

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1760

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

RECEIVED

MAR 13 2024

LESSOR: A CLAY ATKINS
PO BOX 276
BRUNEAU, ID 83604

LESSOR: JACOBA S ATKINS
PO BOX 276
BRUNEAU, ID 83604

DEPT. 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 15, 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)
2-7055	1/23/1970	SNAKE RIVER, tributary to COLUMBIA RIVER	2.86	725	145.0
2-7112A	2/22/1973	SNAKE RIVER, tributary to COLUMBIA RIVER	3.02	760	152.0
Combined Lease Totals			5.88	1,490	297.0

Summary of Water Rights Elements Rentable From the Bank

Water Right	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (Limited) (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
2-7055	2.49	725	145.0	0.017	5.00
2-7112A	2.63	760	152.0	0.017	5.00
Combined Limit Totals	5.12	1,490	297.0	0.017	5.00

*** The water right elements rentable have been reduced from the water right elements leased to account for combined limits with water right part of shared pump station.**

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1760

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, 2024 to December 31, 2026. 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. 1760

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

LESSOR: A CLAY ATKINS

PO BOX 276

BRUNEAU, ID 83604

By

Title

Date

LESSOR: JACOBA S ATKINS

PO BOX 276

BRUNEAU, ID 83604

By

Title

Date

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

Lease approved by IDWR

Date

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1760

**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): 2-7055, 2-7112A

SNAKE RIVER L 6NWSW Sec. 31 Twp 05S Rge 06E OWYHEE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
2-7055	IRRIGATION	03/01	to	12/01	2.86 cfs	725 AF
2-7112A	IRRIGATION	03/15	to	11/15	3.02 cfs	760 AF
Totals:					5.88 cfs	1,490 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S	05E	2											22	19			7.8		48.8
06S	05E	3	25 L1	26 L2	23	26									34	26		31	191.0
06S	05E	10	5.2																5.2
06S	05E	11		17			35												52.0

Total Acres: 297.0

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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

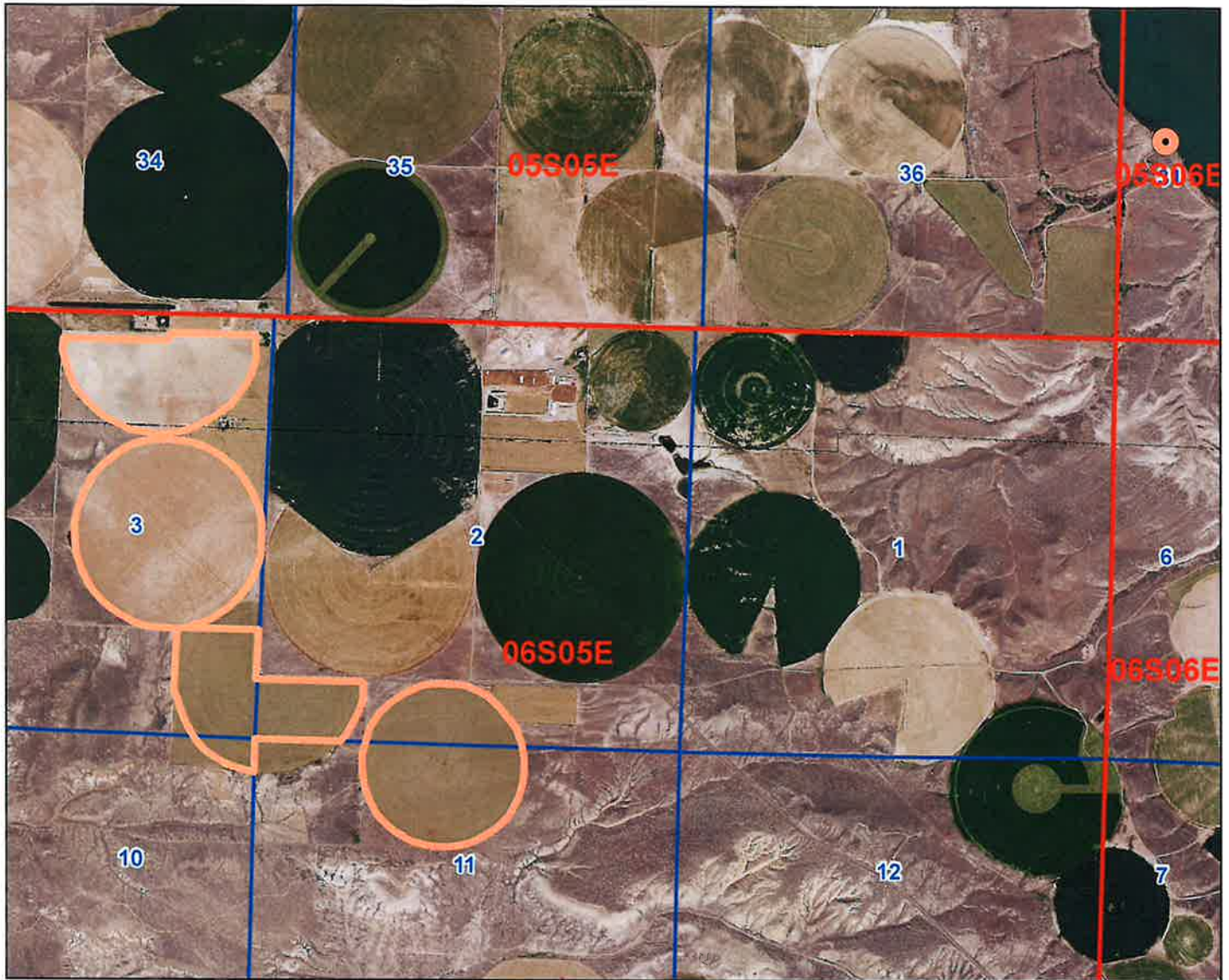
WATER SUPPLY BANK LEASE CONTRACT No. 1760

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
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. Water Rights 2-7055, 2-7112A when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.
13. The period of use for the irrigation described in this approval may be extended to a beginning date of 3/1 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 3/15 is subordinate to all water rights having no subordinated early irrigation use and a priority date earlier than 9/12/2012.
14. The unleased portions of water rights 2-2156, 2-2245A, 2-7055, 2-10318, and 2-10562 when combined shall not exceed a total diversion rate of 16.03 cfs.
15. 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. 02.

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1760

2-7055, 2-7112A
Effective until December 31, 2026

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.



0 2,500 5,000 7,500 Feet

-  Water Supply Bank Lease Point of Diversion
-  Water Supply Bank Lease Place of Use
-  Township/Range
-  Sections



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED
SEP 18 2023
DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant Crane Falls Acres LLC

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

Water Right No. 2-7055

(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 *Attached (Yes)* or *Not Applicable (N/A)*

Yes

- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank*.
- ☒ Application filing fee of \$250.00 per water right. If you are submitting more than one lease application and the water rights have an overlapping, common place of use, or a common diversion rate or volume, the total fee for all water rights is \$500.00. For places of use, multiple water rights must be used to irrigate the same lands in order to qualify for the joint filing fee. Individual filing fees are required for water rights that share a common permissible place of use but which cover separate acres within the permissible place of use.
- ☒ Confirmation this form has been printed **single sided**, per requirement of the Water Supply Bank.

Attachment N/A Yes

- | | | | |
|----|-------------------------------------|-------------------------------------|--|
| 1A | ☒ | ☐ | Signatures and contact information for <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>Ku</u>	Date Received: <u>9-18-23</u>	Receipt # <u>C117053</u>
W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)		Name on W-9: <u>Crane Falls Acres LLC</u>	

2756

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 Crane Falls Acres LLC

Mailing Address 1141 E Kimberley Ln Boise ID 83712
Street City State Zip Code
Email Address cranefallsjakie@gmail.com Phone Number 206-236-2860

☒ 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 Lori Graves Organization HDR Inc
Professional Title Sr Water Rights Specialist Email Address lori.graves@hdrinc.com
Mailing Address 412 E Parkcenter Blvd, Ste 100 Boise, ID 83706 Phone Number 208-387-7000

☐ 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.
pump station, pipeline, sprinklers

- 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. see attached supplement

- 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. see attached supplement

- 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. see attached supplement

- 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**

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>	<u>Nature of Use</u>	<u>Leased Rate</u> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
2-7055	Irrigation	2.86 cfs	725 afa	145
	Total Amounts:	2.86 cfs	725 afa	145

2. Source of water Snake River tributary to Columbia River
3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
5S	6E	31	6		NW	SW	Owyhee

Water Bank Lease Supplement

Water rights 2-10318, 2-10562, 2-2156, 2-2245A, 2-7055 and 2-7112A, when combined, allow irrigation of 1278 acres within a 1338-acre permissible place of use per transfer no. 82917 approved August 21, 2019. The irrigation place of use has changed over time due to the installation of pivots resulting in a more efficient irrigation system and less acres irrigated. Currently, only 950 acres have been irrigated and the remaining 328 authorized acres have been banked under lease contract #1216 set to expire 12/31/2023. Applicants wish to "re-lease" 297 acres for another three years. They are planning some pivot adjustments that will allow irrigation of an additional 31 acres for a total of 981 acres as shown on the attached map. As a result, they wish to lease all of right 2-7112A (152 acres) and 145 acres of water right 2-7055 to the bank.



RECEIVED
SEP 18 2023
DEPARTMENT OF
WATER RESOURCES

September 13, 2023

Mary Condon
IDWR State Office
PO Box 83720
Boise, ID 83720-0098

Subject: *Water Bank Lease Applications, Water Rights 2-7112A (all), 2-7055 (part)*
Water Bank Rental Application, Water Right 2-7112A
Notice of Change in Water Right Ownership

Dear Mary,

Enclosed are two water bank lease applications for Crane Falls Acres LLC. These acres proposed for lease are currently part of Contract #1216 set to expire 12/31/2023. Applicants wish to "re-lease" 297 of the currently leased 328 acres for another three years. Check #1018 is enclosed for the \$500 filing fee.

Applicants' tenant farmer (Bruce Lampman) is planning pivot adjustments that will increase irrigation by 31 acres which is why less acres are being "re-leased". As we discussed on the phone, Bruce would like to irrigate the 31 additional acres late this season once the pivot adjustments are made. As recommended, enclosed is a water bank rental application requesting to rent water currently banked under water right 2-7112A. The rental fee is to cover administrative costs only per private agreement between Crane Falls Acres LLC (Jacoba and Clay Atkins) and Bruce Lampman.

The subject water rights are currently in the Atkins names. The Atkins deeded the property to Crane Falls Acres LLC in 2022 with Jacoba and A. Clay Atkins as the managing members. Enclosed is a Notice of Change in Water Right Ownership and associated grant deeds to allow ownership of the water right records be updated. Check #1019 is enclosed for the \$150 filing fee.

Please let me know if there are any questions. Thanks Mary.

Sincerely,

HDR Engineering, Inc.

Lori Graves

Lori Graves
Sr. Water Rights Specialist

hdrinc.com

HDR, 412 E Parkcenter Blvd, Suite 100, Boise, ID 83706
(208) 387-7000

Cc: Jakie Atkins, Bruce Lampman

Enclosers: WB lease applications (2), WB rental application (1), ownership change notice,
check #1018 for \$500, check #1019 for \$150

Project: 10382053

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: 2024 to 2027 (maximum lease period 5 calendar years).
(Year) (Year) (3 years)

B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.
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.

Jacoba Atkins
Signature of Designated Applicant

Jacoba Atkins
Printed Name

9/8/23
Date

Crane Falls Acres LLC
Signature of Authorized Representative

Crane Falls Acres LLC
Printed Name

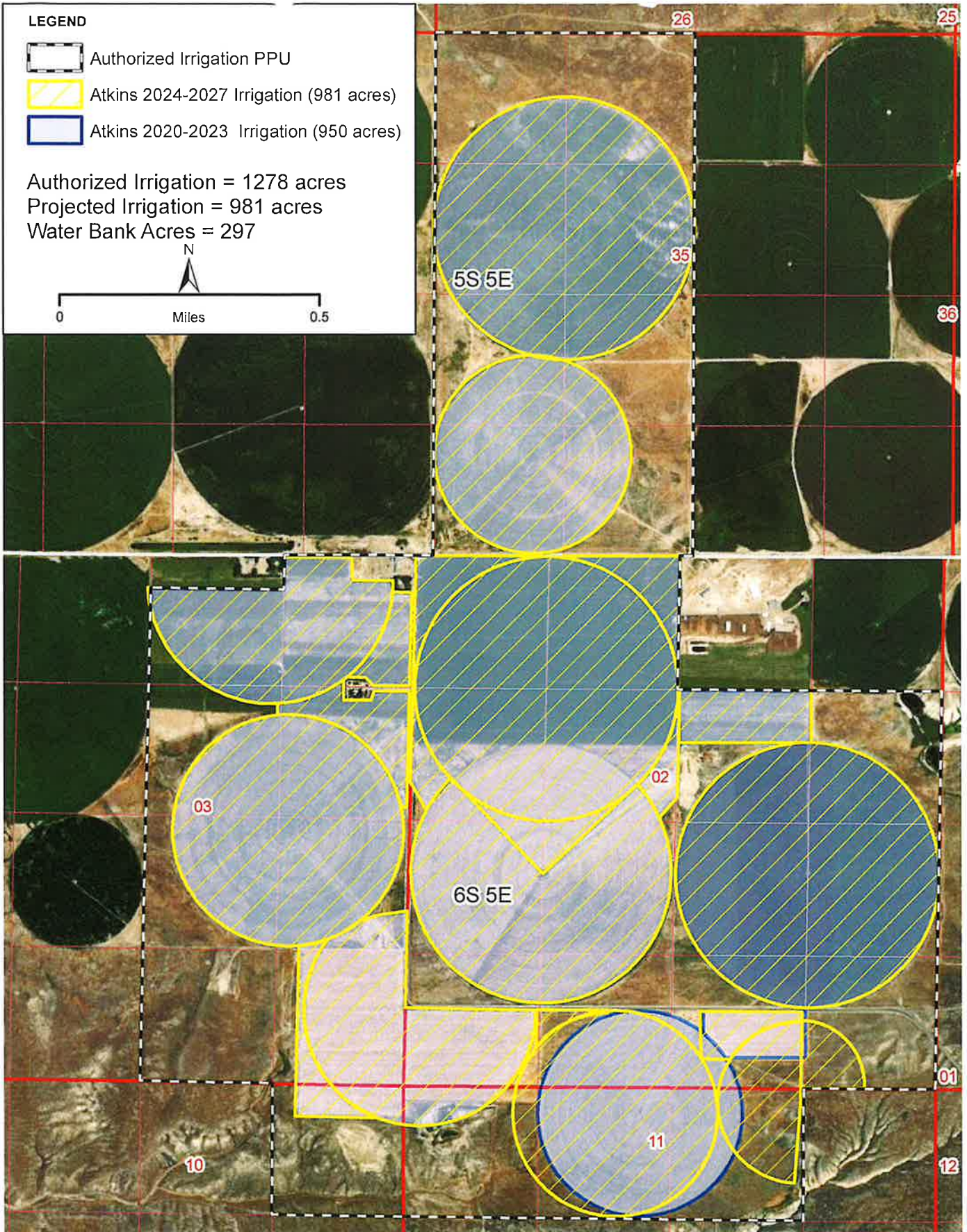
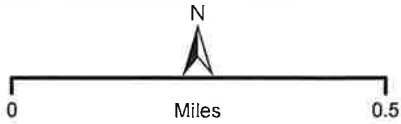
Date

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

LEGEND

-  Authorized Irrigation PPU
-  Atkins 2024-2027 Irrigation (981 acres)
-  Atkins 2020-2023 Irrigation (950 acres)

Authorized Irrigation = 1278 acres
 Projected Irrigation = 981 acres
 Water Bank Acres = 297



WRS 2-7055 & 2-7112A
WATER BANK LEASE APPLICATIONS
JACOBA AND/OR CLAY ATKINS



0005103286

**STATE OF IDAHO***Office of the secretary of state, Phil McGrane***ANNUAL REPORT**

Idaho Secretary of State

PO Box 83720

Boise, ID 83720-0080

(208) 334-2301

Filing Fee: \$0.00

*For Office Use Only***-FILED-**

File #: 0005103286

Date Filed: 2/8/2023 3:02:23 PM

Entity Name and Mailing Address:

Entity Name:

Crane Falls Acres LLC

The file number of this entity on the records of the Idaho
Secretary of State is:

0004602514

Address

1141 E KIMBERLEY LN
BOISE, ID 83712-7718

Entity Details:

Entity Status

Active-Existing

This entity is organized under the laws of:

IDAHO

If applicable, the old file number of this entity on the records of
the Idaho Secretary of State was:

The registered agent on record is:

Registered Agent

A. Clay Atkins
Registered Agent

Physical Address

1141 E KIMBERLEY LANE
BOISE, ID 83712

Mailing Address

1141 E KIMBERLEY LN
BOISE, ID 83712-7718

Limited Liability Company Managers and Members

Name	Title	Business Address
☒ A. Clay Atkins	Member	1141 E KIMBERLEY LN BOISE, ID 83712-7718
☒ Jacoba S. Atkins	Member	1141 E. KIMBERLEY LANE BOISE, ID 83712

The annual report must be signed by an authorized signer of the entity.

Job Title: Legal Assistant to Stephen L. Pruss

Amy Green

Sign Here

02/08/2023

Date

B0777-0834 02/08/2023 3:02 PM Received by Office of the Idaho Secretary of State



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 Mathew Weaver

March 14, 2024

CRANE FALLS ACRES LLC
1141 E. KIMBERLEY LN.
BOISE, ID 83712

**RE: WATER SUPPLY BANK LEASE CONTRACT 1760
FOR WATER RIGHT 2-7055, 2-7112A**

Dear Lessor:

Water right **2-7055,2-7112A** is leased into the Water Supply Bank (Bank) as of January 2024 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 31,2028** unless the rights are released earlier by the Water Resource Board (Board). 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 are rented.**

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

Sincerely,
Signature

Catalina Beck

Enclosure: Executed Lease Contract

c: IDWR- Western Region
Water District No. 02



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 Mathew Weaver

February 5, 2024

CRANE FALLS ACRES LLC
1141 E. KIMBERLEY LN.
BOISE, ID 83712

**RE: APPLICATION TO LEASE WATER RIGHTS 2-7055 AND 2-7112A TO THE WATER
SUPPLY BANK CONTRACT 1760**

******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, 2026**, 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.

Regards,

Skyler Cheever

Water Resource Agent

Enclosure: Lease Contracts

Cheever, Skyler

From: Cheever, Skyler
Sent: Monday, February 5, 2024 3:29 PM
To: Whitney, Rob; Miller, Nick
Subject: Water Supply Bank Lease Application 2756
Attachments: Lease Review Memo 2756.pdf; Lease 1760 Map.pdf

Hello Rob and Nick,

I have completed my review of a Water Supply Bank Lease Application 2756 with the point of diversion within basin 2, Water District 2, and the place of use is within basin 51. The applicant is the Crane Falls Acres LLC. The applicant proposes to lease 145 acres of water right 2-7055 and the entirety of 2-7112A into the water supply bank from 2024-2026. Attached is a copy of the review memo and map of the place of use. If you have any comments on the applicant's proposal or my review, please let me know within 7 days. If you have any questions or concerns, please let me know.

Best,

Skyler

Skyler Cheever

Water Resource Agent, State Office

Email: skyler.cheever@idwr.idaho.gov

Phone: 208-287-4913

MEMORANDUM FOR WSB LEASE APPLICATION # 2756

To: Water Right No(s). 2-7055 and 2-7112A

From: Skyler Cheever, Water Resource Agent

Date: 2/5/2024

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

PURPOSE/NARRATIVE:

Application 2756 was sent in by Crane Farms Acres LLC and received on September 18th, 2023, with the correct fee payment received the same date. The applicant proposes to lease the entirety of water right 2-7112A and a 145-acre portion of water right 2-7055 into the water supply bank from 2024-2026. According to a description provided the applicants propose to reduce the leased acres because a new 31-acre pivot area is being developed. However, according to the provided map those acres were not included with the previous lease place of use. After an email conversation with the representative, they explained the applicant reduced the acres to possibly prevent the spreading of water and enlargement. The point of diversion is within the Snake River Basin Moratorium, Bruneau-Grandview Ground Water Management Area, and Trust Water Area. This application is intended to renew contract 1216 which is set to expire on December 31st, 2023.

AUTHORITY TO FILE:

Jacoba Atkins signed the application. Ms. Atkins has the authority to file this agreement because she is one of the current owners of water rights 2-7055 and 2-7112A according to Department records.

WATER RIGHT VALIDITY:

Water rights 2-7055 and 2-7112A were decreed in 2012. An extension of time to prevent forfeiture was approved from 2018-2023. According to Multiple Programs Memo #2 a water right is likely protected from forfeiture if an extension is filed within the 6th year of nonuse. The water right was leased into the water supply bank from 2020-2023. Any water right leased or rented from the water supply bank is likely within a valid defense to forfeiture according to Idaho Code §42-223(5). Therefore, enough evidence is available to the bank to conclude water rights 2-7055 and 2-7112A are likely not lost to forfeiture and can be leased into the water supply bank.

ENLARGEMENT OF USE:

The rights proposed for lease are diverted from the Snake River with a pump station that is also the point of diversion for many other rights. If the proposed rights are leased and the full combined rate is continued to be diverted using the pump station, then an enlargement would occur. However, Crane Farms has no control over rights they do not own and should be penalized, the rights should be accepted but the remaining rights owned by the applicant should be reduced to account for the reduction to the limit. Table 1 and Table 2 below show the water rights included in the combined limit, the proportional rates, and the reduced lease amounts to account for the limit. This method was similarly applied in past lease contracts, but the rights included in the combined limit calculation were not accurate and the calculation did not account for proportional amounts of the limit. A rental could be possible without a reduction to the rights or combined limit if the point of diversion for the rental is the same as historic diversion.

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 point of diversion is within basin 2, Water District 2 and the place of use is within basin 51. The Watermaster and Western Regional Manager were contacted for comment on February 5th, 2024. No response was received, it is assumed there is no concern with the applicant's proposal.

Basin	Sequence	Suffix	Diversion Rate	Portion of Limit	Total Acres	Acre Limit	Volume
2	2156		5.79	5.04	1,338.00	315	1575
2	2245	A	0.70	0.61	1,338.00	39	195
2	2245	B	0.64	0.56	32.00		160
2	2298		3.66	3.19	199.00		995
2	2356		5.06	4.41	256.00		1280
2	2376		3.57	3.11	194.00		970
2	7055		5.83	5.08	1,338.00	296	1480
2	7071		6.40	5.57	320.00		1440
2	7112	A	3.02	2.63	1,338.00	152	760
2	7112	B	1.60	1.39	80.00		400
2	10317		0.30	0.26	16.00		80
2	10318		5.55	4.83	1,338.00	291	1455
2	10519		0.17	0.15	9.00		45
2	10549		2.09	1.82	114.00		570
2	10550		2.17	1.89	118.00		590
2	10562		3.40	2.96	1,338.00	185	925
		Total:	49.95		2,676	2,710	12,920
		Limit:	43.50	43.50			
		Difference:	-6.45				

Table 1. Water rights in the shared system and included in the combined limit. Rights highlighted in green are rights owned by the Applicant. The "Portion of Limit" column shows the diversion rate for each right adjusted to the equivalent portion of the combined limit.

Basin	Sequence	Suffix	Portion of Limit	Div Rate Leased*	Div Rate Available
2	2156		5.04	0	5.04
2	2245	A	0.61	0	0.61
2	10562		2.96	0	2.96
2	10318		4.83	0	4.83
2	7055		5.08	2.49	2.59
2	7112	A	2.63	2.63	0.00
		Total:	21.15	5.12	16.03
		Limit:	21.15		
		Difference:	0.00		
*Diversion rate leased amounts are calculated from the portion of the limit not the face value on the right					

Table 2. The water rights owned by the applicant and the amounts of each currently leased into the bank. The "Div Rate Available" column and total shows the proportional limit amount of each right unleased. If the Applicant diverts 16.03 cfs for the unleased portions and all other rights in the limit are satisfied proportionally then an enlargement should not occur.