

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 2002

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

LESSOR: WARM SPRINGS CREEK RANCH LLC
C/O MARK GATES 700 EMERSON ST
PALO ALTO, CA 94301

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 December 30, 2024.
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)
34-469	11/1/1892	WARM SPRINGS CREEK, tributary to BIG LOST RIVER	2.57	Not Stated	171.0
34-471	7/12/1907	WARM SPRINGS CREEK, tributary to BIG LOST RIVER	0.64	Not Stated	171.0
Lease Totals			3.21	Not Stated	171.0

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)
34-469	2.57	602.3	171.0	0.015	3.52
34-471	0.64	602.3	171.0	0.004	3.52
Combined Limit Totals	3.21	602.3	171.0	0.019	3.52

** The water right elements rentable have been changed from the water right elements leased to account for the inclusion of a diversion volume.*

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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 2002

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2025 to December 31, 2029. 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. 2002

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

LESSOR: WARM SPRINGS CREEK RANCH LLC
C/O MARK GATES 700 EMERSON ST
PALO ALTO, CA 94301

By Jim Gregory
Title Ranch manager
Date 5/14/26

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By [Signature]
Brian Patton, Executive Manager
Idaho Water Resource Board

Date 5/15/26

Lease approved by IDWR [Signature]

Date 5/15/26

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 2002

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): 34-469, 34-471
WARM SPRINGS CREEK SWNESE Sec. 34 Twp 08N Rge 22E CUSTER County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From	to	To		
34-469	IRRIGATION	5/01	to	10/15	2.57 cfs	602.3 AF
34-471	IRRIGATION	5/01	to	10/15	0.64 cfs	602.3 AF
Totals:					3.21 cfs	602.3 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	
07N	22E	1			40.0														40.0
07N	23E	6					5.0 L3	41.0 L4	5.0 L8										51.0
08N	23E	31											40.0 L4	40.0					80.0

Total Acres: 171.0

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

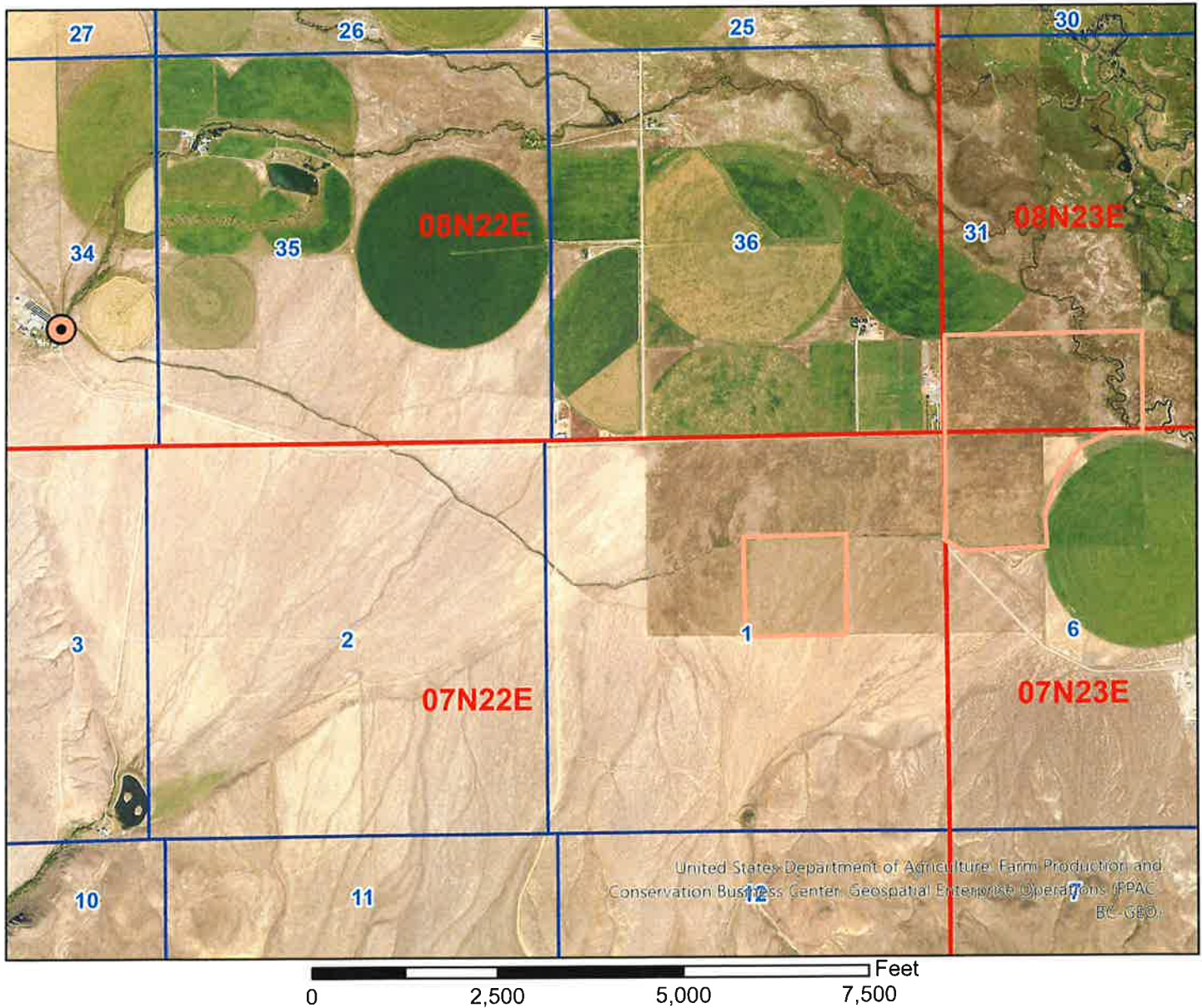
WATER SUPPLY BANK LEASE CONTRACT No. 2002

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. Rights 34-469 and 34-471 when combined shall not exceed a total maximum diversion volume of 750.2 af at the field headgate for the irrigation of 213.0 acres and stockwater use.
13. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the lands above.
14. The right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion.
15. This approval is specifically conditioned upon the terms and limitations contained in the Stipulation, Settlement, and Joint Motion for Order filed with the Department on October 12, 1999, In the Matter of Application for Permit 34-7591, In the Name of L & S Partners, numerous other captioned matters, and the Preliminary Order of the Department issued on November 18, 1999. This approval is subject to any future modifications resulting from or required by the terms of that Stipulation, the Preliminary Order of the Department, and the actions taken pursuant thereto.
16. The period of use for the irrigation described in this approval may be extended to a beginning date of 4/20 and an ending date of 10/31 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/20 and after 10/31 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than June 19, 2002.
17. The appropriator is entitled to the quantity of water described for stockwater purposes at a point of measurement where the delivery ditch enters the place of use described.
18. The unleased portions of water right 34-469 and 34-141 when combined shall not exceed a total diversion rate of 0.79 cfs a total annual maximum diversion volume of 147.9 af, at the field headgate, the irrigation of 42.0 acres, and stockwater use.

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 2002

34-469 and 34-471
Effective until December 31, 2029

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.



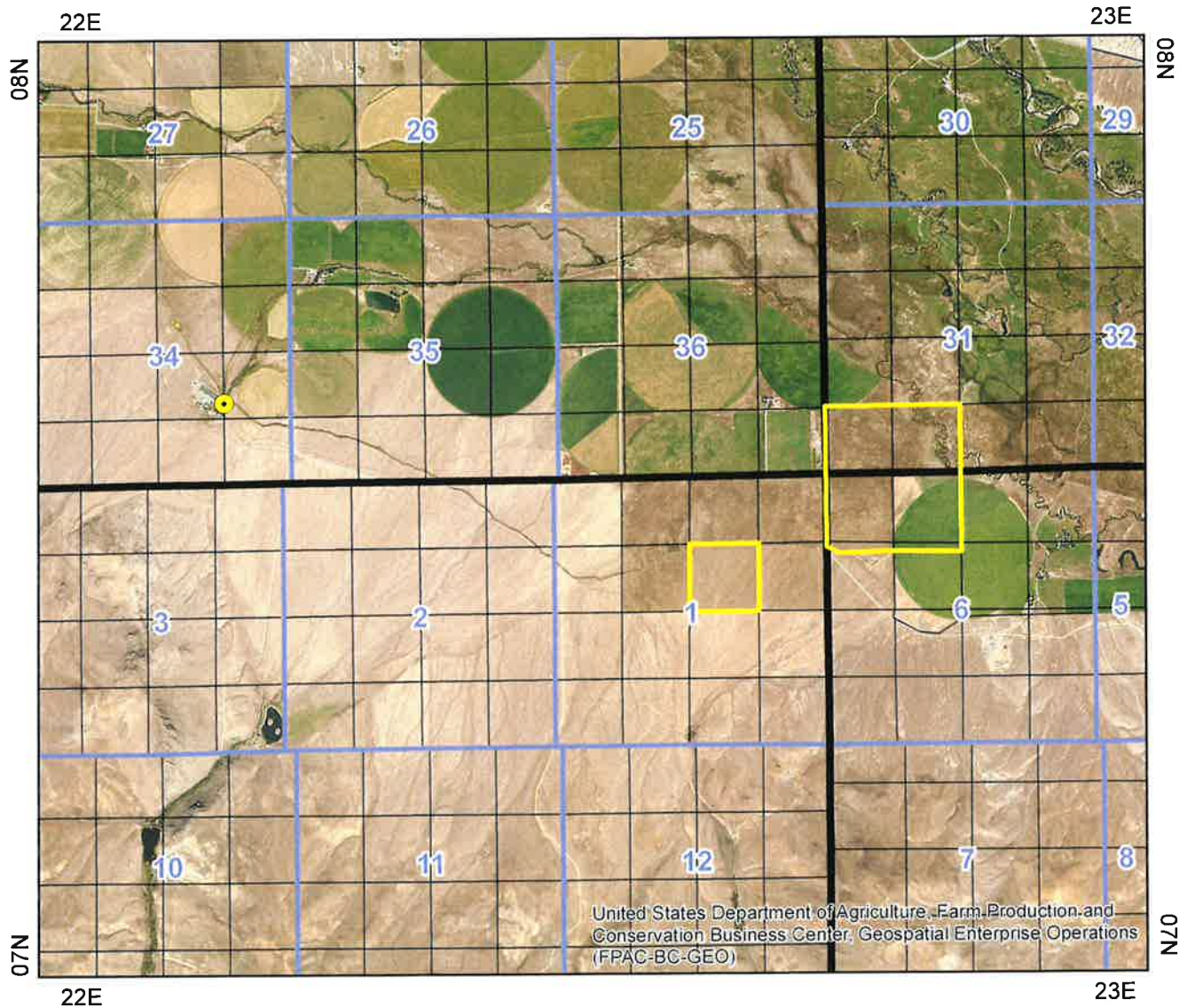
Legend

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



State of Idaho
Department of Water Resources
Attachment to Water Right
34-469

This map depicts the IRRIGATION place of use boundary for this water right at the time of this approval and is attached to the approval document solely for illustrative purposes.



0 0.425 0.85 1.7 Miles

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



RECEIVED

DEC 30 2024

DEPARTMENT OF
WATER RESOURCES

STATE OF IDAHO
WATER RESOURCE BOARD

Print Form

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

Applicant / Designated Lessor Warm Springs Creek Ranch LLC
(Select one owner – see item 1A on the application)

Water Right No. 34-469
(One water right per application)

Is this application being submitted with a rental application as a lease/rental package? Yes ☐ No ☒

If yes, include renter and rental fee payment information as attachment 5B.

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

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

Yes

☐

Completed *Application to Sell or Lease a Water Right to the Water Supply Bank*, printed **single sided**, per requirement of 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.

N/A Yes Attachments

☐
☒

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 Applicant / Designated Lessor.

☐
☐

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 Applicant on this application. If the 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 Section 42-222(2), Idaho Code.

☒
☐

5B

Rental rate and owner payment agreement between lessor and renter for lease/rental packages.

Department Use Only

Fee Amount \$ 250~

Received By: KM

Date Received: 12.30.24

Receipt # C119737

W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)

Name on W-9: Warm Springs Creek Ranch LLC

3164

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

1. CONTACT INFORMATION

- A. The applicant or designated lessor must be listed as a current owner of the water right offered for sale or lease to the Water Supply Bank. If there are multiple current owners, choose one owner as the Designated Lessor. Complete and attach the Designated Lessor - Attachment 1A of this application package with the signatures of all current owners.

Applicant / Designated Lessor Warm Springs Creek Ranch LLC
Mailing Address 5306 Zollinger Rd., Mackay, ID 83251
Street City State Zip Code
Email Address Gregory_Jim@yahoo.com Phone Number 208-588-2447

☒ The Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Lessor is representing additional water right holders who have completed Attachment 1A.

- B. Has the Designated Lessor / Applicant submitted an [IRS Form W-9](#) to this Department within 6 months? 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 Water Right Holder? Yes ☐ No ☒
If yes, representatives (includes employees of Water Right Holder companies) must complete this section and submit documentary proof of their authority to represent the Water Right Holder (Attachment 1D).

Name of Representative Mark Gates Organization Warm Springs Creek Ranch LLC
Professional Title Managing Partner Email Address MarkGates09@gmail.com
Mailing Address 5306 Zollinger Rd., Mackay, ID 83251 Phone Number 650-799-0044

☒ Send all correspondence for this application to the representative and not to the Designated Lessor / Applicant.

OR

☐ Send original correspondence to the Designated Lessor / 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 and none will still be used.

OR

☐ A portion of the water right is being offered to the Bank and a portion will still be used.

If a portion of the water right is being offered, **complete Attachment 2.**

3. MAP

[Attach a map.](#) The map must locate the point of diversion from the source of water and the location of the lands to be idled or the place where the water will no longer be used. The map must also show townships, ranges, sections, and government lots. **For irrigation purposes**, mark the number of acres for lease **per** 40-acre tract (1/4-1/4). 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. Identify the owner of the water delivery system or well Fish Hatchery Ditch

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](#). (Label Attachment 4A)

- B. Please provide a description of the current water diversion and delivery system, including source, pump, pipeline or diversion.
Headgate at the Mackay state fish hatchery, ditch system that delivers water to the applicant and one
other water user.

- C. Describe any other water sources, including municipal, irrigation company shares, or water rights with combined limits to the water right offered to the bank, which are used for the same purpose at the same place of use as the water right being offered to the Bank. 34-471 also being offered to the bank

- 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, and usually have combined limits in the conditions of the water rights. 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, including those listed in 4C? 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. 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 (Label Attachment 4G). See [Section 42-223, Idaho Code](#) for exceptions to forfeiture, including lease into the Bank. Your application may be denied if forfeiture concerns are not addressed. It has not been used to irrigate designated
lands, but has been in the water bank.

- G. Identify annual volumes and/or rates of water diverted (used) in the last 5 years to accomplish the beneficial use authorized by this water right. It has been in the water bank for the past 5 years.

- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan? ☐ ☒

If yes, describe. Yes No

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE CONTRACT

- A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☒ ?

If lease, specify the first calendar year when the use of water will be suspended: 2025

All lease contracts are for a calendar year from January 1st to December 31st (year)

*Mark Desired Lease Duration (Calendar Years)					
☐ 1	☐ 2	☐ 3	☐ 4	☒ 5	<u>Other Term Length (# of years):</u> <i>*Prior IWRB approval required</i>

- B. Show the minimum payment acceptable to the seller/lessor. **If lease**, the minimum payment may be shown as the "current rental rate" as established by the IWRB, or a negotiated rental rate with submittal of an agreement between the lessor and the renter. *The owner payment is 90% of the rental fee. The administrative fee retained by the IWRB is 10% of either the current rental rate or the negotiated rental fee, whichever is higher. Include the method of determining the minimum payment if submitted as a companion lease rental package, and whether the owner payment will be paid directly to the lessor from the renter or if owner payment should be collected by the Department from the renter for payment to the lessor. (Label attachment 5B).*

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 Lessor / Applicant acknowledges the following:

1. Payment to the Designated Lessor / 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 Lessor / 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 Lessor or Applicant

Printed Name

Date

Signature of Co-Applicant

Printed Name

Date

06bd4a66-1c0f-4ea1-85e9-1e2b32c6
236b

Digitally signed by
06bd4a66-1c0f-4ea1-85e9-1e2b32c6236b
Date: 2024.12.26 18:30:38 -0700

Jim Gregory

12/26/24

Signature of Authorized Representative

Printed Name

Date

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

Print Form

WARM SPRINGS CREEK RANCH, LLC
700 EMERSON STREET
PALO ALTO, CA 94301

I, Mark T. Gates, being duly sworn, declare that I am the Owner and Manager of Warm Springs Creek Ranch, LLC.

I hereby authorize Jim Gregory, resident at 5306 Zollinger Road, Mackay, Idaho 83251, to act on behalf of Warm Springs Creek Ranch, LLC in connection with the State of Idaho Department of Water Resources, with particular regard to actions concerning water rights.

I further declare that all statements, answers and information herein submitted is in all respects true and correct to the best of my knowledge and belief. This Authorization shall become effective on the date of execution set forth below and continue until revoked by me.

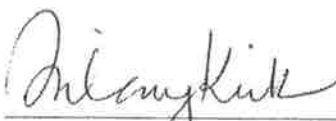


Mark T. Gates
Manager, Warm Springs Creek Ranch, LLC

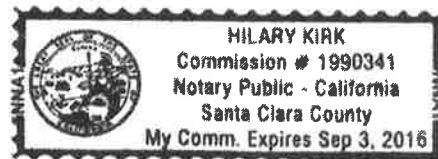
April, 14, 2014

State of California
County of Santa Clara

Subscribed and sworn to before me, Hilary Kirk, Notary Public,
on this fifteenth day of April, 2014 by Mark T. Gates, who proved
to me on the basis of satisfactory evidence to be the person who
appeared before me.

Signature: 

Hilary Kirk, Notary Public





0005730398

**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 #: 0005730398

Date Filed: 5/8/2024 7:08:54 AM

Entity Name and Mailing Address:

Entity Name: WARM SPRINGS CREEK RANCH, LLC
The file number of this entity on the records of the Idaho Secretary of State is: 0000106098
Address: 5306 ZOLLINGER RD
MACKAY, ID 83251-4425

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: W31056

The registered agent on record is:

Registered Agent: Cindy L. Gregory
Registered Agent
Physical Address
5306 ZOLLINGER ROAD
MACKAY, ID 83251
Mailing Address
5306 ZOLLINGER RD
MACKAY, ID 83251-4425

Limited Liability Company Managers and Members

Name	Title	Business Address
Mark T. Gates Jr.	Member	300 WHISKEY HILL ROAD WOODSIDE, CA 94062

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

Job Title: Ranch Manager

Cindy L. Gregory

Sign Here

05/08/2024

Date

B0908-6290 05/08/2024 7:08 AM Received by Office of the Idaho Secretary of State

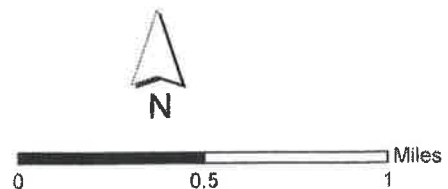
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1135

34-469 & 34-471
Effective until December 31, 2024

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.



-  Approved Lease Point of Diversion
-  Approved Lease Place of Use
-  Township/Range
-  Sections



RECEIVED

STATE OF IDAHO
WATER RESOURCE BOARD

Print Form

DEC 30 2024

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKApplicant / Designated Lessor Warm Springs Creek Ranch
(Select one owner – see item 1A on the application)Water Right No. 34-471
(One water right per application)Is this application being submitted with a rental application as a lease/rental package? Yes ☐ No ☒

If yes, include renter and rental fee payment information as attachment 5B.

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

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

Yes

☐Completed *Application to Sell or Lease a Water Right to the Water Supply Bank*, printed **single sided**, per requirement of 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.

N/A Yes Attachments

☐☒

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 Applicant / Designated Lessor.☐☐

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 Applicant on this application. If the 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 [Section 42-222\(2\), Idaho Code](#).

☒☐

5B

Rental rate and owner payment agreement between lessor and renter for lease/rental packages.

Department Use Only

Fee Amount \$ 250.00 Received By: KM Date Received: 12.30.24 Receipt # 2119737
 W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal) Name on W-9: Warm Springs Creek Ranch LLC

3/6/6

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

1. CONTACT INFORMATION

- A. The applicant or designated lessor must be listed as a current owner of the water right offered for sale or lease to the Water Supply Bank. If there are multiple current owners, choose one owner as the Designated Lessor. Complete and attach the Designated Lessor - Attachment 1A of this application package with the signatures of all current owners.

Applicant / Designated Lessor Warm Springs Creek Ranch LLC
Mailing Address 5306 Zollinger Rd., Mackay, ID 83251
Street City State Zip Code
Email Address Gregory_Jim@yahoo.com Phone Number 208-588-2447

☒ The Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Lessor is representing additional water right holders who have completed Attachment 1A.

- B. Has the Designated Lessor / Applicant submitted an [IRS Form W-9](#) to this Department within 6 months? 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 Water Right Holder? Yes ☐ No ☒
If yes, representatives (includes employees of Water Right Holder companies) must complete this section and submit documentary proof of their authority to represent the Water Right Holder (Attachment 1D).

Name of Representative Mark Gates Organization Warm Springs Creek Ranch LLC
Professional Title Managing Partner Email Address MarkGates09@gmail.com
Mailing Address 5306 Zollinger Rd., Mackay, ID 83251 Phone Number 650-799-0044

☒ Send all correspondence for this application to the representative and not to the Designated Lessor / Applicant.

OR

☐ Send original correspondence to the Designated Lessor / 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 and none will still be used.

OR

☐ A portion of the water right is being offered to the Bank and a portion will still be used.

If a portion of the water right is being offered, **complete Attachment 2.**

3. MAP

Attach a map. The map must locate the point of diversion from the source of water and the location of the lands to be idled or the place where the water will no longer be used. The map must also show townships, ranges, sections, and government lots. **For irrigation purposes**, mark the number of acres for lease **per** 40-acre tract (1/4-1/4). 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. Identify the owner of the water delivery system or well Fish Hatchery Ditch
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 37.02.03.25.02g](#). (Label Attachment 4A)
- B. Please provide a description of the current water diversion and delivery system, including source, pump, pipeline or diversion.
Headgate at the Mackay state fish hatchery, ditch system that delivers water to the applicant and one
other water user.
- C. Describe any other water sources, including municipal, irrigation company shares, or water rights with combined limits to the water right offered to the bank, which are used for the same purpose at the same place of use as the water right being offered to the Bank. 34-469 also being offered to the bank
- 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, and usually have combined limits in the conditions of the water rights. 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, including those listed in 4C? 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. 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 (Label Attachment 4G). See [Section 42-223, Idaho Code](#) for exceptions to forfeiture, including lease into the Bank. Your application may be denied if forfeiture concerns are not addressed. It has not been used to irrigate designated
lands, but has been in the water bank.
- G. Identify annual volumes and/or rates of water diverted (used) in the last 5 years to accomplish the beneficial use authorized by this water right. It has been in the water bank for the past 5 years.
- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan? ☐ ☒
If yes, describe. Yes No

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE CONTRACT

- A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☒ ?

If lease, specify the first calendar year when the use of water will be suspended: 2025

All lease contracts are for a calendar year from January 1st to December 31st (year)

*Mark Desired Lease Duration (Calendar Years)					
☐ 1	☐ 2	☐ 3	☐ 4	☒ 5	Other Term Length (# of years): *Prior IWRB approval required

- B. Show the minimum payment acceptable to the seller/lessor. If lease, the minimum payment may be shown as the "current rental rate" as established by the IWRB, or a negotiated rental rate with submittal of an agreement between the lessor and the renter. *The owner payment is 90% of the rental fee. The administrative fee retained by the IWRB is 10% of either the current rental rate or the negotiated rental fee, whichever is higher. Include the method of determining the minimum payment if submitted as a companion lease rental package, and whether the owner payment will be paid directly to the lessor from the renter or if owner payment should be collected by the Department from the renter for payment to the lessor. (Label attachment 5B).*

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 Lessor / Applicant acknowledges the following:

1. Payment to the Designated Lessor / 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 Lessor / 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 Lessor or Applicant

Printed Name

Date

Signature of Co-Applicant

Printed Name

Date

06bd4a66-1c0f-4ea1-85e9-1e2b32c6236b
236b

Digitally signed by
06bd4a66-1c0f-4ea1-85e9-1e2b32c6236b
Date: 2024.12.26 18:29:19 -0700

Jim Gregory

12/26/24

Signature of Authorized Representative

Printed Name

Date

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

Print Form



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

May 15, 2026

WARM SPRINGS CREEK RANCH LLC
C/O MARK GATES
700 EMERSON ST
PALO ALTO CA 94301

**RE: WATER SUPPLY BANK LEASE CONTRACT 2002
FOR WATER RIGHT(S) 34-469 and 34-471**

Dear Lessor:

Water rights **34-469 and 34-471** are leased into the Water Supply Bank (Bank) as of January **2025** 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, 2029**, 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 bank@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,

Kris Margheim

Kris Margheim
Technical Records Specialist

Enclosure: Executed Lease Contract

C: IDWR- Eastern Region Office



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

September 17, 2025

WARM SPRINGS CREEK RANCH LLC
5306 ZOLLINGER RD
MACKAY, ID 83251

**RE: APPLICATIONS TO LEASE WATER RIGHTS 37-467, 37-468, 37-469, AND 37-471 TO THE
WATER SUPPLY BANK CONTRACTS 1998 AND 2002**

******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 each Contract, 1998 and 2002, for your review and signature. Please sign and return ALL Lease Contracts within 14 days.** Upon signature and returning 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 rights will automatically be released from the Bank on **December 31, 2029**, unless the rights are released earlier by the Board, or upon your request. To release the 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. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your right may not be available for immediate release if it has been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

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

Sincerely,

Skyler Cheever
Water Resource Agent, Sr – State Office
Idaho Dept. of Water Resources

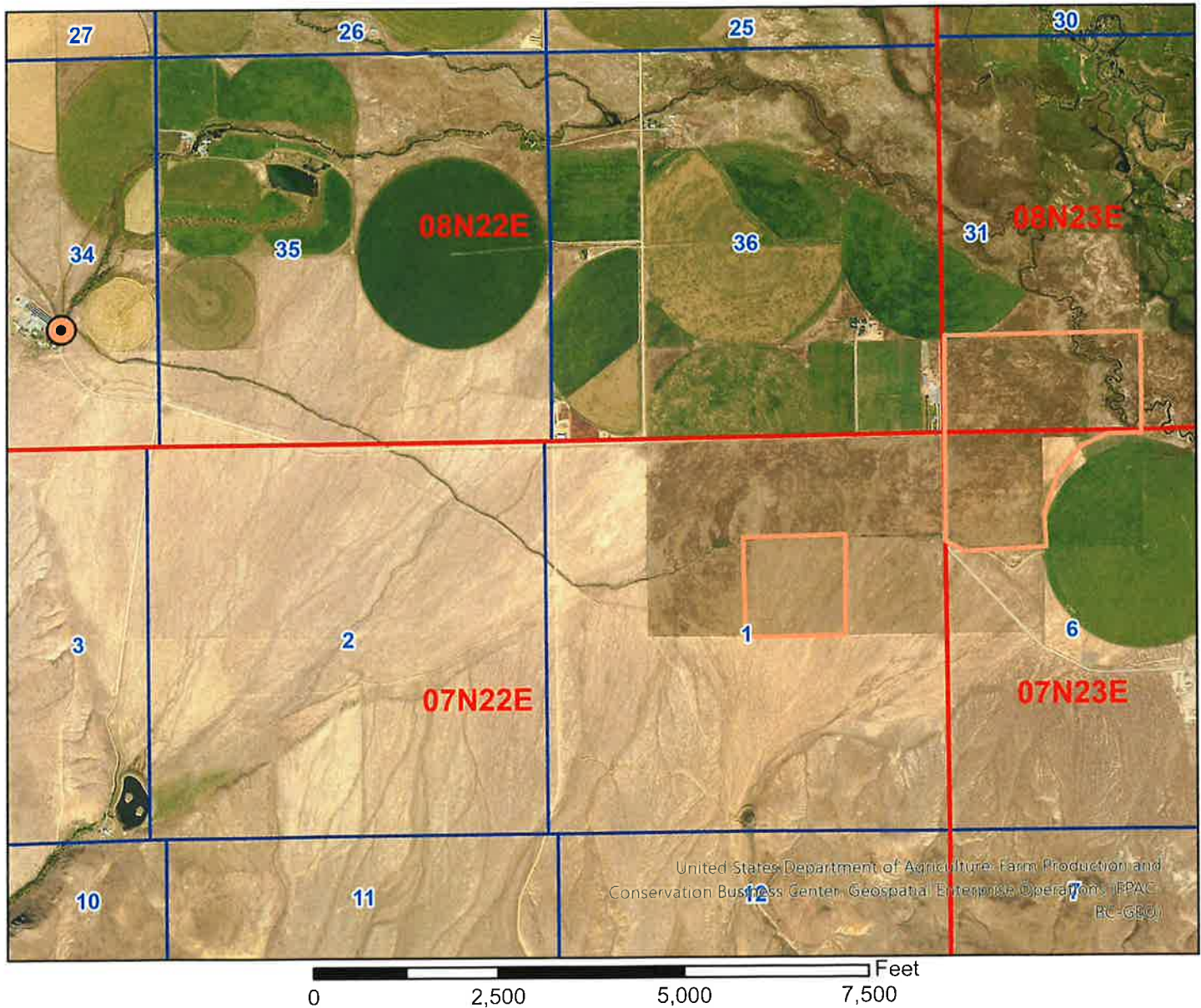
Enclosures: Four Proposed Lease Contracts (two copies of each contract)
Receipt No. C119737

CC: Representative (via email)

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 2002

34-469 and 34-471
Effective until December 31, 2029

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



Cheever, Skyler

From: Cheever, Skyler
Sent: Tuesday, June 10, 2025 11:33 AM
To: Cefalo, James; water34master@gmail.com
Subject: Water Supply Bank Lease Applications 3164 and 3166 Warm Springs Creek Ranch LLC
Attachments: Lease Review Memo 3164.pdf; Lease Approval Map 1998 .pdf; Lease Review Memo 3166.pdf; Lease Approval Map 2002.pdf

Hello James and Preston,

I have completed my review of a Water Supply Bank Lease Applications 3164 and 3166 with the points of diversion within Administrative Basin 34 and Water District 34 . The applicant is Warm Springs Creek Ranch LLC. In application 3164 the applicant proposes to lease the entirety of water rights 34-467 and 34-468 into the water supply bank from 2025-2029. In application 3166 the applicant proposes to lease a 171.0 acre portion of water rights 34-469 and 34-471 into the water supply bank from 2025-2029. Attached are copies of the review memos and maps 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



Idaho Dept. of Water Resources

322 E. Front St. P.O. Box 83720 Boise, ID
83720

Cheever, Skyler

From: Cheever, Skyler
Sent: Friday, June 6, 2025 8:17 AM
To: Jim Gregory
Subject: RE: Water Supply Bank Lease Application for Water Rights 34-469 and 34-471

Good Morning Mr. Gregory,

Thank you for your response. Fortunately, since you are requesting the proposal be the same as it was previously, I do not need an amended application or pages. I will just reference the previous lease application and reference this email conversation in my review as confirmation. If you have any questions or concerns, please let me know.

Best,

Skyler



Skyler Cheever

Water Resource Agent, Sr - State Office

(208)-287-4913

Skyler.cheever@idwr.idaho.gov

Idaho Dept. of Water Resources

322 E. Front St, P.O. Box 83720 Boise, ID
83720

From: Jim Gregory <gregory_jim@yahoo.com>
Sent: Wednesday, June 4, 2025 4:34 PM
To: Cheever, Skyler <Skyler.Cheever@idwr.idaho.gov>
Subject: Re: Water Supply Bank Lease Application for Water Rights 34-469 and 34-471

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.

Skyler,

Yes, there was a mistake. I do need to exclude the area being irrigated by the pivot (or exclude that entire quarter quarter section. Let me know what I need to do to correct that mistake.

Jim

Jim Gregory
Lost River Fish Ecology, INC.
5306 Zollinger Rd.
Mackay, Idaho 83251
Phone (208)588-2447
Cell (208)390-5306

On Wednesday, June 4, 2025 at 09:42:30 AM MDT, Cheever, Skyler <skyler.cheever@idwr.idaho.gov> wrote:

Hello Mr. Gregory,

I am contacting you in regard to a Water Supply Bank Lease Application for water rights 34-469 and 34-471 under the applicant Warm Springs Creek Ranch LLC. The current application proposes to lease the entirety of water rights 34-469 and 34-471 totaling 213.0 acres of irrigation. In the past only 171.0 acres was leased into the bank and 60 acres, part of a pivot, was left to be irrigated. The map attached to the application for WR 34-471 is a copy from the previous contract 1135 (attached to this email). I also attached a map of the place of use for the proposed water rights for comparison. I wanted to make sure there wasn't a mistake or confusion on the application proposal. If you have any questions or concerns, please let me know.

Best,

Skyler

 **Skyler Cheever**
Water Resource Agent, Sr - State Office
(208)-287-4913
Skyler.cheever@idwr.idaho.gov

Idaho Dept. of Water Resources

322 E. Front St, P.O. Box 83720 Boise, ID
83720

MEMORANDUM FOR WSB LEASE APPLICATION # 3166

To: Water Right No(s). 34-469, 34-471

From: Skyler Cheever, Water Resource Agent, Sr

Date: 5/30/2025

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

PURPOSE/NARRATIVE:

Application 3166 was sent in by Warm Springs Creek Ranch LLC and received by the Department on December 30th, 2024, with the correct fee payment received the same date. The applicant proposes leasing the entirety of water rights (WR) 34-469 and 34-471 into the Water Supply Bank (WSB) from 2025-2029. However, since the WR's were originally leased into the WSB in 2009 only a 171-acre portion of both WR's was leased. The remaining 60 acres of irrigation and stockwater, authorized under 34-469 only, remained unleased. The applicant was contacted via email and responded on June 4th, 2025. They explained they made a mistake on the application and wanted to lease a same portions proposed in the previous lease application. The proposed portions from the last application were used to determine the new lease amounts. The proposed point of diversion (POD) is within the Snake River Basin Moratorium Area, Big Lost River Groundwater District, and Trust Water Area. This application is intended as a renewal of lease contract 1135 which expired on December 31st, 2024.

AUTHORITY TO FILE:

Jim Gregory signed the application. Mr. Gregory has the authority to file this application on behalf of Warm Springs Creek Ranch LLC because documentation was provided with the application designating Mr. Gregory was granted this authority by Mark Gates. Mr. Gates is a member of Warm Springs Creek Ranch LLC according to the Idaho Secretary of States Office Database. Warm Springs Creek Ranch LLC is the current owner of WR 34-469 and 34-471 according to Department Records.

WATER RIGHT VALIDITY:

WR's 34-469 and 34-471 were decreed in the SRBA in 2002. According to 2004 Google Earth Imagery the place of use was irrigated. The WR's were leased into the WSB in 2009-December 31st, 2024, leaving a period of four possible years of nonuse (2005-2008). Therefore, enough information is available to the bank to determine whether water rights 34-469 and 34-471 are likely not lost to forfeiture and can be leased into the WSB.

INJURY TO OTHER WATER RIGHTS:

There are no injury concerns leasing these WR's into the WSB. Any injury concerns would be addressed in the review of any rental application against the contract.

ENLARGEMENT OF USE:

WR's 34-469 and 34-471 are limited when combined to a 750.2 af diversion volume and the irrigation of 213.0 acres. If these rights were leased and rented separately there would likely be more volume of water diverted, and acres irrigated than was historically at the lease POU causing an enlargement. Therefore, these WR's should be leased together to prevent possible enlargement. Since only 171-acres of irrigation are proposed I recommend a condition be added to the contract limiting WRs 34-469 and 34-471 when combined to the remaining unleased portions to prevent an enlargement. There are no other WR's overlapping the proposed POD or POU. Therefore, 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 proposed POD is within Administrative Basin 34 and Water District 34. The Watermaster and Eastern Regional Manager were contacted for comment on May 30th, 2025. If no response is received it is assumed there are no concerns with the applicants proposal.