

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

## WATER SUPPLY BANK LEASE CONTRACT No. 1426

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

**LESSOR:** L2 LTD PARTNERSHIP  
C/O LEWIS J NEWMAN  
2943 N 800 E  
MONTEVIEW, ID 83435

**SUPPORT DATA**  
**IN FILE # 31-12473**

**RECEIVED**

**AUG 04 2021**

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 May 13, 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)   |
|------------------------------|---------------|--------------|----------------------|-----------------------|--------------|
| 31-12477                     | 6/22/1953     | GROUND WATER | 0.270                | 52.40                 | 17.10        |
| 31-12473                     | 7/25/1955     | GROUND WATER | 0.060                | 23.60                 | 17.10        |
| 31-12475                     | 7/26/1961     | GROUND WATER | 0.040                | 15.00                 | 17.10        |
| 31-12479                     | 8/7/1962      | GROUND WATER | 0.110                | 57.80                 | 17.10        |
| <b>Combined Limit Totals</b> |               |              | <b>0.480</b>         | <b>59.90</b>          | <b>17.10</b> |
| <b>Combined Lease Totals</b> |               |              | <b>0.480</b>         | <b>59.90</b>          | <b>17.10</b> |

#### 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) |
|------------------------------|----------------------|-----------------------|----------------------|------------------------|-------------------------|
| 31-12477                     | 0.27                 | 52.4                  | 14.9                 | 0.018                  | 3.52                    |
| 31-12473                     | 0.06                 | 23.6                  | 16.5                 | 0.004                  | 1.43                    |
| 31-12475                     | 0.04                 | 15.0                  | 17.1                 | 0.002                  | 0.88                    |
| 31-12479                     | 0.11                 | 57.8                  | 17.1                 | 0.006                  | 3.38                    |
| <b>Combined Limit Totals</b> | <b>0.48</b>          | <b>59.9</b>           | <b>17.1</b>          | <b>0.028</b>           | <b>3.50</b>             |

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

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## WATER SUPPLY BANK LEASE CONTRACT No. 1426

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. 1426**

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

**LESSOR:** L2 LTD PARTNERSHIP  
C/O LEWIS J NEWMAN  
2943 N 800 E  
MONTEVIEW, ID 83435

By Lewis J Newman  
Title partner  
Date July 23 2021

**IDAHO WATER RESOURCE BOARD**

322 East Front Street  
P.O. Box 83720  
Boise, ID 83720-0098

By Brian Patton  
Brian Patton, Acting Administrator  
Idaho Water Resource Board

Date 8/12/21

Lease approved by IDWR FL Newman

Date 8/12/21

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

# WATER SUPPLY BANK LEASE CONTRACT No. 1426

## 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): 31-12473, 31-12475, 31-12477, 31-12479**

|              |      |         |         |         |                  |
|--------------|------|---------|---------|---------|------------------|
| GROUND WATER | SESW | Sec. 1  | Twp 08N | Rge 33E | JEFFERSON County |
| GROUND WATER | NESE | Sec. 12 | Twp 08N | Rge 33E | JEFFERSON County |

| Water Right    | Beneficial Use | Season of Use |    |       | Diversion Rate (CFS) | Volume (AF) |
|----------------|----------------|---------------|----|-------|----------------------|-------------|
|                |                | From          |    | To    |                      |             |
| 31-12473       | IRRIGATION     | 04/01         | to | 10/31 | 0.06 cfs             | 23.6 AF     |
| 31-12475       | IRRIGATION     | 04/01         | to | 10/31 | 0.04 cfs             | 15.0 AF     |
| 31-12477       | IRRIGATION     | 04/01         | to | 10/31 | 0.27 cfs             | 52.4 AF     |
| 31-12479       | IRRIGATION     | 04/01         | to | 10/31 | 0.11 cfs             | 57.8 AF     |
| <b>Totals:</b> |                |               |    |       | 0.48 cfs             | 59.9 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 | 12  | 9.2 |    |    | 7.9 |    |    |    |    |    |    |    |    |    |    |    |    | 17.1   |

Total Acres: 17.1

### 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.

STATE OF IDAHO  
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**WATER SUPPLY BANK LEASE CONTRACT No. 1426**

7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
  - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
  - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion.
13. The unleased portions of rights 31-12473, 31-12475, 31-12477 and 31-12479 when combined shall not exceed a total annual maximum diversion volume of 1574.6 af at the field headgate and the irrigation of 450.9 acres.
14. Use of water under this right will 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.
15. These rights when combined with all other rights shall provide no more than 0.03 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the place of use.
16. Upon specific notification of the Department, the right holder shall install and maintain data loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.
17. The unleased portion of water right 31-12477 is limited to the irrigation of 394.0 acres within the place of use described above in a single irrigation season.
18. The unleased portion of water right 31-12473 is limited to the irrigation of 434.6 acres within the place of use described above in a single irrigation season.

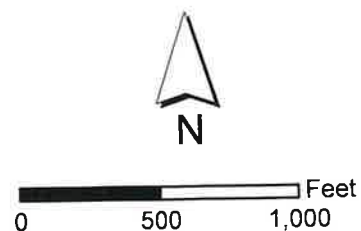
Idaho Water Resource Board  
Water Supply Bank Lease Contract No. 1426

31-12473, 31-12475, 31-12477 & 31-12479  
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



RECEIVED

STATE OF IDAHO  
WATER RESOURCE BOARD

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APR 27 2021

APPLICATION TO SELL OR LEASE A WATER RIGHT  
TO THE WATER SUPPLY BANKMAY 13 2021  
DEPARTMENT OF  
WATER RESOURCESDepartment of Water Resources  
Eastern RegionDesignated Applicant L2 LTD PARTNERSHIP  
(Select one owner – see item 1A on the application)Water Right No. 31-12475  
(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](http://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](http://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 \$ 500.00 (over fee) Received By: at dDate Received: 4/27/21Receipt # E046891W-9 received? Yes ☐ No ☐ (Route W-9 to Fiscal)

Name on W-9:

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 N 800 E MONTEVIEW, ID 83435

Street

City

State

Zip Code

Email Address \_\_\_\_\_

Phone Number 2086572515

☒ 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 31-12473, 31-12475, 31-12477, 31-12479 share the same place of use and are overlapping, therefore, a portion of each are also proposed to be leased to the WSB.  
\_\_\_\_\_
- 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. The full diversion rate has been used. No measurements of total volume, but volume usage would be consistent with typical crop patterns.  
\_\_\_\_\_
- 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?  
If yes, describe. Yes ☐ No ☒  
\_\_\_\_\_

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  
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

TO: IDAHO DEPARTMENT OF WATER RESOURCES

FROM: L2 LTD PARTNERSHIP

RE: Authorized Representatives

Rocky Mountain Environmental Associates, Inc.  
482 Constitution Way 303  
Idaho Falls, ID 83402  
(208) 524-2353 / (208) 524-1795 Fax

Rocky Mountain Environmental Associates, Inc. (RMEA) is hereby authorized to act on behalf of L2 LTD Partnership regarding Water Supply Bank Application(s) for water right(s).

Dana Newman

Signature

Dana Newman

Printed Name

3-2-21

Date

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><br>(cfs) | <u>Leased Volume</u><br>(af) | <u>Leased Acres</u><br>(ac) |
|------------------------------|----------------------|-----------------------------|------------------------------|-----------------------------|
| 31-12475                     | Irrigation           | 0.04                        | 14.9                         | 17.0                        |
|                              |                      |                             |                              |                             |
|                              |                      |                             |                              |                             |
|                              |                      |                             |                              |                             |
|                              | Total Amounts:       |                             |                              |                             |

2. Source of water Groundwater tributary to

3. Point(s) of diversion:

| Twp | Rge | Sec | Lot | ¼ | ¼  | ¼  | County    |
|-----|-----|-----|-----|---|----|----|-----------|
| 08N | 33E | 1   |     |   | SE | SW | Jefferson |
|     |     | 12  |     |   | NE | SE |           |
|     |     |     |     |   |    |    |           |
|     |     |     |     |   |    |    |           |
|     |     |     |     |   |    |    |           |
|     |     |     |     |   |    |    |           |
|     |     |     |     |   |    |    |           |



0 0.1 0.2 0.4 Miles

2019 NAIP

-  WSB Dry Corners
-  POU WR#: 31-12473, 1275, 12477, 12479
-  Twn & Rng
-  Sections
-  QQ
-  Water Right PODs



## Water Supply Bank Lease Application

L2 LTD Partnership

Project #: 14-0004

Drawn by: AD

Date: 3/23/2021



*Rocky Mountain*  
**ENVIRONMENTAL**  
ASSOCIATES, INC.



IDAHO DEPARTMENT  
**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](mailto:idwrinfo@idwr.idaho.gov) • Website: [idwr.idaho.gov](http://idwr.idaho.gov)

Governor Brad Little

Director Gary Spackman

August 17, 2021

L2 LTD PARTNERSHIP  
2990 N 800 E  
MONTEVIEW ID 83435

**RE: WATER SUPPLY BANK LEASE CONTRACT 1426  
FOR WATER RIGHTS 31-12473, 31-12475, 31-12477 & 31-12479**

Dear Lessor:

Water rights **31-12473, 31-12475, 31-12477 & 31-12479** were leased into the Water Supply Bank (Bank) as of January 1, 2021, 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](http://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](mailto:bank@idwr.idaho.gov) or 208-287-4800.

Sincerely,

*Jean Hersley*

for  
Water Supply Bank

Enclosure: Executed Lease Contract

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



State of Idaho

## DEPARTMENT OF WATER RESOURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700

Website: [idwr.idaho.gov](http://idwr.idaho.gov) • Email: [idwrinfo@idwr.idaho.gov](mailto:idwrinfo@idwr.idaho.gov)

BRAD LITTLE  
Governor

GARY SPACKMAN  
Director

July 22, 2021

L2 LTD PARTNERSHIP  
2990 N 800 E  
MONTEVIEW ID 83435

**RE: APPLICATION TO LEASE WATER RIGHTS 31-12473, 31-12475, 31-12477 & 31-12479 TO  
THE WATER SUPPLY BANK CONTRACT 1426**

**\*\*\*\*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."

If you have questions regarding this matter, please contact this office at [bank@idwr.idaho.gov](mailto:bank@idwr.idaho.gov) or 208-287-4800.

Sincerely,

*Jean Hersley*

for  
Water Supply Bank

Enclosures: Proposed Lease Contracts

C: Rocky Mountain Environmental Assoc.

**From:** Hersley, Jean  
**Sent:** Wednesday, July 21, 2021 2:12 PM  
**To:** Cefalo, James; Jordan, Blake  
**Subject:** WSB Lease application for L2 LTD  
**Attachments:** Idled Acres.pdf; Lease Application Review Checklist July 2017.xls; Lease Contract 1426 - Template.docx

For water rights 31-12473, 31-12475, 31-12477 & 31-12479

Please let me know if you have any comments or concerns with the attached lease. 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

Memo Date: July 9, 2021

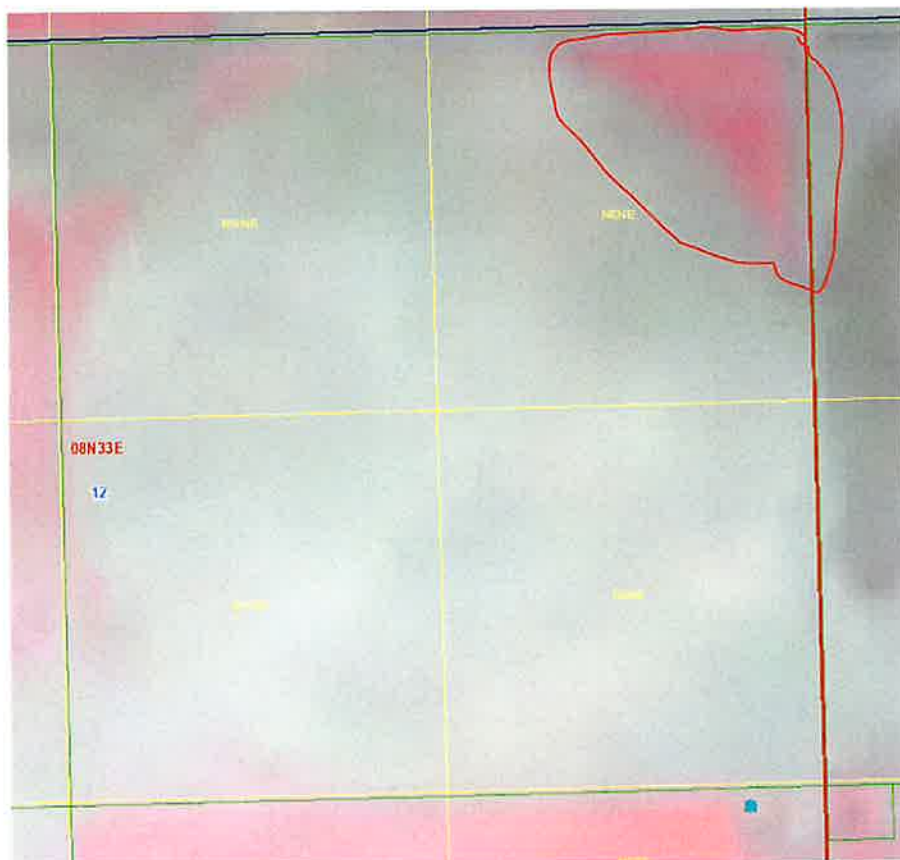
Water Right Number(s): 37-12473, 37-12475, 37-12477, 37-12479

Reviewers Name: Jean

## Quick Tools

| Decreed | No Forfeiture Concerns Thru: |
|---------|------------------------------|
| Year    |                              |
| 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)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | x         |    |                    |
| 2  | Reason for lease of water rights (Brief description of lease proposal in narrative)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |           |    |                    |
|    | Portion of right                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | x         |    |                    |
|    | 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)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | x         |    |                    |
| 5  | Authority to file                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |    |                    |
|    | Current owner or designated applicant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | x         |    |                    |
|    | SOS Web site checked for business entity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | x         |    |                    |
|    | Other (explain in comments)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |    |                    |
| 6  | Water Right validity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |    |                    |
|    | Decreed/Licensed/Statutory claim date (write in comments section)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |    | 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?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           | x  |                    |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Check box |    |                    |
|    | Complete a POU comparison overlap analysis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | x         |    |                    |
|    | Complete a combined limits review                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | x         |    |                    |
|    | Complete POD overlap analysis (if there is an overlap add condition to lease)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | x         |    |                    |
|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Yes       | No |                    |
|    | Are there overlapping rights that need to be placed in the bank also?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           | x  |                    |
|    | Will the place of use continue to receive water? (if yes explain in comments)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           | x  |                    |
| 9  | Local Public Interest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |    |                    |
|    | Does the processor know of any problems this action will cause for the local public?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           | x  |                    |
| 10 | Have you contacted regional office and watermaster for comment/concerns?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | x         |    |                    |
|    | Send the watermaster comment request form or e-mail request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | x         |    |                    |
| 11 | Area Headgate requirement (write in Comments)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |    | 3.5                |
| 12 | Is water right involved in any other department action? Pull file and check database<br>( ) Ownership Change ( ) Transfer ( ) Mitigation ( ) Other - Explain in comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |           | x  |                    |
| 13 | <p><b>Narrative:</b> The Department received these applications on May 13, 2021. the applicant wishes to place a portion of each right in the Bank. These rights have the same PPU of 467 acres. Water rights 31-12475 and 31-12479 do NOT have acre limits while 31-12473 is limited to 451.1 acres and 31-12477 is limited to 408.9 acres. Because of these limits, 17.1 acres of 12475 &amp; 12479 will be placed in the Bank and 16.5 acres of 12473 and 14.9 acres of 12477 will be place in the Bank. These acres are the pivot corners in the NENE and SENE of Section 12. These rights were decreed in 2002 and the corners have been irrigated on and off since. There are no issues with forfeiture. These are ground water rights currently within WD 110 and the ESPA GWMA.</p> |           |    |                    |



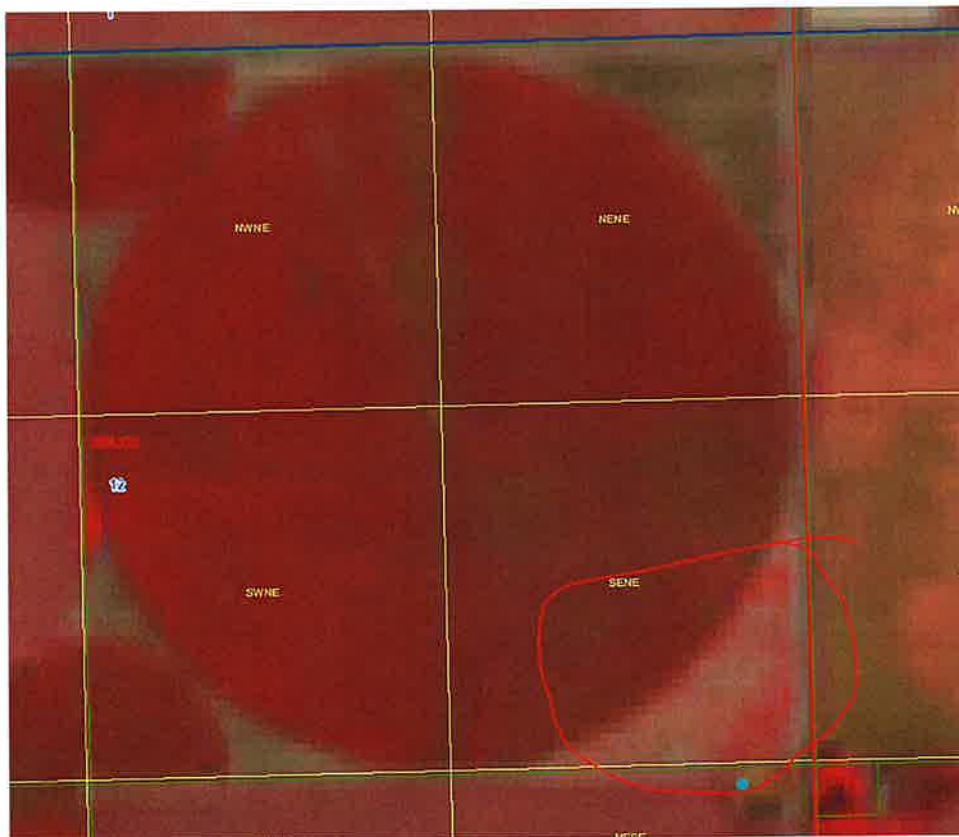
April 8, 2020



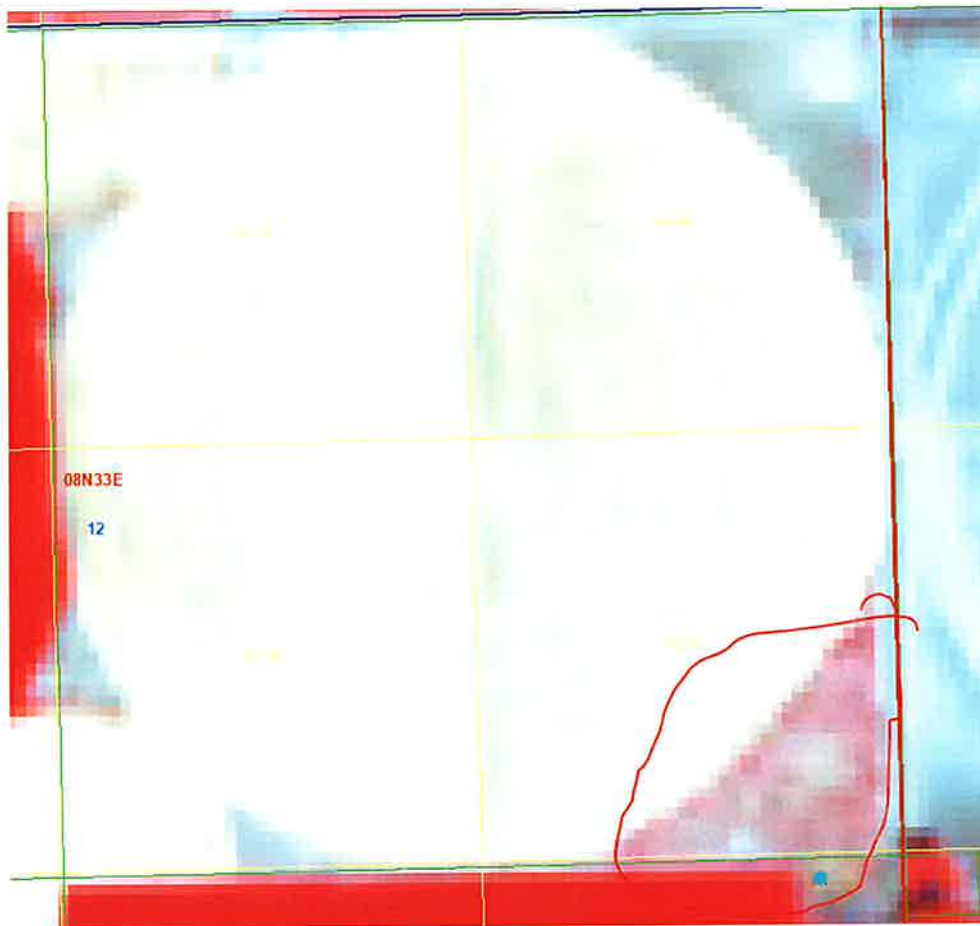
May 25, 2020



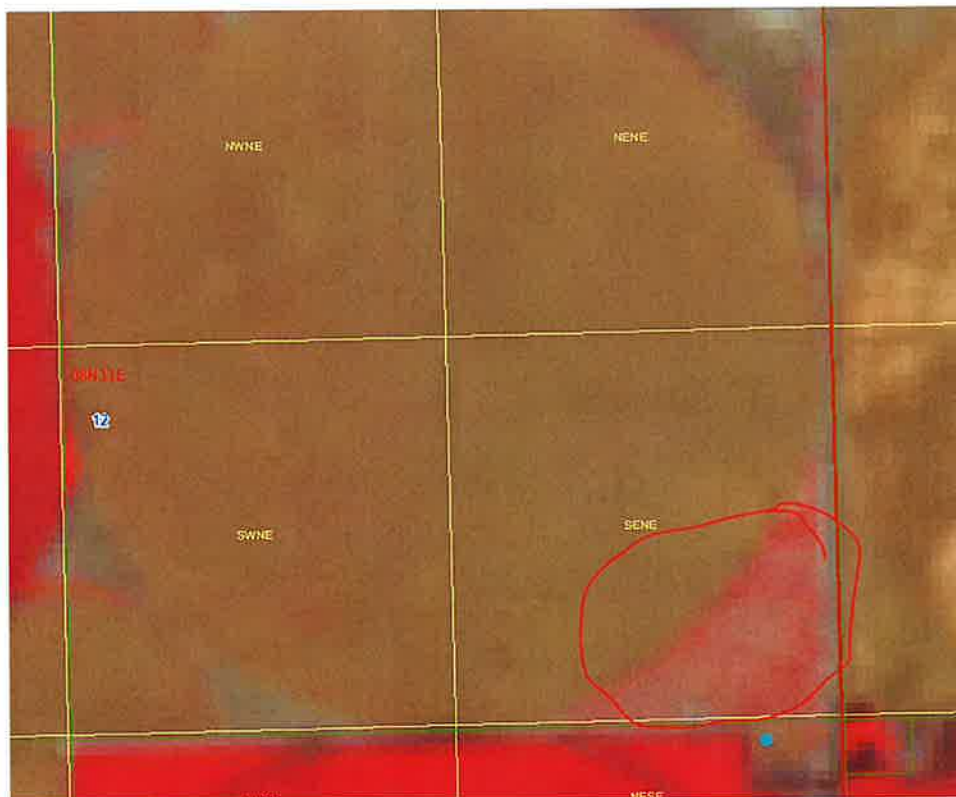
June 7, 2020



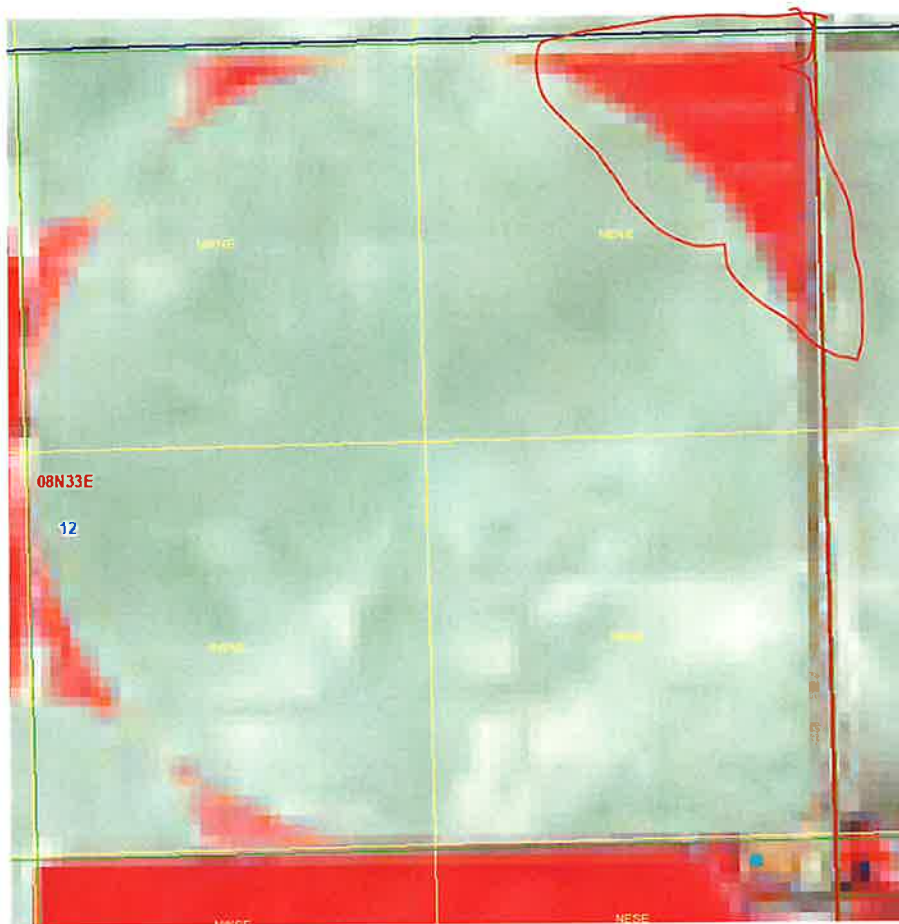
July 27, 2020



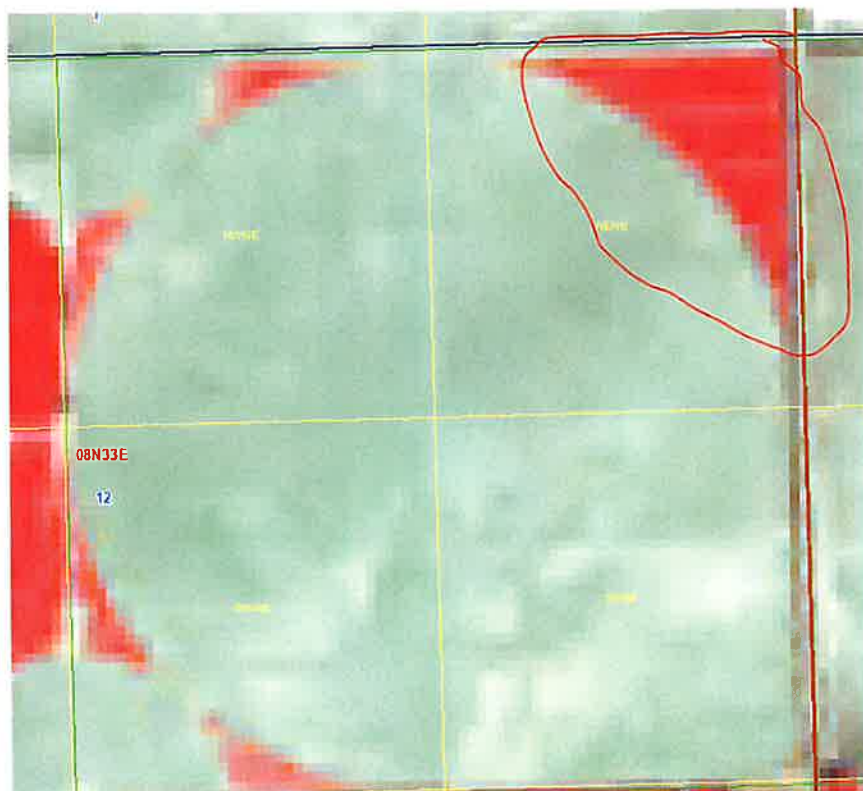
August 26, 2020



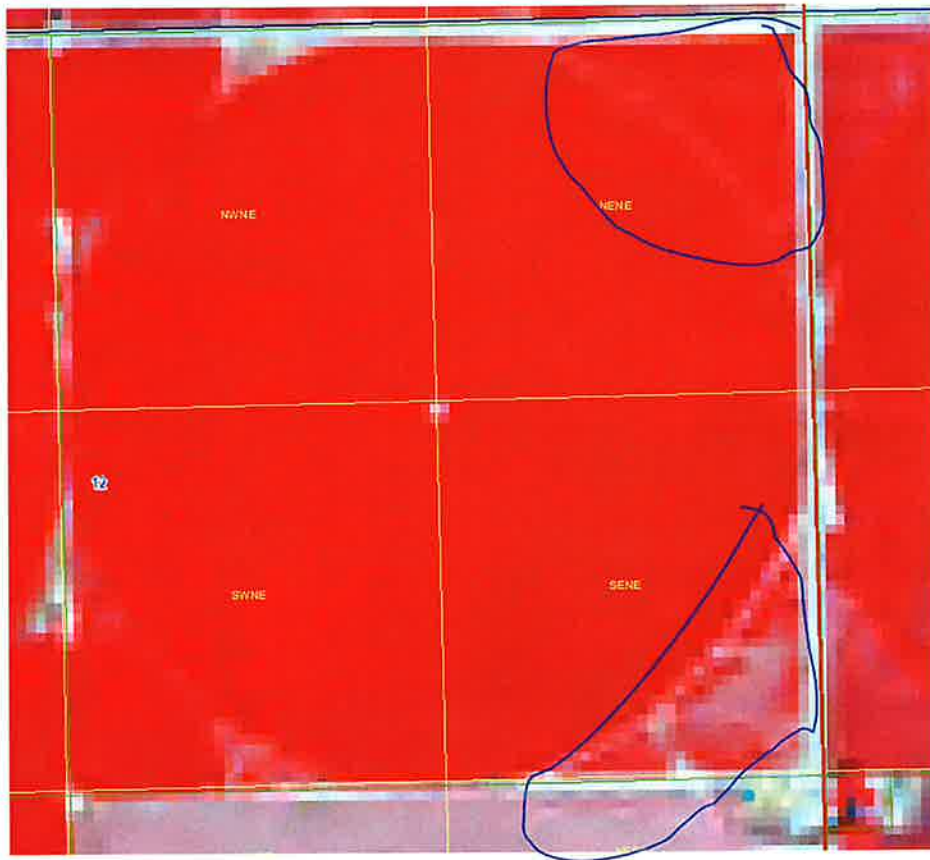
August 11, 2020



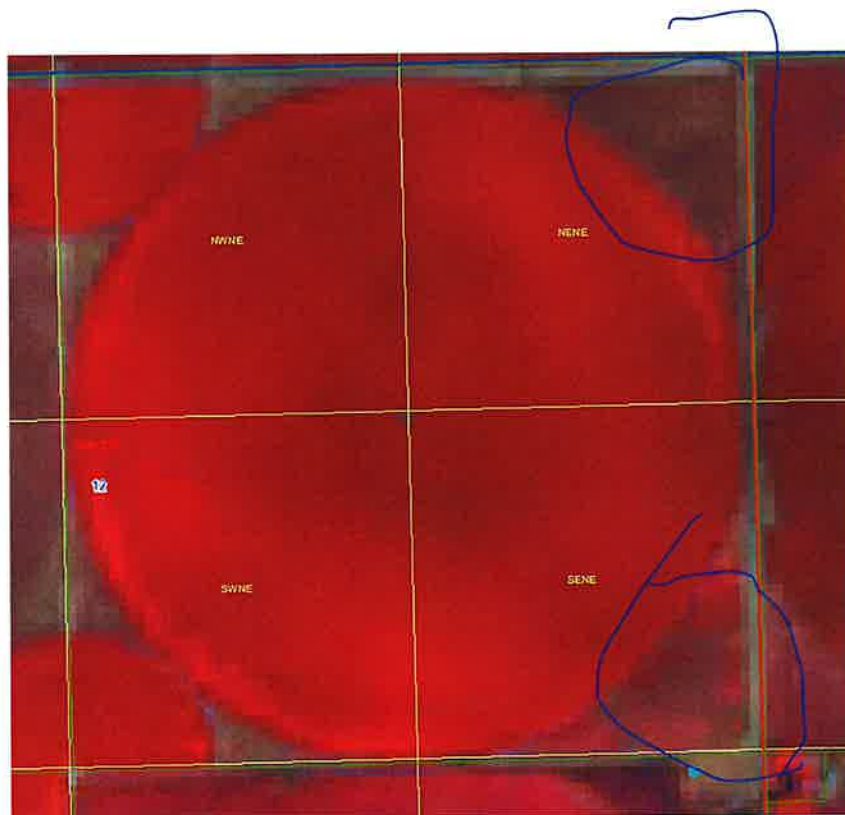
April 24, 2019



May 11, 2019



July 13, 2019



July 30, 2019



April 26, 2018



May 26, 2018



June 25, 2018