STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1661

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

LESSOR: PAUL & SHEILA HUDSON
8604 W HIGH RIDGE LN
EAGLE, ID 83616-1433

RECEIVED
MAR 10 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 December 28, 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)
61-12357	4/30/1974	GROUND WATER	0.03	Not Stated	1.49
61-12358	1/14/1963	GROUND WATER	0.17	34.5	8.63
Combined Limit			**0.17**	**40.1**	**29.4**
61-12354	7/10/1972	GROUND WATER	0.17	33.2	8.31
61-12355	8/23/1967	GROUND WATER	0.17	40.5	10.1
61-12356	1/4/1980	GROUND WATER	0.07	20.0	5.0
61-12359	1/14/1963	GROUND WATER	0.18	38.8	9.69
Combined Lease Totals			**0.59**	**156**	**39.0**

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)
61-12357	0.03	6.0	1.49	0.02	4.0
61-12358	0.17	34.5	8.63	0.02	4.0
Combined Limit	**0.17**	**40.1**	**29.4**	**0.013**	**4.0**
61-12355	0.17	40.5	10.1	0.017	4.01
61-12356	0.07	20.0	5.0	0.014	4.0
61-12359	0.18	38.8	9.69	0.019	4.0
61-12354	0.17	33.2	8.3	0.02	4.0
Combined Limit Totals	**0.59**	**156**	**39.0**	**0.015**	**4.0**

**** The water right elements rentable have been reduced from the water right elements leased to account for local headgate requirements for irrigation.***

SUPPORT DATA
IN FILE #61-12354

WATER SUPPLY BANK LEASE CONTRACT No. 1661

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, 2023. 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. 1661

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

LESSOR: PAUL HUDSON
8604 W HIGH RIDGE LN
EAGLE, ID 83616-1433

By Paul Hudson
Title owner
Date 3-3-2023

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

By _____ Date 3/15/23
Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR _____ Date 3/15/23

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1661

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): 61-12354, 61-12355, 61-12356, 61-12357, 61-12358, 61-12359

GROUND WATER	SWNW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NWNW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SENW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SWSW	Sec. 14	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SESW	Sec. 14	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NENW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NESW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NWSW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SWSW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SESW	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NESE	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NWSE	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SWSE	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SESE	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NWSW	Sec. 24	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SWSW	Sec. 24	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SESW	Sec. 24	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NESW	Sec. 24	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NWNE	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	SWNE	Sec. 23	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NWSW	Sec. 14	Twp 01S	Rge 04E	ELMORE County
GROUND WATER	NESW	Sec. 14	Twp 01S	Rge 04E	ELMORE County

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
61-12354	IRRIGATION	03/15	to	11/15	0.17 cfs	33.2 AF
61-12355	IRRIGATION	3/01	to	10/15	0.17 cfs	40.5 AF
61-12356	IRRIGATION	3/15	to	11/15	0.07 cfs	20.0 AF
61-12357	IRRIGATION	03/15	to	11/15	0.03 cfs	Not Stated
61-12358	IRRIGATION	3/15	to	11/15	0.17 cfs	34.5 AF
61-12359	IRRIGATION	04/01	to	10/31	0.18 cfs	38.8 AF
				Totals:	0.59 cfs	156 AF

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	
01S	04E	23											40	40			20		100

Total Acres: 100

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.

WATER SUPPLY BANK LEASE CONTRACT No. 1661

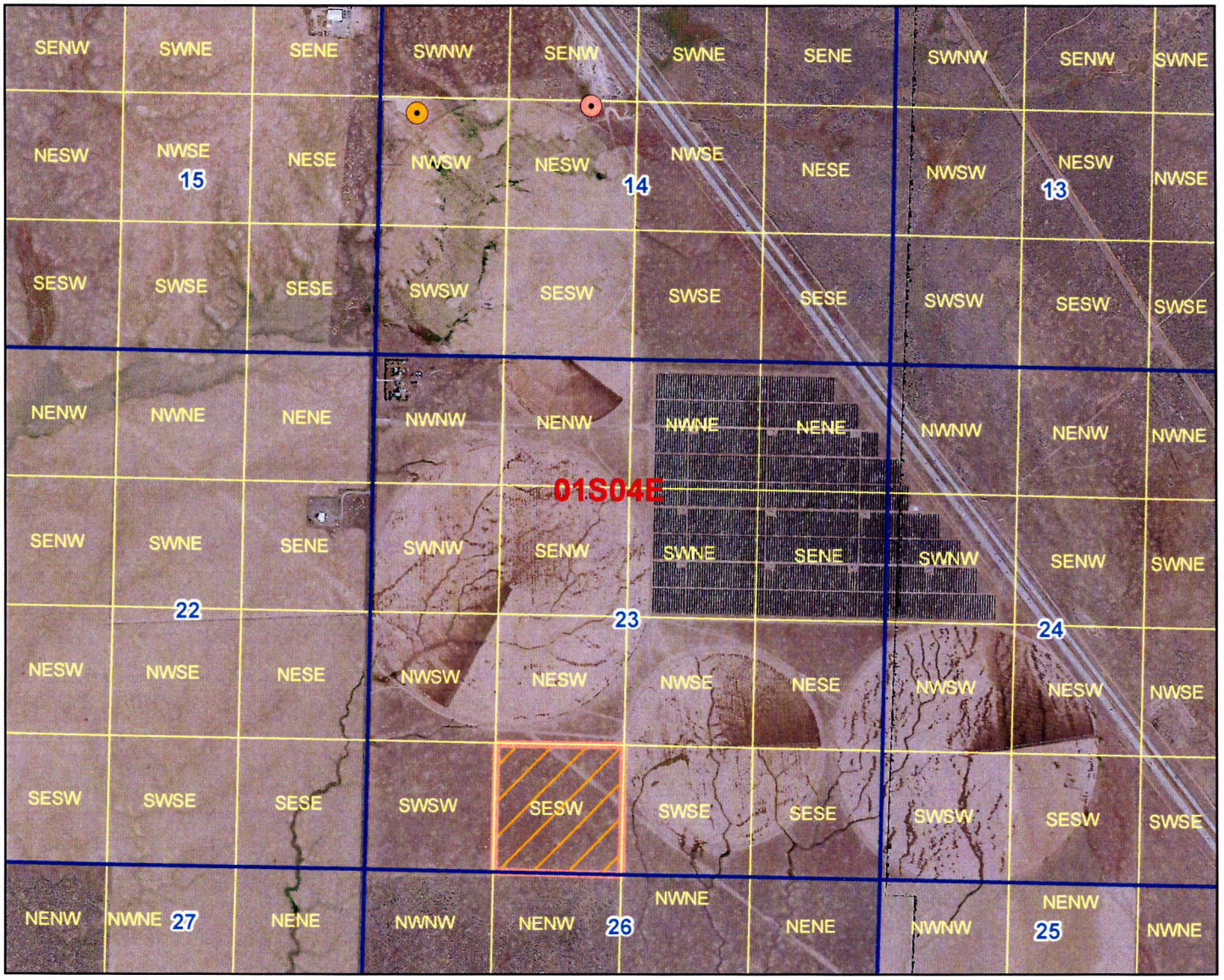
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Right 61-12357 is for an enlargement of 1.49 acres within the place of use described above.
13. Rights 61-12355, 61-12356, 61-12357 and 61-12358 when combined shall not exceed a total diversion rate of 0.40 cfs, a total annual maximum diversion volume of 100 af at the field headgate, and the irrigation of 25.0 acres.
14. This right does not grant any right-of-way or easement across the land of another.
15. Use of water under this agreement 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 161.
16. Rights 61-12354, 61-12355, 61-12356, 61-12357 and 61-12358 when combined shall not exceed a total diversion rate of 0.40 cfs, a total annual maximum diversion volume of 117 af at the field headgate, and the irrigation of 29.4 acres.
17. Rights 61-12354, 61-12356, 61-12357 and 61-12358 when combined shall not exceed a total diversion rate of 0.25 cfs and the irrigation of 19.3 acres.
18. Rights 61-12354, 61-12355, 61-12356, 61-12357, 61-12358 and 61-12359 when combined shall not exceed a total diversion rate of 0.59 cfs, a total annual maximum diversion volume of 156 af, a total annual maximum consumptive use volume of 115 af, and the irrigation of 39.0 acres in a single irrigation season.
19. Water rights 61-12354, 61-12355, 61-12356, 61-12357, 61-12358 and 61-12359 shall be subordinated to 63-32499 in the event of priority administration of water rights with points of diversion within administrative Basin 63.
20. Water rights 61-12354, 61-12355, 61-12356, 61-12357, 61-12358 and 61-12359 shall be subordinated to 61-12090 in the event of priority administration of water rights with points of diversion within administrative Basin 61.
21. Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.
22. Diversion and use of water in connection with this right is subject to a Monitoring-Reporting Plan. The right holder shall provide the Department with a plan for monitoring-reporting aquifer levels, diversion flow rates, and volumes. The monitoring-reporting should occur in parallel with land development and production and should include identification of non-production wells and timelines for measuring and reporting. The right holder shall not divert water in connection with this right until the plan is approved by the Department. Failure to comply with the plan once it is accepted shall be cause for the Department to cancel or revoke the right.
23. The diversion and use of water described in Transfer 78356 may be subject to additional conditions and limitations agreed to by the protestant and the right holder under a separate agreement to which the Department is not a party. Because the Department is not a party, the Department is not responsible for enforcement of any aspect of the agreement not specifically addressed in other conditions herein. Enforcement of those portions of the agreement not specifically addressed in other conditions shall be the responsibility of the protestant and the water right holder.
24. Water rights 61-12354, 61-12355, 61-12356, 61-12357, 61-12358 and 61-12359 when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.

Idaho Water Resource Board

Water Supply Bank Lease Contract No. 1661

61-12354, 61-12355, 61-12356, 61-12357, 61-12358 & 61-12359
Effective until December 31, 2023

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

N

0 1,000 2,000 Feet

Form 42-1761-1 10/15

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED
JAN 06 2023
DEPARTMENT OF WATER RESOURCES

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

61-12354

Designated Applicant Paul and Shelia Hudson
(Select one owner – see item 1A on the application)

Water Right No. Attachment A
(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 $	Received By:	Date Received:	Receipt #
W-9 received? Yes ☐ No ☐ (Route W-9 to Fiscal)		Name on W-9:	

2544

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: Paul and Shelia Hudson

Mailing Address: 8604 W. High Ridge Ln. (Street) | Eagle (City) | ID (State) | 83616-1443 (Zip Code)

Email Address: Paul@Paulhudson.com Phone Number: (208) 859-4600

☑ 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: Hal N. Anderson Organization: Idaho Water Engineering

Professional Title: Managing Partner Email Address: hal@idahowaterengineering.com

Mailing Address: 2918 N. El Rancho Pl., Boise ID. 83704 Phone Number: (208) 830-5525

☐ 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.

~~Wells, mainlines and center pivots~~

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 Rights Included

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.

155.87 a/f in 2021

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 ☐

~~Transfer No. 78536 in 2016~~

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 (Year) to 2023 (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.

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
Sheila Hudson	Sheila Hudson	1-6-2022
Paul Hudson	PAUL HUDSON	12-2-2022

Signature of Authorized Representative	Printed Name	Date
Hal N. Anderson	Hal N. Anderson	12/10/2022

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

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)
Attachment A				
	Total Amounts:			

2. Source of water groundwater tributary to _____

3. Point(s) of diversion:

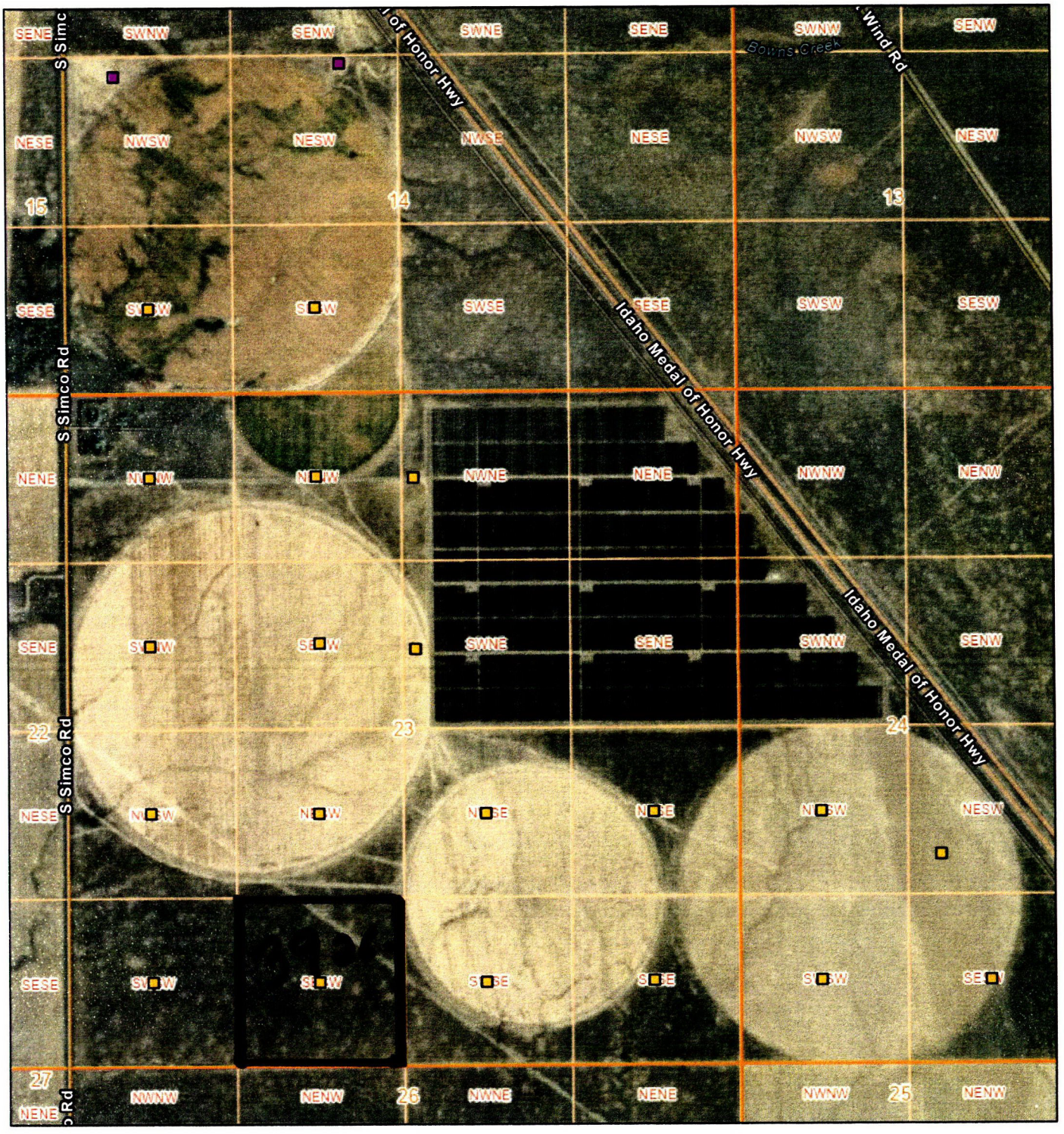
Twp	Rge	Sec	Lot	¼	¼	¼	County
01S	04E	14		SW	NW		Elmore
01S	04E	14		SW	NE		

Attachment A

Hudson						
Water Right	Div. Rate	Volume AF	Acre Limit	Div. Rate	Volume AF	Acre Limit
				Lease	Needed for Shekinah Rental	
61-12354	0.17	33.2	8.31	0.17	33.2	7.98
61-12355	0.17	40.5	10.1	0.17	40.5	9.70
61-12356	0.07	20	5.01	0.07	20	4.81
61-12357	0.03		1.49	0.03	0.00	1.43
61-12358	0.17	34.5	8.63	0.17	34.5	8.28
61-12359	0.18	38.8	9.69	0.18	38.8	9.30
Total			43.23		155.87	38.96
Tot. Combined Allowed		155.87	38.96			

Attachment 3

Water Supply Bank Map



1/5/2023, 10:55:11 AM

1:18,056

0 0.1 0.2 0.4 mi

0 0.17 0.35 0.7 km

- Groundwater Rental PODs
- Groundwater Lease PODs
- Administrative Basins
- Quarter Quarters
- PLS Sections
- Townships

Esri Community Maps Contributors, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA, Maxar

Idaho Department of Water Resources
Maxar | IDWR | Idaho Department of Water Resources (IDWR)

Form 42-1761-1 10/15

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED
DEC 28 2022
DEPARTMENT OF WATER RESOURCES

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

Designated Applicant Paul and Shelia Hudson
(Select one owner – see item 1A on the application)

Water Right No. Attachment A
(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 $ 500.00	Received By: KM	Date Received: 12.28.22	Receipt # C114975
W-9 received? Yes ☐ No ☑ (Route W-9 to Fiscal)		Name on W-9:	

2544

SUPERCEDED

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 Paul and Shelia Hudson

Mailing Address 8604 W. High Ridge Ln. (Street) Eagle (City) ID (State) 83616-1443 (Zip Code)

Email Address Paul@Paulhudson.com Phone Number (208) 859-4600

☑ 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 Hal N. Anderson Organization Idaho Water Engineering

Professional Title Managing Partner Email Address hal@idahowaterengineering.com

Mailing Address 2918 N. El Rancho Pl., Boise ID. 83704 Phone Number (208) 830-5525

☐ 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.**

SUPERCEDED

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.

~~Wells, mainlines and center pivots~~

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 Rights Included

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.

155.87 a/f in 2021

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 ☐

~~Transfer No. 78536 in 2016~~

SUPERCEDED

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 (Year) to 2024 (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.

_____

_____

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.

Paul Hudson	PAUL HUDSON	12-2-2022
Signature of Designated Applicant	Printed Name	Date
Hal N. Anderson	Hal N. Anderson	12/12/2022
Signature of Authorized Representative	Printed Name	Date

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

SUPERCEDED

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: Attachment A

Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
Total Amounts:			

2. Source of water groundwater tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
01S	04E	14		SW	NW		Elmore
01S	04E	14		SW	NE		

Attachment 2

SUPERCEDED

Attachment A

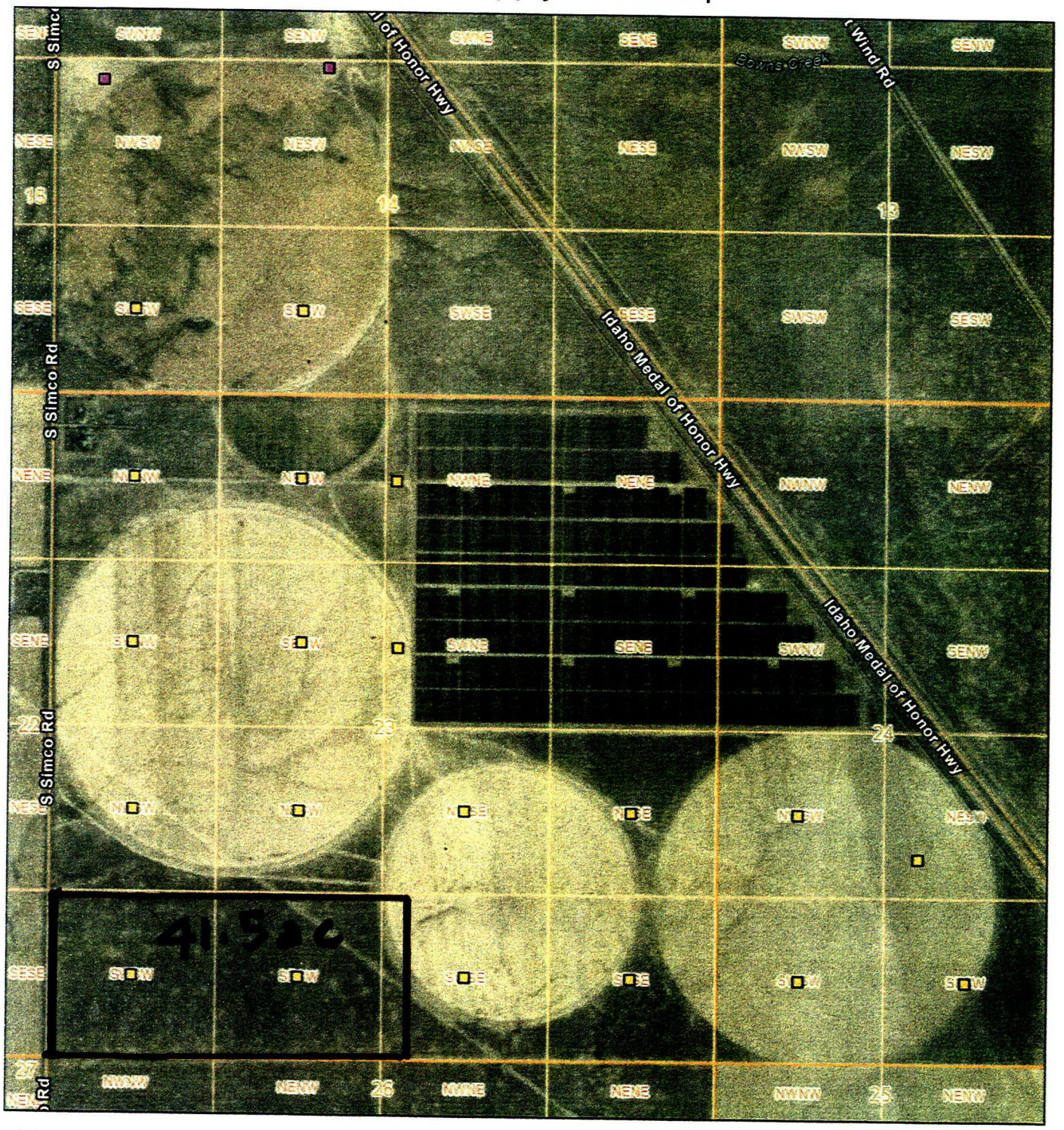
Hudson

Water Right	Div. Rate	Volume AF	Acre Limit	Div. Rate	Volume AF	Acre Limit
				Lease	Needed for Shekinah Rental	
61-12354	0.17	33.2	8.31	0.16	31.91	7.98
61-12355	0.17	40.5	10.1	0.19	38.78	9.70
61-12356	0.07	20	5.01	0.10	19.24	4.81
61-12357	0.03		1.49	0.03	5.72	1.43
61-12358	0.17	34.5	8.63	0.17	33.14	8.28
61-12359	0.18	38.8	9.69	0.19	37.21	9.30
Total			43.23		166.00	41.50
Tot. Combined Allowed		155.87	38.96			

SUPERCEDED

ATTACHMENT 3

Water Supply Bank Map



10/27/2022, 9:11:45 AM

1:18,056

0 0.1 0.2 0.4 mi

0 0.17 0.35 0.7 km

- Groundwater Rental PODs
- Groundwater Lease PODs
- Administrative Basins
- Quarter Quarters
- PLS Sections
- Townships

Esri Community Maps Contributors, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA, Maxar

Idaho Department of Water Resources
Maxar | IDWR | Idaho Department of Water Resources (IDWR)

SUPERCEDED

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

February 27, 2023

PAUL & SHEILA HUDSON
8604 W HIGH RIDGE LN
EAGLE, ID 83616-1433

RE: APPLICATION TO LEASE WATER RIGHTS 61-12357, 61-12358, 61-12355, 61-12356, 61-12359 & 61-12354 TO THE WATER SUPPLY BANK CONTRACT 1661

******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, 2023,** 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: Hal Anderson

MEMORANDUM FOR APPLICATION # [redacted]

To: Water Rights 61-12354, 12355, 12356, 12357, 12358, 12359
From: Bob Howe
Date: 01/13/2023
Re: Review & Analysis of Application to Lease Water to the State Water Supply Bank

---

PURPOSE/NARRATIVE: On January 6th, 2023, IDWR received the completed water supply bank lease application with fee payment from J&M Solid Rock for the stacked partial water rights 61-12348 through 61-12353, for 1yr (2023). On January 12th, 2023, after reviewing the application for partial lease and appurtenant water rights documents, I found that the legal description for the points of diversion (PODs) on the purposed lease had the quarter-quarter information reversed. I emailed the lessors and Hal Anderson (named representative) to advise them of the error. On January 13th, 2023, the named representative responded via email agreeing that the points of diversion had somehow been transposed on the legal description in the lease application.
After further review of the rental application, and both partial lease applications I realized the purposed leases are for the total volume, diversion rate, and acres of the additive water rights. The water rights appurtenant to the purposed lease have conditions stating combined limits of 0.59cfs, 156af, for the irrigation of 39 acres. I emailed the applicant and asked that he submit the full water rights for lease, so we can accommodate the rental submitted. On January 14th, 2023, the applicant responded via email to confirm that the lease applications should both be for the full water rights.

AUTHORITY TO FILE: The application for the partial lease of water rights 61-12354 through 61-12359 was signed by Paul & Sheila Hudson, the named owners of all the water rights submitted for lease according to IDWR records. The current tax lot data names the applicant Paul Hudson as owner of parcel RP01S04E236005, location of the place of use (POU) and points of diversion (POD) for the appurtenant water rights. There are no concerns regarding the authority to file the application for lease.

WATER RIGHT VALIDITY: Google Earth and GIS imagery were used to confirm that the applicants have idled the place of use for the purposed lease. The water rights on the purposed lease have been partially leased into the water bank since 2021. There are no concerns with validity of the water rights and portions offered to the bank.

INJURY TO OTHER WATER RIGHTS: Lease of this water right would not cause injury to other water rights. Proper review to prevent injury if rented.

ENLARGEMENT OF USE: Water rights 61-12280 through 61-12285 were split in 2020 into water rights 61-12354 through 61-126359. The current water rights purposed for partial lease are stacked and cannot exceed the combined flow and volume limits stated on the appurtenant water rights. Rights 61-12354, 61-12355, 61-12356, 61-12357, 61-12358 and 61-12359 when combined shall not exceed a total diversion rate of 0.59cfs, a total annual maximum diversion volume of 156af, a total annual maximum consumptive use volume of 115af, and the irrigation of 39 acres in a single irrigation season. There are no concerns regarding enlargement if the full water rights are offered to the bank.

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 locations of the purposed lease PODs are within Water district #161, the Mountain Home GWMA and CGMA-Cinder Cone Butte, in which all ground water rights are administered. On January XXth, 2013, Water District Watermaster, Ed Van Etten, was sent a comment request email with an attached copy of the purposed lease contract, map, and lease application. Birdhunter2462@hotmail.com

RECEIVED
JAN 06 2023
DEPARTMENT OF
WATER RESOURCES

Idaho Water Engineering
Water Solutions

Mackenzie,
I have updated the Lease and Rental Applications given your direction. I have updated the spreadsheets and maps as you suggested and also made copies of the first page of the Lease Applications for each water right. You are correct that the Lease/Rental is for the 2023 growing season. The Preston Rental is for the easternmost pivot. Once I get the signed Hudson signature page, I will deliver the updated Applications to IDWR.
–Hal

Hal N. Anderson
Managing Partner
Idaho Water Engineering
2918 N. El Rancho Place
Boise, ID. 83704
Office: 208.378.1513
Cell: 208.830.5525
hal@idahowaterengineering.com

Kienholz, Mackenzie

From: Kienholz, Mackenzie
Sent: Wednesday, January 4, 2023 3:50 PM
To: Hal Anderson
Subject: Information Needed - Water Supply Bank Package

Follow Up Flag: Follow up
Due By: Wednesday, January 18, 2023 8:00 AM
Flag Status: Flagged

Good afternoon, Hal,

There are clarifications that need to be made on the Water Supply Bank lease/rental package you submitted for Paul & Sheila Hudson, J&M Solid Rock, and Michael Preston. Please see below and respond with the requested information within 14 days.

Lease Application #2544 for Paul Sheila Hudson:

- The rights to be leased have a combined limit of 0.59 cfs, 156 af, and 39.0 acres. The requested amounts for lease/rental were 166.0 af and 41.5 acres. The requested amounts cannot be higher than the combined limit.
- Regarding the above point, it looks like the full amounts of each water right are intended to be leased so that the full combined limit can be rented. Please confirm whether the full amounts of all rights should be leased.
- The map provided identifies approximately 85 acres. Please submit a map identifying at most 39.0 acres to be idled.
- Sheila Hudson and Paul Hudson are both owners of the water right. Sheila will need to sign the applications, or an attachment 1A listing Paul as the designated lessor will need to be submitted. Please provide this documentation within 30 days.
- As stated on the front page of the application, an application is needed for each water right. Please submit applications for each water right. The contents can be the same, but we at least need a copy of the front page for each water right. These can be sent via email and would not require new signatures.

Lease Application #2543 for J&M Solid Rock:

- See point above: one application is needed for each water right.
- I believe this lease is also supposed to be the full water rights so the full combined limit can be rented. Please confirm this.

Rental Application #2542 for Michael Preston

- The requested length was marked as one year, however the leases are for 2023-2024 which is two calendar years. Is the rental supposed to be 2023-2024 as well?
- A map is needed identifying which 101.3 acres will be irrigated under the rental instead of a larger POU.
- If the rental POU is not the easternmost pivot identified in the provided map, permission is needed for irrigation of land owned by 1st Street Property LLC for portions in 01S 04E SEC 23 NESW, NWSW, SENW, SWNW, NENW & NWNW.

Please let me know if you have any questions or clarifications.

Thank you,

Mackenzie Kienholz
Water Supply Bank Specialist

IDAHO DEPARTMENT OF WATER RESOURCES

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