

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1700

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

RECEIVED

LESSOR: NORTH SIDE CANAL COMPANY LTD
921 N LINCOLN AVE
JEROME, ID 83338-1860

JUL 13 2023

DEPARTMENT OF
WATER RESOURCES

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources and received by the Department on March 01, 2023.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

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

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

Summary of Water Rights or Portions Leased to the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
36-8266	3/18/1985	GROUND WATER	0.12	13.4	N/A
Combined Lease Totals			0.12	13.4	N/A

Summary of Water Rights Elements Rentable From the Bank

Water Right	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (Limited) (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
36-8266	0.06	13.4	N/A	N/A	N/A
Combined Limit Totals	0.06	13.4	N/A	N/A	N/A

** The water right elements rentable have been reduced from the water right elements leased to account for enlargement concerns.*

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

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1700

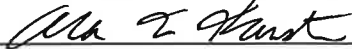
3. **TERM OF LEASE:** The term of this lease shall be January 1, 2023 to December 31, 2027. This Lease shall bind the parties and take effect when both parties have signed it.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
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. 1700

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

LESSOR: NORTH SIDE CANAL COMPANY
LTD
921 N LINCOLN AVE
JEROME, ID 83338-1860

By 
Title General Manager, Secretary/Treasurer
Date 7-5-2023

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 7/20/23

Lease approved by IDWR 

Date 7/20/23

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1700

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): 36-8266

GROUND WATER	NWSWNW	Sec. 20	Twp 09S	Rge 17E	JEROME County
GROUND WATER	SENWNW	Sec. 20	Twp 09S	Rge 17E	JEROME County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
36-8266	STOCKWATER	01/01	to	12/31	0.12 cfs	13.4 AF
Totals:					0.12 cfs	13.4 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: STOCKWATER

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
09S	17E	20					X	X	X	X									

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

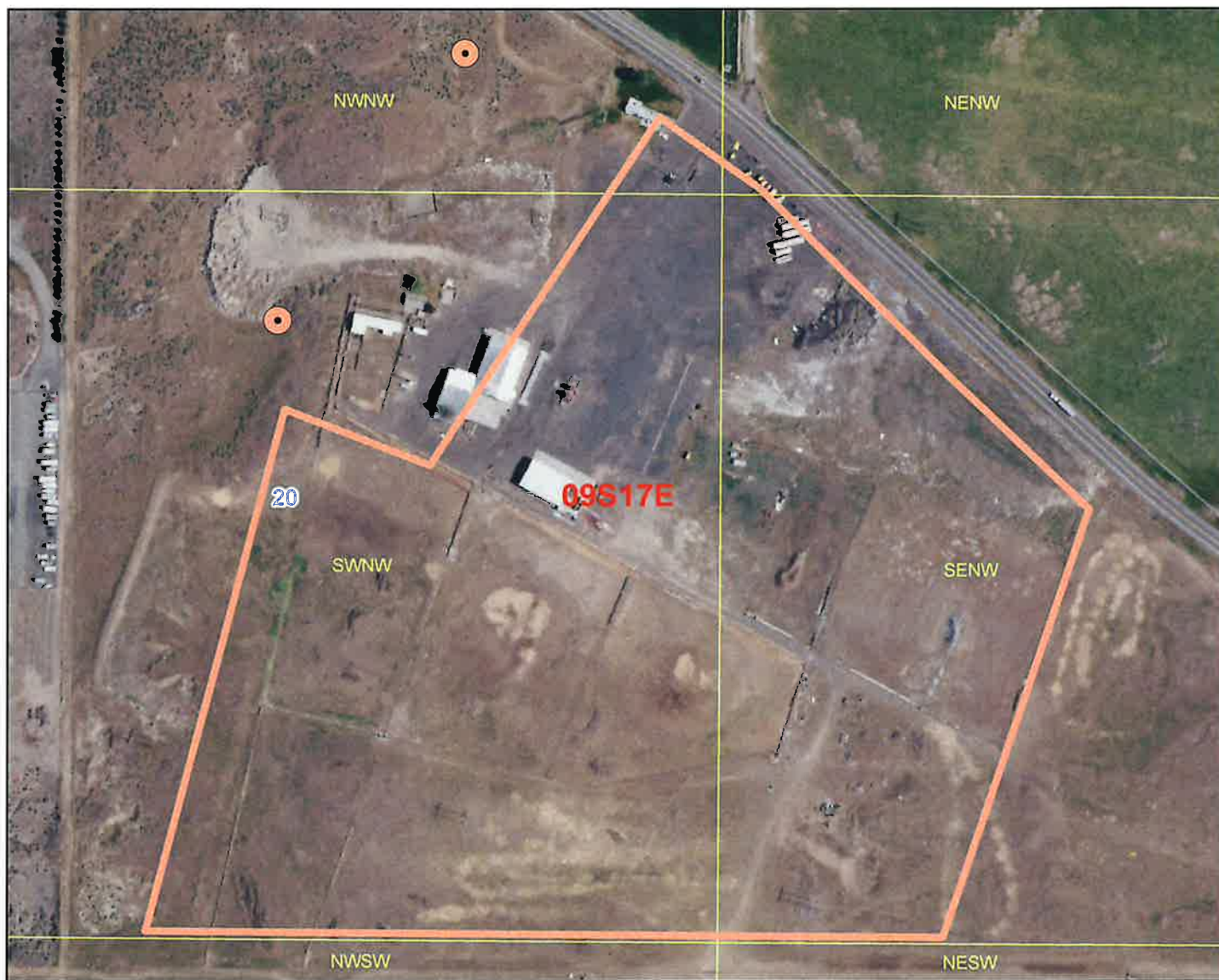
WATER SUPPLY BANK LEASE CONTRACT No. 1700

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. This water right enjoys the benefit of unqualified subordination of hydropower water right nos. 02-00100, 02-4000A, 02-4001A, 02-02032A, 02-4000B, 02-4001B, 02, 02032B, 02-02036, 02-02056, 02-02065, 02-02064, 02-10135, 02-02060, 02-02059, 02-02001B, 02-02001A, 02-02057, 37-02128, 37, 02472, 37-02471, 37-20710, 37-20709, 36-02013, 36-02018 and 36-02026.

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1700

36-8266
Effective until December 31, 2027

This map depicts the **place of use** to be idled pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



Legend

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



STATE OF IDAHO
WATER RESOURCE BOARD

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

RECEIVED

MAR 01 2023

DEPARTMENT OF
WATER RESOURCES

Designated Applicant North Side Canal Company
(Select one owner – see item 1A on the application)

Water Right No. 36-8266
(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-</u>	Received By: <u>KM</u>	Date Received: <u>3.1.23</u>	Receipt # <u>C115435</u>
W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)		Name on W-9: <u>North Side Canal Company LTD</u>	

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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 North Side Canal Company
Mailing Address 921 N. Lincoln Ave, Jerome, Idaho 83338
Street City State Zip Code
Email Address awh@northsidecanal.com Phone Number 208-324-2319

☒ 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 Michael A. Short Organization Barker Rosholt & Simpson
Professional Title Attorney Email Address tit@idahowaters.com
Mailing Address 163 2nd Avenue West Twin Falls, Idaho 83301 Phone Number 208-336-0700

☐ 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.
Two groundwater wells with pumps into pipelines to the places of use for stockwater.

- 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. No other water rights provide stockwater to the stockwater places of use for water right 36-8266.

- D. Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes ☐ No ☒
Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of \$500.
- E. Will the present place of use continue to receive water from any other source? Yes ☐ No ☒
If yes, explain the relationship between the different water sources and how enlargement of the authorized use will not occur if this water right is leased. _____

- F. Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. In the last five years, water right 36-8266 has provided 0.12 cfs to the stockwater place of use in an annual volume of 13.4 acres. The stockwater has been used to water approximately 250 head of cattle.

- 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? Yes ☐ No ☒
If yes, describe. _____

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 ☒?

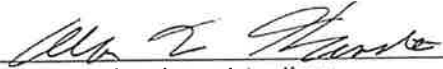
If lease, specify the years when the use of water will be suspended: 2023 to 2028 (maximum lease period 5 calendar years).
(Year) (Year)

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.
This is submitted as a lease/rental package to the Estate of Herb Allen c/o John O. Fitzgerald II, no charges to
that renter. For any other, the current rental rate.

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right, even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture is stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any element of the water right.


Signature of Designated Applicant

Alan Hansten
Printed Name

2-21-2023
Date


Signature of Authorized Representative

Michael A. Short
Printed Name

February 17, 2023
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)
36-8266	Stockwater	0.12	13.2 af	n/a
Total Amounts:				

2. Source of water groundwater tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
09S	17E	20			NE	NW	
09S	17E	20			NW	NW	
09S	17E	20			SW	NW	
09S	17E	20			SE	NW	

State of Idaho
Department of Water Resources
Water Right

36-8266

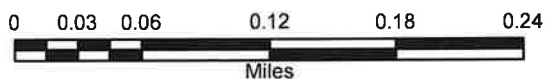
STOCKWATER

Attachment 3

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: 2/10/2023



Legend

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





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

July 24, 2023

NORTH SIDE CANAL CO LTD
921 N LINCOLN AVE
JEROME, ID 83338-1860

RE: WATER SUPPLY BANK LEASE CONTRACT 1700 FOR WATER RIGHTS 36-8266

Dear Lessor:

Water right(s) **36-8266** was/were leased into the Water Supply Bank (Bank) as of January 1, 2023, in accordance with the enclosed executed lease contract. **Your water rights, as described on the lease contract, are considered leased into the Bank and should remain unused until they are formally released from the Bank.** More information and further restrictions placed on your water rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The right(s) will automatically be released from the Bank on **December 31, 2027**, unless the rights are released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water rights from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at www.idwr.idaho.gov. **Please note your water rights may not be available for immediate release if they have been rented or are being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

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

Sincerely,

Mackenzie Kienholz
Water Supply Bank Specialist

Enclosure: Executed Lease Contract

c: IDWR- Southern Region Office
Michael A. Short – Barker, Rosholt & Simpson
North Snake GWD

Kienholz, Mackenzie

From: Alan Hansten <awh@northsidecanal.com>
Sent: Monday, July 17, 2023 3:18 PM
To: Kienholz, Mackenzie
Cc: John O Fitzgerald; Robert Williams; Melinda Bunn; Chrissy Hernandez
Subject: Re: Receipt for Water Supply Bank Lease, WR 36-8266

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.

Also, NSCC is ok with proceeding with the lease agreement with the water right POU as shown on the map.

Alan W. Hansten, P.E.
Manager
North Side Canal Co., Ltd.
921 North Lincoln
Jerome, ID 83338

email: awh@northsidecanal.com
Phone: (208) 324-2319
Fax: (208) 324-8906
Mobile: (208) 329-9485

On Mon, Jul 17, 2023 at 3:17 PM Alan Hansten <awh@northsidecanal.com> wrote:
Hi Mackenzie,

I think you meant to address your email below to me. The POU shown on the map in orange, attached to the lease agreement, is different geometrically than the actual 15 acre parcel boundary that was established when NSCC purchased the property from the Allen's last year. I've attached the Record of Survey and the legal description that were prepared last year for the 15 acres. Would this require a transfer process in order to correctly define the POU for the water right?

Alan W. Hansten, P.E.
Manager
North Side Canal Co., Ltd.
921 North Lincoln
Jerome, ID 83338

email: awh@northsidecanal.com

Phone: (208) 324-2319

Fax: (208) 324-8906

Mobile: (208) 329-9485

On Thu, Jul 13, 2023 at 5:15 PM Kienholz, Mackenzie <Mackenzie.Kienholz@idwr.idaho.gov> wrote:

Hi John,

I can note that future mailings should be sent to your attention. We received the signed lease contracts today. The cover letter included with the contracts noted that the lease shape on the map should be updated to be a 15-acre parcel in the NWNW and SWNW quarter-quarters of Sec 20, Twp 09S Rng 17E. The maps made for the Water Supply Bank lease and rental are based on the designated place of use for water right 36-8266. Normally to change the place of use a transfer is required, however because you are only making a reduction to your place of use, you should be able to fill out the attached Notice of Abandonment of a Water Right form to release the portions in the quarter-quarters that are no longer desired. Once this is completed it shouldn't be a problem to update the lease and rental maps to reflect the change, as long as both the lessors and renters agree to the change, because none of the parameters of the water right other than who is using it is changing.

Please confirm whether I can execute the lease and rental as is while you work on making this change to the water right. I am attaching a copy of the water right report so you can see what is currently authorized. If you have any questions, please feel free to reach out.

Thank you,

Mackenzie Kienholz

Water Supply Bank Specialist



Planning & Projects

Mackenzie.kienholz@idwr.idaho.gov

Phone: (208) 287-4822

From: John O Fitzgerald <JOF@standlee.com>
Sent: Wednesday, July 12, 2023 8:13 AM
To: Kienholz, Mackenzie <Mackenzie.Kienholz@idwr.idaho.gov>
Cc: Alan Hansten <awh@northsidecanal.com>; Robert Williams <rewilliams@wmlattys.com>; Melinda Bunn <melindab@northpointerealty.com>; Chrissy Hernandez <CHernandez@standlee.com>
Subject: Re: Receipt for Water Supply Bank Lease, WR 36-8266

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.

Mackenzie, between NSCC and we as the lessee(s) are responding to the items in your below email message.

Besides those matters, would you please update the mailing address for us as the lessee(s) by including an "attention" line: "Attn: John O. Fitzgerald, II". This will ensure mailings are recognized as being to me.

Thanks,

John O. Fitzgerald, II

From: "Kienholz, Mackenzie" <Mackenzie.Kienholz@idwr.idaho.gov>
Date: Tuesday, July 11, 2023 at 11:07 AM
To: John O Fitzgerald <JOF@standlee.com>
Cc: Alan Hansten <awh@northsidecanal.com>, Robert Williams <rewilliams@wmlattys.com>, Melinda Bunn <melindab@northpointerealty.com>, Chrissy Hernandez <CHernandez@standlee.com>
Subject: RE: Receipt for Water Supply Bank Lease, WR 36-8266

You don't often get email from mackenzie.kienholz@idwr.idaho.gov. [Learn why this is important](#)

Hello John,

Thank you for sending this. There are two things still required before this rental can be signed and executed:

- 1.The rental fee for 2023 is \$30.82 as shown on page one of the rental agreement. **Please send a check in the amount of \$30.82** for 2023 made payable to the Idaho Department of Water Resources.
- 2.I still have not received the signed lease contracts which you said you have mailed. If I do not see them by the end of the week, I will be sure to follow up with you. We need these documents before we can move forward with the rental.

Once we have received payment for the rental and the signed lease contracts, I will get the lease and rental executed and have copies mailed to you.

Thank you,

Mackenzie

From: John O Fitzgerald <JOFF@standlee.com>
Sent: Tuesday, July 11, 2023 10:34 AM
To: Kienholz, Mackenzie <Mackenzie.Kienholz@idwr.idaho.gov>
Cc: Alan Hansten <awh@northsidecanal.com>; Robert Williams <rewilliams@wmlattys.com>; Melinda Bunn <melindab@northpointerealty.com>; Chrissy Hernandez <CHernandez@standlee.com>
Subject: Re: Receipt for Water Supply Bank Lease, WR 36-8266

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.

Mackenzie, pursuant to your below email message, attached please find the signed water supply bank rental agreement signed by Melinda Bunn, Personal Representative of the Estate of Herb D. Allen, deceased and by me as Trustee of the Spousal Trust u/t/a dated August 7, 2020.

Please let us know of anything further needed.

John O. Fitzgerald, II

From: "Kienholz, Mackenzie" <Mackenzie.Kienholz@idwr.idaho.gov>

Date: Monday, July 10, 2023 at 12:12 PM

To: Alan Hansten <awh@northsidecanal.com>

Cc: John O Fitzgerald <JOF@standlee.com>

Subject: RE: Receipt for Water Supply Bank Lease, WR 36-8266

You don't often get email from mackenzie.kienholz@idwr.idaho.gov. [Learn why this is important](#)

Hi Alan,

I was looking through some files today and noticed that an Application for Rental from the Estate of Herb D Allen was already received with your lease application, and subsequently a Rental Agreement was sent for signature at the same time your lease contracts were sent. I have attached the documents that were sent to the Estate of Herb D Allen for your reference. If this is the rental we were discussing this morning, they will not need a new application, they just need to sign and return this agreement.

Thank you,

Mackenzie

From: Kienholz, Mackenzie

Sent: Monday, July 10, 2023 9:29 AM

To: Alan Hansten <awh@northsidecanal.com>

Subject: RE: Receipt for Water Supply Bank Lease, WR 36-8266

Alan,

I should note as well that if you would like to have a private agreement with the renter for the payment for the Water Supply Bank lease/rental, that is just fine. If the renter includes a document signed by both parties with their application stating that you will handle the payment owed to the water right owner yourselves, we will just collect the administrative fees each year (10% or \$2.30/acre-foot). I just wanted to make sure you know this is an option in case you don't want to be dependent on our schedule for making payments to the water right owners.

Best,

Mackenzie

From: Alan Hansten <awh@northsidecanal.com>
Sent: Monday, July 10, 2023 9:26 AM
To: Kienholz, Mackenzie <Mackenzie.Kienholz@idwr.idaho.gov>
Subject: Re: Receipt for Water Supply Bank Lease, WR 36-8266

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Thank you Mackenzie! Have a great week.

Alan W. Hansten, P.E.
Manager
North Side Canal Co., Ltd.
921 North Lincoln
Jerome, ID 83338

email: awh@northsidecanal.com
Phone: (208) 324-2319
Fax: (208) 324-8906
Mobile: (208) 329-9485

On Mon, Jul 10, 2023 at 9:23 AM Kienholz, Mackenzie <Mackenzie.Kienholz@idwr.idaho.gov> wrote:

Good morning,

Attached is a digital copy of receipt C115435 paid by The Estate of Hubert D Allen for the lease of North Side Canal's water right 36-8266 for 2023-2027. Please feel free to contact me with any additional questions.

Have a great day,

Mackenzie Kienholz

Water Supply Bank Specialist



Planning & Projects

Mackenzie.kienholz@idwr.idaho.gov

Phone: (208) 287-4822



NORTH SIDE CANAL COMPANY, LTD.

921 NORTH LINCOLN * JEROME IDAHO 83338 * (208)324-2319 * FAX (208)324-8906

RECEIVED

JUL 13 2023

DEPARTMENT OF
WATER RESOURCES

July 5, 2023

Water Supply Bank
Idaho Department of Water Resources
PO Box 83720
322 E. Front St., Suite 648
Boise, ID 83720-0098

RE: Water Bank Lease, Water Right 36-8266

Enclosed please find 2 copies of the signed agreement for the above water right and a copy of the record of survey that shows the actual boundary of Parcel B that encompasses 15 acres. The boundary on the map that was attached to the original application and subsequent agreement is not correct and needs to be corrected to match with the attached record of survey boundary.

If you have any questions regarding this matter, feel free to contact me at (208) 329-9485.

Sincerely,

Alan W. Hansten, P.E.
General Manager

Enc.: (2) Signed Copies of Agreement
Record of Survey

Located In
A Portion of
N², Section 20
Township 9 South, Range 17 East
Boise Meridian
Jerome County, Idaho
2022

0 150 300 600
SCALE IN FEET



Legend

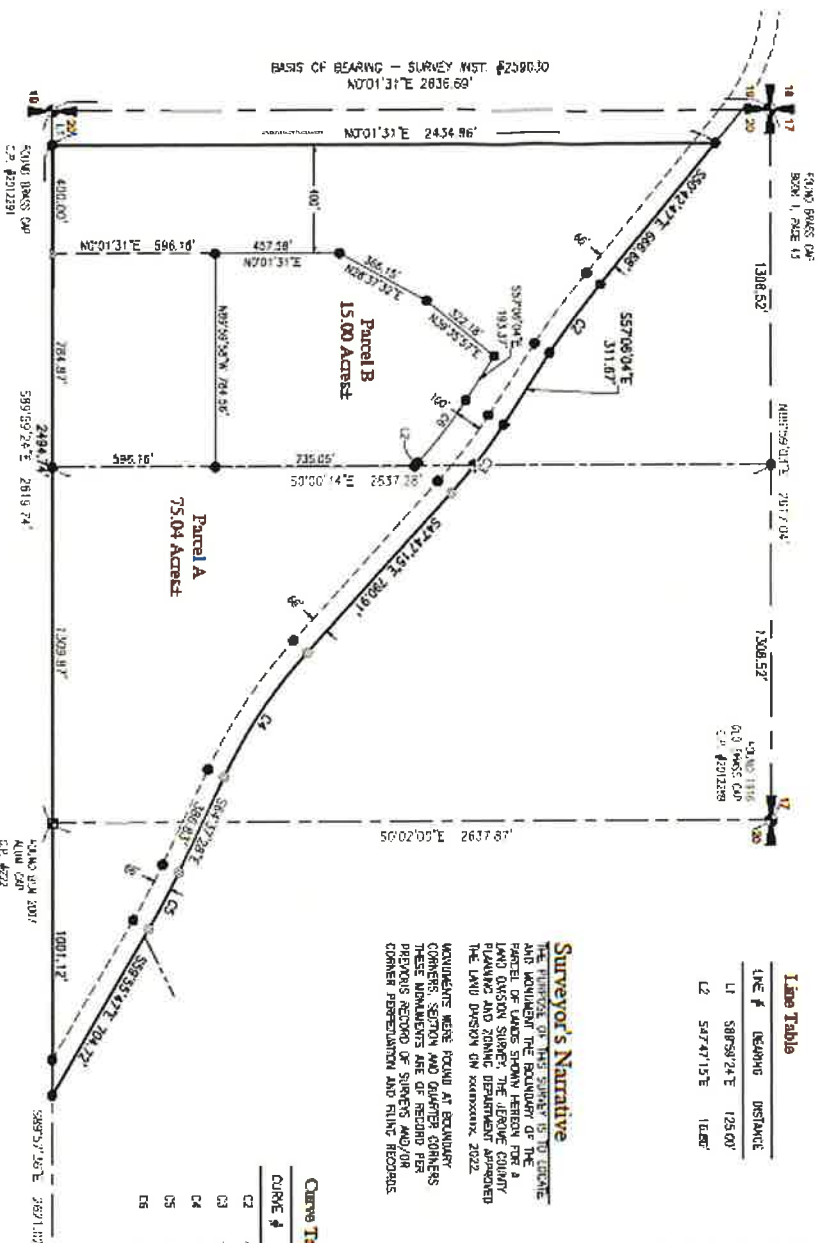
SECTION BOUNDARY LINE	---
SECTION LINE	---
DIAPHRAGM SECTION LINE	---
SIXTEENTH SECTION LINE	---
ADJACENT PROPERTY LINE	---
TIE LINE	---
COUNTY HIGHWAY EAST/WEST LINE	---
PARCEL LINE	---
CALCULATED POINT (NOT SET)	△
FOUND GRASSY CAP	⊕
FOUND 5/8" REBAR (AS NOTED)	○
FOUND 1/2" REBAR (AS NOTED)	◊
FOUND ALUMINUM CAP	■
SET COPPER DISC - LS 10110	+
SET 5/8" x 24" REBAR	●
FOUND 1/2" REBAR - REPLACED WITH 3/8" x 24" REBAR	⊙
FOUND 3/8" x 24" REBAR	⊗
FOUND 1/2" REBAR - REPLACED WITH 3/8" x 24" REBAR	⊕

Surveyor's Narrative

THE PURPOSE OF THIS SURVEY IS TO DEFINE AND MONITOR THE BOUNDARY OF THE PARCEL OF LANDS SHOWN HEREIN FOR A LAND DIVISION SURVEY. THE JEROME COUNTY PLANNING AND ZONING DEPARTMENT APPROVED THE LAND DIVISION ON NOVEMBER 2022. INVESTIGATIONS WERE FOUND AT BOUNDARY CORNERS, SECTION AND QUARTER CORNERS. THESE MONUMENTS ARE OF RECORD PER PREVIOUS RECORD OF SURVEYS AND/OR CORNER PERPETUATION AND FILING RECORDS.

Curve Table

CURVE #	DELTA	RADIUS	ARC	CHORD	TANGENT	CHORD B'G
C2	8°23'16"	2331.79'	315.73'	315.57'	158.03'	553°54'25"E
C3	5°18'50"	1542.85'	315.42'	315.46'	158.26'	552°20'39"E
C4	18°50'13"	1678.86'	561.53'	540.55'	277.77'	556°12'21"E
C5	6°41'40"	2887.39'	237.45'	237.57'	118.26'	552°16'57"E
C6	5°18'50"	1778.86'	288.04'	288.52'	144.74'	552°20'39"E



CERTIFICATE OF SURVEYOR

I, CHRISTOPHER S. JARVIS, DO HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR IN THE STATE OF IDAHO, AND THIS MAP HAS BEEN PREPARED FROM AN ACTUAL SURVEY MADE BY THE GROUND UNDER MY DIRECT SUPERVISION, AND IS AN ACCURATE REPRESENTATION OF SAID SURVEY. IT IS IN CONFORMANCE WITH THE CORNER PERPETUATION AND FILING ACT, STATE OF IDAHO CODE 36-1601 THROUGH 36-1612 AND TO THE IDAHO CODE RELATING TO SURVEYS.



South Central Public Health District

SURVEY INSTRUMENTS AS REQUIRED BY IDAHO CODE TITLE 24, CHAPTER 14, HAVE BEEN INSPECTED AND FOUND TO BE IN ACCORDANCE WITH THE REQUIREMENTS OF IDAHO CODE TITLE 24, CHAPTER 14, SECTION 24-14-12, OF THE IDAHO CODE OF ORDINANCES OF DEPENDENCY.

DATE: _____ SOUTH CENTRAL PUBLIC HEALTH DISTRICT ENVIRONMENTAL HEALTH SPECIALIST

Jerome County Planning & Zoning

THIS LAND DIVISION IS ACCEPTED AND APPROVED BY THE JEROME COUNTY PLANNING & ZONING.

DATE: _____ JEROME COUNTY P & Z ADMINISTRATOR

Survey References

- #21163
- #2590.30
- FEDERAL AID PROJECT NO. 15 2754 (2)

Deed References

- #2304600
- #2204605

Subdivision References

"ALLEN SUBDIVISION" NORTH R/W PARALLELS

Record of Survey / Land Division Survey
for
ALLEN FAMILY TRUST

EHM Engineers, Inc.
BUILDING THE FUTURE ON A FOUNDATION OF EXCELLENCE
Engineers / Surveyors / Planners
621 North College Road, Suite 100 Twin Falls, Idaho 83301
p (208) 734-4818 fax (208) 734-6049 web: ehminc.com

APP NO.	151-42
APPROVED	
DATE	04/1
BY	APR 2022
SCALE	AS SHOWN
DATE	Y 181-22 REC 121
SHEET NO.	1



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

5/30/23

NORTHSIDE CANAL CO LTD
921 N LINCOLN AVE
JEROME ID 83338-1860

**RE: APPLICATION TO LEASE WATER RIGHTS 36-8266 TO THE WATER SUPPLY BANK
CONTRACT 1700**

******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 water 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,

for
Water Supply Bank

Enclosures: Proposed Lease Contracts

MEMORANDUM FOR APPLICATION # 2616

To: Water Right No. 36-8266

From: Skyler Cheever – Water Resource Agent

Date: 3/10/2023

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

PURPOSE/NARRATIVE:

Application 2616 was sent in by the North Side Canal Company and received on March 1st, 2023, with fee payment received the same date. This application is part of a lease/rental package, including rental application 2617. This application proposes to lease the stockwater portion of water right 36-8266 into the water supply bank from 2023-2027. The proposed volume is 13.2 af. Water right 36-8266 authorizes 13.4 af of stockwater. After email correspondence with a representative of North Side Canal Company the proposed volume was changed to 13.4 af. The point of diversion is within the Eastern Snake Plain Aquifer GWMA, Snake River Basin Moratorium, Groundwater District North Snake and Trust Water Area. This is the first time this water right has been leased into the water supply bank.

AUTHORITY TO FILE:

Alan Hansten signed the application. Mr. Hansten has the authority to file this application because he is a secretary with Northside Canal Company. Northside Canal Company is the current owner of water right 36-8266 according to Department records.

WATER RIGHT VALIDITY:

The water right was licensed in 2002. The ownership was changed to the current owner in 2022. According to Section 4F on the application the full water right was used to water 250 head of stock. Therefore, there are no validity concerns.

ENLARGEMENT OF USE:

The full water right use is being leased into the water supply bank. The water right also includes commercial and domestic but since these are different beneficial uses, stockwater can be leased separately without causing enlargement. There are enlargement concerns if the full 0.12 cfs diversion rate is rentable. The diversion rate between the stockwater, domestic and commercial uses is 0.12 cfs. If the full stockwater rate is made rentable elsewhere and diversion is still occurring for domestic and commercial uses 0.18 cfs would be diverted leading to enlargement of 36-8266. Therefore, the rentable diversion rate will be reduced to 0.06 cfs so the total between the three uses adds to 0.12 cfs, preventing enlargement. There are no other enlargement concerns.

LOCAL PUBLIC INTEREST:

Review staff have 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 point of diversion is within basin 36 and Water District 130 but not administered. The Southern Regional Manager was contacted for comment on March 10th, 2023. No response was received, it is assumed there is no concern with this proposal.

Cheever, Skyler

From: Cheever, Skyler
Sent: Friday, March 10, 2023 1:39 PM
To: Skinner, Corey
Subject: Water Supply Bank Lease/Rental Package 2616/2617
Attachments: Lease Review Memo 2616.docx; Lease Contract 1700.docx; Lease Map 1700.pdf; Rental Review Memo 736.docx; Rental Agreement 736.docx; Rental Map 736.pdf

Hello Corey,

Hello Corey and Ms. Healey,

I am currently finishing my review of a lease rental package, which is within Basin 36 and WD 130, but not administered. The lease applicant is North Side Canal Company. The application proposed to lease the stockwater portion of water right 36-8266 into the water supply bank from 2023-2027. The rental applicant is the estate of Allen Herb. Attached is a draft contract/agreement, review memos and map of the places of use. If there are any comments you would like to make, please do so within 14 days. If you have any questions, please let me know.

Best,

Skyler

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

Kienholz, Mackenzie

From: Travis L. Thompson <tthompson@martenlaw.com>
Sent: Thursday, March 9, 2023 4:17 PM
To: Kienholz, Mackenzie
Subject: RE: Water Supply Bank Application Clarification

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Mackenzie,

Yes should be full volume thanks

Travis

Travis L. Thompson

Partner

D – 208.735.2227
M – 208.404.2840
E - tthompson@martenlaw.com

martenlaw.com
163 Second Ave. W.
Twin Falls, ID 83301



From: Kienholz, Mackenzie <Mackenzie.Kienholz@idwr.idaho.gov>
Sent: Tuesday, March 7, 2023 2:22 PM
To: tlt@idahowaters.com
Subject: Water Supply Bank Application Clarification

Good afternoon,

I am completing the initial intake for Water Supply Bank Lease Application #2616 and Rental Application #2617 for North Side Canal Company and the Estate of Herb D Allen. I need to clarify the following. On the lease application Attachment 2 lists 0.12 cfs and 13.2 af to be leased. This is the full rate, but not the full volume allowed under the stockwater portion of right 36-8266 (13.4 af). Also, the rental requests the full 13.4 af. Please confirm that the full stockwater portion should be leased to the Bank.

Thank you,

Mackenzie Kienholz
Water Supply Bank Specialist



IDAHO DEPARTMENT OF
WATER RESOURCES

Planning & Projects

Mackenzie.kienholz@idwr.idaho.gov

Phone: (208) 287-4822

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Barker Rosholt
& Simpson LLP

RECEIVED
MAR 01 2023
DEPARTMENT OF
WATER RESOURCES

Boise

1010 W. Jefferson St. Suite 102
Boise, Idaho 83702
p. 208.336.0700
f. 208.344.6034

Attorneys

Albert P. Barker
John K. Simpson
Travis L. Thompson
Scott A. Magnuson
of counsel
Sarah W. Higer
Michael A. Short

John A. Rosholt
(1937-2019)

Michael A. Short

EMAIL: mas@idahowaters.com

PHONE: 208.336.0700

WEB: idahowaters.com

March 1, 2023

Via Hand Delivery

Idaho Dept. of Water Resources
Attn: Water Supply Bank

Re: Application to Rent Water from the Board's Water Supply Bank (Estate of Herb Allen c/o John O. Fitzgerald II) / Applications to Lease Water to the Water Supply Bank (Water Rights 36-8266)

Dear Mary,

Enclosed, please find the following:

- Application to Rent Water from the Water Supply Bank; and,
- Application to Lease Water to the Water Supply Bank (WR 36-8266);

Also enclosed, please find check number 1277 from North Side Canal Company in the amount of \$250.00 regarding the fees for the Applications to Lease Water from the Water Supply Bank.

If you have any questions, or need additional information, please email or call me at (208) 336-0700.

Sincerely,

BARKER ROSHOLT & SIMPSON LLP

Michael A. Short