

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK LEASE ACCEPTANCE**

This is to certify that: DAVID DANIEL
ANGELA DANIEL
12197 DEER FLAT RD
NAMPA ID 83686
(208) 467-1525

has requested to lease the water right(s) listed below to the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board") being authorized to operate a bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director", "Department") the acquisition of water rights for the Board's Bank, agrees to lease the water right to the Bank as follows:

Summary of Water Rights or Portions Leased to the Bank

Water Right	Lease Rate	Lease Volume	Acre Limit	Total Leased Acres
63-3330B	0.45 CFS	175.5 AF	39 AC	40 AC
63-7075B	0.35 CFS	137.5 AF	40 AC	40 AC
COMBINED LEASE TOTALS:	0.80 CFS	180 AF	40 AC	40 AC

TERM OF LEASE:

Lease Begin Date: March 12, 2009

Expiration Date: December 31, 2014

RENTAL AVAILABILITY:

Season of Use: March 1 to November 15

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 8th day of November, 2010

Monica VanBuren
for GARY SPACKMAN, Interim Director
Department of Water Resources

**WATER RIGHT NO. 63-3330B
WATER SUPPLY BANK LEASE ACCEPTANCE**

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

Lessor: DAVID DANIEL
ANGELA DANIEL
12197 DEER FLAT RD
NAMPA ID 83686
(208) 467-1525

Priority Date: 02/25/1963

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01	11/15	0.45 CFS	175.5 AF
	Total:		0.45 CFS	175.5 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER SE¼NW¼ Sec. 24 Twp 02N Rge 03W CANYON 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	03W	24			34	14													48

Total Acres: 48

Acre Limit within Place of Use described: 39

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
63-3330B AND 63-7075B	0.80 CFS	180 AF	40 AC

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.
5. While a water right is in the bank, forfeiture provisions are stayed.

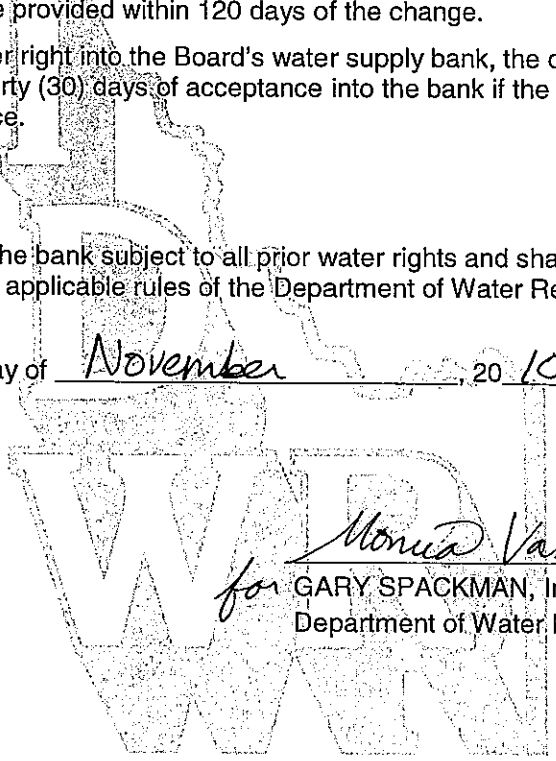
**WATER RIGHT NO. 63-3330B
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

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. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.

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.

Dated this 8th day of November, 20 10



for GARY SPACKMAN, Interim Director
Department of Water Resources

WATER RIGHT NO. 63-7075B WATER SUPPLY BANK LEASE ACCEPTANCE

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

Lessor: DAVID DANIEL
ANGELA DANIEL
12197 DEER FLAT RD
NAMPA ID 83686
(208) 467-1525

Priority Date: 03/11/1968

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 10/15	0.35 CFS	137.5 AF
	Total:		0.35 CFS	137.5 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER SE¼NW¼ Sec. 24 Twp 02N Rge 03W CANYON 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	03W	24			34	14													48

Total Acres: 48

Acre Limit within Place of Use described: 40

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
63-3330B AND 63-7075B	0.80 CFS	180 AF	40 AC

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.
5. While a water right is in the bank, forfeiture provisions are stayed.

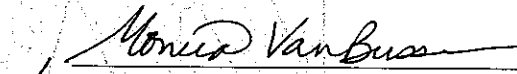
**WATER RIGHT NO. 63-7075B
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

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. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.
11. The use of water for irrigation under this right may begin as early as March 1 and may continue as late as November 15, provided other elements of the right are not exceeded. The use of water before April 1 and after October 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.

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.

Dated this 8th day of November, 20 10


for GARY SPACKMAN, Interim Director
Department of Water Resources

MEMORANDUM

DATE: August 24, 2010

TO: Water Right Files 63-3330B and 63-7075B

FROM: Shelley W. Keen 

RE: Applications to lease rights to the Water Supply Bank

This morning I fielded a phone inquiry from David Daniel about his applications to lease Rights 63-3330B and 63-7075B to the Water Supply Bank. I explained to Mr. Daniel that IDWR is currently focusing on WSB rental applications and that lease applications are being processed only as they are needed to satisfy rentals. Mr. Daniel and I also discussed the fact that he is not currently risking forfeiture of the two rights because they were just decreed in April of 2009.

Since I had the files while talking to Mr. Daniel, I decided to review them to determine if the lease applications appeared acceptable. I checked the following items:

Validity of the water rights – Both 63-3330B and 63-7075B were decreed in the SRBA in April of 2009 for the amounts proposed to be leased into the WSB.

Authority to file the lease applications – The decrees were issued to David Daniel and Angela Daniel, the lease applicants.

Overlapping water rights – As decreed, Rights 63-3330B and 63-7075B cover a combined total of 40 acres within a 48-acre permissible place of use. Right 63-33230 covers 4 more acres within the same area, although it is not defined with a PPU. The parent of Right 63-33230, 63-31189, was transferred to the Daniel property in 2001 when the Daniels thought Rights 63-3330B and 63-7075B might be subject to forfeiture. Right 63-31189 was originally recommended with a combined limit with Rights 63-3330B and 63-7075B, but the combined limit was intentionally removed prior to decree. Consequently, Right 63-33230 should not be viewed as overlapping Rights 63-3330B and 63-7075B. New York Irrigation District water is delivered to the area, but the POU for Rights 63-3330B and 63-7075B is uphill from the canal and does not appear to receive surface water. There is no mention of surface water in the SRBA review for Rights 63-3330B and 63-7075B.

Conclusion – Rights 63-3330B and 63-7075B are acceptable for lease to the WSB for a term of five years.