

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1909

This Lease Contract ("Lease") is between the Idaho Water Resource Board ("Board"), and

LESSOR: CITY OF HAILEY
115 S MAIN ST STE H
HAILEY, ID 83333-8408

RECEIVED

NOV 08 2024

DEPT. OF WATER RESOURCES

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 and received by the Department on August 20, 2024.
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 No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
37-906	4/1/1940	BIG WOOD RIVER, tributary to MALAD RIVER	1.039	Not Stated	0.00
Combined Lease Totals			1.039	Not Stated	0.00

Summary of Water Rights Elements Rentable From the Bank

Water Right	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (Limited) (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
37-906	0.83	555.0	158.7	0.007	3.5
Combined Limit Totals	0.83	555.0	158.7	0.007	3.5

** The water right elements rentable have been reduced from the water right elements leased to account for conveyance losses of 20 % and a headgate volume of 3.5 afa.*

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

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1909

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2025 to December 31, 2028. This Lease shall bind the parties and take effect when both parties have signed it.
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. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right is administratively changed due to a water right split and renumbering, this lease may be reduced by an equal amount to reflect the water right elements as legally defined under the water right. If a lease contract cannot be reduced sufficient to reflect the legal definition of a water right as amended through a water right split and/or water right transfer, the Board may release the water right from the Water Supply Bank.
6. **ASSIGNMENT OF CONTRACT:** This lease is between the Board and the Lessor, who is the recognized owner or designated representative of the recognized owners of water rights described herein. Should ownership of any part of a water right herein described change during the term of this lease, either through a water right split, a water right transfer, sale of property to which the water right is appurtenant, or through any other recognized water right reassignment, the lease benefits and obligations to the conditions of acceptance for any such water rights will be assigned to the new owners.
7. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1909

IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

LESSOR: CITY OF HAILEY
115 S MAIN ST STE H
HAILEY, ID 83333-8408

By Martel Burke
Title Mayor
Date 10/28/2024



IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By Brian Patton
Brian Patton, Executive Manager
Idaho Water Resource Board

Date 11/12/24

Lease approved by IDWR [Signature]

Date 11/12/24

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1909

ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water rights or portions thereof leased to the bank are described as follows:

Source and Location of Point(s) of Diversion for Water Right No(s): 37-906

BIG WOOD RIVER SWNW Sec. 20 Twp 03N Rge 18E BLAINE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
37-906	MUNICIPAL	04/15	to	10/31	0.830 cfs	555.00 AF
Totals:					1.039 cfs	0.00 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: MUNICIPAL

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
02N	18E	15					6.4	20.0	10.0	31.0	28.0	20.0	35.0	8.3					158.7

Total Acres: 158.7

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, or the lease term expires. A right may be released from the bank upon request, 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 pursuant to Idaho Code § 42-223(5).
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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1909

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, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
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 municipal purpose of use is for the irrigation of the grass landing strip at Friedman Memorial Airport.
13. Use of water under this right may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 37.
14. A portion of this right provides conveyance for other right holders in the shared delivery of water through the Hiawatha canal. To prevent injury to other water right holders, the watermaster shall deliver 20% or 0.21 cfs of the leased portion of this right into the Hiawatha Canal whether it is rented or not.

**STATE OF IDAHO
WATER RESOURCE BOARD**

RECEIVED

Aug 20, 2024

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant City of Hailey

(Select one owner – see item 1A on the application)

Water Right No. 37-906

(One water right per application)

Is this application being submitted with a rental application as a lease/rental package?

Yes ☐ No ☒

This application must be prepared in accordance with the minimum requirement checklist below. Use this checklist to ensure all necessary documentation has been provided. This checklist is part of the lease application and must be included with the lease application. Applications that do not meet the minimum requirements will not be processed and may be returned or denied.

MINIMUM REQUIREMENT CHECKLIST

All items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*

Yes

- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank*.
- ☒ Application filing fee of \$250.00 per water right. If you are submitting more than one lease application and the water rights have an overlapping, common place of use, or a common diversion rate or volume, the total fee for all water rights is \$500.00. For places of use, multiple water rights must be used to irrigate the same lands in order to qualify for the joint filing fee. Individual filing fees are required for water rights that share a common permissible place of use but which cover separate acres within the permissible place of use.
- ☒ Confirmation this form has been printed **single sided**, per requirement of the Water Supply Bank.

Attachment N/A Yes

- 1A ☒ ☐ Signatures and contact information for *all owners* of the water right to be leased or sold on this application.
- 1B ☒ ☐ An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.
- 1C ☒ ☐ *Notice of Change in Water Right Ownership* form (accessible from www.idwr.idaho.gov).
- 1D ☐ ☒ Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.
- 2 ☒ ☐ Description of a water right portion offered to the Water Supply Bank.
- 3 ☐ ☒ A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. You have the option of printing a map using the map tool on IDWR's website at: www.idwr.idaho.gov.
- 4A ☐ ☒ Written consent from irrigation district or water delivery company.
- 4G ☒ ☐ Evidence demonstrating the water right has not been forfeited pursuant to Section 42-222(2), Idaho Code.

Department Use Only

Fee Amount \$ 250.00Received By: KmDate Received: 8.20.24Receipt # C118777W-9 received? Yes ☐ No ☒ (Route W-9 to Fiscal)

Name on W-9:

3022

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

1. CONTACT INFORMATION

- A. This application must be completed by a Designated Applicant who is a current owner of the water right being sold or leased to the Water Supply Bank. If there are additional current owners, those individuals must authorize the Designated Applicant to represent them on this application by completing and signing Attachment 1A of this application package.

Designated Applicant City of Hailey

Mailing Address <u>115 Main St., Suite H</u>	<u>Hailey</u>	<u>ID</u>	<u>83333</u>
Street	City	State	Zip Code

Email Address _____ Phone Number 208-788-4221

☒ The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Applicant is representing additional water right holders who have completed Attachment 1A.

- B. Has the Designated Applicant submitted an IRS Form W-9 to this Department within the last 2 years? Yes ☒ No ☐

If no, complete the form and attach to this application (Attachment 1B).

- C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐

If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

- D. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☒ No ☐

If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1D).

Name of Representative Lori Graves Organization HDR

Professional Title Water Rights Specialist Email Address lori.graves@hdrinc.com

Mailing Address 412 E Parkcenter Blvd, Ste 100, Boise, ID 83706 Phone Number 208-383-4140

☐ Send all correspondence for this application to the representative and not to the Designated Applicant.

OR

☒ Send original correspondence to the Designated Applicant and copies to the representative.

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

☒ The full water right is being offered to the Bank.

OR

☐ A part of the water right is being offered to the Bank.

If a portion of the water right is being offered, **complete Attachment 2.**

3. MAP

Attach a map of the point(s) of diversion and place(s) of use proposed to be idled by this lease application. Make sure the idled place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to idle. If the water right proposed for lease is located within a permissible place of use (PPU) and portions of the PPU will continue to receive water from non-leased water rights, clearly outline on a map the acres within the PPU that will continue to be irrigated, as well as acres that will be idled during the lease term. Label the map **Attachment 3.**

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

- A. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☒ No ☐
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 4A).

If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to Section 42-108, Idaho Code and IDAPA WSB Rule 37.02.03.25.02e.

- B. Please provide a description of the current water diversion and delivery system.

Hiawatha Canal

- C. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank. None

- D. Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes ☐ No ☒

Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of \$500.

- E. Will the present place of use continue to receive water from any other source? Yes ☐ No ☒

If yes, explain the relationship between the different water sources and how enlargement of the authorized use will not occur if this water right is leased.

- F. Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. This water right is currently leased to the Water Supply Bank under lease contract #1093 set to expire 12/31/2024. The City wishes to "re-lease" the right to the Water Supply Bank for another 5 years.

- G. Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes ☒ No ☐

If yes, describe the circumstances and attach evidence to demonstrate how the water right has not been lost through forfeiture (Attachment 4G). See Section 42-223, Idaho Code for exceptions to forfeiture. Your application may be denied if forfeiture concerns are not addressed. This water right has been leased to the Water Supply Bank from November 2015 through December 31, 2024. Prior to this, the city received a partial decree on July 29, 2011.

- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?

If yes, describe.

Yes ☐ No ☒

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE AGREEMENT

A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☒.

If lease, specify the years when the use of water will be suspended: 2025 to 2030 (maximum lease period 5 calendar years).
(Year) (Year)

B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.
Current standard 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 water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right, even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture is stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any element of the water right.

Martina Burke
Signature of Designated Applicant

MARTHA BURKE
Printed Name

8/22/24
Date

Signature of Authorized Representative

Printed Name

Date



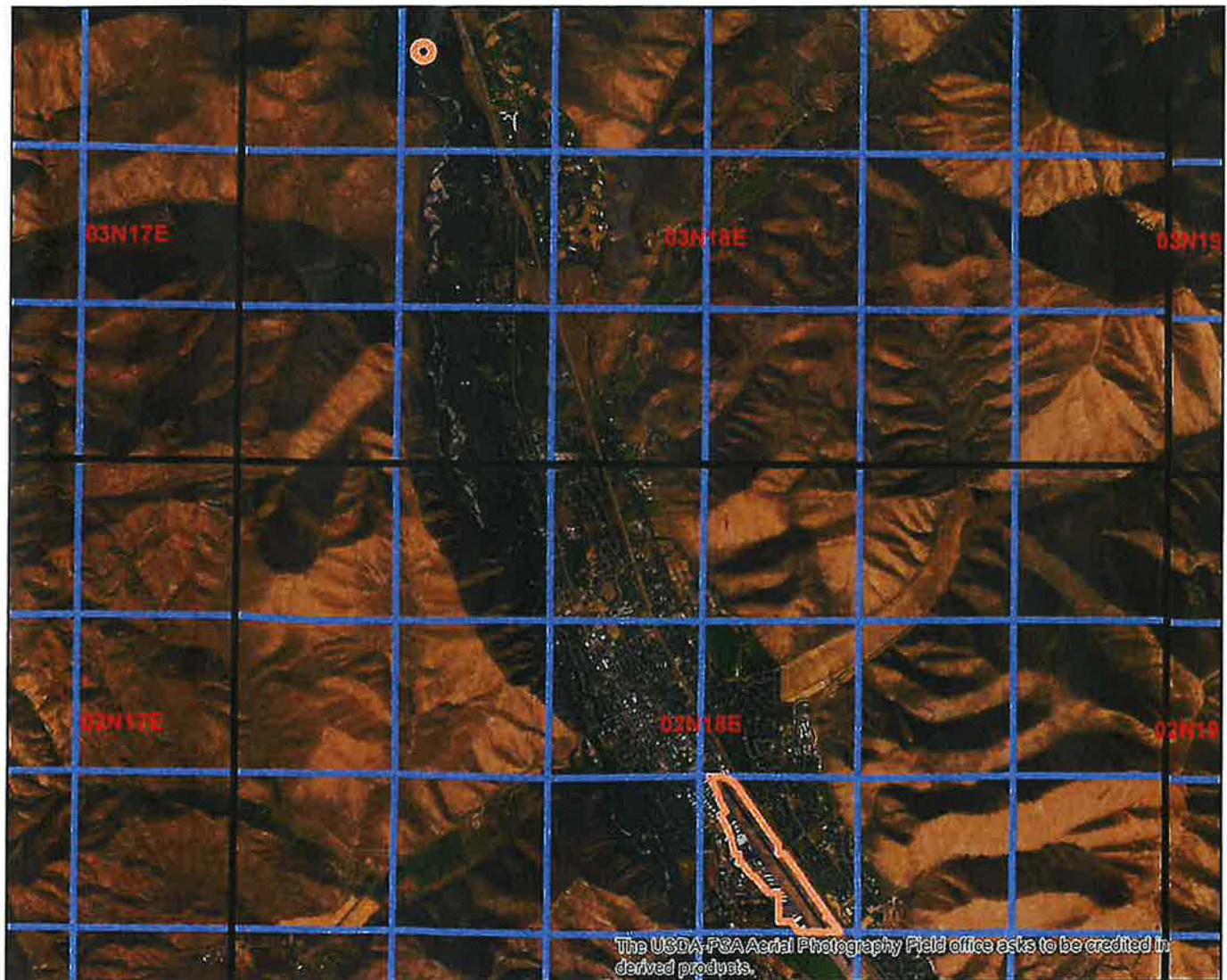
Mail to:
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1093

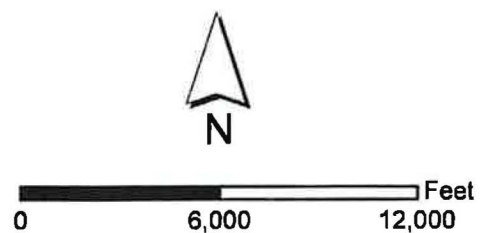
37-906

Effective until December 31, 2024

This map depicts the **place of use to be idled** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



-  Approved Lease Point of Diversion
-  Approved Lease Place of Use
-  Township/Range
-  Sections



HIAWATHA CANAL

P.O. Box 1604 • Hailey, ID 83333

August 21, 2024

Idaho Water Bank
322 E. Front St.
P.O. Box 83720
Boise, ID 83720-0098

Re: *Water Rights 37-906*
Applicant: *The City of Hailey*

Dear Sir or Madam:

The purpose of this letter is to respond to the current application to lease the above-referenced water rights to the Water Bank, which rights are conveyed in the Hiawatha Canal ("Canal") by the Hiawatha Canal Water Users Association of Lateral or Laterals ("Canal Company"). For the reasons outlined below, and on the conditions requested, the Canal has no objection to the aforementioned water rights being placed into the Water Bank.

The Hiawatha Canal Company is concerned about the amount of water being removed from the Canal and its laterals and placed in the Water Bank by various water right holders. Generally, at this time, the Canal Company does not object to water rights conveyed in the Hiawatha Canal being placed in the Water Bank provided that the Water Bank requires twenty-percent (20%) of the right be left in the Canal as conveyance loss in the Canal together with an additional percentage of the conveyance loss in a lateral of the Canal through which the water rights are delivered to the point of use.

Providing you some historical perspective, the Canal Company filed for mitigation (conveyance loss) rights in the adjudication for rights that had been forfeited or abandoned out of the Canal. The Department agreed that the conveyance loss in the Canal was twenty percent (20%), and therefore, entered recommendations accordingly. See e.g., water rights 37-22630, 37-22631, 37-22632 and 37-22633. This conveyance loss has been recognized by the Idaho Department of Water Resources in similar transfers and leases to the Water Bank. Leaving twenty percent (20%) of the leased rights in the Canal will ensure that all rights in the Canal continue to be delivered without injury to water right holders in the Canal.

Idaho Water Bank
August 21, 2024
Page 2

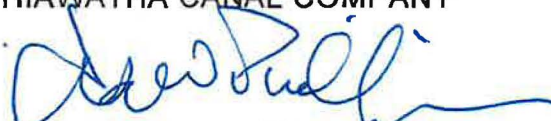
As a condition of being leased, the Canal Company requests:

1. The Canal Company does not presently object to the aforementioned water rights being placed in the Water Bank provided that twenty percent (20%) of the right is left in the Canal as conveyance loss; and
2. The Canal Company would like to be notified if the water rights are eventually released from the Water Bank, or if the Water Rights are being leased again to the Water Bank after the expiration of the lease period.

Thank you in advance for responding to this letter and addressing our concerns. If you have any questions, please do not hesitate to call me.

Sincerely,

HIAWATHA CANAL COMPANY



James W. Phillips, Chairman

JWP: hmj
Cc: Client

Water Right Report : 37-906(Decreed/Active)

Water Right Owners

Owner Type	Name	Address	City	State	Postal Code
Attorney	LAWRENCE, MICHAEL P	GIVENS PURSLEY LLP PO BOX 2720	BOISE	ID	83701-2720
Current Owner	CITY OF HAILEY	115 S MAIN ST STE H	HAILEY	ID	83333-8408

Water Right Status

Priority Date : 4/1/1940
Basis : Decreed
Status : Active

Water Source

Source	Source Qualifier	Tributary	Tributary Qualifier
BIG WOOD RIVER		MALAD RIVER	

Points Of Diversion (Location)

Source	Township	Range	Section	Govt. Lot	QQQ	QQ	Q	County	Diversion Type
BIG WOOD RIVER	03N	18E	20	0				SW NW BLAINE	

Water Uses

Beneficial Use	From	To	Diversion Rate	Volume
MUNICIPAL	04/15	10/31	1.04 CFS	
TOTAL			1.04 CFS	

Places of Use

	Page 1 of 1
--	-------------

Place of Use Legal Description : MUNICIPAL (BLAINE county)

Township	Range	Section	Lot	QQQ	QQ	Q	Acres
02N	18E	15			NE	NW	6.4
02N	18E	15			NW	NW	20
02N	18E	15			SW	NW	10
02N	18E	15			SE	NW	31
02N	18E	15			NE	SW	28
02N	18E	15			NW	SE	20
02N	18E	15			SW	SE	35
02N	18E	15			SE	SE	8.3

Conditions

Code	Conditions
C18	This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code. The municipal purpose of use is for the irrigation of the grass landing strip at Friedman Memorial Airport.
C04	Right includes accomplished change in purpose of use pursuant to Section 42-1425, Idaho Code.

Water Supply Bank

Lease Type: Contract

Lease ID: 1093
Lease Status: Active
Lease Start Date: 1/1/2020
Lease End Date: 12/31/2024

Beneficial Use	Div Rate Leased	Div Volume Leased	Acre Limit Leased	Total Acres Leased
----------------	-----------------	-------------------	-------------------	--------------------

Municipal	1.04	555.00	158.70	
-----------	------	--------	--------	--

Dates

Licensed Date :
Decreed Date : 7/29/2011
Permit Proof Due Date :
Permit Proof Made Date :
Permit Approved Date :
Permit Moratorium Expiration Date :
Enlargement Use Priority Date :
Enlargement Statute Priority Date :
Application Received Date:
Protest Deadline Date:

Other Information

State or Federal : S
Water District Number : 37
Generic Max Rate Per Acre : 0
Generic Max Volume Per Acre : 0
Civil Case Number :
Decree Plaintiff :
Decree Defendant :
Swan Falls Trust or Nontrust :
Swan Falls Dismissed :
DLE Act Number :
Cary Act Number :
Mitigation Plan: False

IDAHO DEPARTMENT OF WATER RESOURCES

8/6/2024



IDAHO DEPARTMENT OF
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Mathew Weaver

November 14, 2024

CITY OF HAILEY
115 S MAIN ST STE H
HAILEY, ID 83333-8408

**RE: WATER SUPPLY BANK LEASE CONTRACT 1909
FOR WATER RIGHTS 37-906**

Dear Lessor:

Water right **37-906** is leased into the Water Supply Bank (Bank) as of January 2025 in accordance with the enclosed executed lease contract. **Your water rights, as described on the lease contract, are considered leased into the Bank and should remain unused until they are formally released from the Bank.** More information and further restrictions placed on your water rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The right(s) will automatically be released from the Bank on **December 31, 2029**, unless the rights are released earlier by the Water Resource Board (Board). To release the water rights from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at www.idwr.idaho.gov. **Please note your water rights may not be available for immediate release if they are rented.**

If you have questions regarding this matter, please contact this office at bank@idwr.idaho.gov or 208-287-4800.

Sincerely,

Jean Hersley
Technical Records Specialist II

Enclosure: Executed Lease Contract

c: IDWR- Southern Region Office
Water District No. 37
Hiawatha Canal



IDAHO DEPARTMENT OF
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Mathew Weaver

October 25, 2024

CITY OF HAILEY
115 S MAIN ST STE H
HAILEY, ID 83333-8408

**RE: APPLICATION TO LEASE WATER RIGHT 37-906 TO THE WATER SUPPLY BANK
CONTRACT 1909**

******TIME SENSITIVE RESPONSE REQUIRED******

Dear Applicant:

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 original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The right will automatically be released from the Bank on **December 31, 2029** unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your right may not be available for immediate release if it has been rented.

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."

If you have questions regarding this matter, please contact this office at bank@idwr.idaho.gov or 208-287-4800.

Sincerely,

Jean Hersley

for
Water Supply Bank

Enclosures: Proposed Lease Contracts

Hersley, Jean

From: Hersley, Jean
Sent: Wednesday, October 30, 2024 7:49 AM
To: Graves, Lori
Cc: Brian Yeager (brian.yeager@haileycityhall.org)
Subject: RE: WSB Lease Contracts for City of Hailey

Yes, you can change the term of the lease. In # 3-Term of Lease, cross out 2029 and write in 2028. I will print a new page 2 when the contracts come back and update our database. This email will be printed for the file to show the request of the change of term.



Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942

From: Graves, Lori <Lori.Graves@hdrinc.com>
Sent: Tuesday, October 29, 2024 1:55 PM
To: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Cc: Brian Yeager (brian.yeager@haileycityhall.org) <brian.yeager@haileycityhall.org>
Subject: FW: WSB Lease Contracts for City of Hailey

CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

Hi Jean,
Can you please respond to Brian? Thank you.

Lori Graves, Sr. Water Rights Specialist
D 208.872.9519 M 208.850.4601

hdrinc.com/follow-us

From: Brian Yeager <brian.yeager@haileycityhall.org>
Sent: Tuesday, October 29, 2024 10:50 AM
To: Graves, Lori <Lori.Graves@hdrinc.com>
Subject: RE: WSB Lease Contracts for City of Hailey

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I'll get the mayor's signature then be back in touch. Can we set the time frame to end in 2028 so that it concludes on the same date as all our other water rights for renewal convenience?

Brian Yeager, P.E. / P.L.S.
City of Hailey Public Works Director/City Engineer/Land Surveyor
115 S. Main Street, Hailey, ID 83333
(208) 788-9815 Ext. 4224
Cell: (208) 727-7614

From: Graves, Lori <Lori.Graves@hdrinc.com>
Sent: Friday, October 25, 2024 12:42 PM
To: Brian Yeager <brian.yeager@haileycityhall.org>
Cc: Michael P. Lawrence <mpl@givenspursley.com>; King, Scott <Scott.King@hdrinc.com>
Subject: FW: WSB Lease Contracts for City of Hailey

Hi Brian,
The attached has been mailed to the City. The Mayor will need to sign two copies of the attached lease contract and both returned to IDWR as instructed in the attached cover letter. Thanks.

Lori Graves, Sr. Water Rights Specialist
D 208 872.9519 M 208 850 4601

[//hdrinc.com/follow-us](https://hdrinc.com/follow-us)

From: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Sent: Thursday, October 24, 2024 3:51 PM
To: Graves, Lori <Lori.Graves@hdrinc.com>
Cc: Michael P. Lawrence <mpl@givenspursley.com>
Subject: WSB Lease Contracts for City of Hailey

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Contracts for the 2025-2029 season for water right 37-906 will go out in tomorrow's mail. Please let me know if you have any questions. Thank you.

Mike, you are listed as the City's attorney, so I am making you aware of the lease.



Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942

WATER SUPPLY BANK		Quick Tools	
Lease Review Checklist		Decreed Year	No Forfeiture Concerns Thru:
Applicant(s) Name: City of Hailey		2011	2017
Memo Date: October 24, 2024		2012	2018
Water Right Number(s): 37-906		2013	2019
		2014	2020
		2015	2021
Reviewers Name: Jean			
		Check box	COMMENTS/CONCERNS:
1	Fill out WSB Data Entry Checklist for Leases (Front of File)	x	
2	Reason for lease of water rights (Brief description of lease proposal in narrative)		
	Portion of right		
	All of right	x	
3	Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)		
		Yes	No
4	Rentable? (If no explain in comments or narrative)	x	
5	Authority to file		
	Current owner or designated applicant	x	
	SOS Web site checked for business entity		
	Other (explain in comments)		
6	Water Right validity		
	Decreed/Licensed/Statutory claim date (write in comments section)		2011
	Past irrigation to ensure forfeiture is not an issue if decreed or licensed over 7 years ago (consider transfers that changed the POU, rentals to the POU etc.)		
	Has this right previously been leased to the bank or in CREP?	x	2015-2024
7	Injury to other water rights		
	If the POD is through a delivery entity, was consent provided?	x	
	If the POD is through a delivery entity, was holdback required? (percentage in comments)	x	20%
	Any other concerns		x
8	Enlargement concerns	Check box	
	Complete a POU comparison overlap analysis	x	
	Complete a combined limits review	x	
	Complete POD overlap analysis (if there is an overlap add condition to lease)	x	
		Yes	No
	Are there overlapping rights that need to be placed in the bank also?		x
	Will the place of use continue to receive water? (if yes explain in comments)		x
9	Local Public Interest		
	Does the processor know of any problems this action will cause for the local public?		x
10	Have you contacted regional office and watermaster for comment/concerns?	x	
	Send the watermaster comment request form or e-mail request	x	
11	Area Headgate requirement (write in Comments)		3.5
12	Is water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments		x
13	Narrative: The Department received this application on August 20, 2024. The applicant wishes to place the entire water right in the Bank. This right was decreed in 2011 and has been in the Bank from 2015-2024. The municipal use is for a grass landing strip at the Friedman Memorial Airport, which has been covered. The POU of this right is separate from other municipal rights. This municipal right was decreed for 158.7 acres. The volume is based on the 3.5 headgate volume. The 20% conveyance loss holdback required by the Hiawatha Canal was reduced from the rate. This right is currently within WD37.		

Hersley, Jean

From: Hersley, Jean
Sent: Thursday, October 24, 2024 3:48 PM
To: Skinner, Corey; watermstr@wd37.org
Subject: WSB Lease for the City of Hailey
Attachments: Lease City of Hailey 37-906.pdf; Lease Application Review Checklist July 2017.xls

The City of Hailey is offering 37-906 to the Bank for another 5 years. This right was decreed in 2011 and has been in the Bank since 2015. It is a municipal right for a grass landing strip at the airport that has since been paved. Please let me know within 7 days if you have any comments or concerns with the lease. Thank you.



*Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942*

Hersley, Jean

From: Hersley, Jean
Sent: Thursday, October 24, 2024 3:51 PM
To: Graves, Lori
Cc: Michael P. Lawrence
Subject: WSB Lease Contracts for City of Hailey
Attachments: L1.1A Lease Cover Letter-Proposed Contract-14 Days 11.19.21.doc; Lease Contract - 1909.pdf

Contracts for the 2025-2029 season for water right 37-906 will go out in tomorrow's mail. Please let me know if you have any questions. Thank you.

Mike, you are listed as the City's attorney, so I am making you aware of the lease.



*Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942*



RECEIVED

Aug 20, 2024

DEPARTMENT OF
WATER RESOURCES

August 20, 2024

Mary Condon
IDWR State Office
PO Box 83720
Boise, ID 83720-0098

Subject: **Lease Contract Renewal; 37-906**

Dear Mary,

Enclosed on behalf of the City of Hailey, is a lease application renewal for water right 37-906 that has been leased to the bank under contract #1093 set to expire December 31, 2024. An updated authorization letter from Hiawatha Canal Company has been requested and will be provided upon receipt.

The \$250 filing fee is being paid with credit card upon submittal. Please let me know if there are any questions. Thanks Mary.

Sincerely,

HDR Engineering, Inc.

Lori Graves

Lori Graves
Water Rights Specialist

Cc: Brian Yeager, Fritz Haemerle

Encloser: Application

Project: 10382086

hdrinc.com

HDR, 412 E Parkcenter Blvd, Suite 100, Boise, ID 83706
(208) 387-7000

3022