STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1557

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

LESSOR: MURPHY FLATS WATER CO INC
PO BOX 3110
PASCO, WA 99302-3110

SUPPORT DATA
IN FILE # 2-2361

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DEPARTMENT 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 February 02, 2022.

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)
2-2361	1/8/1965	SNAKE RIVER, tributary to COLUMBIA RIVER	3.61	1,220	242.4
2-2370	4/30/1965	SNAKE RIVER, tributary to COLUMBIA RIVER	0.09	21.9	4.4
2-7001	7/15/1967	SNAKE RIVER, tributary to COLUMBIA RIVER	3.61	12.9	251.9
2-10020	9/3/1970	SNAKE RIVER, tributary to COLUMBIA RIVER	3.61	4.0	248.5
Combined Limit Totals			**3.61**	**4.0**	**248.5**
57-179	4/1/1865	SINKER CREEK, tributary to SNAKE RIVER	0.02	Not Stated	248.3
57-180B	4/1/1865	SINKER CREEK, tributary to SNAKE RIVER	0.01	Not Stated	248.3
57-181	12/26/1906	SINKER CREEK, tributary to SNAKE RIVER	4.38	Not Stated	248.3
Combined Limit Totals			**4.38**	**1,117**	**248.3**
57-7152	10/30/1975	SINKER CREEK, tributary to SNAKE RIVER	Not Stated	221	248.3
57-7385	3/12/1984	SINKER CREEK, tributary to SNAKE RIVER	**3.83**	51.2	243.1
Combined Lease Totals			**11.83**	**1,154**	**256.5**

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WATER SUPPLY BANK LEASE CONTRACT No. 1557

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**: The term of this lease shall be January 1, 2022 to December 31, 2026. 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.

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WATER SUPPLY BANK LEASE CONTRACT No. 1557

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

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WATER RESOURCES

LESSOR: MURPHY FLATS WATER CO INC
PO BOX 3110
PASCO, WA 99302-3110

By Frank Tiegs
Title President
Date 8-26-22

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

By _____ Date 9/6/22
Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR _____ Date 9/6/22

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1557

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): 57-181, 57-179, 57-180B, 57-7152, 57-7385

SINKER CREEK SENW Sec. 11 Twp 04S Rge 02W OWYHEE County

Source and Location of Point(s) of Diversion for Water Right No(s): 2-7001, 2-2361, 2-2370, 2-10020

SNAKE RIVER L 3NWNW Sec. 6 Twp 03S Rge 01E OWYHEE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
57-7152	IRRIGATION STORAGE	1/01	to	12/31	Not Stated	221 AF
57-7385	IRRIGATION STORAGE	1/01	to	12/31	Not Stated	51.2 AF
57-7152	STOCKWATER STORAGE	1/01	to	12/31	Not Stated	0.5 AF
57-179	IRRIGATION	3/01	to	11/15	0.02 cfs	Not Stated
57-180B	IRRIGATION	3/01	to	11/15	0.01 cfs	Not Stated
57-181	IRRIGATION	3/01	to	11/15	4.38 cfs	Not Stated
2-10020	IRRIGATION STORAGE	3/01	to	11/15	Not Stated	4.0 AF
2-10020	IRRIGATION FROM STORAGE	3/01	to	11/15	Not Stated	4.0 AF
2-10020	DIVERSION TO STORAGE	3/01	to	11/15	3.61 cfs	Not Stated
57-7152	IRRIGATION FROM STORAGE	3/15	to	11/15	Not Stated	221 AF
57-7152	STOCKWATER FROM STORAGE	3/15	to	11/15	Not Stated	Not Stated
2-2361	IRRIGATION	4/01	to	10/15	3.61 cfs	1,220 AF
2-2370	IRRIGATION	4/01	to	10/15	0.09 cfs	21.9 AF
2-7001	IRRIGATION STORAGE	4/01	to	10/15	Not Stated	12.9 AF
2-7001	IRRIGATION FROM STORAGE	4/01	to	10/15	Not Stated	12.9 AF
2-7001	DIVERSION TO STORAGE	4/01	to	10/15	3.61 cfs	Not Stated
57-7385	IRRIGATION FROM STORAGE	4/01	to	11/15	Not Stated	51.2 AF
57-7385	DIVERSION TO STORAGE	11/01	to	7/01	3.83 cfs	Not Stated
				Totals:	11.83 cfs	1154.3 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION, IRRIGATION FROM STORAGE, STOCKWATER FROM STORAGE

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
03S	01W	2			39		39	39	8.4	6.6	6.7	7.8	0.4			39			185.9
03S	01W	3										4.7	6.2		2.5		2.4	3.1	18.9
03S	01W	4												1.5			16.2	1.9	19.6

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DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1557

03S	01W	9	2.5	2.6														5.1
03S	01W	10	5.5	6.2			2.7	2.7										17.1
03S	01W	11						9.9										9.9

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION STORAGE, STOCKWATER STORAGE

Twp	Rng	Sec	NE				NW				SW				SE			
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE
03S	01W	2													X		X	X

Total Acres: 256.5

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.
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.

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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 unleased portions of water under Water Right 57-7385 shall not be diverted under this right when flows in the Snake River are below 8,400 cfs at United States Geological Survey Murphy gaging station.
13. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, these water rights are within State Water District No. 02 and 57D.
14. The right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion(s).
15. Water is delivered through Murphy Mutual Canal.
16. The period of use for the irrigation described in this approval for the unleased portions of Water Rights 2-2361, 2-2370, and 2-7001 may be extended to a beginning date of 3/1 and an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than 6/15/2009.
17. The period of use for the irrigation described in this approval for the unleased portion of Water Right 57-7385 may be extended to a beginning date of 3/1 and an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 11/01 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date of this approval.
18. The period of use for the irrigation described in this approval for the unleased portion of Water Right 57-7152 may be extended to a beginning date of 3/1 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 3/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than 2/21/2003.
19. The unleased portion of Water Right 2-2361 is limited to the irrigation of 4,186.6 acres within the authorized place of use in a single irrigation season.
20. The unleased portion of Water Right 2-2370 is limited to the irrigation of 75.6 acres within the authorized place of use in a single irrigation season.
21. The unleased portion of Water Right 2-7001 is limited to the irrigation of 4,351.1 acres within the authorized place of use in a single irrigation season.
22. The unleased portion of Water Right 2-10020 is limited to the irrigation of 4,291.5 acres within the authorized place of use in a single irrigation season.
23. The unleased portions of Water Rights 57-179, 57-180B, 57-181, and 57-7152 are each limited to the irrigation of 4,288.7 acres within the authorized place of use in a single irrigation season.
24. The unleased portion of Water Right 57-7385 is limited to the irrigation of 4,199.9 acres within the authorized place of use in a single irrigation season.
25. The unleased portions of Water Rights 2-2361, 2-2370, 2-7001 and 2-10020 when combined shall not exceed a total diversion rate of 62.4 cfs.
26. The unleased portions of Water Rights 57-179, 57-180B and 57-181 when combined shall not exceed a total diversion rate of 75.7 cfs.

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WATER SUPPLY BANK LEASE CONTRACT No. 1557

27. The unleased portions of rights 2-2361, 2-2370, 2-7001, 2-10020, 57-179, 57-180B, 57-181, 57-7152 and 57-7385 when combined shall not exceed a total diversion rate of 204.3 cfs, and the irrigation of 4,430.5 acres.
28. Rights 2-7001, 2-10020, and 57-7152 when combined with all other rights shall provide no more than 4.5 afa per acre at the field headgate for irrigation of the place of use.
29. Rights 2-2361, 2-2370, 57-179, 57-180B, 57-181, and 57-7285 when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.5 afa per acre at the field headgate for irrigation of the place of use.

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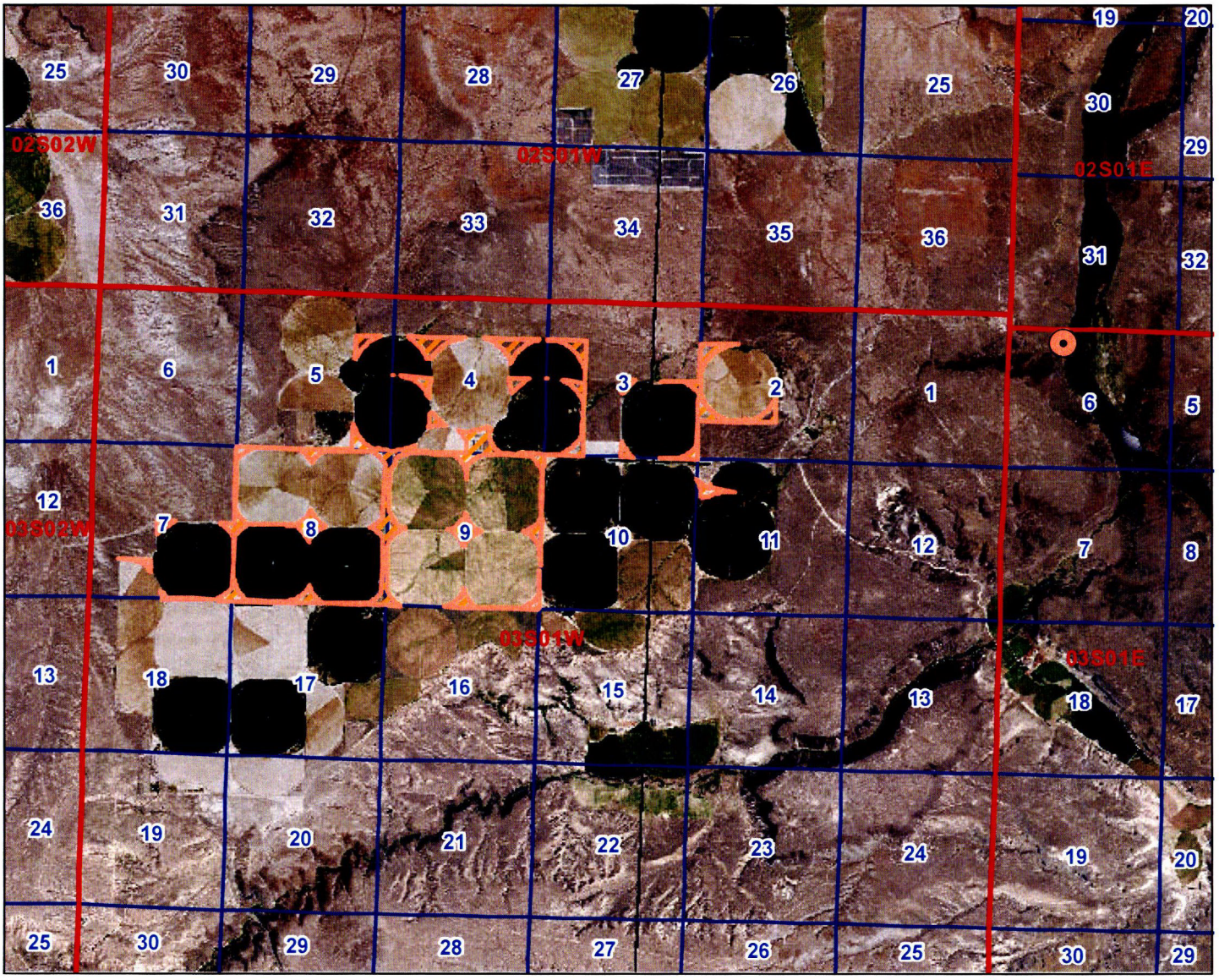
Idaho Water Resource Board

Water Supply Bank Lease Contract No. 1557

2-7001 & 2-10020

Effective until December 31, 2026

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



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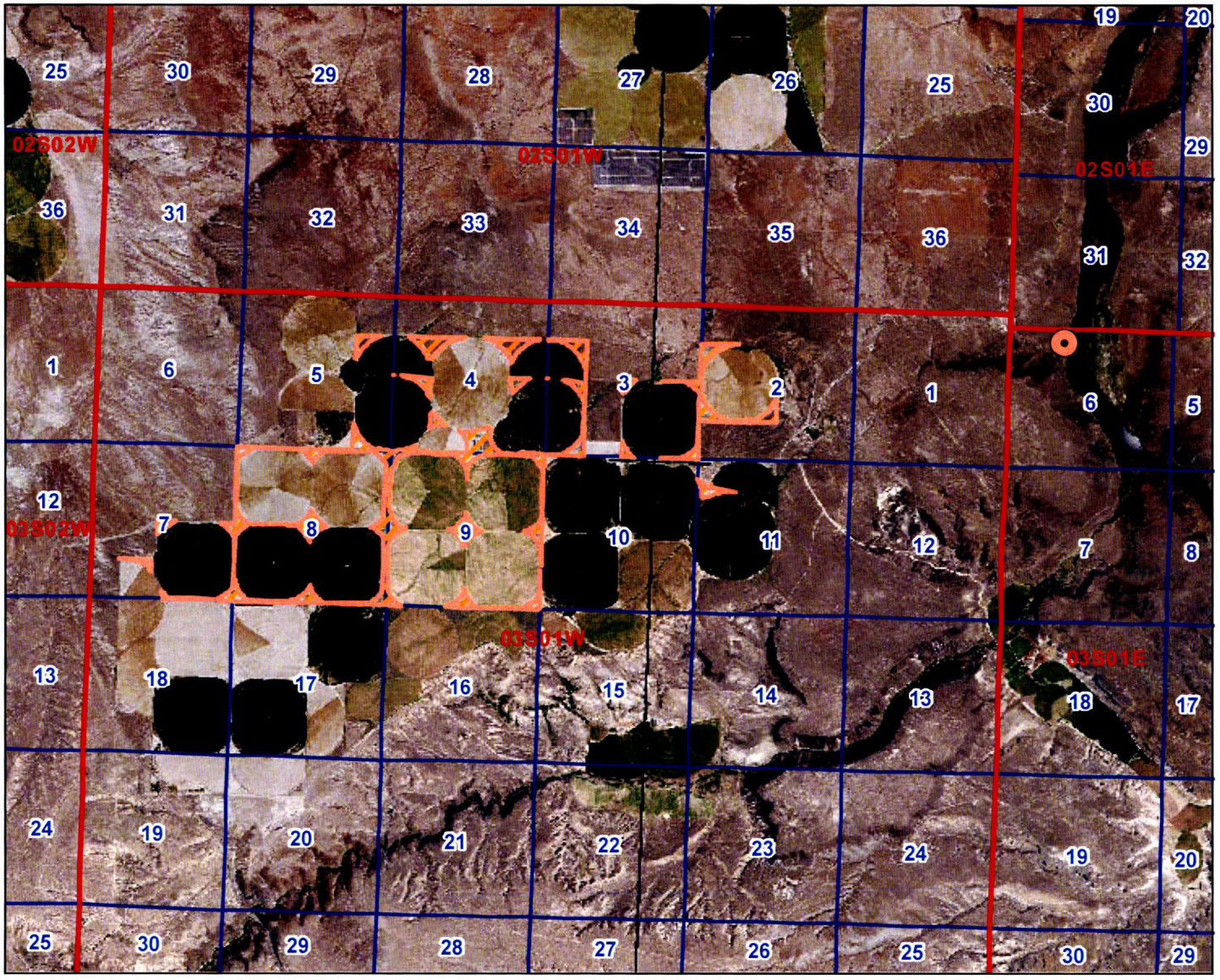
Idaho Water Resource Board

Water Supply Bank Lease Contract No. 1557

2-2361 & 2-2370

Effective until December 31, 2026

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



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Idaho Water Resource Board

Water Supply Bank Lease Contract No. 1557

2-7001 & 2-10020
Effective until December 31, 2026

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This map depicts the IRRIGATION STORAGE 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

N

0 1 2 Miles

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Form 42-1761-1 10/15

STATE OF IDAHO
WATER RESOURCE BOARD

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FEB 02 2022
DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant Murphy Flats Water Co. Inc.
(Select one owner – see item 1A on the application)

Water Right No. 2-2361
(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.**

MIMUMUM 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 $ 500	Received By: KH	Date Received: 2.2.22	Receipt # C111849
W-9 received? Yes ☐ No ☑ (Route W-9 to Fiscal)		Name on W-9:	

2304

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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 Murphy Flats Water Co. Inc.

Mailing Address PO Box 3110 Pasco Washington, WA 99302
Street City State Zip Code

Email Address _____ Phone Number 509-545-4545

☑ 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 Greg Sullivan Organization Brockway Engineering

Professional Title Engineer Email Address greg.sullivan@brockwayeng.com

Mailing Address 2016 N Washington St Ste 4 Twin Falls, ID 83301 Phone Number 208-736-8543

☐ 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**.

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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.
Existing PODs, mainlines and delivery systems.

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. Full beneficial use and leased into the Water Supply Bank

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.

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 ☑

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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: 2022 (Year) to 2026 (Year) (maximum lease period 5 calendar years).

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 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.

Signature of Designated Applicant	Printed Name	Date
Frank Tiegs	FRANK Tiegs	1-25-22
Signature of Authorized Representative	Printed Name	Date

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

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Form 42-1761-1 10/15

STATE OF IDAHO
WATER RESOURCE BOARD

Complete Attachment 2 if only a portion of the water right is offered to the Bank.

ATTACHMENT 2

DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

1.

Water Right Number	Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
2-2361	Irrigation	3.2	1082.5	215.0
	Total Amounts:	3.2	1082.5	215.0

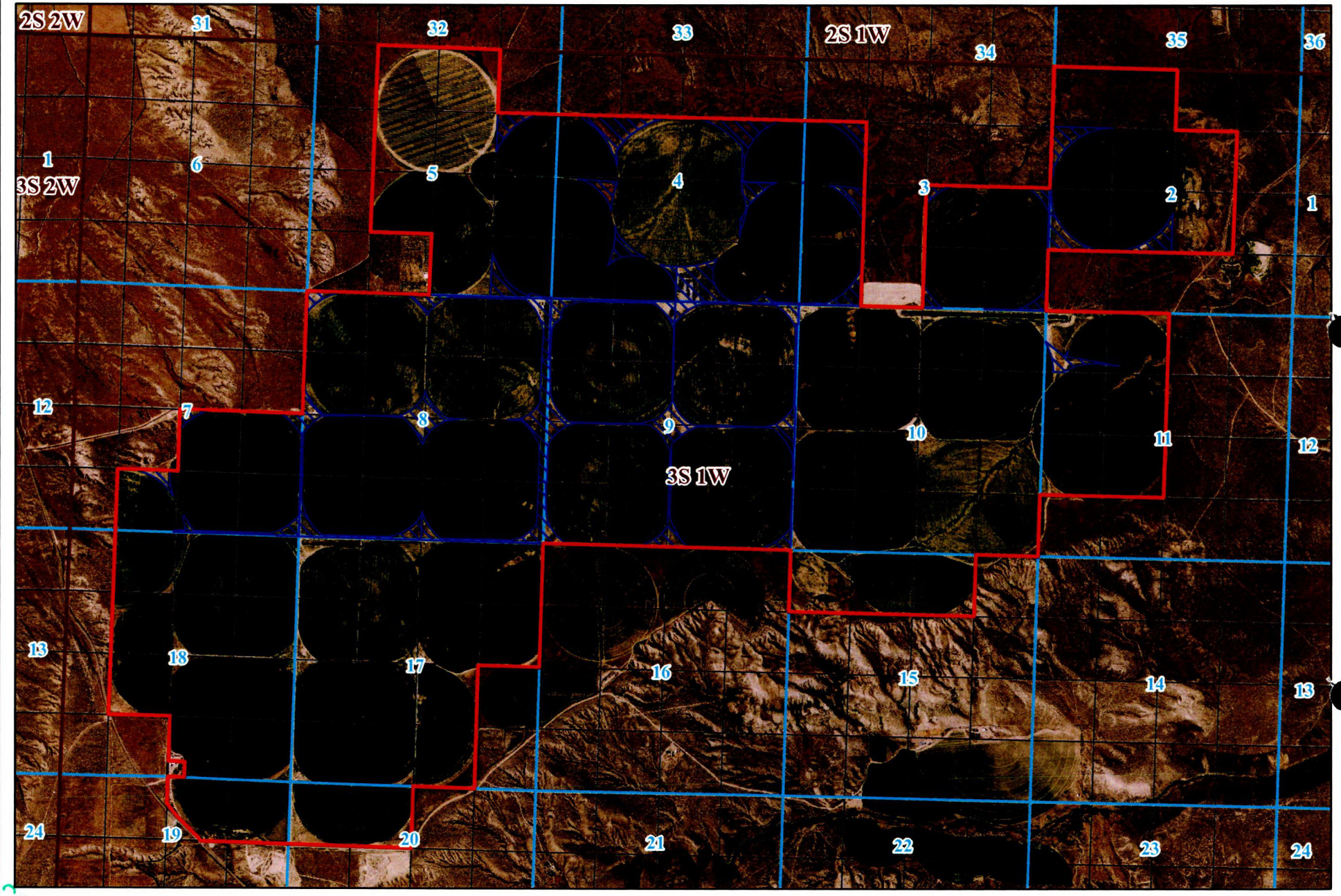
2. Source of water Snake River tributary to Columbia River

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
03S	01E	6			NW	NW	Owyhee

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Path: F:\Projects\Frank Tiegs LLC\Arcview Maps\Murphy Flat Farm WSB 2017.mxd



0 0.5 1 Miles

BROCKWAY ENGINEERING, PLLC.
GWS - Date: 1/10/2022

SCANNED
OCT 26 2022

MURPHY FLATS FARM

Water Supply Bank
270.8 Lease Acres
NAIP 2019 AERIAL

Legend
PPU_MURPHY_FLATS
Murphy_WSB

N

0004176016

STATE OF IDAHO
Office of the secretary of state, Lawerence Denney
ANNUAL REPORT
Idaho Secretary of State
PO Box 83720
Boise, ID 83720-0080
(208) 334-2301
Filing Fee: $0.00

For Office Use Only

-FILED-

File #: 0004176016

Date Filed: 2/16/2021 5:35:08 PM

Entity Name and Mailing Address:

Entity Name:	MURPHY FLATS WATER COMPANY
The file number of this entity on the records of the Idaho Secretary of State is:	0000434716
Address	PO BOX 3110 PASCO, WA 99302-3110

Entity Details:

Entity Status	Active-Good Standing
This entity is organized under the laws of:	IDAHO
If applicable, the old file number of this entity on the records of the Idaho Secretary of State was:	C142656

The registered agent on record is:

Registered Agent	STEVEN SCHOSSBERGER Registered Agent Physical Address 1205 E IRON EAGLE DR EAGLE, ID 83616 Mailing Address

Corporate Officers and Directors:

Name	Title	Business Address
+ Frank Tiegs	President	6610 W COURT ST PASCO, WA 99301

The annual report must be signed by an authorized signer of the entity.

Job Title: AUTHORIZED AGENT

JIM MCCLELLAND — Sign Here

02/16/2021 — Date

B0584-5730 02/16/2021 5:35 PM Received by ID Secretary of State Lawerence Denney

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WSB Mailing Checklist for Leases

Instructions: Staple to outside of lowest numbered water right file during processing.

Key: Who Completes What?	
CLERICAL STAFF:	MC
REVIEWER:	

Received Date: 2/2/2022

Desired Lease Duration: 2022-2026

Lease / Rental Package: (Y) N

If yes, Renter Name: Owyhee Farming

Application # 2306 Contract #

WR#s	#
# 2-2361	# 2-10020
# 2-2370	#
# 2-7001	#
# 57-179	# 57-7152
# 57-180B	# 57-7385
# 57-181	#

Stacked Water Rights Need to be Leased? ☐

Applicant Authorized?	(Y) / N
Multiple owners, Attach 1A included?	(Y) / N NA
If portion is offered, Attach 2 included?	(Y) / N NA
Map of POU and POD?	(Y) / N NA
POD Consent (if required)?	Y / N (NA)
Application Complete?	(Y) / N
Minimum checklist in data base?	☐
Request for additional information letter sent:	Y NA
WSB Action Request for deficiencies	☐

If checked, list water rights:

If the WR owner provided a different address on the application than what's in our database, update address in workflow.

Mailings (per lease application)		CC	Original	
Designated Applicant:	Murphy Land Co	☐	☒	EMAIL:
Attorney:		☐	☐	EMAIL:
Consultants Name:	Greg Sullivan - Brockway Engineering	☒		Comments:
Watermaster:	Rob Whitney & Nick Miller	☐		
Delivery Entity:		☐		
Water District:	2 & 57D	☐		Repeat
Ground Water District:		☐		
Region:	Western	☐		Companion 2308
Other:		☐	☐	
Address:				

Call up Date:

DO NOT SCAN

IDAHO DEPARTMENT
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 Gary Spackman**

October 26, 2022

MURPHY FLATS WATER CO INC
PO BOX 3110
PASCO, WA 99302-3110

RE: WATER SUPPLY BANK LEASE CONTRACT 1557
FOR WATER RIGHTS 2-2361, 2-2370, 2-7001, 2-10020, 57-179, 57-180B, 57-181, 57-7152 & 57-7385

Dear Lessor:

Water rights **2-2361, 2-2370, 2-7001, 2-10020, 57-179, 57-180B, 57-181, 57-7152 & 57-7385** were leased into the Water Supply Bank (Bank) as of January 1, 2022, 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 rights will automatically be released from the Bank on **December 31, 2026,** unless the rights are released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. 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 have been rented or are being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

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

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Western Region
Water District No. 02 & 57D
Greg Sullivan

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IDAHO DEPARTMENT
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 Gary Spackman

August 9, 2022

MURPHY FLATS WATER CO INC
PO BOX 3110
PASCO, WA 99302-3110

RE: APPLICATION TO LEASE WATER RIGHTS 2-2361, 2-2370, 2-7000, 2-10020, 57-179, 57-180B, 57-181, 57-7152 & 57-7385 TO THE WATER SUPPLY BANK CONTRACT 1157

******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, 2026,** 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,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosures: Proposed Lease Contracts

C: Greg Sullivan

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MEMORANDUM FOR APPLICATION # 2306

To: Water Right(s) 2-2361, 2-2370, 2-7001, 2-10020, 57-179, 57-180B, 57-181, 57-7152, & 57-7385

From: Mackenzie Kienholz & Mary Condon

Date: July 5 – August 3, 2022

Re: Review & Analysis of Application to Lease Water to the State Water Supply Bank

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PURPOSE/NARRATIVE:
Renewal lease application #2306 from Murphy Flats Water Co Inc was received on February 2, 2022. The application offers portions of water rights 2-2361, 2-2370, 2-7001, 2-10020, 57-179, 57-180B, 57-181, 57-7152, and 57-7385 to the bank, for all beneficial uses. All the rights share combined limits and a common POU. This application was received as a companion package with lease application #2305 from Murphy Flats Water Co. Inc., and rental application #2308 from Owyhee Farming Company LLC.

AUTHORITY TO FILE:
The application was signed by Frank Tiegs who is listed as President of Murphy Flats Water Co Inc on the SOS Business Search tool. Two separate POD's are associated with the rights and POU, both owned by the applicant. The Headgate Murphy Flat Reservoir #1 POD is the POD for 57-179, 57-180B, 57-181, 57-7152, and 57-7385. The POD for 2-2361, 2-2370, 2-7001, and 2-10020 is the Snake River. The POU parcels are mostly owned by Murphy Land Co LLC, but some are owned by Frank Tiegs LLC and two one-acre parcels are owned by Haylee Smith. Permission is assumed for parcels owned by Frank Tiegs LLC as Frank Tiegs is the authorized entity to sign on both the lease and rental applications. The two parcels owned by Haylee Smith are included in the acres to be leased, but have no other water rights and are not being irrigated.

WATER RIGHT VALIDITY:
The Basin 2 rights were decreed in 2009 while the Basin 57 were decreed between 2001 and 2003. Murphy Flats Water Co Inc or its affiliates have owned the water rights since the early 2000's. They have been leased into the bank since 2011 as a package. There was an approved transfer in 2017 for the POU. The Basin 57 water rights are delivered via the Murphy Mutual Canal. According to the IDSOS business search, Murphy Mutual Canal Company is directed by Frank Tiegs and has the same address and registered agent as the applicant, so permission is assumed. No concerns with validity of the water right and portion offered to the bank.

INJURY TO OTHER WATER RIGHTS: Lease of this water right would not cause injury to other water rights.

ENLARGEMENT OF USE:
Acres offered to the bank were at the same proportions offered in the previous leases, but the 2017 transfer changed the arrangement of these rights. Previously, these rights were pieced together over the entire POU, with varying acre amounts and overlap. Since the water rights are now to an entire PPU, they can be leased proportionate to the acres offered for lease. The approved transfer also reduced the combined acre limit to 4687 from 4882.
A review of imagery for the PPU determined that 4430.5 acres of the allowed 4687 acres are currently being irrigated, leaving 256.5 acres under the rights able to be leased to the Bank. The proposed 270.8 acres were decreased to 256.5 acres, and the shape and combined limits were updated to reflect this.

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Table 1. Lease application #2306 new proportionate combined limits.

Basin	Sequenc	Suffix		Priority Date	Diversion Rat	Volume	Total Acres	Acre Limit	cfs/ acre	af/ acre	
2	2361		Water Right	1/ 8/ 1965	3.614	1220.4	256.5	242.4	0.015	5.035	IRRIGATION
2	2370		Water Right	4/ 30/ 1965	0.088	21.9	256.5	4.4	0.020	5.000	IRRIGATION
2	7001		Water Right	7/ 15/ 1967	3.614	12.9	256.5	251.9	0.014	0.051	TOTAL FOR WATER RIGHT
					3.614						DIVERSION TO STORAGE
						12.9	256.5	251.9			IRRIGATION FROM STORAGE
						12.9					IRRIGATION STORAGE
2	10020		Water Right	9/ 3/ 1970	3.614	4.0	256.5	248.5	0.015	0.016	TOTAL FOR WATER RIGHT
					3.614						DIVERSION TO STORAGE
						4.0	256.5	248.5			IRRIGATION FROM STORAGE
						4.0					IRRIGATION STORAGE
57	179		Water Right	4/ 1/ 1865	0.022		256.5	248.3	0.000	0.000	IRRIGATION
57	180	B	Water Right	4/ 1/ 1865	0.011		256.5	248.3	0.000	0.000	IRRIGATION
57	181		Water Right	12/ 26/ 1906	4.384		256.5	248.3	0.018	0.000	IRRIGATION
57	7152		Water Right	10/ 30/ 1975		220.8	256.5	248.3	0.000	0.889	TOTAL FOR WATER RIGHT
						220.8	256.5	248.3			IRRIGATION FROM STORAGE
						220.8					IRRIGATION STORAGE
						0.5					STOCKWATER FROM STORAGE
						0.5					STOCKWATER STORAGE
57	7385		Water Right	3/ 12/ 1984	3.831	51.2	256.5	243.1	0.016	0.211	TOTAL FOR WATER RIGHT
					3.831						DIVERSION TO STORAGE
						51.2	256.5	243.1			IRRIGATION FROM STORAGE
						51.2					IRRIGATION STORAGE
				combined limit:	11.828	1154.25		256.5	0.0461	4.5	

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The lease appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS:
The location of the rental PD is subject to Water District 02 and 57D. A request for comments was sent to the Watermasters for WD 02 & WD 57D, and Western Region office on July 21, 2022.

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Kienholz, Mackenzie

From: Kienholz, Mackenzie
Sent: Thursday, July 21, 2022 1:46 PM
To: Whitney, Rob; Miller, Nick; chadnettleton@yahoo.com
Cc: Hummer, Phill; Bank
Subject: Lease for Murphy Flats Water Co Inc
Attachments: Review Memo Lease Application #2306.docx; Lease B57 Irrigation Storage_2022.pdf; Lease B57 Irrigation_2022.pdf; Lease B57 Stockwater From Storage_2022.pdf; Lease B2 Irrigation From Storage_2022.pdf; Lease B2 Irrigation POU Map_2022.pdf; Lease B2 Irrigation Storage_2022.pdf; Lease B2 Stockwater Storage Map_2022.pdf; Lease B57 Irrigation From Storage_2022.pdf

Follow Up Flag: Follow up
Due By: Monday, August 1, 2022 8:00 AM
Flag Status: Flagged

Good afternoon, Rob, Chad, and Nick,

Please see the attached lease review memo and maps for Murphy Flats Water Co. Inc. and kindly respond with comments or concerns within 10 days. Our network was down yesterday and this morning, so contract ID's have not yet been created, but will be added upon creation.

Best,

Mackenzie Kienholz
Water Supply Bank Specialist

IDAHO DEPARTMENT OF WATER RESOURCES

Planning & Projects
mackenzie.kienholz@idwr.idaho.gov
Phone: (208) 287-4822

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RECEIVED
FEB 02 2022
DEPARTMENT OF
WATER RESOURCES

BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics
Hydrology
Water Resources

February 1, 2022

Mary Condon
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Re: Lease Applications for Murphy Flats Water Company

Dear Ms. Condon:

Murphy Flats Land Company desires to lease 270.8 acres of irrigation water under 2-2361, 2-2370, 2-7001, 2-10020, 57-179, 57-180B, 57-181, 57-7385 and 57-7152 to the Idaho Water Supply Bank. The 270.8 acres under these water rights have been under lease contracts with the Idaho Water Supply Bank for several years.

The 270.8 acres is to be rented to Owyhee Farming Company, LLC for the 2022, 2023, 2024, 2025 and 2026 irrigation seasons.

Please copy our office on all correspondence regarding these applications.

Sincerely,

Greg Sullivan, M.S., Engineer

Cc: Frank Tiegs
Enc: Lease Applications, Aerial Map, Brockway Engineering check 16798 for $500.00

CHARLES E. BROCKWAY, PH.D., P.E.

CHARLES G. BROCKWAY, PH.D., P.E.

2016 NORTH WASHINGTON STREET • SUITE 4

TWIN FALLS, IDAHO 83301

208•736•8543

FAX: 736•8506

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OCT 26 2022

2306