

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1596

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

LESSOR: SUN VALLEY CO A WYOMING
CORP
PO BOX 10
SUN VALLEY, ID 83353

RECEIVED

Nov 17, 2022

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 September 02, 2022.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)
37-2710	7/8/1965	SPRING, tributary to SINKS	0.06	2.0
Combined Lease Totals			0.06	2.0

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, 2027. 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.

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DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1596

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.

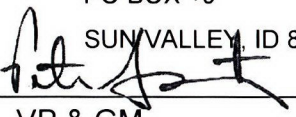
STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1596

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

LESSOR: SUN VALLEY CO A WYOMING
CORP
PO BOX 10

SUN VALLEY, ID 83353

By 
Title VP & GM
Date 11/16/2022

IDAHO WATER RESOURCE BOARD

322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 11/28/22

Lease approved by IDWR 

Date 11/28/22

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1596

**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): 37-2710

SPRING L 4SESE Sec. 23 Twp 04N Rge 17E BLAINE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
37-2710	COMMERCIAL	01/01	to	12/31	0.06 cfs	2.0 AF
Totals:					0.06 cfs	2.0 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: COMMERCIAL

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	17E	23													X L3				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.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

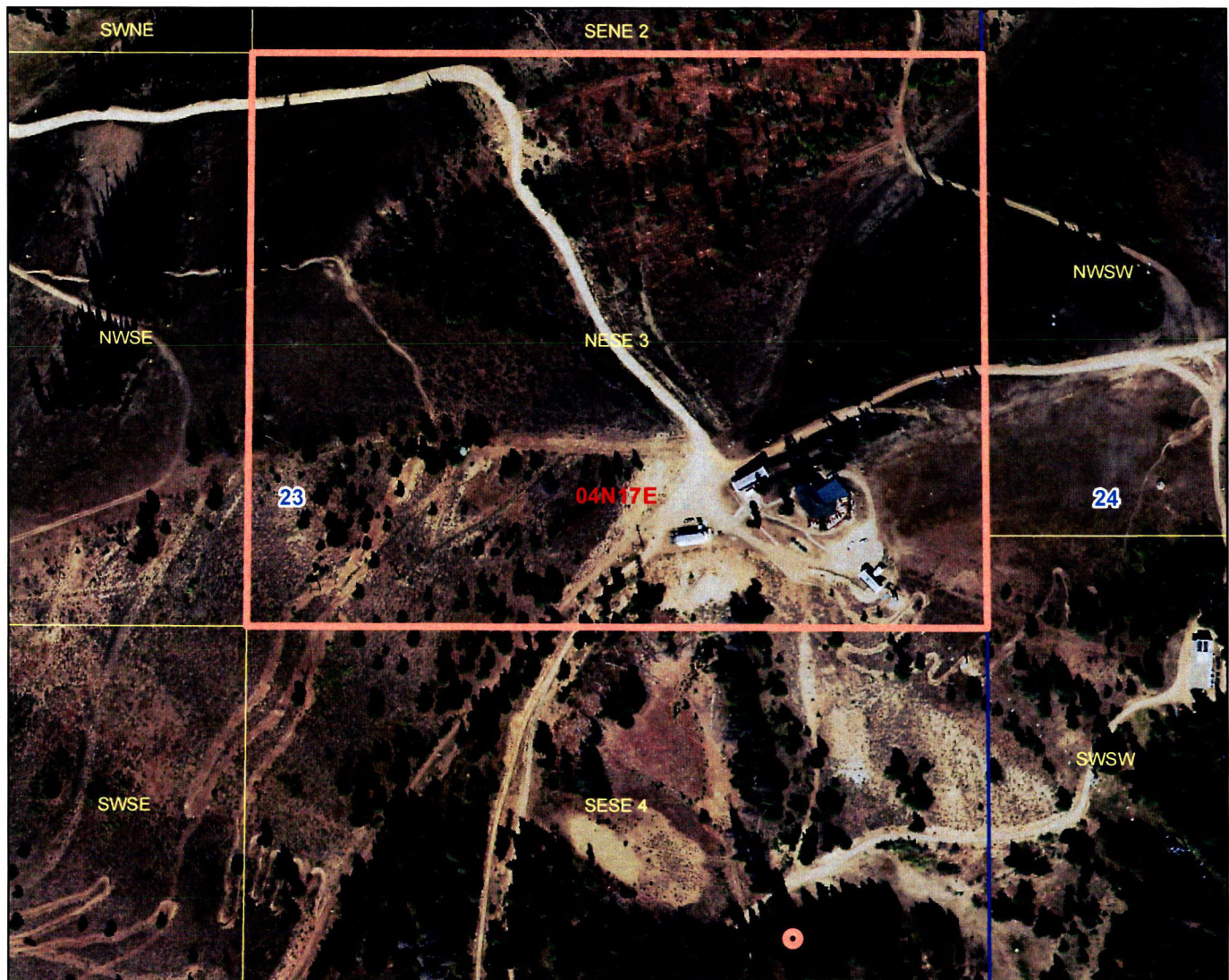
WATER SUPPLY BANK LEASE CONTRACT No. 1596

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. Commercial use is for a restaurant.

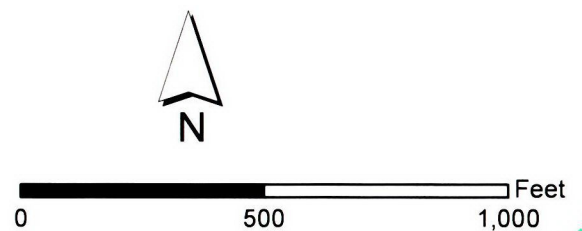
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1596

37-2710
Effective until December 31, 2027

This map depicts the Commercial 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



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STATE OF IDAHO
WATER RESOURCE BOARDRECEIVED
SEP 02 2022
DEPARTMENT OF
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant Sun Valley Company

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

Water Right No. 37-2710

(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 <i>Attached (Yes)</i> or <i>Not Applicable (N/A)</i>			
	Yes		
	☒		Completed <i>Application to Sell or Lease a Water Right to the Water Supply Bank</i> .
	☒		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 <i>all owners</i> of the water right to be leased or sold on this application.
1B	☐	☒	An <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant.
1C	☒	☐	<i>Notice of Change in Water Right Ownership</i> 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 <u>Section 42-222(2), Idaho Code</u> .
Department Use Only			
Fee Amount \$	<u>250.00</u>	Received By:	<u>KU</u>
		Date Received:	<u>9.2.22</u>
		Receipt #	<u>C113913</u>
W-9 received?	Yes ☒ No ☐	(Route W-9 to Fiscal)	Name on W-9: <u>Sun Valley Company</u>

2433

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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 Sun Valley Company c/o Pete Sonntag, Vice President and General Manager
Mailing Address PO Box 10 Sun Valley ID 83353
Street City State Zip Code
Email Address psonntag@sunvalley.com Phone Number (208) 622-2066

☒ 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 Chris M. Bromley Organization McHugh Bromley, PLLC
Professional Title Attorney Email Address cbromley@mchughbromley.com
Mailing Address 380 S. 4th St., Ste. 103, Boise, ID 83702 Phone Number (208) 287-0991

☐ 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.
Collection box and piping.

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

- D. Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes ☐ No ☒
Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of \$500.

- E. Will the present place of use continue to receive water from any other source? Yes ☒ No ☐
If yes, explain the relationship between the different water sources and how enlargement of the authorized use will not occur if this water right is leased. Potable water provided by Sun Valley Water and Sewer District.

- 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. None, this water right was partially decreed by the SRBA district court in 2012, has been in the water supply bank since 2013, and is therefore protected from forfeiture.

- 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.

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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 ☒.

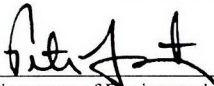
If lease, specify the years when the use of water will be suspended: 2023 to 2027 (maximum lease period 5 calendar years).
(Year) (Year)

- 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

Pete Sonntag

Printed Name

8/30/2022

Date



Signature of Authorized Representative

Chris M. Bromley

Printed Name

8/30/2022

Date

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

**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. <u>Water Right Number</u>	Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
37-2710	Commercial	0.06	2.0	n/a
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Amounts:		0.06	2.0	n/a

2. Source of water _____ Springs _____ tributary to _____ Sinks _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
04N	17E	23	4	SE	SE		Blaine

Attachment 2

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Water Right

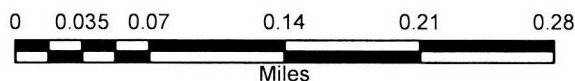
37-2710

COMMERCIAL

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.



Date created: 8/23/2022



Legend

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



STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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Nov 25 2024

DEPARTMENT OF
WATER RESOURCES

NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

1. List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "Yes" in the "Split?" column. If the water right is leased to the Water Supply Bank, check "Yes". If you are not sure if the water right is leased to the Water Supply Bank, see #7 of the instructions. DEV ✓

Water Right/Claim No.	Split?	Leased to Water Supply Bank?	Water Right/Claim No.	Split?	Leased to Water Supply Bank?
See	Yes ☐	Yes ☐	See	Yes ☐	Yes ☐
Attached	Yes ☐	Yes ☐	Attached	Yes ☐	Yes ☐
Water	Yes ☐	Yes ☐	Water	Yes ☐	Yes ☐
Right	Yes ☐	Yes ☐	Right	Yes ☐	Yes ☐
List	Yes ☐	Yes ☐	List	Yes ☐	Yes ☐

2. Previous Owner's Name: Sun Valley Company a Wyoming Corporation
Name of current water right holder/claimant

3. New Owner(s)/Claimant(s): Sun Valley, LLC
New owner(s) as listed on the conveyance document Name connector ☐ and ☐ or

PO Box 10
Mailing address
208-622-2042
Telephone

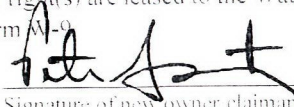
Sun Valley ID 83353
City State Zip
psonntag@sunvalley.com
Email

4. If the water rights and/or adjudication claims were split, how did the division occur?
☐ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.

5. Date you acquired the water rights and/or claims listed above: See Attached Letter

6. Do you own the land identified as the water right place of use? Yes ☐ No ☐
☐ If no, attach evidence that written notice of the change of water right ownership has been delivered to the landowner of record.

7. This form must be signed and submitted with the following **REQUIRED** items:
- ☒ A copy of the conveyance document -- warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
 - ☒ Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
 - ☒ Filing fee (see instructions for further explanation):
 - ☐ \$25 per *undivided* water right.
 - ☐ \$100 per *split* water right.
 - ☐ No fee is required for pending adjudication claims.
 - ☐ If water right(s) are leased to the Water Supply Bank AND there are multiple owners, a Lessor Designation form is required.
 - ☐ If water right(s) are leased to the Water Supply Bank, the individual owner or designated lessor must complete, sign and submit an IRS Form W-9.

8. Signature:  Vice President and General Manager 11/22/2024
 Signature of new owner/claimant Title, if applicable Date
Pete Sonntag
 Print name

Signature: _____ Title, if applicable _____ Date _____
 Signature of new owner/claimant
 Print name

For IDWR Office Use Only:

Received by _____ Date _____ Receipt No. _____ Receipt Amt. _____
 Active in the Water Supply Bank? Yes ☐ No ☐ If yes, forward to the State Office for processing W-9 received? Yes ☐ No ☐
 Name on W-9 _____ Approved by _____ Processed by DM Date 11-27-24

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M^cHUGH BROMLEY

ATTORNEYS AT LAW, PLLC

Candice M. McHugh
cmchugh@mchughbromley.com

380 S. 4th Street, Ste. 103
Boise, Idaho 83702
(208) 287-0991

Chris M. Bromley
cbromley@mchughbromley.com

November 25, 2024

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Nov 25 2024

DEPARTMENT OF
WATER RESOURCES

Corey Skinner
Idaho Dept. of Water Res., Southern Region
650 Addison Ave. W., Ste. 500
Twin Falls, ID 83301-5858
corey.skinner@idwr.idaho.gov
file@idwr.idaho.gov

Re: Sun Valley Company Ownership Change

Dear Mr. Skinner:

Please find attached a *Notice of Change in Water Right Ownership* ("Change Form") to change the water rights in Basin 37 in the name of the Sun Valley Company a Wyoming Corporation to the Sun Valley, LLC. As shown in the attached, the name change was filed with the Idaho Secretary of State on July 9, 2024. Because the *Change Form* is limited to ten water rights, I am listing the water rights that are subject to the change in the below table.

Water Right No.	Split?	Leased to Water Supply Bank?	Water Right No.	Split?	Leased to Water Supply Bank?
37-415 ✓	No	No	37-7340 ✓	No	No
37-416 ✓	No	No	37-8575A ✓	No	No
37-2678 ✓	No	No	37-8798 ✓	No	No
37-2710 ✓	No	Yes	37-12111 ✓	No	No
37-4108 ✓	No	No	37-8885 ✓	No	No
37-7170 ✓	No	No			

Based on my experience this past summer with a corporate name change involving another client, and as explained to me by Craig Saxton, no fees are required to change the corporate name of the Sun Valley Company. See *Administrator's Memorandum, Processing Notices of Change in Water Right Ownership and Associated Updates to Water Right Records* at 8-9, ¶ 2.4. For this reason, I am not including fees for processing of this *Change Form*. If I am mistaken, and fees are required, please let me know.

As you are aware, the Company recently resolved an ownership split that was processed by your office involving the Diamond Back Townhome Owners Association, Inc. ("HOA") through the filing a *Joint Motion to Withdraw Petition for Declaratory Ruling* (Nov. 15, 2024) ("Joint Stipulation"). The water rights in IDWR's records that list the HOA with an ownership interest in are: 37-22105, 37-22106, 37-23589, 37-23591, and 37-23592. As explained in the *Joint Stipulation*, the water rights that were split into the name of the HOA are in the process of being

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conveyed back to the Company, with the need for the Company to change ownership of the those splits back to the Company.

As of the writing of this letter, a quitclaim deed has been executed by the HOA, returning the water rights to the Company. I am in the process of recording the deed and will send it and a *Change Form* to you in short order. Because there will be an actual ownership change as opposed to a corporate name change for that purpose, it is my understanding that fees will be required for the subsequent *Change Form* to resolve the issues with the HOA. As further explained in the *Joint Stipulation*, it is the Company's desire to have the water right splits reconsolidated into the Company's water right numbers, as they existed before the HOA filed its *Change Form*.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Chris M. Bromley

Encls.

WSB Mailing Checklist for Leases

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

Key: Who Completes What?

CLERICAL STAFF: MK

REVIEWER:

Received Date

9/2/2022

Desired Lease Duration

2023 - 2027

Lease / Rental Package

Y

N

If yes, Renter Name:

Application # 2433

Contract # 1596

WR#s		#
		31-2710
#		#
#		#
#		#
#		#
#		#
#		#

Applicant Authorized?

Y / N

Multiple owners, Attach 1A included?

Y / N NA

If portion is offered, Attach 2 included?

Y / N NA

Map of POU and POD?

Y / N NA

POD Consent (if required)?

Y / N NA

Application Complete?

Y / N

Minimum checklist in data base?

☒

Request for additional information letter sent:

Y NA

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)

Designated Applicant: Sun Valley Company c/o Pete Sonntag

CC

Original

EMAIL:

Attorney:

☐

☒

EMAIL:

Consultants

Name: Chris M Bromley

☐

☐

Comments:

Watermaster:

☒

Post naming P. Sonntag
VP & GM on Sun Valley
Website

Delivery Entity:

☐

☐

Water District: 31

☐

☐

Ground Water District: Galena

☐

☐

Region: Southern

☐

☐

Other: Big Wood River GWMA

☐

☐

Address:

Call up Date:

DO NOT SCAN



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

December 28, 2022

SUN VALLEY CO A WYOMING CORP
PO BOX 10
SUN VALLEY, ID 83353

**RE: WATER SUPPLY BANK LEASE CONTRACT 1596
FOR WATER RIGHT 37-2710**

Dear Lessor:

Water right 37-2710 was leased into the Water Supply Bank (Bank) as of January 1, 2023, in accordance with the enclosed executed lease contract. **Your water right, 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 will automatically be released from the Bank on **December 31, 2027**. If you would like the right(s) to remain leased to the Bank, please complete a new Application to Sell or Lease a Water Right to the Water Supply Bank and remit the applicable filing fee. You can find new applications at the Department's website at www.idwr.idaho.gov.

A water right is not protected from forfeiture unless it is accepted into the Bank or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. The five-year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the Bank.

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

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Southern Region
Water District No. 37
Galena Ground Water District
Chris Bromley

SCANNED
DEC 28 2022

Hersley, Jean

From: Chris Bromley <cbromley@mchughbromley.com>
Sent: Thursday, November 17, 2022 4:50 PM
To: IDWR File
Subject: FW: Sun Valley Co water supply bank lease 1596
Attachments: Sun Valley Co WSB lease 1596.pdf

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.

Please see the attached for filing.

From: Chris Bromley <cbromley@mchughbromley.com>
Sent: Thursday, November 17, 2022 8:53 AM
To: 'Veibell, Amanda' <Amanda.Veibell@idwr.idaho.gov>
Cc: 'Bank' <Bank@idwr.idaho.gov>
Subject: RE: Sun Valley Co water supply bank lease 1596

Amanda,

Please see attached the signed document from Pete Sonntag, vice president and general manager of Sun Valley Company.

Thanks,

Chris

From: Veibell, Amanda <Amanda.Veibell@idwr.idaho.gov>
Sent: Tuesday, November 15, 2022 10:00 AM
To: cbromley@mchughbromley.com
Cc: Bank <Bank@idwr.idaho.gov>
Subject: Sun Valley Co water supply bank lease 1596

Good Morning.

Please see the attached water supply bank lease being mailed to your client for signature. If you have questions regarding the lease itself, please contact a representative in the bank at bank@idwr.idaho.gov.

Thank you.

Amanda Johnson-Veibell

Technical Records Specialist I

 IDAHO DEPARTMENT OF
WATER RESOURCES
PO Box 83720 Boise ID 83720-0098
208-287-4945



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

November 15, 2022

SUN VALLEY CO A WYOMING CORP
PO BOX 10
SUN VALLEY, ID 83353

**RE: APPLICATION TO LEASE WATER RIGHT 37-2710 TO THE WATER SUPPLY BANK
CONTRACT 1596**

******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, 2027**, 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: Chris Bromley

SCANNED
DEC 28 2022

MEMORANDUM FOR APPLICATION # 2433

To: Water Right No. 37-2710

From: Skyler Cheever – Water Resource Agent

Date: 9/24/2022

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

PURPOSE/NARRATIVE:

This application was sent in by the Sun Valley Company and received on September 2nd, 2022, with fee payment received on the same day. The application proposes to lease the full water right 37-2710 from 2023 to 2027. This rights beneficial use is commercial with the point of diversion from a spring. The point of diversion is within the Big Wood River GWMA and Trust Water Area. The water right was leased in the water supply bank since 2013 with a contract to expire on December 31st, 2022. The applicant intends to extend the lease for another five years.

AUTHORITY TO FILE:

The application was signed by Pete Sonntag. Mr. Sonntag has the authority to file this lease agreement because he is the Vice President and General Manager of the Sun Valley Company according to the Idaho Secretary of State's Office Database.

WATER RIGHT VALIDITY:

The water right has been continuously leased into the water supply bank since 2013. There are no concerns with the continued lease of the water right.

INJURY TO OTHER WATER RIGHTS:

Lease of this water right would not cause injury to other water rights.

ENLARGEMENT OF USE:

Water right no. 37-8575A and 37-7147 have places of use within the same QQ, however, those rights authorize different beneficial uses (fire protection/snowmaking, and municipal). Right 37-2710 can be accepted into the water supply bank without enlargement.

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 lease point point of diversion is within Basin and Water District 37. The Water Master and Southern Regional Manger were contacted for comment on 10/24/2022. No comments have been received. It is assumed regional staff have no concerns with the proposed lease.

SCANNED
DEC 28 2022



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Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Gary Spackman

September 6, 2022

SUN VALLEY COMPANY
C/O PETE SONNTAG
PO BOX 10
SUN VALLEY ID 83353

RE: APPLICATION(S) TO LEASE WATER RIGHT NO(S). 37-2710 THE WATER SUPPLY BANK

Dear Applicant:

The Idaho Department of Water Resources (Department) acknowledges receipt of the application(s) to lease the above referenced water right(s) to the Idaho Water Resource Board's Water Supply Bank (Bank). The Department will review your application as resources allow. If the application(s) is not processed prior to the end of the proposed lease period, it will be returned to the applicant. The Department regrets any inconvenience caused by the delay.

If the right(s) 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 if additional information is required.

Please note the forfeiture period is not tolled unless a right is accepted into the Bank, or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. If forfeiture is a concern, you may consider filing an Application for Extension of Time to Avoid Forfeiture of a Water Right form. This and other water right forms are available from the Department's web site at www.idwr.idaho.gov.

If you have any questions, please contact me at (208) 287-4822.

Sincerely,

A handwritten signature in black ink, appearing to read "Mackenzie Kienholz".

Mackenzie Kienholz
Water Supply Bank Specialist

c: Chris M. Bromley – McHugh Bromley PLLC

Enclosure: Receipt #C113913

SCANNED
SEP 28 2022

McHUGH BROMLEY

ATTORNEYS AT LAW, PLLC

Candice M. McHugh
cmchugh@mchughbromley.com

380 S. 4th Street, Ste. 103
Boise, Idaho 83702
(208) 287-0991

Chris M. Bromley
cbromley@mchughbromley.com

August 30, 2022

Idaho Dept. of Water Resources
322 E. Front St.
PO Box 83720
Boise, ID 83720-0098

RECEIVED

SEP 02 2022
DEPARTMENT OF
WATER RESOURCES

Re: 37-2710 Water Supply Bank Application

To Whom It May Concern:

Please find enclosed please find enclosed a completed *Application to Sell or Lease a Water Right to the Water Supply Bank* as to water right no. 37-2710 in the name of the Sun Valley Company, along with a check in the amount of \$250.00.

Sincerely,



CHRIS M. BROMLEY

Encls.

SCANNED
SEP 7 9 2022

2433