STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 703

This is to certify that:

RECEIVED
FEB 16 2023
DEPARTMENT OF
WATER RESOURCES

LAKESIDE INDUSTRIES INC
PO BOX 479
BELLEVUE, ID 83313-0479

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
37-11821	5/15/1882	BIG WOOD RIVER	2.46	287	82	0.030	3.5
37-11822	8/1/1884	BIG WOOD RIVER	1.15	287	82	0.014	3.5
37-11823	5/15/1895	BIG WOOD RIVER	0.82	287	82	0.010	3.5
Combined Rental Totals			**4.43**	**287**	**82**	**0.054**	**3.5**

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2027. Use of rental water shall be authorized as of either the date this rental agreement takes effect or the first day of the rental season of use, in 2023, whichever occurs last.

Annual Rental Fee:

2023 - 2027: $660.10 annually

The full fee for the rental of the above-described right(s) is $6,601.00 per year for years 2023 - 2027. The rental fee includes an administrative fee of $660.10 per year for years 2023 - 2027. Note that the renter is obligated to pay only the administrative fees associated with the water right(s): 37-11821, 37-11822, 37-11823.

An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Total Water Use Authorized Under Rental Agreement

Beneficial Use	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate/Acre (CFS/AC)	Volume/Acre (AF/AC)
IRRIGATION	1.64	287	82	0.02	3.5
Combined Total	**1.64**	**287**	**82**	**0.02**	**3.5**

**** The authorized water usage reflects a reduction from the water right elements rented, to account for the duty of water, 0.02 cfs/acre and 3.5 af/acre.***

Detailed water right conditions are attached.

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MAR 18 2023

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 703

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

Signature of Renter _____ Date 2/14/2023

STUART TAYLOR For LAKESIDE IND. RANCH MANAGER
Printed Name Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By _____ Date 2/17/23
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Rental approved by IDWR _____ Date 2/17/23

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 703

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

BIG WOOD RIVER SENW Sec. 35, Twp 01N, Rge 18E, BLAINE County

BENEFICIAL USE	DIVERSION RATE	VOLUME
IRRIGATION	1.64 CFS	287 AF

SEASON OF USE

From	To
4/15	10/31

RENTERS PLACE OF USE: 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	
01N	18E	34			2.2	23									22.1	11.9			59.2
01N	18E	35							9.8			13							22.8

Total Acres: 82

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from 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.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
7. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.
8. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
9. Right includes accomplished change in place of use pursuant to Section 42-1425, Idaho Code.
10. Right Nos. 37-2493, 37-11821, 37-11822 and 37-11823 are limited to the irrigation of a combined total of 82 acres in a single irrigation season.

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WATER SUPPLY BANK RENTAL AGREEMENT No. 703

11. This rental and Rights 37-7002, 37-7309, and 37-12089 when combined shall not exceed the irrigation of 507.6 acres.
12. This rental and Rights 37-7002, 37-7309, 37-11824, 37-11825, 37-11826, 37-11827, 37-12089 when combined shall not exceed 930.9 acres.
13. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the lands below.
14. The right holder shall use the full allotment of appurtenant surface water rights in conjunction with groundwater diverted for irrigation purposes under this right and shall only divert groundwater under this rental for irrigation purposes when water from the appurtenant surface water rights cannot be delivered to the right holder.

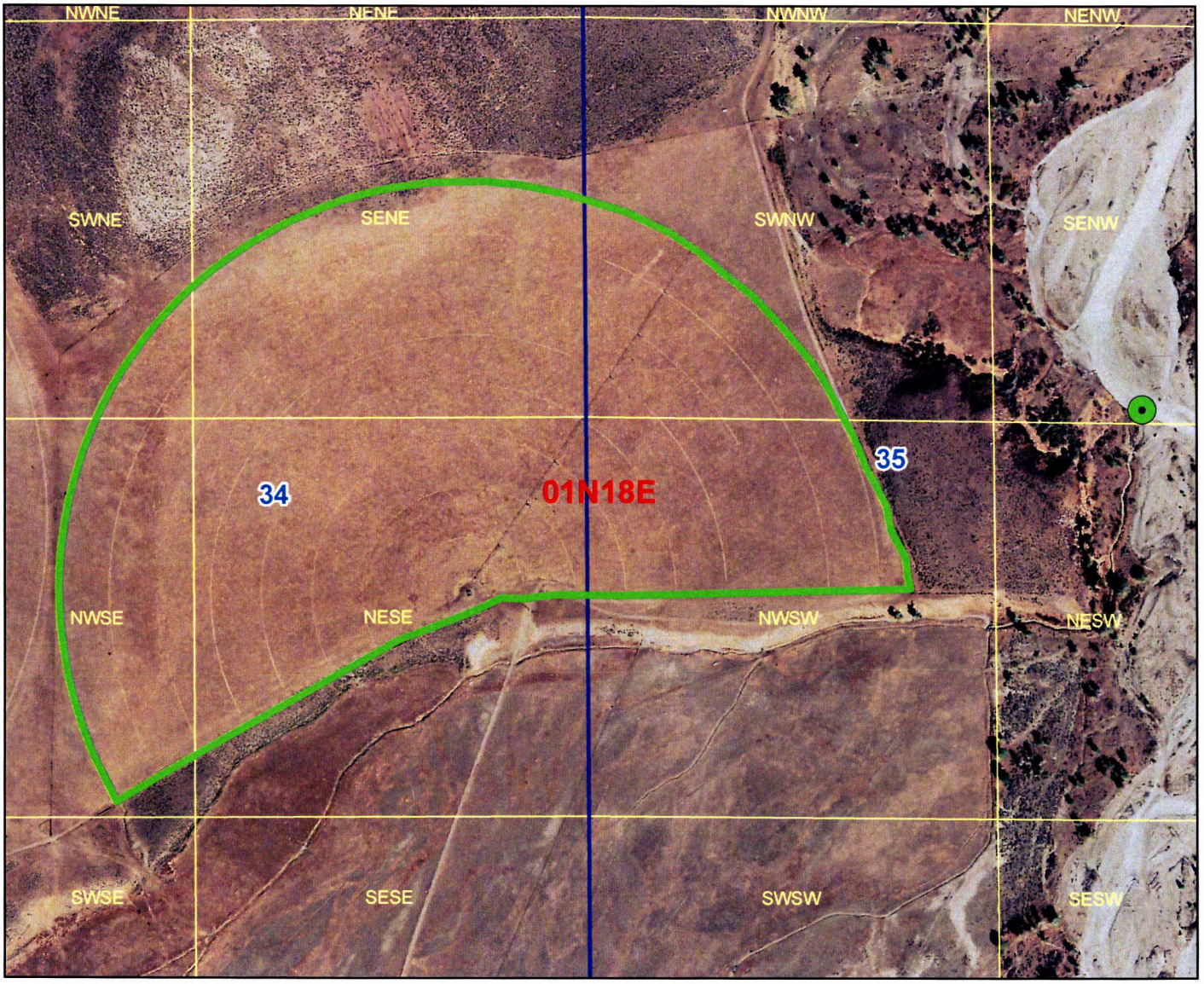
SCANNED

Idaho Water Resource Board

Attachment to Water Supply Bank Rental Agreement No. 703

Effective until December 31, 2027

This map depicts the **rental place of use** pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



Legend

- Water Supply Bank Rental POD
- Water Supply Bank Rental POU
- Township/Range
- Sections
- QQ

N

0 500 1,000 1,500 Feet

SCANNED

Form 42-1761-2 10/15

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APR 04 2022

DEPARTMENT OF WATER RESOURCES

STATE OF IDAHO
WATER RESOURCE BOARD

Print Form

APPLICATION TO RENT WATER FROM THE BOARD'S WATER SUPPLY BANK

Applicant Name: LAKESIDE INDUSTRIES INC

Is this application being submitted with a lease application as a lease/rental package? **Yes** ☑ **No** ☐
If yes, specify companion water rights in Section 4

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. **Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.**

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

Attachment	N/A	Yes	
		Yes	
		☑	Completed *Application to Rent Water from the Board's Water Supply Bank*
		☑	Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank
Attachment	**N/A**	**Yes**	
2		☑	A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request
3A	☐	☑	Detailed information on a proposed use of rental water
3F	☑	☐	Authorization from the owner/operator of the rental point(s) of diversion
3H	☑	☐	Water modeling to account for the impacts of the rental request
3J	☐	☑	Documents justifying a rate of flow greater than 0.02 cfs/acre
3K	☑	☐	Authorization from the owner/operator of the property at the proposed rental place(s) of use
4B	☑	☐	Explanation of how the rental water will sufficiently accomplish your rental purposes
4C	☑	☐	Explanation of consumptive use amounts for water rights experiencing a change in nature of use

Department Use Only – Proposed Water Right(s)

37-11821 37-11823

37-11822

SCANNED

2341

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant LAKESIDE INDUSTRIES INC

Mailing Address PO BOX 479, BELLEVUE, ID 83313-0479
Street City State Zip Code

Email Address Sharon Lee <slee247@mac.com> Phone Number 206-601-1515

B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☑ No ☐
If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative Sharon Lee Professional Title

Organization LAKESIDE INDUSTRIES INC Relationship to Applicant

Mailing Address PO BOX 479, BELLEVUE, ID 83313-0479

Email Address Sharon Lee <slee247@mac.com> Phone Number 206-601-1515

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental 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 irrigate. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:

Continuing drought conditions have reduced water availability from both surface water and ground water resulting in the need to consolidate available surface water to optimize the use of the available water for livestock feed production.

B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
CFS	AF	CFS	AF	100 AC

* ***Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.***

C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
		☐ 1	☐ 2	☐ 3	☐ 4	☑ 5	☑ Process application as soon as possible	☐ Return application to applicant
4/15	5/1							

* ***The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.***

** ***Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.***

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STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):

Water will be diverted at an existing POD from the Big Wood River, most of the water will be pressurized for use in a part circle pivot, 15 acres worth of water will supplement the supply for flood irrigated acres.

E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
Graf	Big Wood River	37-11824, 11825, 11826, 11827

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

F. Has documented consent from all relevant water delivery entities been obtained? Yes ☐ N/A ☑
If yes, include documented consent as **Attachment 3F**.

G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☐ No ☑
Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

H. Has water modeling been provided with your rental request? Yes ☐ N/A ☑
If yes, label modeling Attachment 3 H.
Rental applications that require modeling will be returned if modeling is not provided.

I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

☐ Irrigation 100 (number of acres) Duration: Subject to IDWR standard seasons of use
☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)
☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)
☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)
☐ Other: _____ from: _____ (mm/dd) to: _____ (mm/dd)

J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☐ Yes ☑ No ☐
If yes, justify the rate of flow and attach any supporting documents as **Attachment 3J**. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

The water rights to be rented are decreed at more than 0.02 cfs/acre, however, the delivery rate to the pivot is limited to 0.02 cfs/acre and the flood irrigation will be limited to 0.02 cfs at the field headgate.

K. Do you own the land at the proposed rental place of use (POU)? Yes ☑ No ☐
If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it **Attachment 3K**.

L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

37-7002, 37-7309, 37-11824, 37-11825, 37-11826, 37-11827, 37-12089

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STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights? Yes ☑ No ☐

If yes, specify below the elements of the water rights you are requesting to rent. **If no,** continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via IDWR's website.

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request**. For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
37-11821	Irrigation	3.00		100		3.00		100
37-11822	"	1.40		100		1.40		100
37-11823	"	1.00		100		1.00		100
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					**TOTAL**	5.40		100
						CFS	**AF**	**AC**

****Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.***

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

N/A

C. Does your rental request propose to change the nature of use for any water right(s) being rented? Yes ☐ No ☑

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

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Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☑ No ☐
If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes ☐ No ☑
If yes, describe:

C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☐ No ☑
If yes, describe the date and location of the NOV.

D. Additional Information
All of the water rights owned by the applicant are proposed to be removed from the current POU to avoid an expansion of water use. All of the water is being moved to land that is covered by existing rights but is not currently able to be served by existing water rights due to drought conditions.

DECLARATION

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any *willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval.* I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.

Signature of Applicant	Printed Name of Applicant	Date
[signature]	Sharon Lee Co. owner	4-1-22
Signature of Representative	Printed Name of Representative	Date

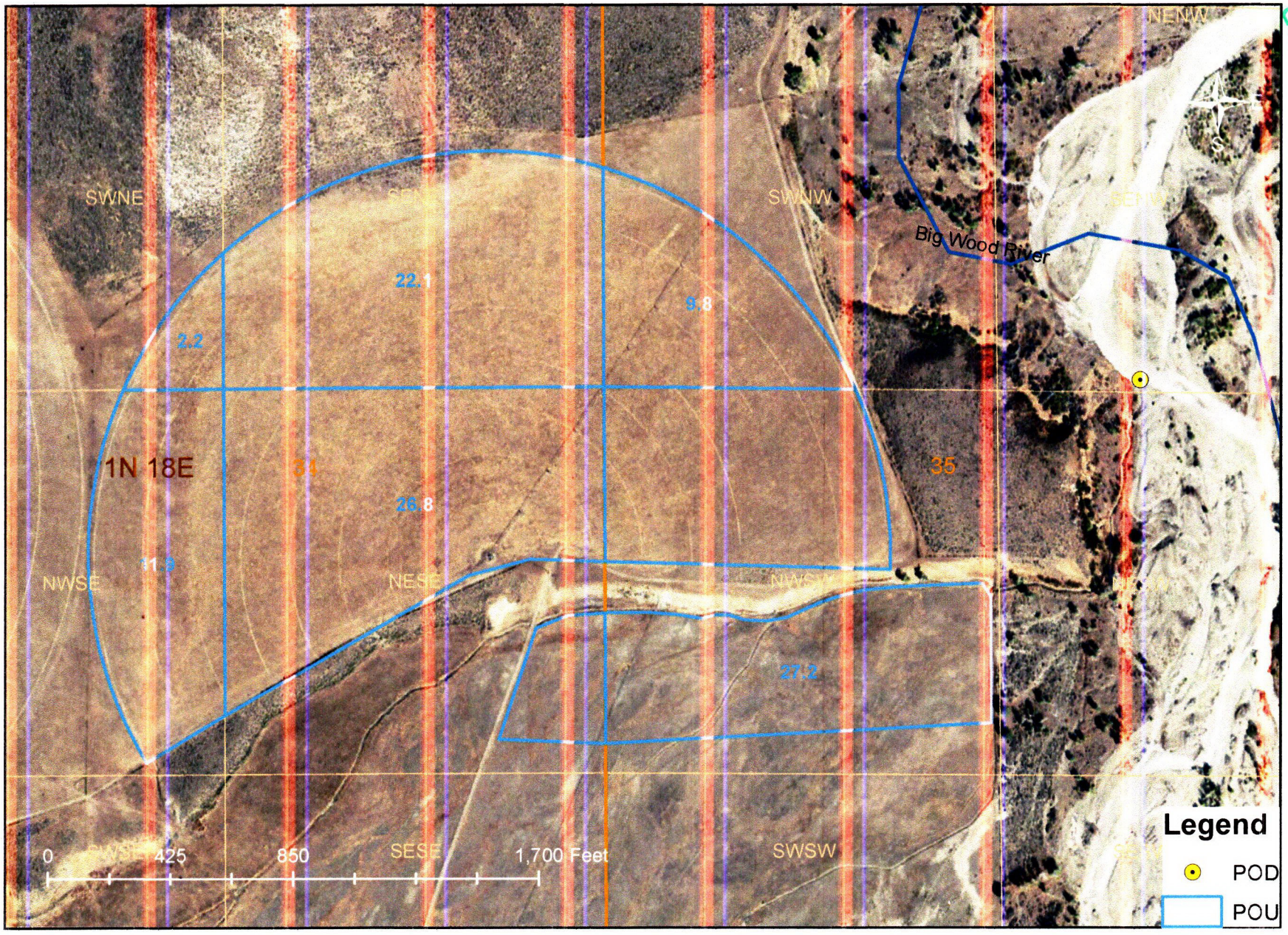
Print Form

Mail to:

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

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Lakeside Industries Lease/Rental POD & POU



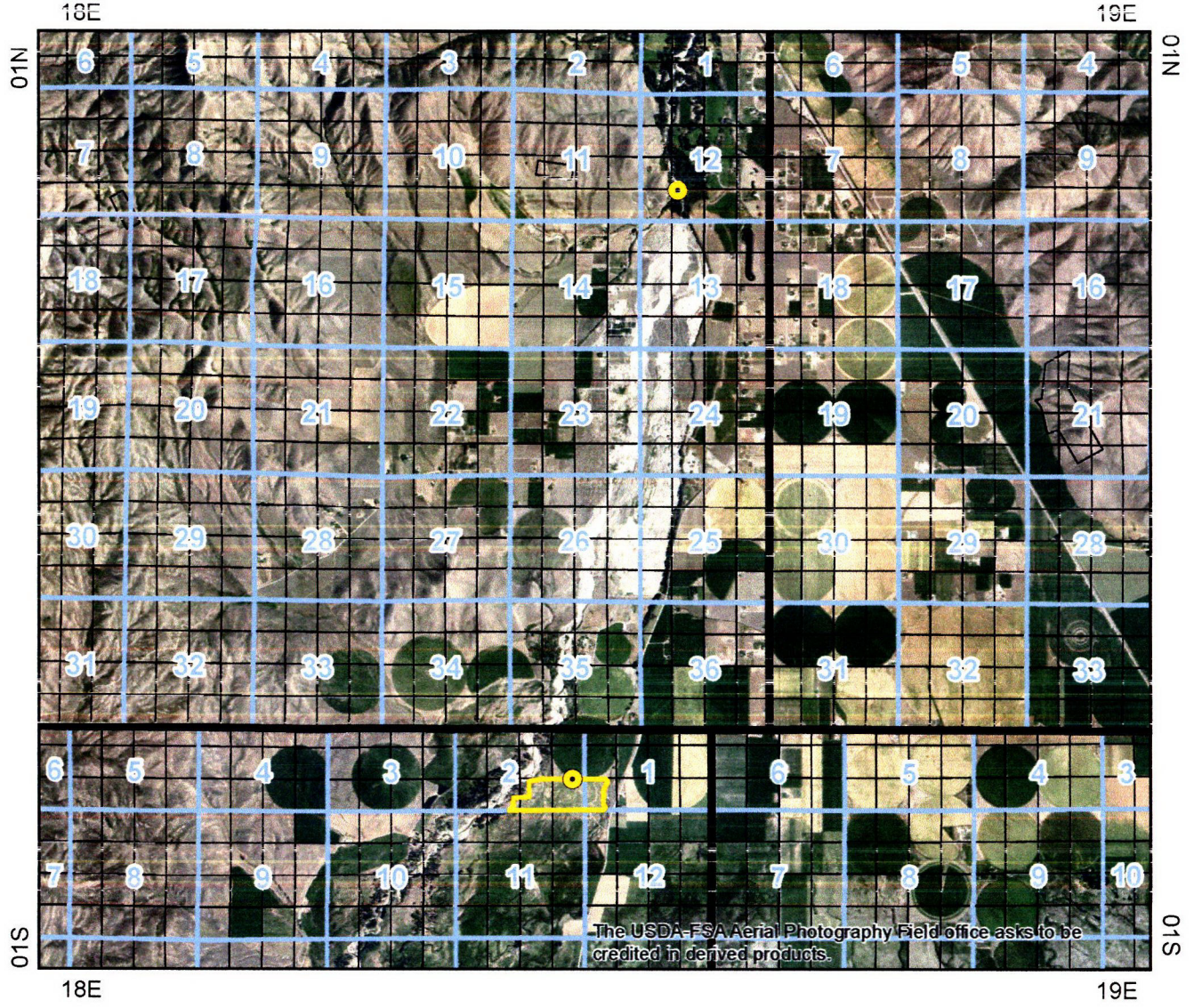
Based on 2021 NAIP Photography

State of Idaho
Department of Water Resources

Water Right
37-11822

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



Point of Diversion
Place Of Use Boundary
Townships
PLS Sections
Quarter Quarters

0 0.75 1.5 3 Miles

N

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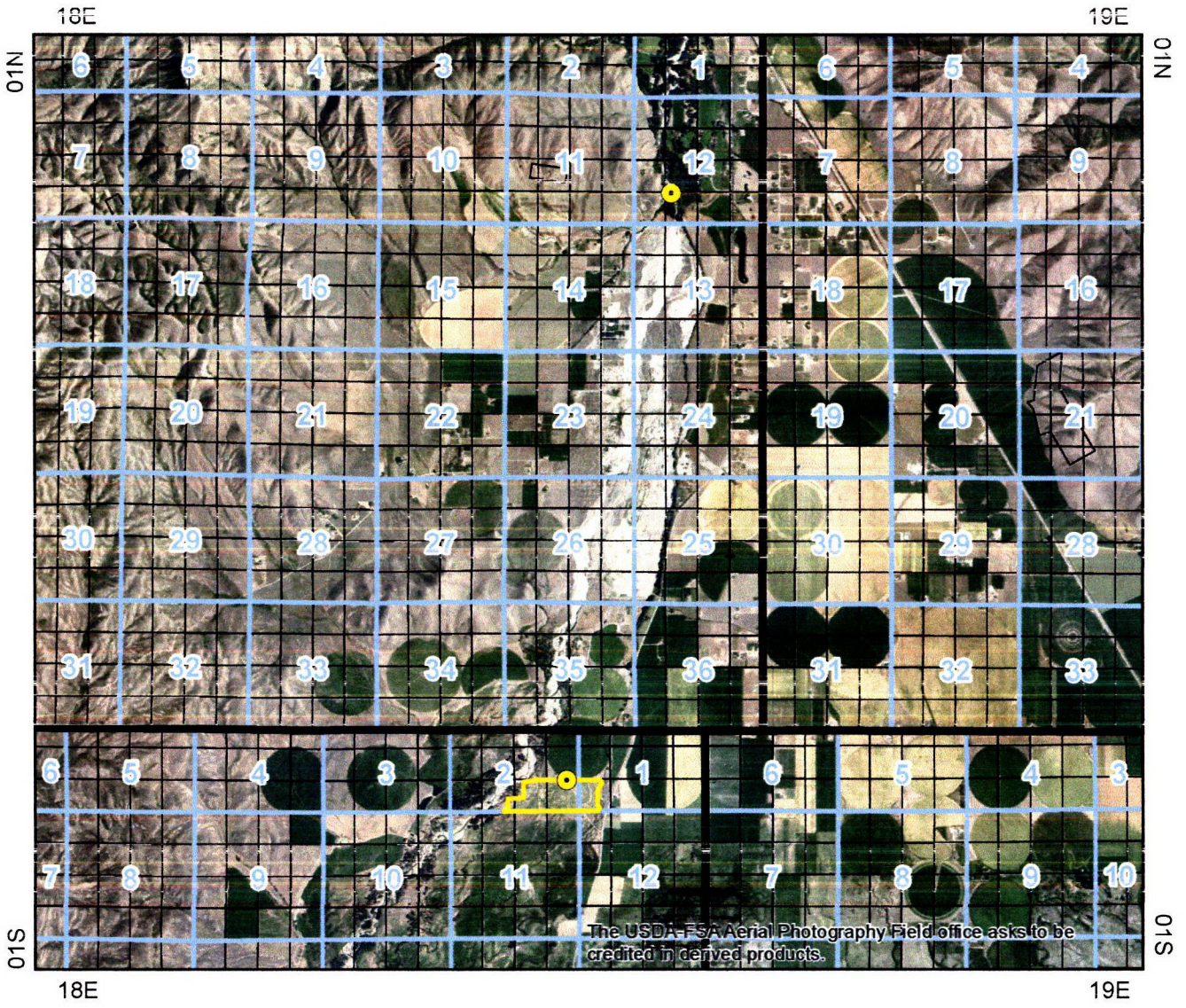
Map produced on March 29, 2022

State of Idaho
Department of Water Resources

Water Right
37-11821

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



Point of Diversion
Place Of Use Boundary
Townships
PLS Sections
Quarter Quarters

0 0.75 1.5 3 Miles

N

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Map produced on March 24, 2022

State of Idaho
Department of Water Resources

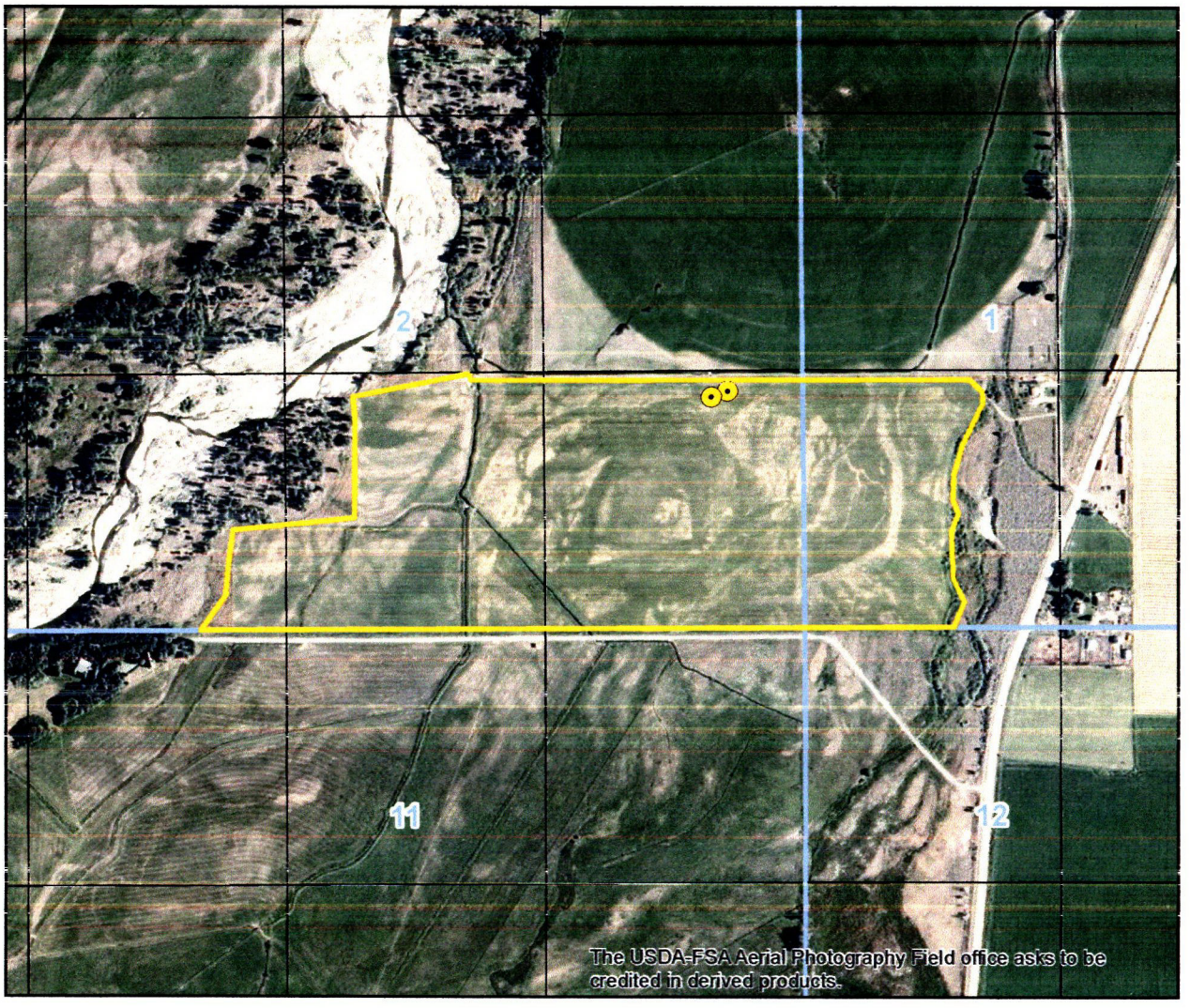
Water Right
37-2493

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.

18E

01S



Point of Diversion
Place Of Use Boundary
Townships
PLS Sections
Quarter Quarters

0 0.1 0.2 0.4 Miles

N

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Map produced on March 24, 2022

WSB Mailing Checklist for Rentals

(use on all new rental applications)

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

Received Date: 04/04/2022
Latest Start Date:
Renter: Lakeside Industries
Rental Expiration Date
Lease/Rental Package (Y) N

Application # 2341 Agreement # 703

Water Right	Lease Contract ID
#_ 37-11821	
#_ 37-11822	
#_ 37-11823	
#	
#	
#	
#	
#	
#	
#	
#	
#	
#	

Applicant Authorized?	Y / N
Map of POU and POD	Y / N
POD consent?	Y / N
ESPA Modeling?	Y /N NA
Application Complete?	Y / N
Minimum Checklist in database?	☐
Request for additional information letter sent:	Y NA
WSB Action Request for deficiencies	☐

Comments: LEASE APP # 2340 WRS 37-11821, 37-11822, 37-11823 AND 37-2493. RENTAL APP # 2341 PROPOSES USE OF WRS 37-11821 37-11822, AND 37-11823 AUTHORIZED BY APPROVED TEMP CHANGE TC-37-91 FOR 2022. HOLD PROCESSING OF LEASE 37-11821, 37-11822 + 37-11823 AND RENTAL 2341 UNTIL 2023 SEASON

Mailings (per application)	Original	CC	Email or Address
Renter: Lakeside Industries	☒	☐	
Attorney:	☐	☐	
Consultants Name: DAVE SHAW	☐	☐	
Conveyence Entity: (Ex. Irrigation Dist. of Canal Co.)	(final only)	☐	
(Ground) Water Dist: 37, Southvalley	(final only)	☐	
Other: (WD Snake 01, Boise, Payette, and Bear River)	(final only)	☐	
Region: Southern	(final only)	☐	
Watermaster:	(final only)	☐	
Compliance:	(final only)	☐	

Resolving NOV? Y / N
#

Call up Date:

DO NOT SCAN

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 20, 2023

LAKESIDE INDUSTRIES INC
PO BOX 479
BELLEVUE, ID 83313-0479

RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 37-11821, 37-11822 & 37-11823 AGREEMENT 703

Dear Renter:

Please find enclosed receipts in the amount of **$660.10** and a copy of the fully executed Water Supply Bank Rental Agreements in connection with the rental of 287 acre-feet of water for irrigation of 82 acres in 2023. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Since you are both lessor and renter of the above water right (s), you are only responsible for the administrative fee of $660.10.

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

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosures: Receipt No. C115325
Rental Agreement (copy)

c: Sascha Marston – Fiscal
IDWR Southern Regional Office
Dave Shaw
Water District 37

SCANNED

IDAHO DEPARTMENT
WATER RESOURCES

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

Governor Brad Little Director Gary Spackman

February 9, 2023

LAKESIDE INDUSTRIES INC
PO BOX 479
BELLVUE, ID 83313-0479

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 37-11821, 37-11822 & 37-11823, AGREEMENT 703

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

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of **$660.10** was calculated based on the current rental rate of $23.00 per acre-foot times a diversion volume of 287 acre-feet. Since you have a private agreement with the water right owner, **you are only obligated to pay the 10% administrative fee or $660.10 for 2023.** An annual payment shall be received by the Department prior to the execution of this agreement and prior to January 1 in all subsequent years for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check for $660.10 for 2023 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing.

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

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosure(s)

c: IDWR Front Desk

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MEMORANDUM FOR AGREEMENT # 703

To: Water Right N(s). 37-11821, 37-11822, 37-11823

From: Skyler Cheever – Water Resource Agent

Date: 12/23/2022

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

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PURPOSE/NARRATIVE:
Application 2341 was sent in by Lakeside Industries Inc and received on April 4th, 2022. The application proposes to rent water rights, 37-11821, 37-11822, and 37-11823 from their own contract,1640, from 2023-2027. Water is diverted from the Big Wood River into the Bypass Canal. Then water is rediverted near the place of use. The point of diversion is within the Big Wood River GWMA, Snake River Moratorium, GWD South Valley, and Trust Water Area. The Groundwater Master was informed of this application. This rental was initially intended to start in 2022 but was put on hold because of temporary change 37-91 which filled the same purpose as this application. However, temporary change 37-91 expired in October 2022.

AUTHORITY TO FILE:
Sharon Lee signed the application. Ms. Lee has the authority to file this application because she is a Director of Lakeside Industries Inc according to the Idaho Secretary of State's Office Database. Lakeside Industries Inc is the current owner of the property in which rental water will be applied according to Tax Parcel Data.

INJURY TO OTHER WATER RIGHTS:
The rental point of rediversion from the Bypass Canal is the same as surface water rights 37-11824, 37-11825, 37-11826, and 37-11827 and temporary change 3-91. Surface water is being idled at the lease place of use and moving to a different place of use less than 1 mile away from the original point of rediversion. It would be unlikely canal flows would be depleted enough to injure water rights in-between the original and rental points of rediversion.

ENLARGEMENT OF USE:
This rental application and application 2363 unstack water rights in contract 1640. Administrative Transfer Memo #24 describes enlargement concerns when stacked water rights are separated. A supplemental groundwater right can be moved from one place of use to another when the primary rights at the original and new place of use provide similar water supply. If this is the case, then supplemental groundwater would not exceed historical use and would not cause enlargement. These applications fit this scenario.

The duty of water for rights in this area is 0.02 cfs/acre and 3.5 af/acre at the field headgate. The rate per acre combined for rights 37-11821, 37-11822, and 11823 is 0.05 cfs per acre. This is more than the standard duty of water. The authorized diversion rate will be reduced to 0.02 cfs per acre to prevent enlargement.

The initial application moved 100 acres of surface water irrigation to an 82-acre partial pivot and an additional 18 acres to the south. A memo written by Dan Nelson for temporary change 37-91 stated that 18 acres to the south of the partial pivot already have surface water rights and could cause enlargement. He recommended that only the 82-acre partial pivot be included, and the remaining 18 acres be returned to the original place of use. After conversation with a representative of Ms. Lee, it was determined the recommendation was suitable. Since this application essentially achieves the same purpose, I would recommend only the 82-acre partial

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pivot be included in this rental. After email correspondence with Ms. Lee and her representative Dave Shaw, it was agreed, January 13th, 2022, that this application would only rent water for the 82-acre partial pivot. The remaining 18 acres would remain idle under contract 1640. Rental application 2363 would be sent back to the applicant and the remaining 100 acres of irrigation remain idle under contract 1640.

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 rental appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS:
The place of use is within Basin and Water District 37. The Watermaster and Southern Regional Manager were contacted on December 27th, 2022. No response was received, it is assumed there is no concern.

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Cheever, Skyler

From: Dave Shaw <dshaw@eroresources.com>
Sent: Friday, January 13, 2023 10:52 AM
To: Cheever, Skyler
Subject: Re: Rental Applications 2341 and 2363

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.**

Thank you Skyler,

Yes, please return rental application 2363.
Thanks again,
Dave

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From: Cheever, Skyler <Skyler.Cheever@idwr.idaho.gov>
Sent: Friday, January 13, 2023 8:57:28 AM
To: Dave Shaw <dshaw@eroresources.com>
Subject: RE: Rental Applications 2341 and 2363

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Hello Mr. Shaw,

Thank you for responding to my email. I do have one question, would you like me to return rental application 2363, for water right 37-2493. It seems from your previous email that you would not like to go forward with this rental. All I need is a confirmation and we will mail your application back to you. If you have any questions, please let me know.

Best,

Skyler

From: Dave Shaw <dshaw@eroresources.com>
Sent: Thursday, January 12, 2023 3:11 PM
To: Cheever, Skyler <Skyler.Cheever@idwr.idaho.gov>
Cc: Sharon Lee <slee247@icloud.com>; Wood River Ranch <wrranch@svskylan.net>
Subject: Rental Applications 2341 and 2363

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Skyler,

Sharon Lee has asked that I respond to your earlier email regarding these rental applications. Please proceed with the rental application for 82 acres of the surface water rights as you recommended. The remaining 18 aces of surface water rights and all of the 100 acre ground water right will be leased to the IWRB water bank to protect the unused portions from claims of forfeiture or abandonment.

Please let me know if you have questions or if I can provide you with any additional information. Thank you for your help,
Dave

David Shaw

ERO Resources Corporation
Consultants in Natural Resources and the Environment
802 S Plaza Rd | Emmett, ID 83617
208.365.7684 | dshaw@eroresources.com | www.eroresources.com

Cheever, Skyler

From: Cheever, Skyler
Sent: Wednesday, January 4, 2023 9:21 AM
To: slee247@mac.com
Subject: Rental Applications 2341 and 2363

Hello Ms. Lee,

I am currently working on reviewing both rental applications 2341 and 2363. Since reviewing all relevant information, I found there might be some enlargement concerns with both applications. Application 2341, the same as Temporary Change 37-91, intends to rent surface water rights 37-11821, 37-11822 and 37-11823 to irrigate an 82.4 acre, rounded to 82 acres, partial pivot and 17.6 acres rounded to 18 acres south of the pivot. In a memo written by Dan Nelson for the review of the temporary change, it was mentioned the 18 acres to the south already received surface water and could lead to enlargement. After a conversation with Dave Shaw, a representative in the matter, it was concluded that only the 82-acre partial pivot would be irrigated with moved surface water. Since this rental essentially achieves the same goal then it is my recommendation that only the 82-acre pivot be included in this rental, with reduce rate and volume proportionally. The remaining water can remain idled at the place of use, be used elsewhere, or be available for others to rent. If you would like me to make this change, then a response to this email would suffice as written confirmation.

Application 2363 intends to rent ground water right 37-2493 for 100 acres of a 160-acre pivot. There are also enlargement concerns if surface water becomes unavailable. In that case is there any way to prevent 100 acres of groundwater being spread to the remaining 60 acres of the pivot leading to enlargement? If there is a way to limit irrigation to just the proposed 100 acres please provide confirmation. If not, then it might not be possible to approve this rental. Some suggestions include, providing a different rental place of use that would prevent enlargement, add additional groundwater to cover the whole 160-acre pivot, or having the application sent back to you. If you have any questions or need more clarification, please let me know.

Best,

Skyler

Skyler Cheever
Water Resource Agent, State Office
Email: skyler.cheever@idwr.idaho.gov
Phone: 208-287-4913

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