

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 590

RECEIVED
JAN 10 2022
DEPARTMENT OF
WATER RESOURCES

This is to certify that:

SIERRA DEL RIO RANCH LLC
PO BOX 199
JEROME, ID 83338-0199

BARKER ROSHOLT & SIMPSON LLP
PO BOX 63
TWIN FALLS, ID 83303-0063

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)
2-10420	7/30/1969	SNAKE RIVER	0.94	168	37.2	0.03	4.5
57-11710	12/29/1970	CASTLE CREEK	0.88	205	45.6	0.02	4.5
Combined Limit Totals			1.82	287	63.8	0.03	4.5
Combined Rental Totals			1.82	287	82.8	0.02	4.5

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2022. 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 2022, whichever occurs last.

Annual Rental Fee:

2022: \$7,444.00

The full fee for the rental of the above-described right(s) is \$7,444.00 for 2022. The rental fee includes an administrative fee of \$744.40 for 2022. The full fee and administrative fee required for this rental are calculated using more decimals than the rounded amounts recorded on this agreement.

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	0.67	168	33.5	0.02	5.0
Combined Total	0.67	168	33.5	0.02	5.0

* The authorized water usage reflects a reduction from the water right elements rented, to account for a per-acre diversion rate of 0.02 cfs/acre and an increased per-acre diversion volume of 5.0 af/acre.

Detailed water right conditions are attached.

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WATER RESOURCES

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WATER SUPPLY BANK RENTAL AGREEMENT No. 590

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:

Ronald Ambrose

Signature of Renter

1-06-22

Date

Ronald Ambrose

Printed Name

Mgr. Partner

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

Brian Patton

BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date

1/11/22

Rental approved by IDWR

FR

Date

1/11/22

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 590

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

SNAKE RIVER L4 SWNW Sec. 16, Twp 03S, Rge 01E, OWYHEE County

BENEFICIAL USE
IRRIGATION

DIVERSION RATE
0.67 CFS

VOLUME
168 AF

SEASON OF USE

From To
3/1 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	
03S	01E	18								0.1									0.1
03S	01E	20		9.6	3.6		5.2	5.7			0.1				3.9	5.3			33.4

Total Acres: 33.5

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. The right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 590

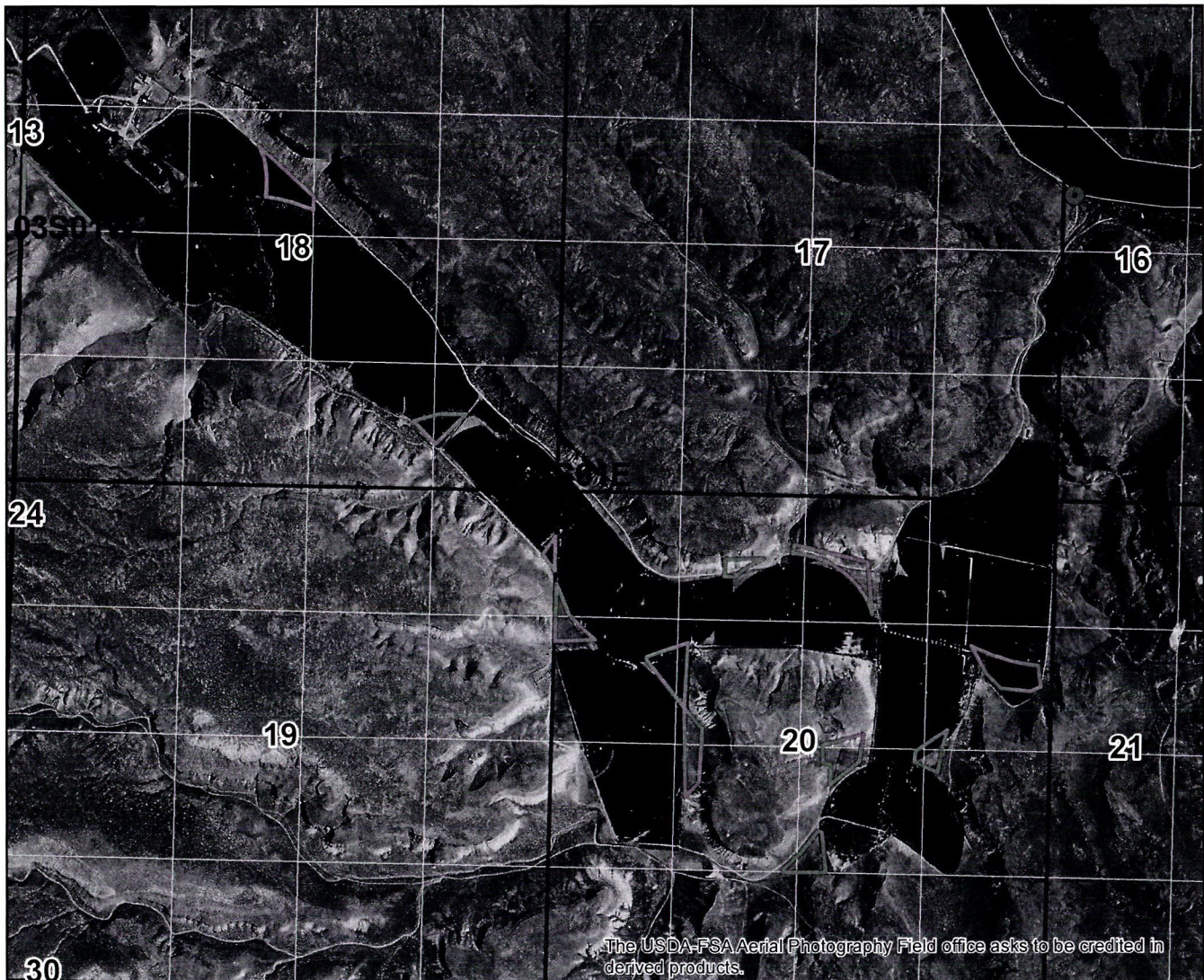
10. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.5 afa per acre at the field headgate for irrigation of the place of use.
11. This right does not grant any right-of-way or easement across the land of another.
12. Use of water under this right may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 2.
13. The period of use for the irrigation from the Snake River described in this approval may be extended to an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water after 10/31 is subordinate to all water rights having no subordinated late irrigation use and a priority date earlier than 6/8/2009.

Idaho Water Resource Board

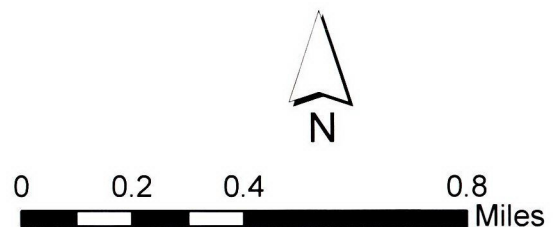
Attachment to Water Supply Bank Rental Agreement No. 590

Effective until December 31, 2022

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



- Authorized Rental Point of Diversion
- Authorized Rental Place of Use
- Township/Range
- Sections
- QQ



STATE OF IDAHO
WATER RESOURCE BOARDAPPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANKRECEIVED
NOV 18 2021
DEPARTMENT OF
WATER RESOURCESApplicant Name: Sierra Del Rio Ranch LLC

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)			
	Yes		
	☒	Completed <i>Application to Rent Water from the Board's Water Supply Bank</i>	
	☒	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)

2-10420

57-11710

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Sierra Del Rio Ranch LLC

Mailing Address	<u>P.O. Box 199</u>	<u>Jerome</u>	<u>Idaho</u>
	Street	City	State
			<u>83338</u>
			Zip Code
Email Address	<u>ron.d.ambrose@gmail.com</u>		Phone Number <u>(208) 644-1803</u>

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 <u>Travis L. Thompson</u>	Professional Title <u>Attorney</u>
Organization <u>Barker Rosholt & Simpson LLP</u>	Relationship to Applicant <u>Counsel</u>
Mailing Address <u>P.O. Box 63, Twin Falls, ID 83303</u>	
Email Address <u>tlt@idahowaters.com</u>	Phone Number <u>(208) 733-0700</u>

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**:

Applicant desires to irrigate land outside capacity of current water rights while attempting to acquire permanent water rights for the acres involved in this application.

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)
1.82 CFS	287.1 AF	0.02 CFS	4.5 AF	63.8 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?	
01/01/2022	03/01/2022	☒ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ Process application as soon as possible	☒ Return application to applicant

* 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.

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):

Existing pumps from snake River and Sinker Creek to mainline for irrigation use. Existing irrigation systems will be extended to deliver water to the additional 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
T03SR01ES16Lt4 SWNW	Snake River	02-10222
T03SR01WS13NW NESW	Sinker Creek	57-177A, 57-178A, 57-2221A, 57-10469A, 57-10740

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 63.8 (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.

- 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:
Applicant currently does not have enough water to cover desired irrigation area. In addition to the rights listed above, applicant holds 57-2217A and 57-7219A.

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)
2-10420	Irrigation					0.94	167.50	37.2
57-11710	Irrigation					0.88	205.1	45.6
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	1.82	287.1	63.8
						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**:

Applicant will irrigate the acres allowed in accordance with all water right conditions and limits imposed thereon.

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**:

STATE OF IDAHO
WATER RESOURCE BOARD

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:

Applicant is currently leasing water under Agreement No. 375. The application only requested to rent water for one year, but the Applicant needs to rent for an additional year.

- B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental?

If yes, describe:

Yes ☒ No ☐

Applicant intends to apply for a water permit at some point. This rental will allow Applicant to irrigate the land until applicant applies for water permit.

- C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV?

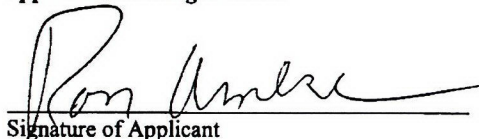
Yes ☐ No ☒

If yes, describe the date and location of the NOV.

- D. Additional Information

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

Sierra Del Rio Ranch LLC

Printed Name of Applicant

Date

11/16/21


Signature of Representative

Travis L. Thompson

Printed Name of Representative

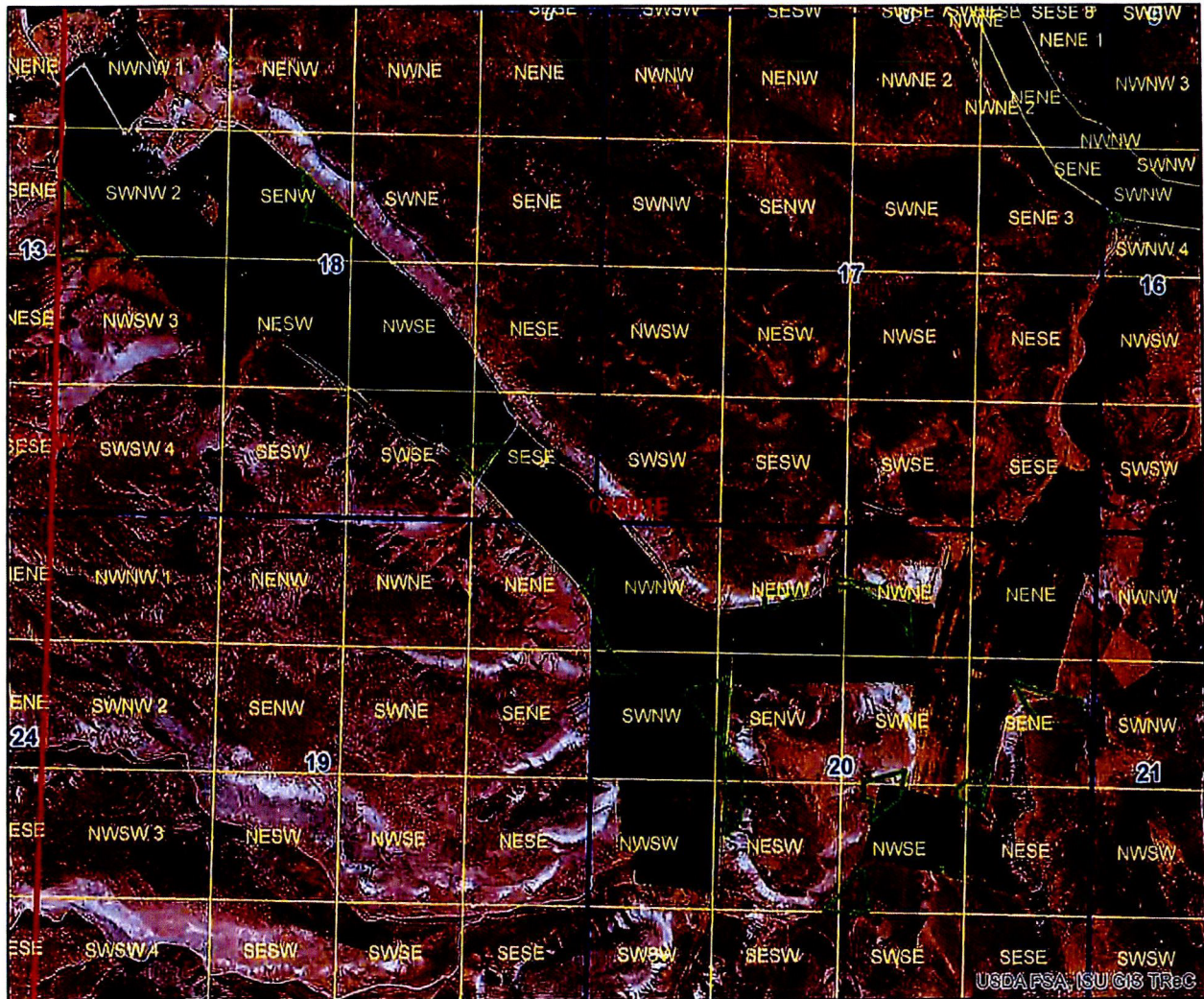
Date

11/16/21

Mail to:

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

ATTACHMENT 2



-  Authorized Rental Point of Diversion
-  Authorized Rental Place of Use
-  Township/Range
-  Sections
- QQ



0  1 Miles

WSB Mailing Checklist for Rentals

(or use on all new rental applications)

Key: Who Completes What?

CLERICAL STAFF: MC

REVIEWER:

Received Date: 11-18-21

Latest Start Date: 3-1-2022

Renter: Sierra del Rio Ranch

Rental Expiration Date: _____

Lease/Rental Package

Y N

Application # 2199

Agreement # 590

Water Right	Lease Contract ID
# <u>2-10420</u>	<u>1299</u>
# <u>57-11710</u>	
# _____	
# _____	
# _____	
# _____	
# _____	
# _____	
# _____	
# _____	
# _____	
# _____	
# _____	
# _____	

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:

Mailings (per application)

Renter: Sierra del Rio Ranch

Original

CC

Email or Address

Attorney: Travis Thompson - Boulder Restlet

Consultants

Name: _____

Conveyance Entity: _____

Ex. Irrigation Dist. of Canal Co.

(Ground) Water

Dist: _____

Other: 2 + 57C

WD Snake 01, Boise, Payette, and Bear River

Region: Western

Watermaster: Rob Whitney + Michael Itali

Compliance: _____

(final only)

(final only)

(final only)

(final only)

(final only)

(final only)

Resolving NOV? Y/N

#

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

January 18, 2022

SIERRA DEL RIO RANCH LLC
PO BOX 199
JEROME, ID 83338-1099

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 2-10420 & 57-11710 AGREEMENT 590**

Dear Renter:

Please find enclosed a receipt in the amount of **\$7,444.00** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 278 acre-feet of water for irrigation of 33.5 acres during 2022. 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.

Pursuant to the Water Supply Bank Rules, 90% or \$6,699.60 of the rental fee will be paid to the lessor(s) and 10% or \$744.40 will be retained by the Department to offset administrative costs.

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. C111673
Rental Agreement (copy)

c: Sascha Marston – Fiscal
IDWR Western Regional Office
Water District 2 & 57C



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 29, 2021

SIERRA DEL RIO RANCH LLC
PO BOX 199
JEROME, ID 83338-0199

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 2-10420 & 57-11710 AGREEMENT 590**

*****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 \$7,444.00 per year was calculated based on the current rental rate of \$20.00 per acre-foot times a diversion volume of 287 acre-feet.

Please send a check for \$7,444.00 for 2022 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing. 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.

Pursuant to the Water Supply Bank Rules, 90% or \$6,699.60 of the rental fee will be paid to the lessor(s) and 10% or \$744.40 will be retained by the Department to offset administrative costs for **2022**.

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

c: IDWR Front Desk
Travis Thompson

Veibell, Amanda

From: Smith, Tyler
Sent: Thursday, December 16, 2021 2:06 PM
To: Whitney, Rob; Miller, Nick
Subject: Water Supply Bank Rental WR's 2-10420 & 57-11710
Attachments: Draft Rental Agreement.docx; Rental Review Memo.docx; Rental_map.pdf

Rob and Nick,

We received an application to rent water rights 2-10420 and 57-11710 from the water supply bank. This is the same rental that Sierra Del Rio Ranch has been using for the past couple of years. Attached is a copy of the draft rental agreement with map and review memo for your review. Please provide any comments or concerns you have with the proposed rental within the next 7 days. If no comments are received in the next 7 days, I will assume there are no issues with this rental and proceed with processing.

Best,

Tyler Smith

Senior Water Resource Agent
State Office, IDWR
(208)287-4913
tyler.smith@idwr.idaho.gov

MEMORANDUM FOR AGREEMENT #590

To: Water Right(s) 2-10420 & 57-11710
From: Tyler Smith
Date: 12/14/2021
Re: Water Supply Bank Rental Application 2199

Purpose/Narrative: The Department received rental application No. 2199 on November 18, 2021 proposing to rent portions of water rights 2-10420 and 57-11710 for one year, 2022, from the Water Supply Bank (Bank). The application was submitted by Travis L. Thompson of Barker Rosholt & Simpson LLP (Representative), on behalf of Sierra Del Rio Ranch LLC (Applicant). This rental is a continuation of prior agreements 340 (2019), 375 (2020) and 490 (2021), which the Applicant has rented to irrigate land outside their current water rights authorization while attempting to acquire permanent water rights for those acres.

The Applicant has requested the same rental amounts as in previous years for a total of 1.82 cfs, 287.1 af and 63.8 acres. Previous reviews indicate that it is not possible to irrigate more than 33.5 acres within the applicants intended place of use as the remaining acreage is on land held by the Bureau of Reclamation and a land use agreement has not been provided with this rental or any rentals from previous years. The same applies to this rental application for the 2022 year. The requested amounts are the combined totals of 2-10420 and 57-11710 to be rented to allow for the irrigation of 33.5 acres.

Additionally, there is a positive balance of 12.1 acres between the acres irrigated under the Applicant's existing water rights and the acreage that has been irrigated, which has been documented in previous rental reviews. The Applicant is continuing the practice of renting water from the Bank instead of leasing the 12.1-acre balance and renting it out to themselves as a means to temporarily change the place of use. This is likely due to the need to divert water from the Snake River at a diversion rate that exceeds their Snake River water right limit.

Authority To File: The application is in the name of Sierra Del Rio Ranch LLC (Sierra), and Ron Ambrose signed the application on behalf of Sierra. According to the Idaho Secretary of State, 4 Ace Farms LLC is a member of Sierra, and Ronald Ambrose is a member of 4 Ace Ranch LLC, and therefore he has authority to file on behalf of Sierra. According to Department parcel data, the rental place of use and the rental point of diversion (POD) on the Snake River are owned by Sierra.

The POD for Castle Creek is on land owned by the Bureau of Reclamation, however it appears the Castle Creek right is stacked with the Snake River right, and therefore must be rented to prevent enlargement, but has not historically been diverted from. There are not concerns with authority to file.

Water Right Validity/Forfeiture Evaluation: Water rights 2-10420 and 57-11710 are leased into the Bank from 2021 to 2023 under contract 1299. According to the lease memo, both water rights show the lessor has been compliant with the lease contract, and there were no concerns with validity of the rights at the time they were leased into the Bank. A review of current aerial imagery confirms that the lessor is still complying with the terms of the lease contract, so there are no concerns with water right validity at this time.

Injury To Other Water Rights: The POD for water right 2-10420 is approximately 5 miles upstream on the Snake River from the proposed rental POD. The proposed rental POD is within the Trust Water area, but water right 2-10420 authorizes diversion from the Snake River and its tributaries within the Trust Water area.

Enlargement Of Use: The prior rentals agreements for the same use required the Applicant to rent 0.94 cfs and 167.5 af of water right 2-10420, which authorizes 0.025 cfs/acre and 4.5 af/acre. The right is then adjusted to match the Applicant's existing water right 2-10222 at 0.017 cfs/acre and 5 af/acre because the rented right 2-10420 will be used within the same PPU as 2-10222. While this is beyond the accepted headgate standard and outside values accepted by the State of Idaho for the conservation of natural resources, there could possibly be an enlargement of the rented right should it not match the other rights appurtenant to the rental place of use, so the use of the rental water will be restricted to 4.5 af/acre at the field headgate. This results in rental right 2-10420 authorizing 0.67 cfs and 167.5 af/acre for the irrigation of 33.5 acres.

Additionally, leased right 57-11710 from Castle Creek is stacked with right 2-10420, and a proportionate amount of this right must be rented to prevent enlargement. The total amounts rented will reflect the proportionate amounts required from each right so that there is not an enlargement of either right as well as the reduced amount authorized through this rental available to the Applicant.

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 location for the rental POD is subject to Water District 2, and is within the Western Region. Requests for comment were sent to the Watermaster and Western Region on December 16, 2021. If no response was received within 14 days, it was assumed there were no concerns with the rental.



Barker Rosholt
& Simpson LLP

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November 16, 2021

Mr. Remington Buyer
Idaho Dept. of Water Resources
P.O. Box 83720
Boise, Idaho 83720-0098

Re: Water Bank Applications (Water Right Nos. 02-10222 et al.)

Dear Remington:

This firm represents Sierra Del Rio Ranch LLC ("SDR") with respect to the enclosed application to rent the referenced water rights from the state water supply bank. This application is a renewal of last year's application. Please advise if the rental is available as soon as possible.

The referenced map (Attachment 2) should be on file with the prior application and I have enclosed an additional copy as well. If you have any questions or need any additional information please feel free to call or email. Thank you for your attention to this matter.

Sincerely,

BARKER ROSHOLT & SIMPSON LLP

Travis L. Thompson

Enc.

cc: Ron Ambrose (by email only)