

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 1052

This is to certify that:

CAROLYN GRAY
PO BOX 4044
HAILEY, ID 83333-4044

RECEIVED

AUG 03 2026

DEPARTMENT OF
WATER RESOURCES

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
37-22888	3/24/1883	BIG WOOD RIVER	0.01	5.3	1.5	0.007	3.53
37-22889	7/15/1889	BIG WOOD RIVER	0.02	5.3	1.5	0.013	3.53
37-22914	10/31/1989	GROUND WATER	0.03	5.2	1.5	0.020	3.47
Combined Limit Totals			0.03	5.3	1.5	0.020	3.50

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2029. Use of rental water shall be authorized as of either the date this rental agreement takes effect or the first day of the rental season of use, in 2026, whichever occurs last.

Annual Rental Fee:

2026 - 2029: \$174.90 annually

The full fee for the rental of the above-described right(s) is \$174.90 per year for years 2026 - 2029. The rental fee includes an administrative fee of \$17.49 per year for years 2026 - 2029.

An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Total Water Use Authorized Under Rental Agreement

Beneficial Use	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate/Acre (CFS/AC)	Volume/Acre (AF/AC)
IRRIGATION	0.03	5.2	1.5	0.020	3.47
Combined Total	0.03	5.2	1.5	0.020	3.47

** The authorized water usage reflects a reduction from the water right elements rented because the renter is only utilizing groundwater.*

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 1052

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

Carolyn Gray 7/28/26
Signature of Renter Date

Carolyn Gray
Printed Name Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By Brian Patton 8/4/26
BRIAN PATTON, Executive Manager
Idaho Water Resource Board Date

Rental approved by IDWR HP 8/4/26
Date

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 1052

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER SESE Sec. 33, Twp 03N, Rge 18E, BLAINE County

BENEFICIAL USE
IRRIGATION

DIVERSION RATE
0.03 CFS

VOLUME
5.2 AF

SEASON OF USE

From To
4/15 10/31

RENTERS PLACE OF USE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
03N	18E	33															1.2	0.3	1.5

Total Acres: 1.5

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
7. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.
8. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
9. 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 for irrigation of the lands above.
10. 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.
11. Prior to December 31 of each year, the Board may review this rental agreement to determine whether it is consistent with the management plan that may be approved for the Big Wood River Ground Water

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 1052

Management Area (BWRGWMA). The Board may cancel this rental agreement if the Board determines it is not consistent with the BWRGWMA plan. If this rental agreement is canceled, the cancellation shall not take effect until December 31 of the year in which the rental agreement is canceled.

12. Water shall not be diverted under this right when flows in the Big Wood River are below minimum flow amounts as defined by Rights 37-7919 and 37-8307. The right holder shall be responsible for monitoring the daily flow of the Big Wood River using real-time data and shall cease diverting water when flows in the Big Wood River are below established minimum flow amounts. Unless otherwise specified by the Director of the Department of Water Resources, data from the U.S. Geological Survey Big Wood River at Hailey ID gauging station, No. 13139510, may be used for purposes of determining the daily flow amounts.
13. This rental agreement does not authorize the construction of a well.
14. 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. 37.

Idaho Water Resource Board

Attachment to Water Supply Bank Rental Agreement No. 1052

Effective until December 31, 2029

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



Legend

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

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

Jan 12, 2026

DEPARTMENT OF
WATER RESOURCES

**APPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANK**

Applicant Name: Carolyn Gray

Is this application being submitted with a lease application as a lease/rental package?

Yes ☐ No ☒

If yes, specify companion water rights in Section 4

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. **Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.**

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST

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

Yes

- ☒ Completed *Application to Rent Water from the Board's Water Supply Bank*
- ☒ Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank

Attachment N/A Yes

- | | | |
|----|-------------------------------------|--|
| 2 | ☒ | A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request |
| 3A | ☐ | ☒ Detailed information on a proposed use of rental water |
| 3F | ☐ | ☒ Authorization from the owner/operator of the rental point(s) of diversion |
| 3H | ☒ | ☐ Water modeling to account for the impacts of the rental request |
| 3J | ☒ | ☐ Documents justifying a rate of flow greater than 0.02 cfs/acre |
| 3K | ☐ | ☒ Authorization from the owner/operator of the property at the proposed rental place(s) of use |
| 4B | ☐ | ☒ Explanation of how the rental water will sufficiently accomplish your rental purposes |
| 4C | ☒ | ☐ Explanation of consumptive use amounts for water rights experiencing a change in nature of use |

Department Use Only – Proposed Water Right(s)

Any

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

- A. Applicant Carolyn Gray
- Mailing Address P.O. Box 4044 Hailey, ID 83333
- Street City State Zip Code
- Email Address cg@carolyngray.net Phone Number 615-788-1994
- B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☐ No ☐
- If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.
- Representative Zach Latham Professional Title Hydrologist
- Organization Brockway Engineering PLLC Relationship to Applicant Consultant
- Mailing Address 2016 Washington St. N Twin Falls, ID 83301
- Email Address zach.latham@brockwayeng.com Phone Number 208-736-8543

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to irrigate. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

- A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:
- Applicant desires to irrigate additional area on property with temporary and or buried pressurized irrigation system.

- B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
0.03 CFS	5.25 AF	0.03 CFS	5.25 AF	1.5 AC

* Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.

- C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
5/1/26	7/1/26	☐ 1	☐ 2	☐ 3	☐ 4	☒ 5	☒ Process application as soon as possible	☐ Return application to applicant

* The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.

** Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):

Existing well will provide water to POU through temporary and or buried pressurized irrigation system.

- E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
Domestic Well	Ground Water	None.

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

- F. Has documented consent from all relevant water delivery entities been obtained? Yes ☐ N/A ☒

If yes, include documented consent as **Attachment 3F**.

- G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☐ No ☒

Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

- H. Has water modeling been provided with your rental request? Yes ☐ N/A ☐

If yes, label modeling Attachment 3 H.

Rental applications that require modeling will be returned if modeling is not provided.

- I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

- ☒ Irrigation 1.5 (number of acres) Duration: Subject to IDWR standard seasons of use
- ☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Other: _____ from: _____ (mm/dd) to: _____ (mm/dd)

- J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☐ Yes ☐ No ☒

If yes, justify the rate of flow and attach any supporting documents as **Attachment 3J**. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

- K. Do you own the land at the proposed rental place of use (POU)? Yes ☒ No ☐

If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it **Attachment 3K**.

- L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

None.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights?

Yes ☐ No ☒

If yes, specify below the elements of the water rights you are requesting to rent. If no, continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via [IDWR's website](#).

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request.** For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
Any	Available	GW	Right			0.03	5.25	1.5
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL	0.03	5.25	1.5
						CFS	AF	AC

*Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

N/A.

C. Does your rental request propose to change the nature of use for any water right(s) being rented?

Yes ☐ No ☒

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

N/A.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

- A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☐ No ☒

If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

See previously approved IDWR WSB Rental Contract No. 836.

- B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes ☐ No ☒

If yes, describe:

If water should become available, applicant may consider a permanent transfer to the property.

- C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☐ No ☒

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

N/A.

- D. Additional Information

Applicant seeks the rental of any available ground water right for the irrigation of 1.5 acres on the property.

DECLARATION

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.

Carolyn Gray
Signature of Applicant

Carolyn Gray
Printed Name of Applicant

9/26/25
Date

Signature of Representative

Printed Name of Representative

Date

Mail to:

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

STATE OF IDAHO
WATER RESOURCE BOARD

Water Modeling Requirement Information Sheet

Information on water modeling requirements for rental requests within special administrative areas

Important information on requesting rental water within special administrative areas: Refer to the information below to determine whether the modeling of potential impacts from your rental request is necessary. Use Section 4 of the rental application to identify selected water rights. **If you submit an application to rent water from within a special administrative area and water modeling is required, your rental request will be returned if water modeling is not provided.**

Water modeling may be required when an application to rent water involves one of two scenarios:

Scenario 1: The rental request proposes to divert water from a regulated water source and/or within a special administrative area AND the distance between the rental point(s) of diversion (POD) and the POD(s) for the leased water right(s) is greater than the administratively established, acceptable distance.

Regulated water sources may areas include:

- A. Ground water resources within the modeled area of the Eastern Snake Plain Aquifer (ESPA) and tributary aquifers;
- B. Ground water within Ground Water Management Areas (GWMAs) or Critical Ground Water Areas (CGWAs);
- C. Water resources within other specified administrative areas, as established by the Idaho Water Resource Board (IWRB) or the Idaho Department of Water Resources.

The distance between any rental POD(s) and the POD(s) for a leased water right to be rented is important. On the ESPA, distance is measured in terms of model cells that cover an area of one square mile. Ground water modeling is not required if lease POD(s) and rental POD(s) are located within the same model cell or within adjacent model cells. If the lease and rental PODs are separated by more than one model cell groundwater modeling must be completed using the IDWR ESPA Transfer Tool and modeling results must be submitted with the rental application. ESPA modeling tools can be accessed and freely downloaded from IDWR's website by visiting: www.idwr.idaho.gov/WaterManagement/WaterRights/WaterRightTransfers/resources.htm.

Ground water modeling may be required within GWMAs, CGWAs or other regulated administrative areas. Applicants who desire to rent water within an established GWMA, CGWA or other regulated administrative area should consult IDWR's website before submitting their application to review the current status of administrative orders related to regulated administrative areas. Consult www.idwr.idaho.gov/WaterInformation/GroundWaterManagement/designated_areas.htm for information on GWMAs or CGWAs, visit <https://idwr.maps.arcgis.com/home/> to use mapping tools to find other regulated areas.

Applicants interested in renting water within a GWMA, CGWA or other regulated administrative areas should request water rights that have been leased into the Bank from within the same administrative area. Generally, the Bank will not permit a rental of water within a regulated administrative area if the leased water rights are not located within that same administrative area.

Scenario 2: A rental request proposes to divert water from a different but hydraulically connected water source.

Modeling situations may include:

- A. Rental requests that propose to divert surface water rights via ground water POD(s) (wells); and
- B. Rental requests that propose to divert ground water from one aquifer when the right being rented authorizes the diversion of ground water from a hydraulically connected, tributary aquifer.

Rental requests that propose to divert surface water rights from ground water points of diversion may be considered if ground water modeling establishes that the surface and ground water resources are directly and immediately hydraulically connected. An acceptable hydraulic connection occurs when at least 50 percent of the total depletions from a well are detectable from the original water source within a 24 hour period. The existing (leased) POD and proposed (rental) POD must be proximate such that diversion and use of water from the proposed POD would have substantially the same effect on the hydraulically-connected source as diversion and use of water from the original POD.

Requests to rent ground water across tributary aquifer sources may be considered if ground water modeling is provided to demonstrate that two aquifers are hydraulically connected and the anticipated impacts of diverting ground water from one source through the other is modeled accordingly.

For more information about rental application requirements, contact IDWR at (208) 287-4800.



0 80 160 Feet

**CAROLYN GRAY WATER SUPPLY BANK
RENTAL**

**WATER BANK IRRIGATION DELINEATION
2023 NEARMAP AERIAL**

ATTACHMENT 2

Legend

-  Existing Well
-  Area to Irrigate = 1.5 acres



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

August 5, 2026

CAROLYN GRAY
PO BOX 4044
HAILEY ID 83333

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 37-22888, 37-22889, AND 37-22914, AGREEMENT 1052**

Dear Renter:

Please find enclosed a receipt in the amount of **\$699.96** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the annual rental of 5.3 acre-feet of water for irrigation of 1.5 acres from 2026 to 2029 (\$174.90 annually). Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$629.97 of the rental fee will be paid to the lessor(s) and 10% or \$69.99 will be retained by the department to offset administrative costs for 2026 to 2029.

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

Sincerely,

Darin Vrem
Water Supply Bank

Enclosures: Receipt No. C127585
Rental Agreement (copy)

c: Sascha Marston – Fiscal
IDWR Regional Office (via email)
Zach Latham, Brockway Engineering PLLC
Water District – 37



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

July 28, 2026

CAROLYN GRAY
PO BOX 4044
HAILEY, ID 83333

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 37-22888, 37-22889, AND 37-22914 AGREEMENT 1052**

*****TIME SENSITIVE RESPONSE REQUIRED*****

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of \$174.90 **per year** was calculated based on the current rental rate of \$33.00 per acre-foot times a diversion volume of 5.3 acre-feet. The annual rental fee for 2027 is due by December 31, 2026. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check in the amount of \$174.90 for 2026 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing.

Pursuant to the Water Supply Bank Rules, 90% or \$157.41 of the rental fee will be paid to the lessor(s) and 10% or \$17.49 will be retained by the Department to offset administrative costs for **2026**.

If you have any questions, 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

Enclosure: Proposed Rental Agreement 1052

c: IDWR Front Desk (via email)
Bank (via email)
Representative: Zach Latham, Brockway Engineering (via email)

Cheever, Skyler

From: Cheever, Skyler
Sent: Wednesday, July 15, 2026 12:01 PM
To: Skinner, Corey; watermanager
Subject: Water Supply Bank Rental Agreement 1052
Attachments: Rental Agreement 1052.pdf; Rental Approval Map 1052.pdf; Rental Review Memo 1052.pdf

Hello Corey and Sunny,

I have completed my review of Water Supply Bank Rental Application 3425 with the proposed point of diversion within Administrative Basin 37 and Water District 37. The applicant is Carolyn Gray. They propose to rent a 1.5-acre portion of lease contract 1911 from the Water Supply Bank from 2026-2029. Attached is a copy of the rental agreement, review memo, and map of the place of use. If you have any comments regarding 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, 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

(208)-287-4800 or www.idwr.idaho.gov

MEMORANDUM FOR RENTAL AGREEMENT # 1052

To: Water Right No(s). 37-22888, 37-22889, and 37-22914

From: Skyler Cheever – Water Resource Agent, Sr – State Office

Date: 7/15/2026

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

PURPOSE/NARRATIVE:

Application 3425 was sent in by Carolyn Gray and received by the Idaho Department of Water Resources on January 12th, 2026. The applicant proposes to rent 1.5 acres of irrigation from 2026-2030. The applicant did not provide specific Water Rights (WR) to rent. Lease contract 1911 for WR's 37-22888, 37-22889, and 37-22914 fits the applicants proposal but will restrict the rental duration to 2026-2029 (4 years). The proposed point of diversion (POD) is within the Snake River Basin/Big Wood River Moratorium Area, Big Wood River Groundwater Management Area, Galena Groundwater District, and Trust Water Area. This application is intended as a renewal of rental agreement 836 which expired on December 31st, 2025.

AUTHORITY TO FILE:

Carolyn Gray signed the application. Ms. Gray has the authority to sign the application because she is the current owner of the property containing the proposed place of use (POU) and access to the POD according to Idaho Tax Parcel Data. Therefore, there are no legal access concerns to the proposed POD or POU.

INJURY TO OTHER WATER RIGHTS:

The proposed rental POD and lease PODs are roughly 1.8 miles apart. In 2015 an interim groundwater management zone policy was established based on initial ground water model data. Research conducted determined groundwater and the Big Wood River (BWR) are interconnected and within the zone boundaries there would minimally impact to the BWR. Moving a POD from one zone to another could cause injury to surface users. The management zones are still useful for injury analysis. The lease PODs are within the Hailey zone and close in proximity to the rental POD. The rental POD is located outside the valley floor and zones. A rental proposing a movement of groundwater outside the valley floor, within any zone, to a higher elevation is still possible. This is because both areas are likely within the same regional aquifer. Impacts to Big Wood River users would likely be less because the rental POD is located where there is less connection to the BWR.

It's unlikely this rental proposal would cause injury to BWR or groundwater users. Due to the non-use of the BWR Zones Policy by the IWRB a condition will be added to the rental agreement requesting the applicant self-curtail if the Minimum Streamflow (MSF) WR on the Big Wood River (37-7920) is not being met to prevent possible injury. There are no other injury concerns.

ENLARGEMENT OF USE:

There are no other water rights directly overlapping the proposed POD or POU. The proposed POD is also used as an exempt domestic well as defined under Idaho Code §42-227, which allows the applicant to irrigate 0.5 an acre without a WR. However, the applicant already took this into account on their application. Therefore, the proposed acres under this agreement does not need to be reduced further. The applicant only proposes to rent groundwater. The proposed lease contract contains both surface water (37-22888 and 37-22889) and groundwater (37-22914). However, groundwater is not conditioned upon the use of surface water. Therefore, the applicant can rent and utilize groundwater while also renting and not diverting surface water.

The leased portions of WR's 37-22888, 37-22889, and 37-22914 are limited when combined to the irrigation of 17.4 acres or the full extent of surface water irrigation. Less acres are authorized, 14.4, under groundwater right 37-22914. However, renting an equal number of acres of each WR is possible while maintaining the existing combined limit and without causing an enlargement. This is because the remaining acres of surface water are not stacked with acres irrigated with groundwater and could be rented without causing an enlargement. There are no other enlargement concerns.

LOCAL PUBLIC INTEREST:

The proposed rental of water is in the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES:

The proposed rental is consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS:

The proposed POD is within Administrative Basin 37 and Water District 37. A request for comment was sent to the Watermaster and Southern Regional Manager on July 15th, 2026. No concerns were received.

Idaho Water Resource Board

WSB Move Map

37-22888, 37-22889, and 37-22914
2026-2029



0 0.5 1 1.5 Miles

Legend

-  Water Supply Bank Rental Point of Diversion
-  Water Supply Bank Lease Point of Diversion
-  Township/Range
-  Sections
-  QQ



Margheim, Kris

From: Zach Latham <zach.latham@brockwayeng.com>
Sent: Monday, January 12, 2026 10:08 AM
To: Olson, Aaron; Crichton, Izzy
Cc: Bank; IDWR File; cg@carolyngray.net
Subject: Carolyn Gray WSB Rental App
Attachments: Caroline Gray WSB Rental Submittal 2026-1-12.pdf

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Aaron and or Izzy-

On behalf of Carolyn Gray, attached is a water supply bank rental application and map which requests to rent 1.5 acres of any available ground water for the irrigation of 1.5 acres at 226 Red Devil Dr Hailey, ID, from 2026 through 2030. IDWR Rental Application No. 836 is appurtenant to the property and is about to expire, hence the need to re-submit the attached rental request form.

Please let me know if you have any additional comments or questions regarding this rental request, thanks again for your time, we look forward to hearing from you.

Zach Latham
208-721-2114

3425~