

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1701

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

LESSOR: SILVER SAGE OWNERS ASSN INC
PO BOX 331
HAILEY, ID 83333-0301

RECEIVED

MAR 29 2023

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 January 26, 2023.
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)
37-20843	6/1/1886	BIG WOOD RIVER, tributary to MALAD RIVER	0.006	Not Stated	1.0
37-21240	5/4/1889	BIG WOOD RIVER, tributary to MALAD RIVER	0.005	Not Stated	1.0
37-21242	5/21/1890	BIG WOOD RIVER, tributary to MALAD RIVER	0.013	Not Stated	1.0
Combined Limit Totals			0.024	Not Stated	1.0
Combined Lease Totals			0.024	Not Stated	3.0

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)
37-20843	0.005	3.5	1.0	0.005	3.5
37-21240	0.004	3.5	1.0	0.004	3.5
37-21242	0.010	3.5	1.0	0.010	3.5
Combined Limit Totals	0.019	3.5	1.0	0.019	3.5

SUPPORT DATA

IN FILE # 37-20843

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WATER SUPPLY BANK LEASE CONTRACT No. 1701

** The water right elements rentable have been reduced from the water right elements leased to account for combined limits and conveyance losses of 20 % and a defined volume limit that is based on the regional field headgate irrigation standard of 3.5 afa/acre.*

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, 2023 to December 31, 2025. 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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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1701

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

LESSOR: SILVER SAGE OWNERS ASSN INC

PO BOX 331

HAILEY, ID 83333-0301

By

Michael Conk
Title Silver Sage HOA Board Member

Date

3/18/23

IDAHO WATER RESOURCE BOARD

322 East Front Street

P.O. Box 83720

Boise, ID 83720-0098

By

Brian Patton
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date

4/3/23

Lease approved by IDWR

FT

Date

4/3/23

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1701

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): 37-21240, 37-21242, 37-20843
BIG WOOD RIVER SESW Sec. 20 Twp 03N Rge 18E BLAINE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
37-21240	IRRIGATION	04/01	to	11/01	0.005 cfs	Not Stated
37-21242	IRRIGATION	04/01	to	11/01	0.013 cfs	Not Stated
37-20843	IRRIGATION	04/15	to	10/31	0.006 cfs	Not Stated
Totals:					0.024 cfs	Not Stated

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
03N	18E	33										0.2	0.8						1.0

Total Acres: 1.0

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.

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1701

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.
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 actual diversion rate for water right 37-20843 is 0.006 cfs. The actual diversion rate for water right 37-21240 is 0.005 cfs. The actual diversion rate for water right 37-21242 is 0.013 cfs.
13. Right Nos. 37-21240, 37-21242, and 37-20843 are limited to the irrigation of a combined total of 1.0 acre in a single irrigation season.
14. 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.
15. 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 0.005 cfs of the leased portion of this right into the Hiawatha Canal whether it is rented or not.

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Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1701

37-20843, 37-21240 & 37-21242
Effective until December 31, 2025

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
- QQ



0 100 200 Feet

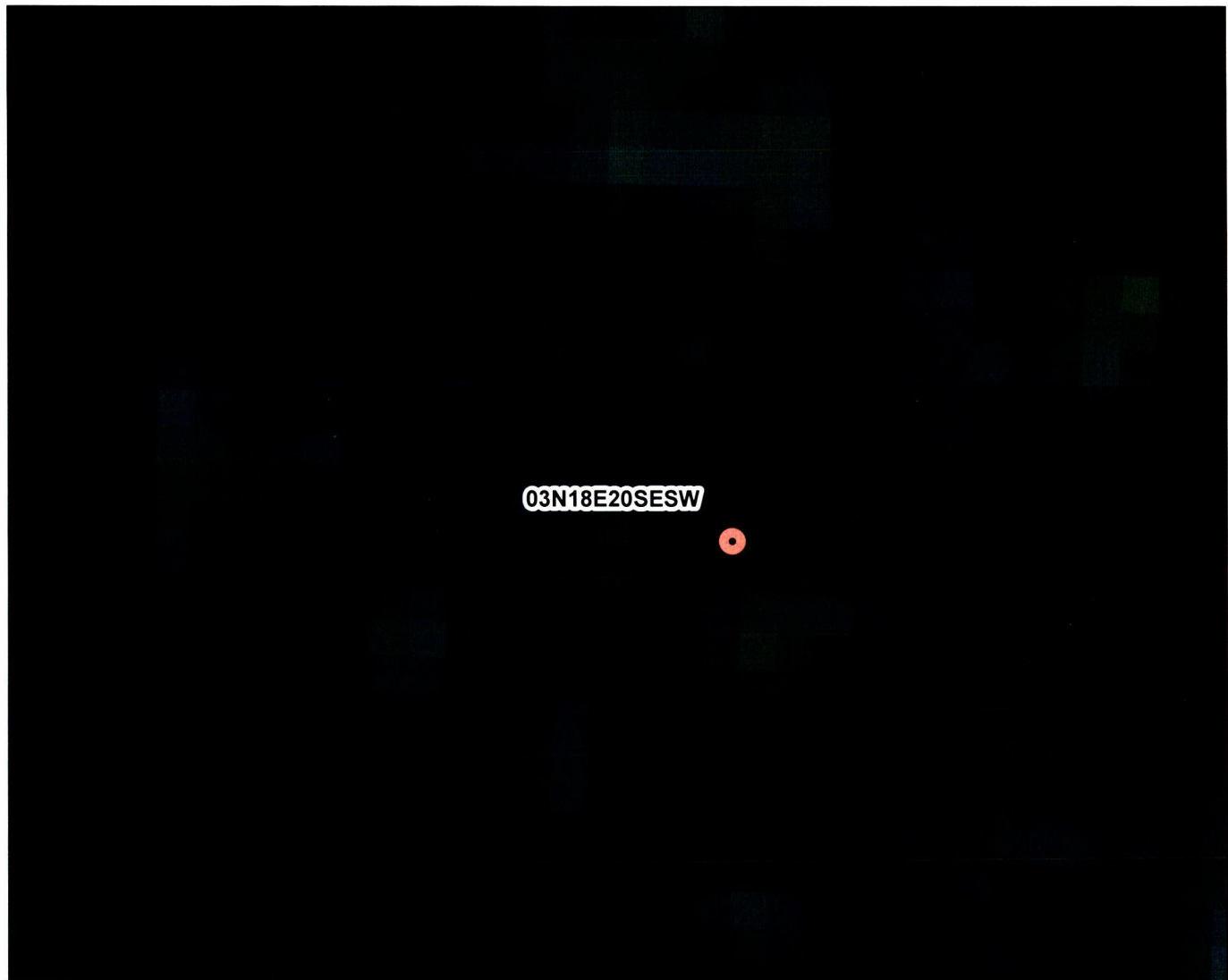
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Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1701

37-20843, 37-21240 & 37-21242
Effective until December 31, 2025

This map depicts the point of diversion 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

□ QQ



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STATE OF IDAHO
WATER RESOURCE BOARD

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JAN 26 2023

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant Silver Sage Owners Assn Inc

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

Water Right No. 37-20843

(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 _____ for the Designated Applicant.1C ☒ ☐ *Notice of Change in Water Right Ownership* form (accessible from _____).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:4A ☒ ☐ Written consent from irrigation district or water delivery company.4G ☐ ☒ Evidence demonstrating the water right has not been forfeited pursuant to

Department Use Only

Fee Amount \$ 500.00 Received By: VN Date Received: 1.26.23 Receipt # C115168
 W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal) Name on W-9: Silver Sage Owners Association

2574

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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 Silver Sage Owners Assn Inc

Mailing Address P.O. Box 331 Hailey, ID 83333

Street City State Zip Code

Email Address mcord@sage-solutions.net Phone Number 208-720-8543

☒ 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 Zach Latham Organization Brockway Engineering PLLC

Professional Title Hydrologist Email Address zach.latham@brockwayeng.com

Mailing Address 2016 Washington St. N Suite 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

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)

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 Silver Sage Owners Assn Inc

Mailing Address P.O. Box 331 Hailey, ID 83333

Street City State Zip Code

Email Address mcord@sage-solutions.net

Phone Number 208-720-8543

- ☒ 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 Zach Latham

Organization Brockway Engineering PLLC

Professional Title Hydrologist

Email Address zach.latham@brockwayeng.com

Mailing Address 2016 Washington St. N Suite 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.

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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 and
- B. Please provide a description of the current water diversion and delivery system.
Water is delivered to HOA through Hiawatha Canal delivery system.
- 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. All portions of 37-20843, 37-21240 and 37-21242 are being offered to the water supply bank.
- 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. N/A.
- 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. 37-20843, 37-21240 and 37-21242 were leased to WSB through 12/31/2016. 37-20843, 37-21240 and 37-21242 were involved in contested IDWR water right transfer no. 84902, submitted to IDWR for processing on April 21, 2021 and approved on June 28, 2022.
- 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 for exceptions to forfeiture. Your application may be denied if forfeiture concerns are not addressed. 37-20843, 37-21240 and 37-21242 were involved in contested IDWR water right transfer no. 84902. submitted to IDWR for processing on April 21, 2021 and approved on June 28, 2022.
Applicant seeks to place remaining portions of 37-20843, 37-21240 and 37-21242 into the WSB.
- 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 ☒
N/A.

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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: 2023 to 2025 (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 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

Michael Cord

Printed Name

24 Jan 2023

Date

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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AUG 14 2023

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 and

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

Water is delivered to HOA through Hiawatha Canal delivery system.

- 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. All portions of 37-20843, 37-21240 and 37-21242 are being offered to the water supply bank.

- 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. N/A.

- 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. 37-20843, 37-21240 and 37-21242 were leased to WSB through 12/31/2016. 37-20843, 37-21240 and 37-21242 were involved in contested IDWR water right transfer no. 84902, submitted to IDWR for processing on April 21, 2021 and approved on June 28, 2022.

- 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 for exceptions to forfeiture. Your application may be denied if forfeiture concerns are not addressed. 37-20843, 37-21240 and 37-21242 were involved in contested IDWR water right transfer no. 84902, submitted to IDWR for processing on April 21, 2021 and approved on June 28, 2022. Applicant seeks to place remaining portions of 37-20843, 37-21240 and 37-21242 into the WSB.

- 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 ☒

N/A.

V Mailing Checklist for Leases

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

Executed 4/3/23

Key: Who Completes What?

CLERICAL STAFF:

REVIEWER:

Jan

Received Date **1-23-2023**

Desired Lease Duration **2023-2025**

Lease / Rental Package

Y

N

If yes, Renter Name:

Application

2574

Contract # 1701

WR#s	
# 37-21240	# 37-20843
#	# 37-21242
#	#
#	#
#	#
#	#
#	#

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: 1-30-23

Y NA

Stacked Water Rights Need to be Leased?

☐

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: Silver Sage Owners Assn

☐

☐

EMAIL:

Attorney:

☐

☐

EMAIL:

Consultants

Name: Zach Latham

☐

Comments:

Watermaster:

☐

HG 3.5

Delivery Entity:

Hiawatha Canal

☐

Water District:

37

☐

Ground Water District:

☐

Region:

Southern

☐

Other:

☐

☐

Address:

Call up Date: _____

DO NOT SCAN

*PD- 2010
Bank 2012-2016
transfer 2022
valid.*



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 Gary Spackman

April 10, 2023

SILVER SAGE OWNERS ASSN INC
PO BOX 331
HAILEY ID 8333-0301

**RE: WATER SUPPLY BANK LEASE CONTRACT 1701
FOR WATER RIGHTS 37-20843, 37-21240 & 37-21242**

Dear Lessor:

Water right(s) 37-20843, 37-21240 & 37-21242 was/were leased into the Water Supply Bank (Bank) as of January 1, 2023, 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, 2025**, 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,

Jean Hersley

for
Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Southern Region Office
Brockway Engineering PLLC
Water District No. 37

SCANNED
AUG 14 2023



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 Gary Spackman

March 13, 2023

SILVER SAGE OWNERS ASSN
PO BOX 331
HAILEY ID 83333-0331

**RE: APPLICATION TO LEASE WATER RIGHTS 37-20843, 37-21240 & 37-21242 TO THE WATER
SUPPLY BANK CONTRACT 1701**

******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, 2025**, 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

C: Zach Latham- Brockway Engineering PLLC

SCANNED

AUG 14 2023

Hersley, Jean

From: Hersley, Jean
Sent: Friday, March 10, 2023 2:27 PM
To: Skinner, Corey; watermstr@wd37.org
Subject: WSB Lease Contract for Silver Sage Owners Assn
Attachments: Lease_.pdf; Lease Contract -1701.docx; Lease Application Review Checklist July 2017.xls

Water Rights 37-20843, 37-21240 & 37-21242. Please let me know if you have any comments or concerns with the attached lease. Thank you.



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

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AUG 14 2023

WATER SUPPLY BANK
Lease Review Checklist
Applicant(s) Name: Silver Sage Owners Assn

Memo Date: March 10, 2023

Water Right Number(s): 37-20843, 37-21240 & 37-21242

Reviewers Name: Jean

Quick Tools

Decreed Year	No Forfeiture Concerns Thru:
2011	2017
2012	2018
2013	2019
2014	2020
2015	2021

		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	x		Michael Cord, President
	Other (explain in comments)			
6	Water Right validity			2010
	Decreed/Licensed/Statutory claim date (write in comments section)			
	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		2012-2016
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	

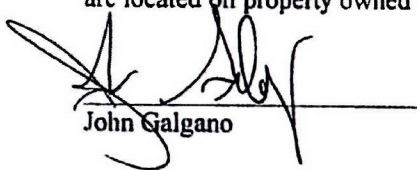
Narrative: The Department received these applications on January 26, 2023. Consent from Hiawatha Canal was needed and received on March 10, 2023. The applications were signed by Michael Cord, president, and he would like to place the entirety of all rights in the Bank. these rights were decreed in 2010 and placed in the Bank in 2012 to 2016. A transfer approved in 2022 said these rights were valid. The POU of these rights is supposed to be Lot 10, Block 3, Silver Sage Subdivision (see attached water deed). Irrigation appears to have taken place on this lot. According to the deed, the Galgano's have no claim on these water rights. Water rights 37-20843, 37-21240 & 37-21242 are limited to the irrigation of 1.0 acres combined. Hiawatha Canal is requiring a 20% hold back for conveyance losses. These rights are currently within WD 37. Comments will be solicited from the water district and southern region.

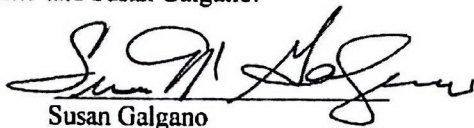
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AUG 14 2023

WATER RIGHT AGREEMENT

John Galgano and Susan Galgano own property located at Silver Sage Sub Lot 10 Blk 3 Section 33 Township 03 North Range 18 East. The Galgano's give permission to Silver Sage Owners Assn Inc. to place water rights 37-8409, 37-22499, 37-20843, 37-21240 and 37-21242 onto Silver Sage Sub Lot 10.

John Galgano and Susan Galgano have no legal interest in any portion of water rights 37-8409, 37-22499, 37-20843, 37-21240 and 37-21242 even when the described water rights are located on property owned by John Galgano and Susan Galgano.


John Galgano

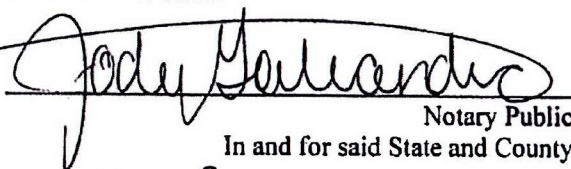

Susan Galgano


SILVER SAGE OWNERS ASSN INC

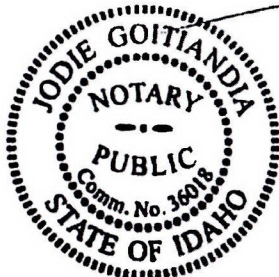
President
<TITLE>

State of Idaho)
County of Blaine) S.S.

On this 11th day of November, in the year of 2018, before me, a Notary Public, personally appeared John + Susan Galgano, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same.


Miguel Goitandia

S
E
A
L



Notary Public
In and for said State and County

April 30 2019

My Commission Expires on



0004882797

**STATE OF IDAHO***Office of the secretary of state, Lawrence 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 #: 0004882797

Date Filed: 9/4/2022 9:42:27 AM

B0738-4055 09/04/2022 9:42 AM Received by ID Secretary of State Lawrence Denney

Entity Name and Mailing Address:														
Entity Name:	SILVER SAGE OWNERS ASSOCIATION, INC.													
The file number of this entity on the records of the Idaho Secretary of State is:	0000400274													
Address	PO BOX 331 HAILEY, ID 83333-0301													
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:	C130909													
The registered agent on record is:														
Registered Agent	John Galgano Registered Agent Physical Address 180 CLOVERLY LANE HAILEY, ID 83333 Mailing Address 180 CLOVERLY LN HAILEY, ID 83333-8711													
Corporate Officers and Directors:														
<table><thead><tr><th>Name</th><th>Title</th><th>Business Address</th></tr></thead><tbody><tr><td>Ricardo Delgado</td><td>Director</td><td>P.O. BOX 331 HAILEY, ID 83333</td></tr><tr><td>Mark Fisher</td><td>Director</td><td>P.O. BOX 331 HAILEY, ID 83333</td></tr><tr><td>Michael Cord</td><td>President</td><td>151 CLOVERLY LANE HAILEY, ID 83333</td></tr></tbody></table>			Name	Title	Business Address	Ricardo Delgado	Director	P.O. BOX 331 HAILEY, ID 83333	Mark Fisher	Director	P.O. BOX 331 HAILEY, ID 83333	Michael Cord	President	151 CLOVERLY LANE HAILEY, ID 83333
Name	Title	Business Address												
Ricardo Delgado	Director	P.O. BOX 331 HAILEY, ID 83333												
Mark Fisher	Director	P.O. BOX 331 HAILEY, ID 83333												
Michael Cord	President	151 CLOVERLY LANE HAILEY, ID 83333												
The annual report must be signed by an authorized signer of the entity.														
Job Title: Secretary														
<u>JOHN GALGANO</u>		<u>09/04/2022</u>												
Sign Here		Date												

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AUG 14 2023

HIAWATHA CANAL

P.O. Box 1604 • Hailey, ID 83333

February 28, 2023

RECEIVED

MAR 10 2023

DEPARTMENT OF
WATER RESOURCES

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

Re: Silver Sage Owners Assn., Inc: Water Right 37-20843, 37-21240 and 37-21242

Dear Sir or Madam:

The purpose of this letter is to respond generally to water rights being leased to the Water Bank, which are conveyed in the Hiawatha Canal ("Canal") by the Hiawatha Canal Company, a.k.a. 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 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 if the water rights are leased to parties outside of the Canal, then the Water Bank should require twenty percent (20%) of the right be left in the Canal as conveyance loss. I suggest that the Department place a condition on the leases to this effect.

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 has been recognized by the Idaho Department of Water Resources in similar transfers. Leaving twenty percent (20%) of the leased rights in the Canal will insure that all rights in the Canal continue to be delivered without injury to water right holders in the Canal.

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AUG 4 2023

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, President

JWP: hmj
cc: client

SCANNED
AUG 14 2023

Hersley, Jean

From: Zach Latham <zach.latham@brockwayeng.com>
Sent: Monday, February 27, 2023 2:31 PM
To: Hersley, Jean
Subject: RE: WSB Lease applications for Silver Sage Owners Assn Inc

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.

Jean-
I just checked back in with the Hiawatha, I was told two weeks ago that I would have a consent letter, but I haven't seen one.
I will let you know when I have a response to my email request today.
Thanks.

Zach Latham

Hydrologist
Brockway Engineering, P.L.L.C.
2016 Washington Street North, Suite 4
Twin Falls, ID 83301
t. 208-736-8543
c. 208-721-2114
f. 208-736-8506
zach.latham@brockwayeng.com

All information, calculations, maps, drawings, or other documents transmitted via e-mail are preliminary unless explicitly stated in the e-mail text or in the documents themselves.

From: Zach Latham [mailto:zach.latham@brockwayeng.com]
Sent: Monday, January 30, 2023 4:00 PM
To: 'Hersley, Jean'
Subject: RE: WSB Lease applications for Silver Sage Owners Assn Inc

Thanks Jean,
I reached out to the Canal Company today, I will let you know as soon as I hear back although it may be more than 30 days.

Zach Latham

Hydrologist
Brockway Engineering, P.L.L.C.
2016 Washington Street North, Suite 4
Twin Falls, ID 83301
t. 208-736-8543
c. 208-721-2114
f. 208-736-8506
zach.latham@brockwayeng.com

All information, calculations, maps, drawings, or other documents transmitted via e-mail are preliminary unless explicitly stated in the e-mail text or in the documents themselves.

From: Hersley, Jean [mailto:Jean.Hersley@idwr.idaho.gov]
Sent: Monday, January 30, 2023 1:58 PM
To: Zach Latham
Subject: WSB Lease applications for Silver Sage Owners Assn Inc

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AUG 14 2023

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

The Idaho Department of Water Resources (Department) acknowledges receipt of the application to lease the above referenced water right to the Idaho Water Resource Board's Water Supply Bank (Bank). The Department will review your application as resources allow.

If the right is determined to be eligible for acceptance into the Bank, the right will be entered as of the date of receipt of the application. The acceptance date may be adjusted when additional information is required. A preliminary review of your application has been completed and it has been determined that additional information is required to continue processing.

Please provide the following information or request withdrawal of your application within 30 days of the date of this letter or the application will be returned unprocessed and your application fee will be refunded:

- **Consent from Hiawatha Canal Co.**

The department will continue processing your application once you have submitted the requested information. Water right forms are available from the Department's website at www.idwr.idaho.gov. If you have any questions, please contact this office at (208) 287-4800.



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

SCANNED
AUG 14 2023