

WATER SUPPLY BANK LEASE CONTRACT No. 1688

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

LESSOR: US GEOTHERMAL INC
C/O ORMAT NEVADA INC
6140 PLUMAS ST
RENO, NV 89519-6075

RECEIVED
JUN 28 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 February 08, 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)
43-2347	9/7/1950	GROUND WATER	2.00	544	137
Lease Totals			2.00	544	137

2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2023 to December 31, 2025. 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.

WATER SUPPLY BANK LEASE CONTRACT No. 1688


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. 1688

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

LESSOR: US GEOTHERMAL INC
C/O ORMAT NEVADA INC
6140 PLUMAS ST
RENO, NV 89519-6075

By 
Title Corporate Secretary
Date June 27, 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 6/28/23

Lease approved by IDWR 

Date 6/28/23

WATER SUPPLY BANK LEASE CONTRACT No. 1688

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): 43-2347

GROUND WATER NWNESW Sec. 26 Twp 15S Rge 26E CASSIA County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From	to	To		
43-2347	IRRIGATION	03/15	to	11/15	2.00 cfs	544 AF
	STOCKWATER	01/01	to	12/31	0.12 cfs	87.0 AF
Totals:					2.00 cfs	544 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	
15S	26E	26					5.0		22	32	11	11							81
15S	26E	27				5.0									22	29			56

Total Acres: 137

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	
15S	26E	26					X		X	X	X	X							
15S	26E	27				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).

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

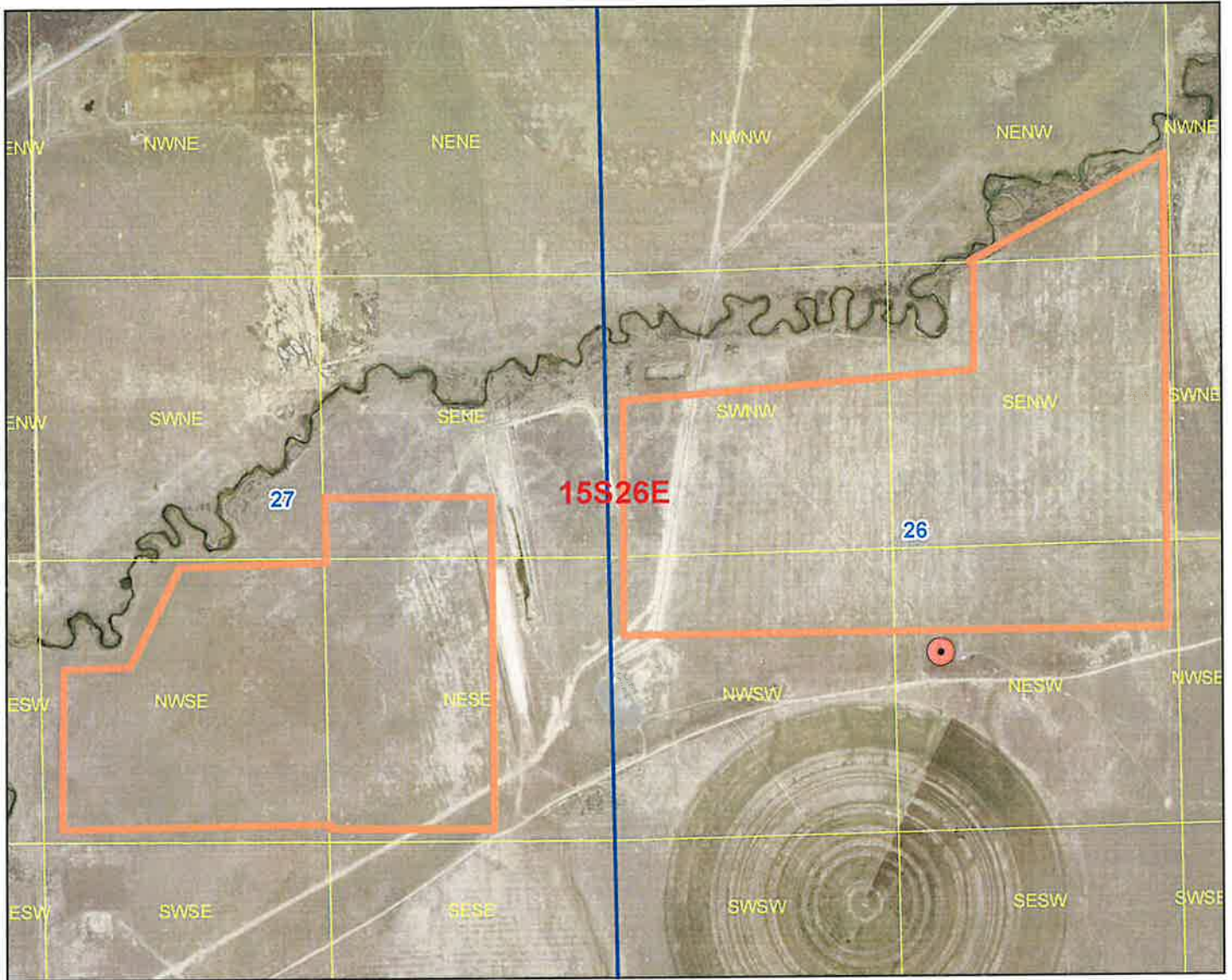
WATER SUPPLY BANK LEASE CONTRACT No. 1688

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.
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. The quantity of water under this right for stockwater use shall not exceed 13,000 gallons per day.
13. After specific notification by the Department, the right holder shall install a suitable measuring device or shall enter into an agreement with the Department to use power records to determine the amount of water diverted and shall annually report the information to the Department.
14. The period of use for the irrigation 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 early or late irrigation use and a priority date earlier than 06-28-2002.
15. Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.
16. This right 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 lands above.
17. 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. 143.






Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1688

43-2347
Effective until December 31, 2025

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

Designated Applicant US Geothermal Inc. C/O Ormat Nevada Inc (Select one owner - see item 1A on the application)

Water Right No. 43-2347 (One water right per application)

Is this application being submitted with a rental application as a lease/rental package? Yes [checked] 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.

MIMUMUM 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.
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 all owners of the water right to be leased or sold on this application.
1B An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.
1C Notice of Change in Water Right Ownership 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.
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.
4A Written consent from irrigation district or water delivery company.
4G Evidence demonstrating the water right has not been forfeited pursuant to Section 42-222(2), Idaho Code.

Department Use Only

Table with 4 columns: Fee Amount (\$250), Received By (KJ), Date Received (2.8.23), Receipt # (C115258), W-9 received? (Yes checked), Name on W-9 (US Geothermal Inc. C/O Ormat Nevada Inc)

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 US GEOTHERMAL INC C/O ORMAT NEVADA INC

Mailing Address 6140 PLUMAS ST RENO, NV 89519-6075

Street

City

State

Zip Code

Email Address _____

Phone Number 7753569029

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 Greg Sullivan

Organization Brockway Engineering

Professional Title Engineer

Email Address greg.sullivan@brockwayeng.com

Mailing Address 2016 N Washington St Ste 4 Twin Falls, Idaho 83301

Phone Number 208-736-8543

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.
Existing well and delivery system.

- 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. 43-2347 and 43-2413

- 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. Water rights 43-2347 and 43-2413 have been under lease contract with the Idaho Water Supply Bank for the 2018-2022 irrigation seasons.

- 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 2025 (maximum lease period 5 calendar years).
(Year) (Year)

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

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]
Signature of Designated Applicant

Scott Kessler
Printed Name

12-13-2022
Date

[Signature]
Signature of Authorized Representative

Elizabeth Helms
Printed Name

12-13-2022
Date

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

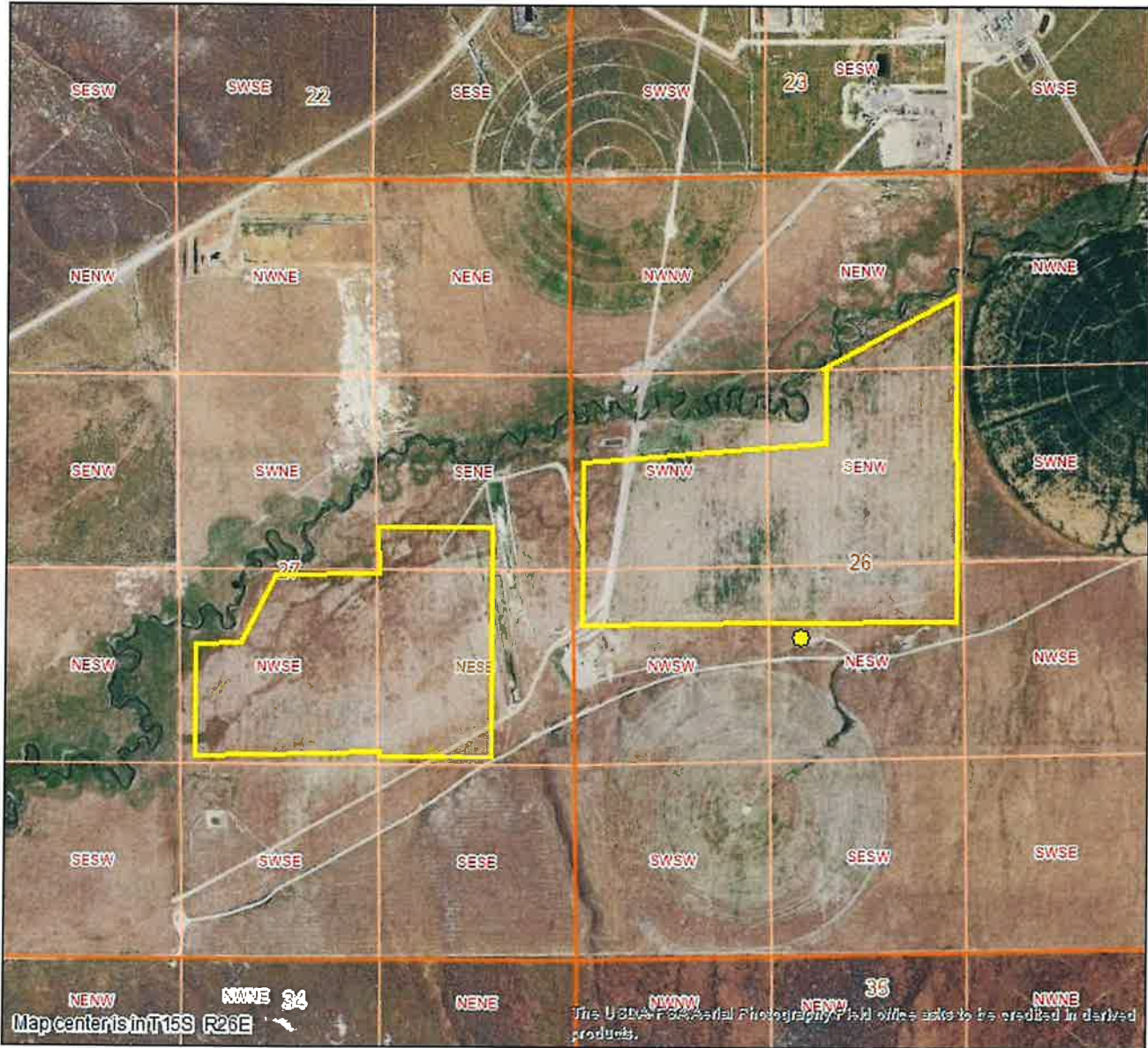
State of Idaho
Department of Water Resources

Water Right

43-2347

IRRIGATION

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



Legend

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



Data created: 10/7/2022

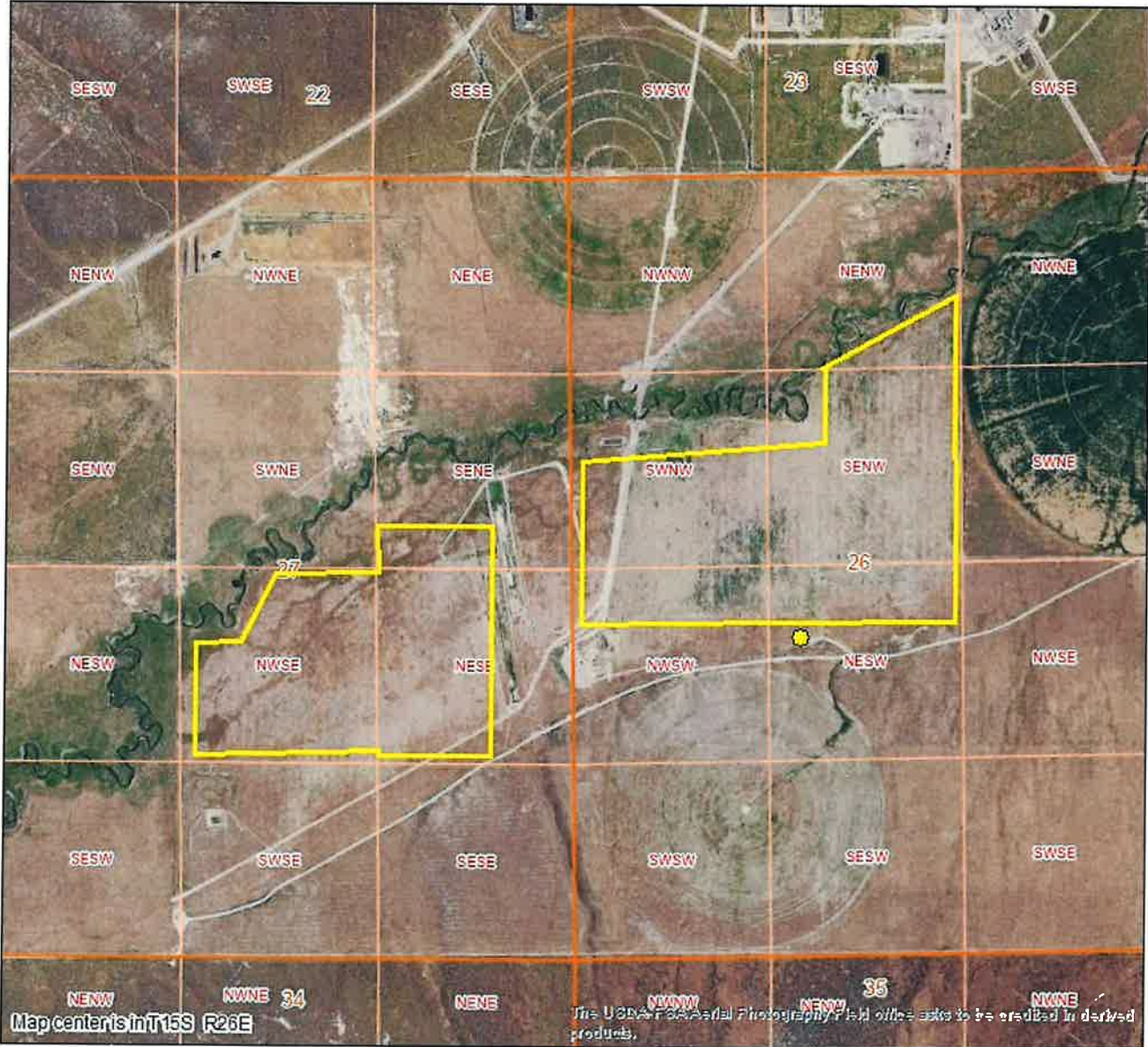
State of Idaho
Department of Water Resources

Water Right

43-2347

STOCKWATER

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.



The USGS FSC Aerial Photography Field Office asks to be credited in derived products.



Legend

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



Date created: 10/7/2022



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 7, 2023

US GEOTHERMAL INC
C/O ORMAT NEVADA INC
6140 PLUMAS ST
RENO NV 89519-6075

**RE: WATER SUPPLY BANK LEASE CONTRACT 1690, FOR WATER RIGHTS 43-2413,
AND LEASE CONTRACT 1688, FOR WATER RIGHTS 43-2347,**

Dear Lessor:

Water right(s) **43-2413 & 43-2347** are 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, 2025**, 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 me at 287-4936.

Sincerely,

Mary Condon
Water Supply Bank Coordinator

Enclosure: Executed Lease Contracts

c: IDWR – Southern Regional Office
Watermaster – Water District 143
Greg Sullivan – Brockway Engineering PLLC

MEMORANDUM FOR APPLICATION # 2593

To: Water Right No. 43-2347

From: Skyler Cheever – Water Resource Agent

Date: 2/14/2023

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

PURPOSE/NARRATIVE: Application 2593 was sent in by US Geothermal Inc in agreement with co-owners Ormat Nevada Inc and received on February 8th, 2023, with fee payment received the same date. The application is part of a lease rental package with lease application 2594 and rental application 2592. This application proposes to lease the full water right 43-2347 into the water supply bank from 2023-2025. The point of diversion is within the Raft River CGWMA, Snake River Moratorium, Raft River Groundwater District, and Trust Water Area. The water right has been leased into the bank continuously since 2018. This application is a renewal of contract 1179.

AUTHORITY TO FILE: Scott Kessler signed the application. However, there is no information as to how Mr. Kessler has the authority to file this application. Elizabeth Helms also signed the application. Ms. Helms has the authority to file because she is a secretary with the company according to the Idaho Secretary of State's Office. Since one of the individuals signed the application has the authority to file, processing can continue. However, in the future if Mr. Kessler is the only signature, documentation should be provided showing he is authorized to file. U.S. Geothermal is the current owner of water right 43-2347 according to Department records.

WATER RIGHT VALIDITY: The water right was decreed in 2002. The 5-year period to prevent forfeiture for leases and rentals starting in 2023 begins in 2017. Because this right was leased since 2018, any irrigation from 2012-2017 would determine validity. Water rights leased into or rented from the water supply bank are in exemption to forfeiture according to Idaho Code § 42-223(5). The property was irrigated from 2010-2015 according to GIS imagery. Therefore, water right 43-2347 is valid.

ENLARGEMENT OF USE: The full water right is being idled into the bank. Therefore, there are no enlargement concerns with remaining water being spread to idle acres. No other water rights with the same beneficial use overlap the place of use. However, there are water rights that authorize cooling for geothermal powerplants; 43-120, 43-2167B, 43-2381, 43-2534B, 43-10069, 43-2347. These rights do authorize irrigation using wastewater of a larger place of use, including the POU for 43-2347. There is no concern of enlargement just because wastewater can be used. It is unlikely to know when or where within the place of use wastewater is used. There are no other enlargement concerns.

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 43 and Water District 143. The Watermaster and Southern Regional Manager were contacted for comment on February 16th, 2023. No response was received, it is assumed there is no concern with this proposal.

RECEIVED

FEB 08 2023

DEPARTMENT OF
WATER RESOURCES



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

February 6, 2023

Mary Condon
Idaho Water Supply Bank
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Re: East Valley Cattle


Dear Ms. Condon:

US Geothermal Inc. C/O Ormat Nevada Inc. have entered into an agreement regarding water rights 43-2413 and 43-2347. East Valley Cattle has agreed to rent the full irrigation amount of water under these two water right for 2023, 2024 and 2025. The lease applications for 43-2413 and 43-2347 are for the full water right amounts for 2023, 2024 and 2025. These water rights have previously been leased into the Idaho Water Supply Bank and rented by East Valley Cattle.

The rental application proposes to rent the entire volume amount and irrigate 205.0 acres.

Please copy our office on all correspondence regarding these applications.

Sincerely,


Greg Sullivan, M.S., Engineer

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

Cc: Bill Millenkamp
Enc: Lease Application, Rental Application, W-9 Form, Aerial Maps, Exhibit A, Annual Report,
Brockway Engineering Check # 17315 for \$500.00

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506

2592 + 2593 + 2594

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