

MEMORANDUM

To: Files 36-2198, 36-2199, 36-7932, 36-2585, 36-2130C, 36-7850C, 36-8106C, 36-2684, and 36-7267

From: Cynthia Bridge Clark

Date: June 14, 2004

Re: Lease and Rental of Water Rights to the State Water Supply Bank

Applications were filed to lease portions of the above referenced water rights to the Water Supply Bank. Most of the lands are pivot corners that are not longer being irrigated. Mike Larsen, a representative for Grant 4-D Farms, filed the applications on behalf of the water right owners. The owners include Grant 4-D farms, Douglas E. Grant Jr. and Laurel A. Grant, Duane R. Grant and Laura A. Grant, and Douglas E. Grant. All of the applications were filed to place portions of the rights in the bank for an indefinite period of time, and all of the rights except 36-7267 were decreed in the SRBA in 2001.

Water right 36-7267 was licensed in 1990, and a statement on the application indicates the farm converted from handlines to pivots in 2001. An ownership change was also completed on this right in the course of reviewing the bank applications. Mike Larsen has been notified that evidence of irrigation on the lands leased under right 36-7267 in the last five years is required for acceptance of the lease application.

Mike Larsen indicated that Grant 4-D Farms wished to retain the option of renting a portion of the leased rights to irrigate 53 acres not covered by a water right. The applicant does not own the land at the new place of use, and did not want to permanently transfer the water rights in case the land lease was terminated. The applicant was also reluctant to transfer the rights with the mitigation requirements in the ESPA. Different options were discussed including filing a new application for permit with mitigation through the bank. Due to the Department's obligation to rent rights that have been in the bank the longest first, and the possibility that other rental applications could be filed for the same rights, the applicant decided to rent a portion of the rights for five (5) years. They were informed that the applications could be subject to further review in five years, including possible publication of notice. They also agreed to rent enough water to account for the impacts in the ESPA due to the change in use based on the current Transfer ground water spreadsheet.

The leased portions of water rights 36-2130C, 36-7850C, 36-8106C, and 36-2684 were rented for five years for use on 53 acres. The rental fee for five years was paid in full.

IRS W-9 forms were provided by all of the owners.