

**STARTING
LEFT
SIDE OF
FILE**

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Water Resource Board
2. Address: 1301 N Orchard, Boise Id 83706-2237
3. Source of water: Otter Creek
4. Volume of water rented: 212.5 AF (Based on consumptive use volume)
Max rate: 4.86 cfs
5. Diversion period: 2004 irrigation season
6. Use of water: Instream Flow
7. a) Renter's point of diversion:

Legal description: SW¼SW¼ Section 16, T24N, R21E, B.M., Lemhi County
(Beginning of Reach)
SE¼SE¼ Section 31, T25N, R25E, B.M., Lemhi County (Ending of
Reach)

- b) Renter's place of use:

Legal description: Instream flow in Otter Creek and the Salmon River

8. The rights from which water will be rented are:

<u>Water Right</u>	<u>Lease Rate</u>
72-171	0.78 cfs
72-172	0.37 cfs
72-173	0.26 cfs
72-174	0.37 cfs
72-16108	3.08 cfs
75-2169	1.72 cfs
Total Acres: 85 ac	
Total diversion rate when combined: 4.86 cfs	
Total diversion volume: 212.5 af	

The undersigned renter agrees to pay \$7084.34 for rental of the above described water and agrees to use the water in compliance with the Water Supply Bank rules and in compliance with the conditions of water use shown below:

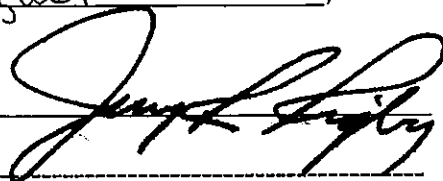
SUPPORT DATA

Conditions of water use under this agreement

1. Rental of the rights 72-171, 72-172, 72-173, 72-174, 72-16108 and 75-2169 is limited to a total combined diversion rate of 4.86 cfs and combined diversion volume of 212.5 afa, or a continuous diversion rate of 0.5 cfs for use during the irrigation season.
1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Upon Department request, the renter shall provide for the measurement of the water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.
3. Use of water under this agreement does not constitute a dedication of the water to renter's land and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to the licensed points of diversion and place of use and/or again be available to rent from the bank.
4. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
5. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
6. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
7. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
8. This rental does not authorize the construction of a well.

Dated this 6th day of August, 2004.

by _____
for _____



Having determined that this agreement satisfies the provisions of Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and conditions herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board this 6th day of August, 2004.



KARL J. DREHER, Director
Department of Water Resources

RECEIVED

OCT 20 2003

Department of Water Resources

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Water Resource Board
2. Address: 1301 N Orchard, Boise Id 83706-2237
3. Source of water: Otter Creek
4. Volume of water rented: 297.5 AF Max rate: 4.86 cfs
5. Diversion period: 2003 irrigation season
6. Use of water: Instream Flow
7. a) Renter's point of diversion:

Legal description: SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 16, T24N, R21E, B.M., Lemhi County (Beginning of Reach)
SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 31, T25N, R25E, B.M., Lemhi County (Ending of Reach)

- b) Renter's place of use:

Legal description: Instream flow in Otter Creek and the Salmon River

8. The rights from which water will be rented are:

<u>Water Right</u>	<u>Rental Rate</u>
72-171	0.78 cfs
72-172	0.37 cfs
72-173	0.26 cfs
72-174	0.37 cfs
72-16108	3.08 cfs
75-2169	1.72 cfs
Total diversion rate when combined: 4.86 cfs	
Total diversion volume: 297.5 af	

The undersigned renter agrees to pay \$ 7083.33 for rental of the above described water and agrees to use the water in compliance with the Water Supply Bank rules and in compliance with the conditions of water use shown below:

Conditions of water use under this agreement

1. The portions of the rights rented from the bank are limited to a total combined diversion rate of 4.86 cfs and diversion volume of 297.5 acre-fee.
2. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
3. Upon Department request, the renter shall provide for the measurement of the water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.
4. Use of water under this agreement does not constitute a dedication of the water to renter's land and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to the licensed points of diversion and place of use and/or again be available to rent from the bank.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
7. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
8. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
9. This rental does not authorize the construction of a well.

Dated this 17th day of OCTOBER, 2003.

by 
for _____

Having determined that this agreement satisfies the provisions of Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and conditions herein provided; and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board this 22nd day of December, 2003.


for KARL J. DREHER, Director
Department of Water Resources

Water Supply Bank No. _____

Water Right No. _____

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

SEP 15 2003

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

Name of Seller/Lessor **Verl Jones**

Phone **(208) 390-6547**

Post office address **HC Box 4020, Challis, Idaho 83226**

1. DESCRIPTION OF WATER RIGHT:

Right evidenced by:

- a. Decree No. _____ Decreed to _____
(Name)
in case of _____ vs _____
dated _____ in _____ county of _____
(Name of court)
- b. License No. **Portions of 75-2169, 72-171, 72-172, 72-173, 72-174, and 72-16108** issued by the
Idaho Department of Water Resources.
- c. Permit No. _____ issued by the Idaho Department of Water
Resources.

2. DESCRIPTION OF PORTION OF RIGHT FOR SALE OR LEASE: (If the entire right is for sale or lease,
show "all" on line a. below and skip the remainder of part 2.)

- a. Amount of water under right: **4.8 cubic feet per second &/or 297.5 acre-feet per annum**
- b. Point of diversion **Point of diversion is T18N R19E S29 SWSW, Otter Creek within
Custer County.**

Additional points **T17N 19E S20 SESESW; T17N 19E S29 NWSW; T17N19E S32 NWSWNW**

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DEC 17 2003

c. Place of use:

TWP	RGE	SEC	N E				N W				S W				S E				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
T17N	R19E	29											6.0						6.0
		30															9.0	12.0	21.0
		31	20.0	13.0	1.0	12.0									12.0				58.0

If the right is for irrigation, show the number of acres for the part of the right to be put into the bank.

Total number of acres 85

3. ADDITIONAL INFORMATION ABOUT RIGHT, OR PORTION THEREOF, FOR SALE OR LEASE

- a. Explain how the seller/lessor acquired the right, or portion thereof, and attach a copy of the deed to the land to which it is appurtenant or other evidence of ownership of the right. If the right is not recorded in the name of the seller/lessor, attach a copy of a change of ownership form as required by Section 42-248 or 42-1409(6), Idaho Code, together with required documentation.

A claim to this right was filed in the Snake River Basin Adjudication (SRBA) by Verl and Tuddie Jones.

- b. Describe the frequency of water use under the right, or portion thereof, during the past five (5) years of use. Attach watermaster records, pumping power bills, or other evidence to demonstrate that the right has not been lost through abandonment or forfeiture. (This information is not required if a partial decree has been issued on the right within the last 5 years).

IDWR personnel have viewed the aerial photos and visited the site to confirm use. Landowner has stated he irrigated land yearly until 2002. The SRBA claim has been investigated by IDWR and a copy of the recommendation for the claim is attached to this application. A partial decree for the place of use of this right was issued November 17, 2000 under associated rights 72-171, 72-172, 72-173, 72-174, 72-10412A, 72-10413A, 72-16107 and 72-16108.

- c. If the right is from a surface water source, describe the period of the year that water is typically available to satisfy the right. Unknown; the standard irrigation season for the right is

April 1 through October 31

- d. Describe any other water rights with the same purpose and place of use as the right, or portion thereof, offered for lease. Will the present place of use continue to receive water from any source? If so, describe.

The present place of use will not receive water from any source for the term of the
lease.

- e. If the water right is a permit, describe the work accomplished toward developing the right.

- f. If the right to the use of the water or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district, a written consent of the sale or lease must be attached.

4. REMARKS:

This lease is under the Columbia River Basin Water Transaction Program. The intent of the program is to experiment with ways to enhance tributary flows for fish. This could include leasing water from the landowner and use of the Idaho Water Bank.

5. SALE/LEASE AGREEMENT

1. The water right, or portion thereof, described above is offered to the Idaho Water Resource Board:

_____ For sale;

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X For lease for a period from 01, 04, 2003 to 31, 10, 2003
(Day, month, year) (Day, month, year)
(The lease period may be shown as "indefinite", if the total duration of lease is unknown); or

 As a gift to the state of Idaho.

2. Show the minimum payment acceptable to the Seller/Lessor. Include the method of determining the minimum payment. The minimum payment may be shown as the "current rental rate".
- _____
- _____

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 of the right may not use the right even if the right is not rented.
3. A right accepted into the bank stays in the bank until the Board releases it or until the lease term expires.
4. While a water 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.

9-9-03
Date

Deird Jones
Signature

FOR DEPARTMENT USE ONLY

Received by CR Date _____ Preliminary check by _____

Watermaster recommendation requested on _____ Received _____

Recommended for _____ approval _____ denial by _____

We believe the compensation for our farming operation is greater than the compensation being offered. We reserve the right to pursue additional funding.

V.J.

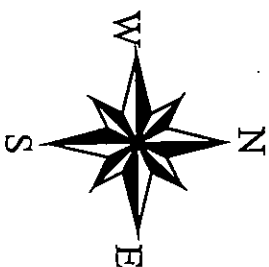
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4
DEC 17 2003

Verl Jones' Upper Field 75-2169



☐ Jones upper field
☐ Sections



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DEC 17 2003

**STARTING
RIGHT
SIDE OF
FILE**



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

August 4, 2004

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

VERL JONES
HC BOX 4050
CHALLIS ID 83226

RE: APPLICATION TO LEASE PART OF WATER RIGHT NOS. 72-171, 72-172, 72-173, 72-174, 72-16108 AND 75-2169 TO THE WATER SUPPLY BANK

Dear Mr. Jones:

The department has completed its review of the Application to Sell or Lease Water Right(s) to the Water Supply Bank ("bank") that you submitted to this office. Please consider that the offered water right(s) are accepted into the bank in the portions listed below.

Several items to keep in mind in connection with the lease of a water right to the bank are as follows:

1. Portion(s) of the above referenced water right(s) are leased to the bank as follows:

<u>Water Right</u>	<u>Lease Rate</u>
72-171	0.78 cfs
72-172	0.37 cfs
72-173	0.26 cfs
72-174	0.37 cfs
72-16108	3.08 cfs
75-2169	1.72 cfs
Total Acres: 85 ac	
Total diversion rate when combined: 4.86 cfs	
Total diversion volume: 212.5 af	

2. Rental of the rights 72-171, 72-172, 72-173, 72-174, 72-16108 and 75-2169 is limited to a total combined diversion rate of 4.86 cfs and combined diversion volume of 212.5 afa, or a continuous diversion rate of 0.5 cfs for use during the irrigation season.
3. The water rights referenced above will be rented from the bank for a total of **\$7084.34** as specified in documentation submitted with the application to lease water rights to the bank.
4. There is not rental payment to the owner of the right if the right or part thereof is not rented from the bank.

SUPPORT DATA

IN FILE # 72-171

5. While a right is in the bank, the owner of the right may not use the right even if the right is not rented.
6. 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.
7. While a water right is in the bank, forfeiture provisions are stayed.
8. Prior to rental of the right from the bank, additional review may be required to confirm the validity of the right and availability of the surface water source.
9. 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 the ongoing Snake River Basin Adjudication or any other department application process.
10. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
11. 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.

Additionally, in accordance with the draft preliminary recommendation issued by Snake River Basin Adjudication staff for water right no. 75-2169, the following conditions apply with regard to overlapping water rights:

1. Use of the unrented portions of the rights listed below is limited to a total combined diversion rate of 4.41 cubic feet per second (cfs) and irrigation of 77 acres in a single irrigation season. Combined right nos.: 72-171, 72-172, 72-173, 72-174, 72-16108 and 75-2169.
2. Use of the rights listed below is limited to a total combined diversion rate of 3.28 cfs and irrigation of 35 acres in a single irrigation season. Combined right nos.: 72-10412A, 72-10413A, 72-16107 and the unrented portion of 75-2169.
3. Right no. 75-2169 is limited to a diversion rate of 2.28 cfs when combined with right nos. 72-10412A, 72-10413A, and 72-16107.
4. Use of the unrented portions of right nos. 72-171, 72-172, 72-173, 72-174, 72-16108, 75-2169, and right nos. 72-10412A, 72-10413A, and 72-16107 is limited to a total combined annual diversion volume of 396.2 acre-feet.

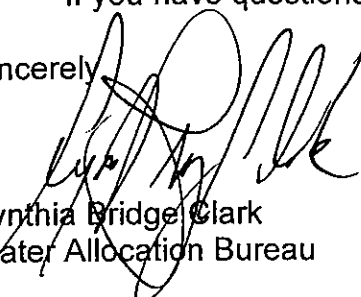
The right(s) will automatically be released from the bank on **December 31, 2004**, unless the right(s) are released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the right(s) from the bank, the lessor must submit a request in writing to the department prior to the release date.

Enclosed is a copy of the Internal Revenue Service Request for Taxpayer Identification and Certification, Form W-9. The department is required to file an information return with the Internal Revenue Service ("IRS") for all payments issued to for water rented from the bank. Payments for the rental of a water right or a part thereof cannot be issued to the lessor unless the department has received a completed IRS W-9 form.

Additionally, documentation of authority to receive payment must be submitted if the name provided on the W-9 form does not match the name of the lessor. The address associated with the water right leased to the bank will be updated in the department database to the address provided on the W-9 form unless otherwise requested by the lessor. If you no longer have an interest in the water right, please contact the department. Return this form and any additional documentation to my attention.

If you have questions, please feel free to contact me.

Sincerely,



Cynthia Bridge Clark
Water Allocation Bureau

c: IDWR Regional Office
Bill Graham – IDWR State Office



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

February 26, 2004

VERL JONES
HC BOX 4050
CHALLIS ID 83226

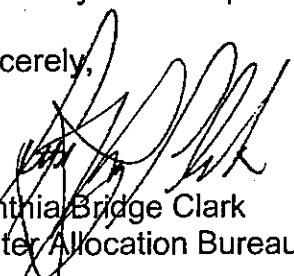
RE: RELEASE OF LEASED WATER RIGHT NO. 72-171, 72-172, 72-173, 72-174, 72-16108, & 75-2169 FROM THE WATER SUPPLY BANK

Dear Sir:

This letter is notice that on December 31, 2003, the water right(s) referenced above were released from the Water Supply Bank ("bank") as requested in the application to the bank. The five (5) year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the bank.

If you have questions, please feel free to contact me.

Sincerely,



Cynthia Bridge Clark
Water Allocation Bureau

c: IDWR Regional office



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

December 22, 2003

VERL JONES
HC BOX 4050
CHALLIS ID 83226

**RE: RENTAL OF WATER RIGHTS LEASED TO THE WATER SUPPLY BANK.
WATER RIGHT NOS. 72-171, 72-172, 72-173, 72-174, 72-16108 AND 75-2169**

Dear Mr. Jones:

The department has requested the issuance of a state warrant in the amount of \$6375.00 as payment to you for the rental of 297.5 acre-feet of the above referenced water right from the Water Supply Bank ("bank") managed by the Idaho Water Resource Board. The Controller's office will issue the warrant within the next twenty (20) days.

If you have questions, please feel free to contact me.

Sincerely,

Cynthia Bridge Clark
Water Allocation Bureau

c: Allen Merritt – IDWR Southern Region
Bill Graham – IDWR State Office

MICROFILMED

DEC 17 2003



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

September 16, 2003

VERL JONES
HC BOX 4050
CHALLIS ID 83226

RE: APPLICATION TO LEASE PART OF WATER RIGHT NOS. 72-171, 72-172, 72-173, 72-174, 72-16108 AND 75-2169 TO THE WATER SUPPLY BANK

Dear Mr. Jones:

The department has completed its review of the Application to Sell or Lease Water Right(s) to the Water Supply Bank ("bank") that you submitted to this office. Please consider that the offered water right(s) are accepted into the bank in the portions listed below. The portions of the rights leased to the bank are limited to a total combined diversion rate of 4.86 cubic feet per second (cfs) and diversion volume of 297.5 acre-foot (af):

<u>Water Right</u>	<u>Lease Rate</u>
72-171	0.78 cfs
72-172	0.37 cfs
72-173	0.26 cfs
72-174	0.37 cfs
72-16108	3.08 cfs
75-2169	1.72 cfs
Total diversion rate when combined: 4.86 cfs	
Total diversion volume: 297.5 af	

Several items to keep in mind in connection with the lease of a water right to the bank are as follows:

1. There is no rental payment to the owner of the water right if the right or a part thereof is not rented from the bank.
2. While a right is in the bank, the owner of the right may not use the right even if the right is not rented.
3. A right accepted into the bank stays in the bank until the Board releases it or until the lease term expires.
4. While a water right is in the bank, forfeiture provisions are stayed.

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DEC 17 2003

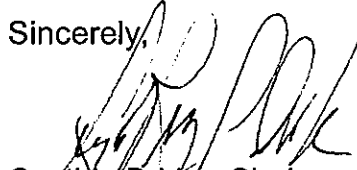
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.
6. The lessor may be required to provide evidence of availability of the surface water source prior to rental of the right.

Additionally, in accordance with the draft preliminary recommendation issued by Snake River Basin Adjudication staff for water right no. 75-2169, the following conditions apply with regard to overlapping water rights:

1. The portions of the rights leased to the bank are limited to a total combined diversion rate of 4.86 cfs and diversion volume of 297.5 acre-feet.
2. Use of the unrented portions of the rights listed below is limited to a total combined diversion rate of 4.41 cubic feet per second (cfs) and irrigation of 77 acres in a single irrigation season. Combined right nos.: 72-171, 72-172, 72-173, 72-174, 72-16108 and 75-2169.
3. Use of the rights listed below is limited to a total combined diversion rate of 3.28 cfs and irrigation of 35 acres in a single irrigation season. Combined right nos.: 72-10412A, 72-10413A, 72-16107 and the unrented portion of 75-2169.
4. Right no. 75-2169 is limited to a diversion rate of 2.28 cfs when combined with right nos. 72-10412A, 72-10413A, and 72-16107.
5. Use of the unrented portions of right nos. 72-171, 72-172, 72-173, 72-174, 72-16108, 75-2169, and right nos. 72-10412A, 72-10413A, and 72-16107 is limited to a total combined annual diversion volume of 396.2 acre-feet.

If you have questions, please feel free to contact me.

Sincerely,


Cynthia Bridge Clark
Water Allocation Bureau

c: Allen Merritt – IDWR Southern Regional Office
72-171, 72-172, 72-173, 72-174, 72-16108 and 75-2169
Bob Rohrer – IDWR State Office
Roxanne Brown – IDWR State Office

MICROFILMED
DEC 17 2003