liz. I left a message for Liz after I got off the phone with Rex. When speaking to Rex I asked for watermaster comment and he said he doesn't have a problem with the application so long that Tim agrees to deliver the water.

- At 1250 pm Terry sent an email saying Liz's info was wrong and right 63-161BN is not subject to cuts. Lori asked me via email if I can process the application
- Liz apologized for the confusion and confirmed that right 63-161BN will not be cut unless the river is cut to 1866 rights as in past drought year, 2001.
- At 110 pm Tim sent me an email asking for a final resolution on the cut-ability of the right. I responded by re-stating Liz's new findings and asked for his final decision (see her email dated 7/10 4:42pm)
- On July 10 at 945pm, Tim emailed me agreeing to deliver water for the applicant

No. C 168078	Due no later than Jul 31, 2012 Annual Report Form		2. Registered Agent and Address (NO PO BOX)			
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	1. Mailing Address: Correct in this box if needed.		BOISE CITY PROPERTY MANAGEMENT LLC 5513 N GLENWOOD SIUTE A BOISE ID 83714			
	BLACKROCK SUBDIVISION HOMEOWNERS' ASSOCIATION, INC. PATTI KARI 5513 N GLENWOOD SIUTE A BOISE ID 83714		3. <u>New</u> Registered Agent Signature:* 			
4. Corporations: Enter Names and Business Addresses of President, Secretary, and Directors. Treasurer (optional).						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
PRESIDENT	ANNETTE ALONSO	5513 N GLENWOOD SIUTE A	BOISE	ID	USA	83714
TREASURER	DAMON STEPHENSON	5513 N GLENWOOD SIUTE A	BOISE	ID	USA	83714
SECRETARY	TIM FOSTER	5513 N GLENWOOD SIUTE A	BOISE	ID	USA	83714
5. Organized Under the Laws of: ID C 168078		6. Annual Report must be signed.* Signature: Tonya Embree Name (type or print): Tonya Embree Date: 06/20/2012 Title: Agent				
Processed 06/20/2012		* Electronically provided signatures are accepted as original signatures.				

Palmer, Cherie

From: Lester, Steve
Sent: Friday, July 12, 2013 8:21 AM
To: Palmer, Cherie
Subject: RE: WSB; Blackrock Sub 63-161BN

Hi Cherie:

Looks good to me. Probably not really relevant, but Blackrock recently got approval for a supplemental irrigation well, 63-33742. Maybe WSB water will tide them over until they can get their new well in use.

Very nice summary you put together for this one!

Steve

From: Palmer, Cherie
Sent: Thursday, July 11, 2013 11:34 AM
To: Lester, Steve
Subject: WSB; Blackrock Sub 63-161BN

Hi Steve,

I have a rental application from Blackrock Subdivision. I have attached my review memo for your reference. You may already be aware of this application but, they are wanting water to be delivered through the canal for the irrigation of some sub lots. After a lot of discussion, Tim Page has agreed to deliver water for them but I think this is the last time he plans on doing it. Please let me know if you have any concerns with the rental. Thanks.

<< File: L2.8 Rental Review Memorandum.docx >> << File: Blackrock.docx >>

Cherie