

WATER SUPPLY BANK LEASE CONTRACT No. 1488

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

L 2 LTD PARTNERSHIP
C/O LEWIS NEWMAN
2990 N 800 E
MONTEVIEW, ID 83435

RECEIVED

FEB 04 2022

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 July 12, 2021.
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)
31-12000	2/3/1955	GROUND WATER	0.02	7.6	3.2
31-12002	11/29/1960	GROUND WATER	0.02	7.6	3.2
31-11998	5/4/1983	GROUND WATER	0.03	3.5	3.2
Combined Limit Totals			0.07	18.7	3.2
Combined Lease Totals			0.07	18.7	3.2

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)
31-12000	0.02	7.6	3.2	0.006	2.4
31-12002	0.02	7.6	3.2	0.006	2.4
31-11998	0.03	3.5	3.2	0.009	1.1
Combined Limit Totals	0.07	11.1	3.2	0.020	3.5

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

WATER SUPPLY BANK LEASE CONTRACT No. 1488

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, 2021 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.
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. 1488

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

LESSOR: L 3 LTD PARTNERSHIP
C/O LEWIS NEWMAN
2990 N 800 E
MONTEVIEW, ID 83435

By 
Title Partner
Date 1-27-22

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 2/8/22

Lease approved by IDWR 

Date 2/8/22

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1488

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): 31-11998, 31-12000, 31-12002
GROUND WATER NWNE Sec. 29 Twp 08N Rge 33E JEFFERSON County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
31-11998	IRRIGATION	04/15	to	10/15	0.03 cfs	3.5 AF
31-12000	IRRIGATION	04/01	to	10/31	0.02 cfs	7.6 AF
31-12002	IRRIGATION	04/01	to	10/31	0.02 cfs	7.6 AF
Totals:					0.07 cfs	18.7 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	
08N	33E	29				2.2								1.0					3.2

Total Acres: 3.2

ADDITIONAL CONDITIONS OF ACCEPTANCE

- The water rights referenced above will be rented from the bank at the current rental rate.
- 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.
- 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.
- 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.
- While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
- Rental of water under this right is subject to the limitations and conditions of approval of the water right.
- 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

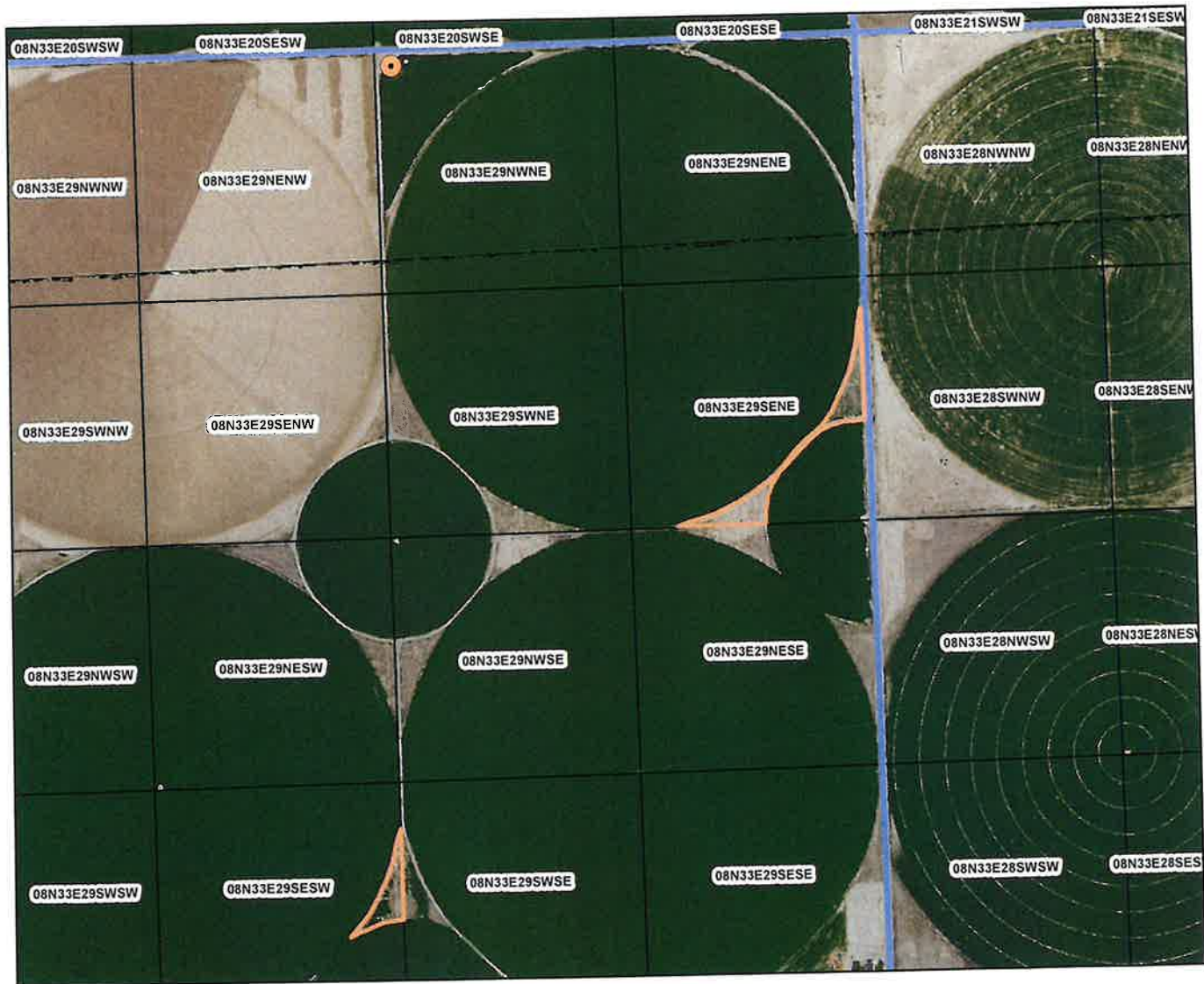
WATER SUPPLY BANK LEASE CONTRACT No. 1488

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 unleased portions of water right 31-12002 with right 31-12000 is limited to a combined total of 300.8 acres in a single irrigation season.
13. The unleased portions of water right 31-12002 with right no. 31-12000 is limited to a total combined diversion rate of 5.16 CFS and is limited to a total combined annual diversion volume of 1052.9 AF.
14. This right when combined with all other rights shall provide no more than .02 cfs per acre nor more than 3.5 afa per acre for irrigation of the lands above.
15. The unleased portions of water rights 31-11998, 31-12000, and 31-12002 when combined shall not exceed a total diversion rate of 8.85 cfs, a total annual diversion volume of 1535.5 af and the irrigation of 442.8 acres.
16. 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. 110.

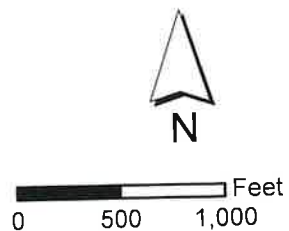
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1488

31-11998, 31-12000 & 31-12002
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.



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



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STATE OF IDAHO

JUL 12 2021

JUN 29 2021

WATER RESOURCE BOARD

DEPARTMENT OF
WATER RESOURCESDepartment of Water Resources
Eastern RegionAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant L2 LTD PARTNERSHIP
(Select one owner – see item 1A on the application)Water Right No. 31-12002
(One water right per application)

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

Yes ☐ No ☒

This application must be prepared in accordance with the minimum requirement checklist below. Use this checklist to ensure all necessary documentation has been provided. This checklist is part of the lease application and must be included with the lease application. Applications that do not meet the minimum requirements will not be processed and may be returned or denied.

MINIMUM REQUIREMENT CHECKLIST

All items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*

Yes

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

Attachment N/A Yes

- 1A ☒ ☐ Signatures and contact information for *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. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.
- 2 ☐ ☒ Description of a water right portion offered to the Water Supply Bank.
- 3 ☐ ☒ A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. You have the option of printing a map using the map tool on IDWR's website at: www.idwr.idaho.gov.
- 4A ☒ ☐ Written consent from irrigation district or water delivery company.
- 4G ☒ ☐ Evidence demonstrating the water right has not been forfeited pursuant to Section 42-222(2), Idaho Code.

Department Use Only

Fee Amount \$ <u>500. -</u>	Received By: <u>JB</u>	Date Received: <u>6/29/2021</u>	Receipt # <u>EO47128</u>
W-9 received? Yes ☐ No ☐	(Route W-9 to Fiscal)	Name on W-9:	

3 applications same POE \$500. -

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 L2 LTD PARTNERSHIP
Mailing Address 2990 North 800 East Montevue, ID 83435
Street City State Zip Code
Email Address _____ Phone Number 2086040501

☐ 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 Kristin Moore Organization Rocky Mountain Environmental Associates
Professional Title Senior Water Rights Analyst Email Address kristin.rmea@gmail.com
Mailing Address 482 Constitution, Suite 303, Idaho Falls, ID 83402 Phone Number (208) 524-2353

☐ 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.
The current water delivery and diversion system consists of pivot irrigation systems and hand lines.

- 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. Water right numbers 31-12000 and 31-11998 share the same place of use and are overlapping, therefore, they are also proposed to be leased.

- 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. Full diversion rates have been used for beneficial use.

- 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: 2021 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. _____

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.

Lewis Newman Partner
Signature of Designated Applicant

Lewis Newman Partner
Printed Name

April 20 2021
Date

Signature of Authorized Representative

Printed Name

Date

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

STATE OF IDAHO
WATER RESOURCE BOARD

Complete Attachment 2 if only a portion of the water right is offered to the Bank.

ATTACHMENT 2

DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

1. <u>Water Right Number</u>	<u>Nature of Use</u>	<u>Leased Rate</u> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
31-12002	Irrigation	0.02	7.61	2.2 ac limit of 3.2
	Total Amounts:			

2. Source of water Groundwater tributary to

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
08N	33E	29			NW	NE	Jefferson

IDAHO Department of Water Resources



WATER RIGHT REPORT

3/5/2021

IDAHO DEPARTMENT OF WATER RESOURCES

Water Right Report

WATER RIGHT NO. 31-12002

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	L 3 LTD PARTNERSHIP C/O LAVAR NEWMAN 2943 N 800 E MONTEVIEW, ID 83435 2086572252
Original Owner	LEWIS LA VAR NEWMAN
Original Owner	LOUISE J NEWMAN 2943 N 800 E MONTEVIEW, ID 83435-5069 2086572366

Priority Date: 11/29/1960

Basis: Decreed

Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	10/31	2.13 CFS	1060.5 AFA
Total Diversion			2.13 CFS	1060.5 AFA

Location of Point(s) of Diversion:

GROUND WATER|NWNWNE|Sec. 29|Township 08N|Range 33E|JEFFERSON County

Place(s) of use:

Place of Use Legal Description: IRRIGATION JEFFERSON County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
08N	33E	29		NENE	38		NWNE	39		SWNE	37.7		SENE	39

			NESW	37.7	NWSW	39	SWSW	32	SESW	39
			NESE	39	NWSE	37.6	SWSE	39	SESE	29

Total Acres: 446

Conditions of Approval:

1. Use of this with right 31-12000 is limited to a combined total of 303 acres in a single irrigation season.
2. Use of this right with right no. 31-12000 is limited to a total combined diversion rate of 5.20 CFS and is limited to a total combined annual diversion volume of 1060.5
3. Right no. 31-12000 is also diverted through point of diversion described above.
4. T19 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.

Dates:

Licensed Date:

Decreed Date: 02/22/2002

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number: 110

Generic Max Rate per Acre: 0.02

Generic Max Volume per Acre: 3.5

Combined Acres Limit: 303

Combined Volume Limit: 1060.5

Combined Rate Limit: 5.2

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False



0 0.1 0.2 0.4 Miles

2019 NAIP

POD

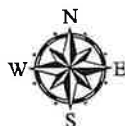
WSB Dry Corners

POU WR#: 31-11998, 12000, 12002

Twn & Rng

Sections

QQ



Water Bank Lease Application

L2 LTD Partnership

Project #: 14-0004

Drawn by: AD

Date: 3/23/2021



Rocky Mountain
ENVIRONMENTAL
ASSOCIATES, INC.



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

February 9, 2022

L2 LTD PARTNERSHIP
2990 N 800 E
MONTEVIEW ID 83435-5068

**RE: WATER SUPPLY BANK LEASE CONTRACT 1488 & 1489
FOR WATER RIGHTS 31-11888, 31-11998, 31-12000 & 31-12002**

Dear Lessor:

Water rights 31-11888, 31-11998, 31-12000 & 31-12002 were leased into the Water Supply Bank (Bank) as of January 1, 2022, 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 rights 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 this office at bank@idwr.idaho.gov or 208-287-4800.

Sincerely,

Jean Hersley

for
Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Eastern Region
Water District No. 110
Rocky Mountain Environmental



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

January 20, 2022

L2 LTD PARTNERSHIP
2990 N 800 E
MONTEVIEW ID 83435-5068

RE: APPLICATION TO LEASE WATER RIGHTS 31-11888 CONTRACT 1489 & WATER RIGHTS 31-11998, 31-12000 & 31-12002 CONTRACT 1488 TO THE WATER SUPPLY BANK

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The right will automatically be released from the Bank on **December 31, 2025**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your right may not be available for immediate release if it has been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:
"While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

The Department is returning the lease application for water right 31-11884. Water right 31-11888 will cover the 6 acres offered to the Bank. A refund of \$250 has been requested and will be sent to Rocky Mountain Environmental under separate cover from the State Controller's Office.

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

Sincerely,

Jean Hersley

for
Water Supply Bank

Enclosures: Proposed Lease Contracts

C: Rocky Mountain Environmental

Hersley, Jean

From: Hersley, Jean
Sent: Thursday, January 20, 2022 9:12 AM
To: Cefalo, James; Jordan, Blake
Cc: Bank
Subject: Leases for L2 LTD
Attachments: L1.1A Lease Cover Letter-Proposed Contract-14 Days 11.19.21.doc; Lease Application Review Checklist July 2017.xls; Report - Lease Contract - 1489.docx; Lease Application Review 31-11998 et al.xls; Report - Lease Contract - 1488.docx

Please let me know within 7 days if you have any comments or concerns with the attached leases. Thank you.

*Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942*

WATER SUPPLY BANK

Lease Review Checklist

Applicant(s) Name: L2 LTD Partnership

Memo Date: January 18, 2022

Water Right Number(s): 31-11998, 31-12000, 31-12002

Reviewers Name: Jean

Quick Tools

Decreed Year	No Forfeiture Concerns Thru:
2011	2017
2012	2018
2013	2019
2014	2020
2015	2021

	Check box		COMMENTS/CONCERNS:
1	☒	Fill out WSB Data Entry Checklist for Leases (Front of File)	
2		Reason for lease of water rights (Brief description of lease proposal in narrative)	
	☒	Portion of right	
		All of right	
3	☒	Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)	
		Yes No	
4	☒	Rentable? (If no explain in comments or narrative)	
5		Authority to file	
	☒	Current owner or designated applicant	
	☒	SOS Web site checked for business entity	
	☒	Other (explain in comments)	
6		Water Right validity	
		Decreed/Licensed/Statutory claim date (write in comments section)	1997 & 2002
		Past irrigation to ensure forfeiture is not an issue if decreed or licensed over 7 years ago (consider transfers that changed the POU, rentals to the POU etc.)	
		Has this right previously been leased to the bank or in CREP?	☒
7		Injury to other water rights	
		If the POD is through a delivery entity, was consent provided?	na
		If the POD is through a delivery entity, was holdback required? (percentage in comments)	%
		Any other concerns	☒
8		Enlargement concerns	
	☒	Complete a POU comparison overlap analysis	
	☒	Complete a combined limits review	
	☒	Complete POD overlap analysis (if there is an overlap add condition to lease)	
		Yes No	
		Are there overlapping rights that need to be placed in the bank also?	☒
		Will the place of use continue to receive water? (if yes explain in comments)	☒
9		Local Public Interest	
		Does the processor know of any problems this action will cause for the local public?	☒
10		Have you contacted regional office and watermaster for comment/concerns?	
	☒	Send the watermaster comment request form or e-mail request	
11		Area Headgate requirement (write in Comments)	3.5
12		Is water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments	☒

Narrative: The Department received these applications on June 29, 2021 for the 2021 to 2025 seasons. The current owner of these rights are Duane and Yvonne Allen. They are financing L2 on the purchase of this land and will issue a deed when the debt has been paid in full. The Allen's have give L2 authorization to file any applications relevant to these water rights. 31-11998 was licensed in 1997 and 31-12000 & 31-12002 were decreed in 2002. The applicant wishes to place 3.2 acres in the Bank. These acres are some of the pivot corners. According to L2, they irrigate these corners early in the season with handlines, take the first crop of hay and only irrigation the pivots. It appears that some irrigation took place early in 2017 & 2018. These rights together are limited to a total diversion rate of 8.92 cfs, total diversion volume of 1546.6 af and 446 acres. The rental of these rights will be reduced according to the limit. These rights are currently within WD 110.

RECEIVED

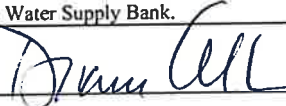
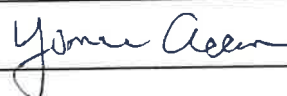
JAN 13 2022

DEPARTMENT OF
WATER RESOURCESSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

LESSOR DESIGNATION FORM

When multiple individuals or business entities jointly own property to which a water right is appurtenant, the parties can use this form to nominate a designated lessor to represent their common interests on a Water Supply Bank lease contract. The signatures of all water right holders are required on this form to elect a designated lessor. The designated lessor is required to provide a completed IRS Form W-9 to receive any payment associated with the rental of a water right under a Water Supply Bank lease contract. **All correspondence and any financial payment associated with the rental of this water right will be directed to the designated lessor.** If additional space is needed to list any other water right holders, attach a second copy of this Lessor Designation Form.

Water Right No(s). 31-11998, 31-12000, 31-12002

	Designated Lessor	Water Right Co-owner	Water Right Co-owner
Name	Duane Allen	Yvonne Allen	
Mailing Address	389 Jupiter Hills Dr. Idaho Falls, ID 83401	389 Jupiter Hills Dr. Idaho Falls, ID 83401	
Phone Number			
Email Address			
Water Right Owner Declaration	As designated lessor, I will represent the interest of all other water right owners on the lease of a water right to the Water Supply Bank.	I authorize the designated lessor to represent me on the lease of a water right to the Water Supply Bank.	I authorize the designated lessor to represent me on the lease of a water right to the Water Supply Bank.
Signature			

	Water Right Co-owner	Water Right Co-owner	Water Right Co-owner
Name			
Mailing Address			
Phone Number			
Email Address			
Water Right Owner Declaration	I authorize the designated lessor to represent me on the lease of a water right to the Water Supply Bank.	I authorize the designated lessor to represent me on the lease of a water right to the Water Supply Bank.	I authorize the designated lessor to represent me on the lease of a water right to the Water Supply Bank.
Signature			

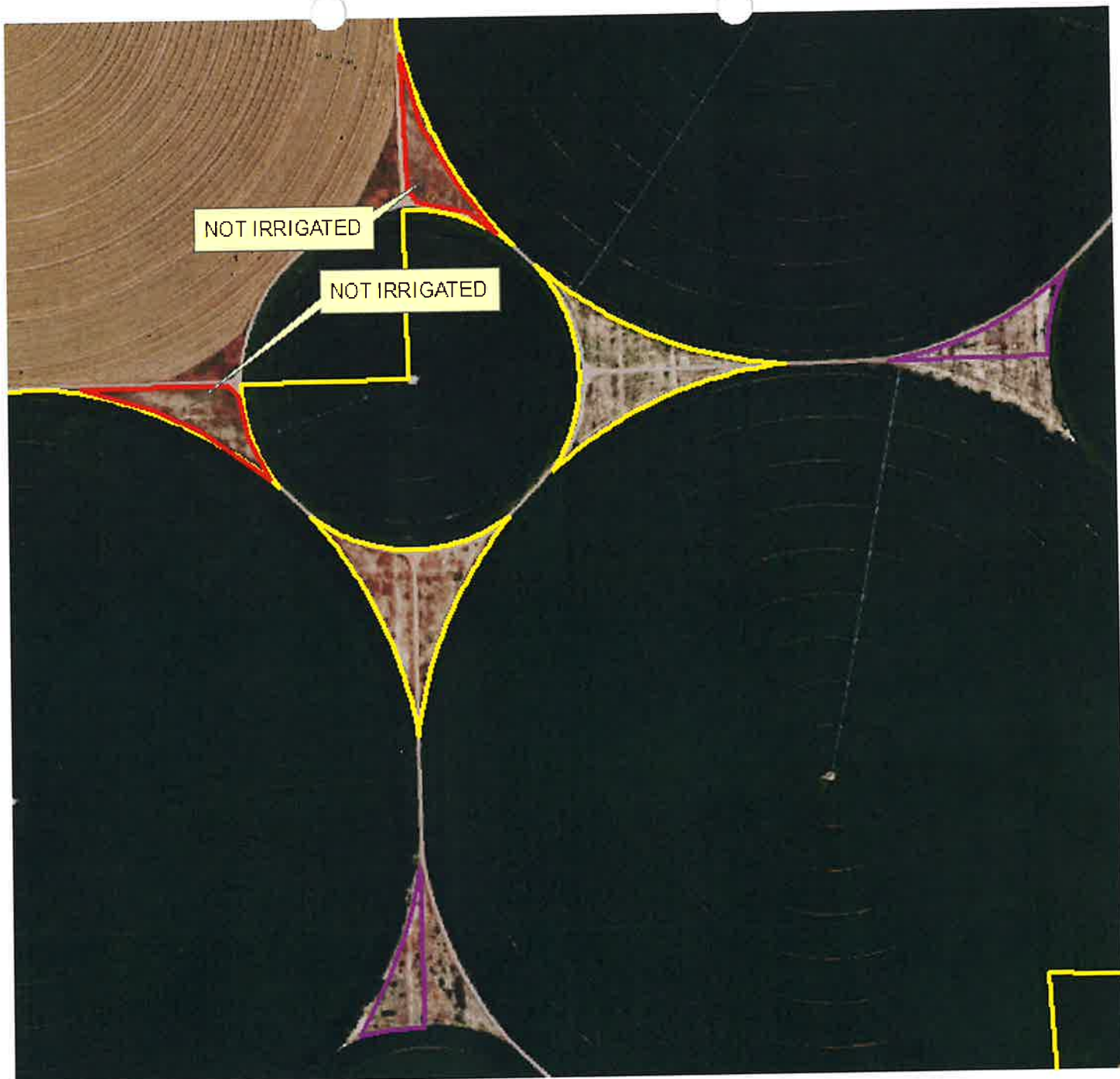
Hersley, Jean

From: Kristin Moore <kristin.rmea@gmail.com>
Sent: Thursday, January 13, 2022 10:31 AM
To: Hersley, Jean
Subject: RE: WSB Lease Applications for 31-11998, 31-12000 & 31-12002
Attachments: LessorDesignationForm_Allens_Signed.pdf

Jean,

See the attached Lessor Designation Form signed by the Allens.

The Newmans indicated that they irrigated these corners in 2017 and 2018. Looking at the 2017 NAIP, they do appear to be irrigated. Not necessarily to the same extent as under the pivots, but I can see a distinct difference between the vegetation in the corners versus nearby corners that I know were not irrigated. It looks as if at the time this photo was taken the hay had already been harvested for the first crop. The Newman's practice was to irrigate earlier in the season with handlines, take a first crop of hay and hope for the best the rest of the season. But they were definitely irrigated.



Kristin Moore

Senior Water Rights Analyst

482 Constitution Way, Ste 303, Idaho Falls, ID 83402

E-Mail: kristin.rmea@gmail.com

VOICE: 208-524-2353, Ext #104 ||| FAX: 208-524-1795



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From: Hersley, Jean [mailto:Jean.Hersley@idwr.idaho.gov]
Sent: Monday, January 10, 2022 3:15 PM
To: Kristin Moore <kristin.rmea@gmail.com>
Cc: Bank <Bank@idwr.idaho.gov>
Subject: RE: WSB Lease Applications for 31-11998, 31-12000 & 31-12002

Thank you.

Also, after reviewing aerial imagery, it appears that the pivot corners that were offered to the Bank have not been irrigated in the last 5 years. Please provide evidence that these corners have been irrigated in the last 5 years or the applications will be returned unprocessed. Please provide the requested information within 14 days. Thank you.

*Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942*

From: Kristin Moore <kristin.rmea@gmail.com>
Sent: Monday, January 10, 2022 12:17 PM
To: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Cc: Bank <Bank@idwr.idaho.gov>
Subject: RE: WSB Lease Applications for 31-11998, 31-12000 & 31-12002

Jean,

There was a document submitted with the application stating that they authorized the application to be submitted. I've attached it again here. I'll pursue getting a Lessor Designation form signed.

Kristin Moore
Senior Water Rights Analyst
482 Constitution Way, Ste 303, Idaho Falls, ID 83402
E-Mail: kristin.rmea@gmail.com
VOICE: 208-524-2353, Ext #104 ||| FAX: 208-524-1795



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From: Hersley, Jean [<mailto:Jean.Hersley@idwr.idaho.gov>]

Sent: Monday, January 10, 2022 9:38 AM

To: kristin.rmea@gmail.com

Cc: Bank <Bank@idwr.idaho.gov>

Subject: WSB Lease Applications for 31-11998, 31-12000 & 31-12002

These applications were on hold pending the approval of the transfer that was filed at the same time. These rights are now in the name of Duane and Yvonne Allen. Do the Allen's wish to continue with the WSB Lease on these rights? The Department will need documentation stating that the Allen's wish to proceed with the lease and a Lessor Designation form. The lease will be in the name of the Allen's.

*Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942*