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

C.L. "BUTCH" OTTER
Governor
GARY SPACKMAN
Director

May 6, 2013

JAMES AND MARIA A SLEGER REVOCABLE LIVING TRUST
4601 W KUNA CAVE RD
KUNA ID 83634

RE: APPLICATIONS TO LEASE WATER RIGHT 63-7427E AND 63-7753A TO THE WATER SUPPLY BANK

Dear Lessor:

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 copies of each Water Supply Bank Lease Contract for your review and signature**. Please sign and return **ALL** Lease Contracts. Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contracts are 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 change the term of the lease or to release the rights from the Bank, you must submit a request in writing, along with all applicable fees, to the Department prior to the release date. Please note your rights may not be available for immediate release if they have been rented to someone else.

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."

Contact me at (208) 287-4951 if you have any questions.

Sincerely,

Jean Hersley
for Pamela S Skaggs
Water Right Supervisor

Enclosure: Proposed Lease Contracts

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective April 16, 2013, between the Idaho Water Resource Board ("**Board**"), and

Lessor: JAMES AND MARIA A SLEGER REVOCABLE LIVING TRUST
4601 W KUNA CAVE RD
KUNA ID 83634
208-922-5864
kunacow@clearwire.net

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

Water Right	Lease Rate	Lease Volume	Acre Limit	Total Leased Acres
63-7427E	0.45 CFS	107.0	NA	22.3 AC
Combined Lease Totals:	**0.45 CFS**	**107.0**	**NA**	**22.3 AC**

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

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

   Minimum Payment Acceptable: Current Rental Rate

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

JAMES AND MARIA A SLEGER REVOCABLE LIVING TRUST
4601 W KUNA CAVE RD
KUNA ID 83634

By _____ Date _____

Printed Name _____ Title _____

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

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

Lease approved by IDWR _____ Date _____

ATTACHMENT A

WATER RIGHT NO. 63-7427E

WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: **JAMES AND MARIA A SLEGER REVOCABLE LIVING TRUST**
4601 W KUNA CAVE RD
KUNA ID 83634
208-922-5864

Priority Date: 01/24/1983

Source: GROUND WATER

BENEFICIAL USE	From	To		Diversion Rate	Volume
IRRIGATION	03/15	to 11/15		0.45 CFS	107.0
			Total:	**0.45 CFS**	**107.0**

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	SW¼NW¼	Sec. 15	Twp 01N	Rge 01W	ADA County
GROUND WATER	SE¼NE¼	Sec. 16	Twp 01N	Rge 01W	ADA County
GROUND WATER	NW¼SE¼	Sec. 16	Twp 01N	Rge 01W	ADA County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01N	01W	16												22.3					22.3

Total Acres: 22.3

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. This right when combined with all other rights shall provide no more that 0.02 cfs per acre nor more than 4.5 afa per acre for irrigation of the lands above.
13. The use of water for irrigation under this right may begin as early as March 1, provided other elements of the right are not exceeded. The use of water before March 15 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective April 16, 2013, between the Idaho Water Resource Board ("**Board**"), and

Lessor: JAMES AND MARIA A SLEGERS REVOCABLE LIVING TRUST
4601 W KUNA CAVE RD
KUNA ID 83634
208-922-5864
kunacow@clearwire.net

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

Water Right	Lease Rate	Lease Volume	Acre Limit	Total Leased Acres
63-7753A	0.38 CFS	126.0	NA	28.0 AC
Combined Lease Totals:	**0.38 CFS**	**126.0**	**NA**	**28.0 AC**

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

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

   Minimum Payment Acceptable: Current Rental Rate

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

JAMES AND MARIA A SLEGERS REVOCABLE LIVING TRUST
4601 W KUNA CAVE RD
KUNA ID 83634

By _____ Date _____

Printed Name _____ Title _____

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

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

Lease approved by IDWR _____ Date _____

ATTACHMENT A

WATER RIGHT NO. 63-7753A

WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: **JAMES AND MARIA A SLEGERS REVOCABLE LIVING TRUST**
4601 W KUNA CAVE RD
KUNA ID 83634
208-922-5864

Priority Date: 04/15/1973

Source: GROUND WATER

BENEFICIAL USE	From	To		Diversion Rate	Volume
IRRIGATION	03/15	to 11/15		0.38 CFS	126.0
			Total:	**0.38 CFS**	**126.0**

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	SW¼NW¼	Sec. 15	Twp 01N	Rge 01W	ADA County
GROUND WATER	SE¼NE¼	Sec. 16	Twp 01N	Rge 01W	ADA County
GROUND WATER	NW¼SE¼	Sec. 16	Twp 01N	Rge 01W	ADA County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01N	01W	16													10.0	7.0	6.0	5.0	28.0

Total Acres: 28.0

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
    a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
    b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
    c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. The use of water for irrigation under this right may begin as early as March 1, provided other elements of the right are not exceeded. The use of water before March 15 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.