

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1381

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

LESSOR: BLACK PINE FARM LP
2475 S JUNIPER RD
MALTA, ID 83342-8758

SUPPORT DATA

IN FILE # 17-7118

RECEIVED

APR 29 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 February 16, 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)
17-7118	11/21/1985	GROUND WATER	0.09	37.9	14.3
17-7136	1/7/1991	GROUND WATER	0.14	25.2	7.2
Combined Limit Totals			0.23	50.1	14.3
Combined Lease Totals			0.23	63.1	21.6

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, 2023. 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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1381

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

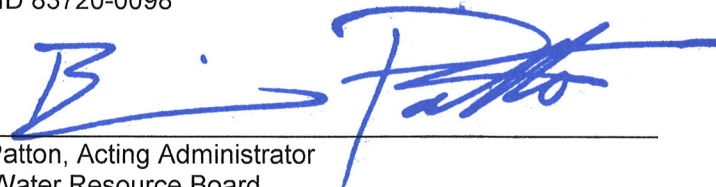
WATER SUPPLY BANK LEASE CONTRACT No. 1381

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

LESSOR: BLACK PINE FARM LP
2475 S JUNIPER RD
MALTA, ID 83342-8758

By 
Title General Partner
Date 27 April 2021

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 4/29/21

Lease approved by IDWR 

Date 4/29/21

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1381

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): 17-7118, 17-7136

GROUND WATER	NENE	Sec. 16	Twp 16S	Rge 30E	ONEIDA County
GROUND WATER	NESE	Sec. 16	Twp 16S	Rge 30E	ONEIDA County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
17-7118	IRRIGATION	04/01	to	10/31	0.09 cfs	37.9 AF
17-7136	IRRIGATION	04/01	to	10/31	0.14 cfs	25.2 AF
Totals:					0.23 cfs	50.1 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	
16S	30E	16	1.1	8.4	2.3											2.5			14.3

Total Acres: 14.3

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, or the lease term expires. A right may be released from the bank upon request, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

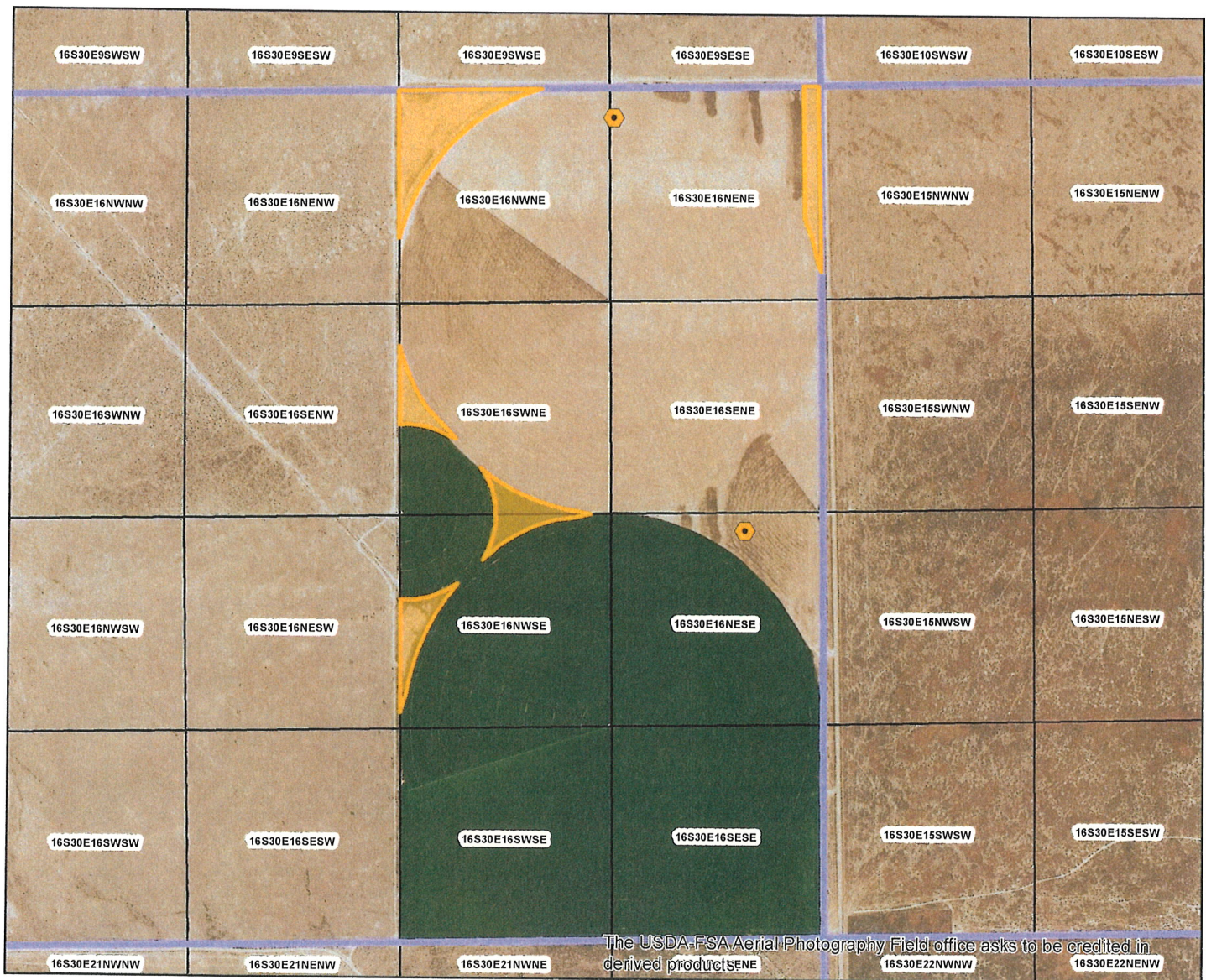
WATER SUPPLY BANK LEASE CONTRACT No. 1381

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 extent of water right 17-7118 is limited to a diversion rate of 1.91 cfs and an annual diversion volume of 811.1 af for the irrigation of 305.7 acres within the authorized place of use in a single irrigation season.
13. The unleased extent of water right 17-7136 is limited to limited to a diversion rate of 2.86 cfs and an annual diversion volume of 534.8 af for the irrigation of 152.8 acres within the authorized place of use in a single irrigation season.
14. The unleased extent of water rights 17-7118 and 17-7136 when combined shall not exceed a total diversion rate of 4.77 cfs, a total annual maximum diversion volume of 1,069.9 af at the field headgate, and the irrigation of 305.7 acres.
15. The leased extent of water right 17-7118 is limited to a diversion rate of 0.09 cfs and an annual diversion volume of 37.9 af for the irrigation of 14.3 acres in a single irrigation season.
16. The leased extent of water right 17-7136 is limited to limited to a diversion rate of 0.135 cfs and an annual diversion volume of 25.2 af for the irrigation of 7.2 acres within a single irrigation season.
17. The leased extent of water rights 17-7118 and 17-7136 when combined shall not exceed a total diversion rate of 0.225 cfs, a total annual maximum diversion volume of 50.1 af at the field headgate, and the irrigation of 14.3 acres.

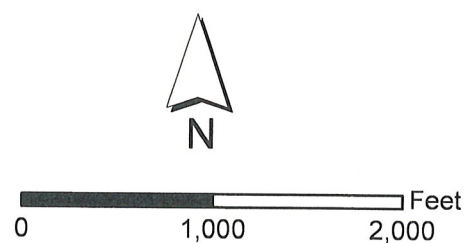
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1381

17-7118 & 17-7136
Effective until December 31, 2023

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



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

FEB 16 2021

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant Black Pine Farm, LP

(Select one owner – see item 1A on the application)

Water Right No. 17-7136

(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 <i>all owners</i> of the water right to be leased or sold on this application. |
| 1B | ☐ | ☒ | An <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant. |
| 1C | ☐ | ☐ | <i>Notice of Change in Water Right Ownership</i> 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 <u>Section 42-222(2), Idaho Code</u> . |

Department Use Only

Fee Amount \$ 500 -Received By: KMDate Received: 2.16.21Receipt # C109930W-9 received? Yes ☒ No ☐

(Route W-9 to Fiscal)

Name on W-9: Black Pine Farm LP.

1982

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 Black Pine Farm, LP

Mailing Address c/o John O. Campbell, General Partner 2475 S. Juniper Rd., Malta, ID 83342

Street City State Zip Code

Email Address johnjuniperbpf@gmail.com

Phone Number _____

☒ 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 David R. Tuthill, Jr.

Organization Idaho Water Engineering

Professional Title Water Resource Engineer

Email Address dave@idahowaterengineering.com

Mailing Address 2918 N. El Rancho Pl., Boise, ID 83704

Phone Number 208-870-0345

☐ 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.

Groundwater is used to provide for two large pivots and two small pivots for the large areas, and handlines for the remainder. This lease requires cessation of use of the handlines in parcels 1,2,3,4 and a portion of 5. See map.

- 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. Rights 17-7118 and 17-7183 are stacked on this property. 50 af are used to irrigated 14.3 acres. 17-7118 provides 60% of the volume for irrigation of this property and 17-7183 provides the remaining 40%. Thus, the 50 af annually will be allocated as 30 af from 17-7118 and 20 af from 17-7136.

- 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. The 14.3 acres from which the water is removed under this lease will be dried up.

- 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 14.3 acres from which the water is removed under this lease have been fully irrigated via hand lines for each of the past 5 years.

- 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 ☒.

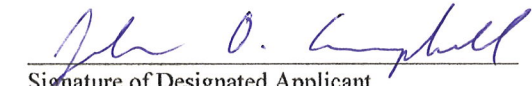
If lease, specify the years when the use of water will be suspended: 2021 to 2021 (maximum lease period 5 calendar years).
(Year) (Year)

- 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.
Per agreement between the lessor and the renter, the payment for the water this year is \$25,000.

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right, even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture is stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any element of the water right.


Signature of Designated Applicant

John O. Campbell, General Partner
Printed Name

10 Feb 2021
Date


Signature of Authorized Representative

David R. Tuthill, Jr.
Printed Name

2/16/2021
Date

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



0004117405

**STATE OF IDAHO***Office of the secretary of state, Lawrence Denney***ANNUAL REPORT**

Idaho Secretary of State

PO Box 83720

Boise, ID 83720-0080

(208) 334-2301

Filing Fee: \$0.00

*For Office Use Only***-FILED-**

File #: 0004117405

Date Filed: 1/4/2021 5:47:55 PM

Entity Name and Mailing Address:

Entity Name: BLACK PINE FARM, LP

The file number of this entity on the records of the Idaho Secretary of State is: 0000025800

Address: 2475 S JUNIPER RD
MALTA, ID 83342-8758

Entity Details:

Entity Status: Active-Current

This entity is organized under the laws of: IDAHO

If applicable, the old file number of this entity on the records of the Idaho Secretary of State was: L4339

The registered agent on record is:

Registered Agent: JOHN O CAMPBELL
Registered Agent
Physical Address
2475 S JUNIPER RD
MALTA, ID 83342
Mailing Address

Limited Partnership General Partners

Name	Business Address
 John O Campbell	2475 S. JUNIPER RD MALTA, ID 83342

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

Job Title: General Partner

John O. Campbell

Sign Here

01/04/2021

Date

DUPLICATE 01/04/2021 0:48 PM RECEIVED BY ID SECRETARY OF STATE LAWRENCE DENNEY

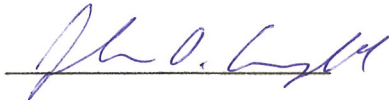
Attachment 1A

Authorization for Representation

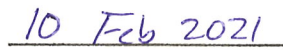
I, John O. Campbell, General Partner for Black Pine Farm, LP, hereby authorize:

David R. Tuthill, Jr., Ph.D., P.E.
Co-Owner of Idaho Water Engineering, LLC
2918 N. El Rancho Pl.
Boise, ID 83704
208-870-0345
dave@idahowaterengineering.com

to represent Black Pine Farm, LP in the matter of preparing documents for the Lease of Water Rights to the Idaho Water Supply Bank.



John O. Campbell



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>	Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
17-7136	Irrigation	0.13	20.0	14.3
Total Amounts:				

2. Source of water _____ Groundwater _____ tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
16S	30E	16			NE	NE	Oneida
16S	30E	16			NE	SE	Oneida

Black Pine Farm, LP

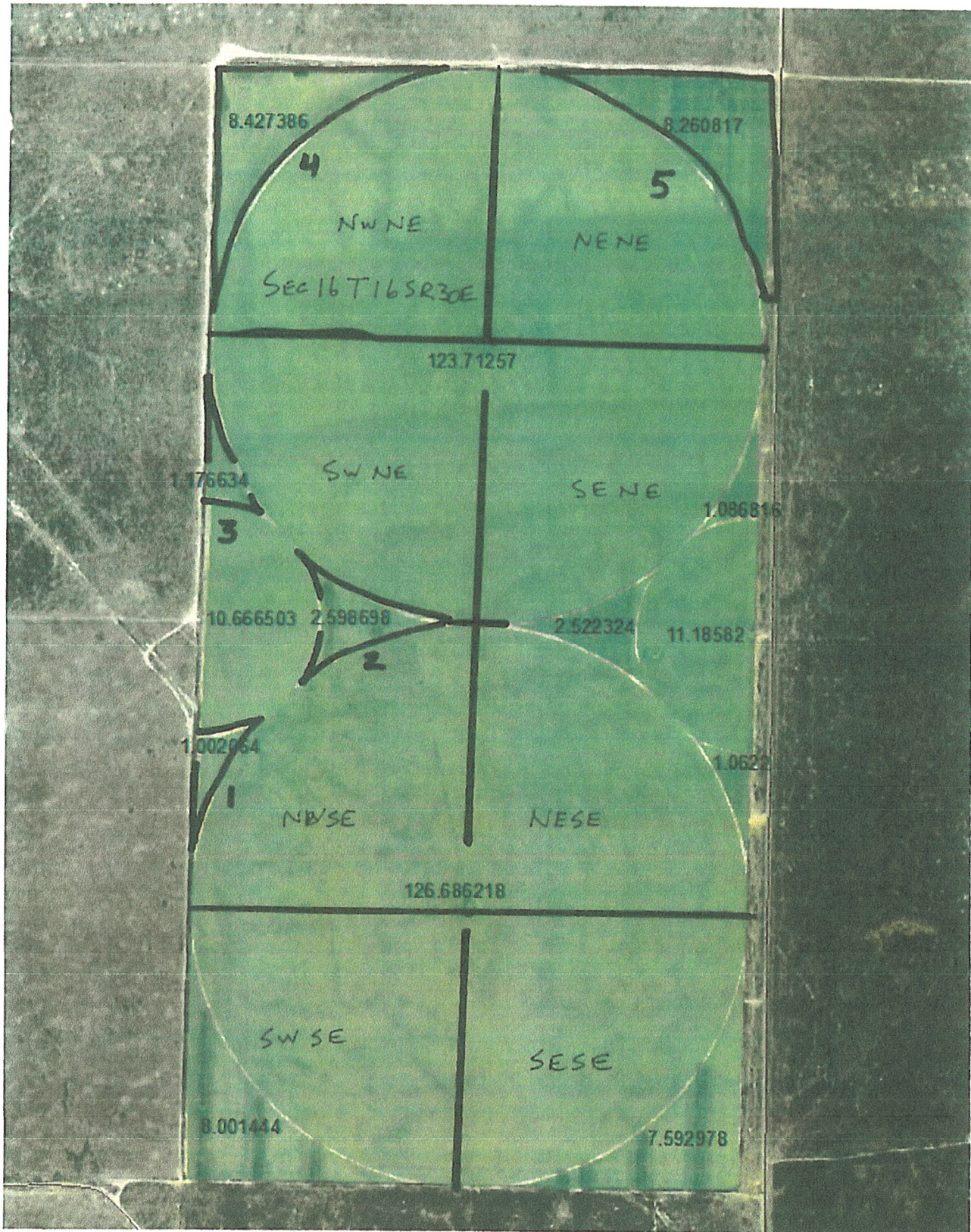
Acres Leased to the Water Supply Bank

Section 6, Township 16 S., Range 36 E., B.M.

Parcel No.	NENE	NWNE	SWNE	NWSE	Total Acres
1				1.0	1.0
2			1.3	1.3	2.6
3			1.2		1.2
4		8.4			8.4
5*	1.1				1.1
Total Acres	1.1	8.4	2.5	2.3	14.3

Acres needed to provide 50 acre-feet of water at 3.5 acre-feet per acre = 14.3

* Parcel 5 is 8.3 acres in size. Only 1.1 acres of this parcel are placed in the water supply bank, drying up the east 1.1 acres.



Attachment 3 & 4 G

State of Idaho
Department of Water Resources
Water Right License

WATER RIGHT NO. 17-07136

Priority: January 07, 1991

Maximum Diversion Rate: 3.00 CFS
Maximum Diversion Volume: 560.0 AF

It is hereby certified that PAUL D CAMPBELL Or
H SANFORD CAMPBELL
430 N 600 W
LOGAN UT 84321 has complied with the terms and conditions of the
permit, issued pursuant to Application for Permit dated January 07, 1991; and has submitted Proof of
Beneficial Use on October 07, 1998; and a water right has been established as follows:

SOURCE

GROUND WATER

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>DIVERSION RATE</u>	<u>ANNUAL DIVERSION VOLUME</u>
IRRIGATION	04/01 to 10/31	3.00 CFS	560.0 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NE¼NE¼	Sec. 16	Twp 16S	Rge 30E, B.M.	ONEIDA County
GROUND WATER	NE¼SE¼	Sec. 16	Twp 16S	Rge 30E, B.M.	ONEIDA County

PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
16S	30E	16	40.0	40.0	40.0	40.0									40.0	40.0	40.0	40.0	320.0

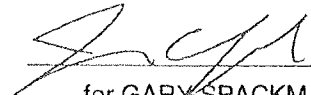
Total Acres: 320

CONDITIONS OF APPROVAL

1. This right is limited to the irrigation of 160 acres within the authorized place of use in a single irrigation season.
2. After specific notification by the department, the right holder shall install a suitable measuring device or shall enter into an agreement with the department to determine the amount of water diverted from power records and shall annually report the information to the department.
3. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the place of use.
4. Rights 17-7118 and 17-7136 when combined shall not exceed a total diversion rate of 5.0 cfs, a total annual maximum diversion volume of 1120 af at the field headgate, and the irrigation of 320 acres.

This license is issued pursuant to the provisions of Section 42-219, Idaho Code. The water right confirmed by this license is subject to all prior water rights and shall be used in accordance with Idaho law and applicable rules of the Department of Water Resources.

Signed and sealed this 21st day of June, 2012.

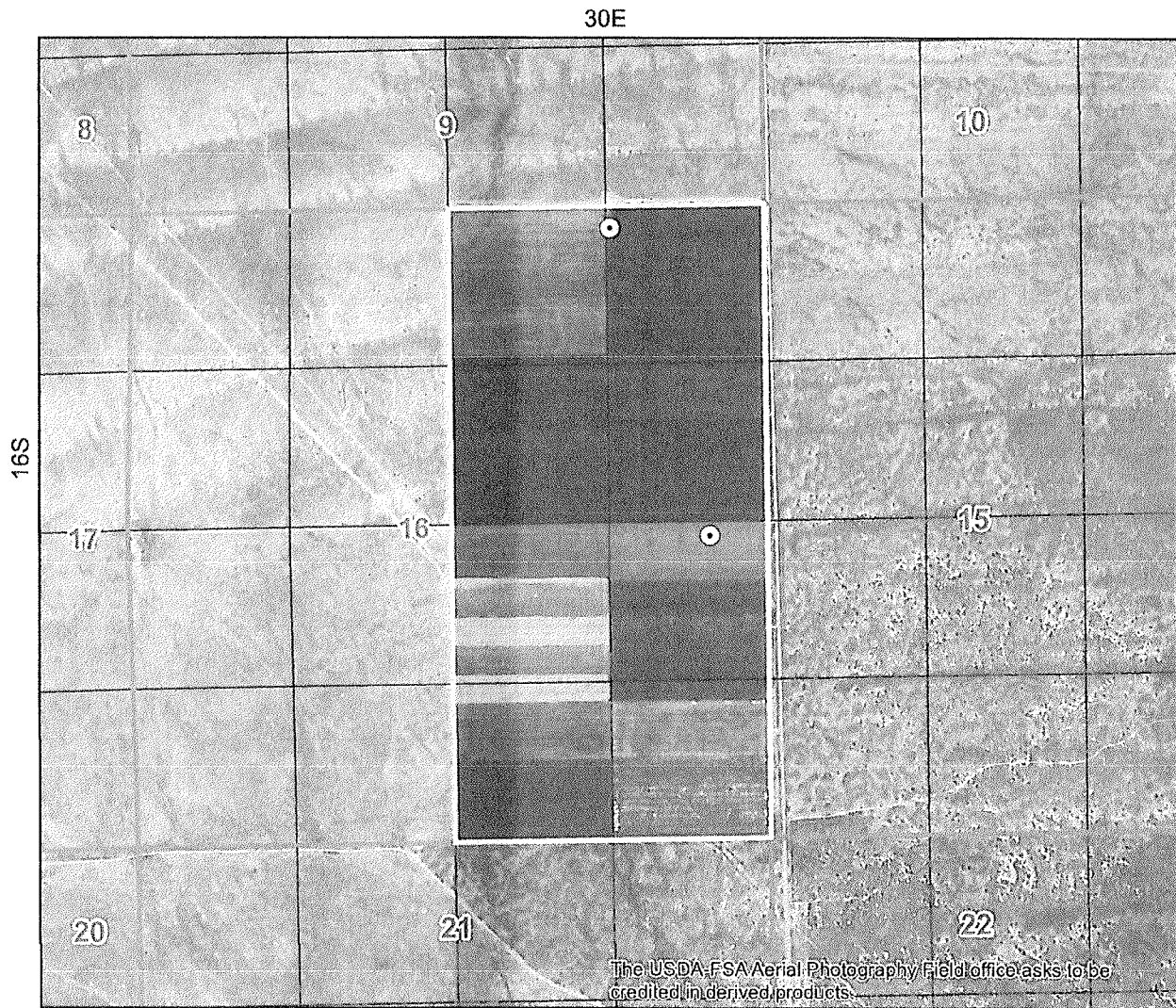

for GARY SPACKMAN
Interim Director

State of Idaho
Department of Water Resources

Water Right 17-7136

IRRIGATION

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



- Point of Diversion
- Place Of Use Boundary

- Townships
- PLS Sections
- Quarter Quarters

0 0.175 0.35 0.7 Miles





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 • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

April 30, 2021

BLACK PINE FARM LP
2475 S JUNIPER RD
MALTA, ID 83342-8758

**RE: WATER SUPPLY BANK LEASE CONTRACTS 1381
FOR WATER RIGHTS 17-7118 & 17-7136**

Dear Lessor:

Water rights **17-7118 & 17-7136** 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, 2023**, 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,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Eastern Region



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 • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

April 22, 2021

BLACK PINE FARM LP
2475 S JUNIPER RD
MALTA, ID 83342-8758

RE: APPLICATION TO LEASE WATER RIGHTS 17-7118 & 17-7136 TO THE WATER SUPPLY BANK CONTRACT 1381

****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, 2023**, 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 or 208-287-4800.

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosures: Proposed Lease Contracts
C109930

Memorandum

To: Water Rights 17-7118 & 17-7136
From: Remington Buyer
Date: March 16, 2021
Re: Water Supply Bank Lease Application 1982

Purpose/Narrative: An application was received by the Department February 16, 2021 from Black Pine Farm LP, proposing to lease into the Bank portions of irrigation ground water rights 17-7118 & 17-7136 for one year. The application was submitted through Dave Tuthill of Idaho Water Engineering and signed by John O. Campbell, and it proposes to idle 14.3 acres under these water rights so that the irrigation water use might be rented to Pilot Gold (USA) Inc through rental application 1984.

The lease application specified that the lease of 50.1 af under these water rights should be rented by Pilot Gold (USA) Inc (through rental application 1984) at the rental rate of \$25,000, or \$499.50/af. Pilot Gold has confirmed that an agreement is in place to pay this rental rate. This rental rate will be honored on the rental agreement, however, the lease contracts will be authorized with the "current rental rate."

When the application was submitted, a one year lease was requested. However, through conversations with the intended renter of these water rights, it was identified that a three year rental had been agreed to between the lessor and renter. In recognition of the intent of the lessor and renter to enter into a three year water right lease, this lease approval will be made for three years.

Authority to File: Secretary of State records confirm John O. Campbell is both the registered agent and general partner of Black Pine Farm LP. Black Pine Farms LP owns the land on which irrigation is authorized under water rights 17-1778 & 7136. No concerns about authority to file.

Water Right Validity/Forfeiture Evaluation: Water rights 17-7118 and 7136 authorize the irrigation of 320 acres, from ground water, on lands located near the Utah border, in Oneida County. The ground was until as recently as 2009 fully irrigated using hand lines. By 2013, the irrigation system had been converted and the ground has since been irrigated by two full center pivots, and two half-pivots which appear capable of fully irrigating all 320 acres.

Both water rights were licensed in 2012. Based on an analysis of sentinel satellite imagery from 2016-2020, a majority of the 320 acres have been irrigated under the center-pivot system in recent years, and all 320 acres appear to be covered in vegetation during spring of 2017. (See Appendix A to this memo for satellite imagery analyzed as part of this review process). No concerns about water right validity.

Injury Evaluation: No injury is apparent through this lease.

Enlargement of Use: Water right 17-7118 is the more senior of the two water rights, and it authorizes irrigation of the entire 320 acres, while water right 17-7136 is junior and supplemental to 17-7118, and authorizes an acre limit of half the area, or 160 acres. Because 14.3 acres overall are being leased to the Bank, proportionately, an acre limit of 7.2 acres will be leased into the Bank under 17-1736.

Local Public Interest: Staff are unaware of any local public interests that are averse to the lease.

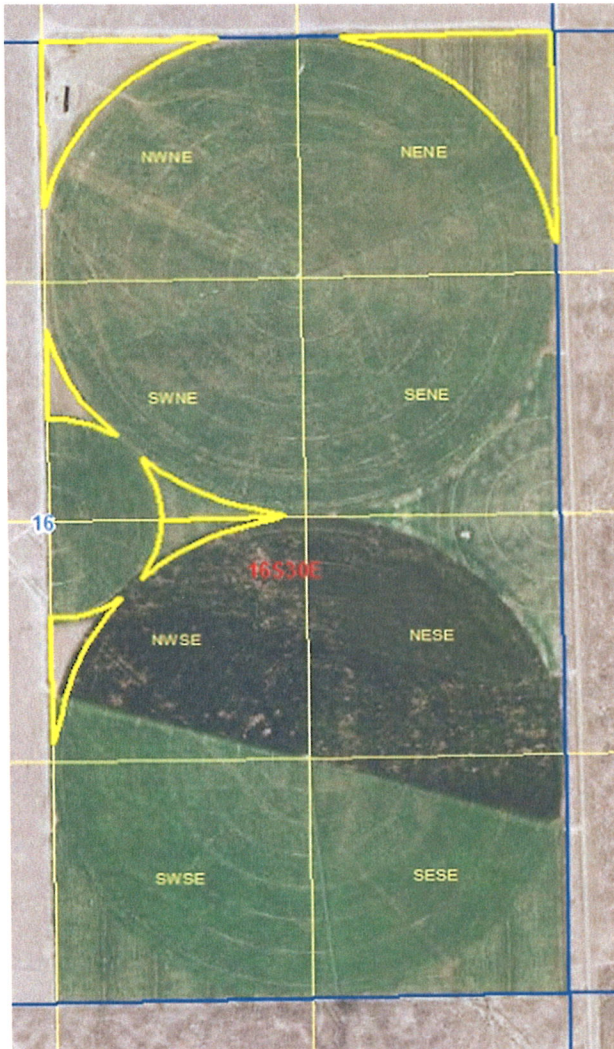
Beneficial Use/Conservation of Water Resources: The lease appears consistent with the conservation of water resources in Idaho.

Department/Watermaster Comments: Comments were requested from staff IDWR's Eastern Region on 3/22/2021.

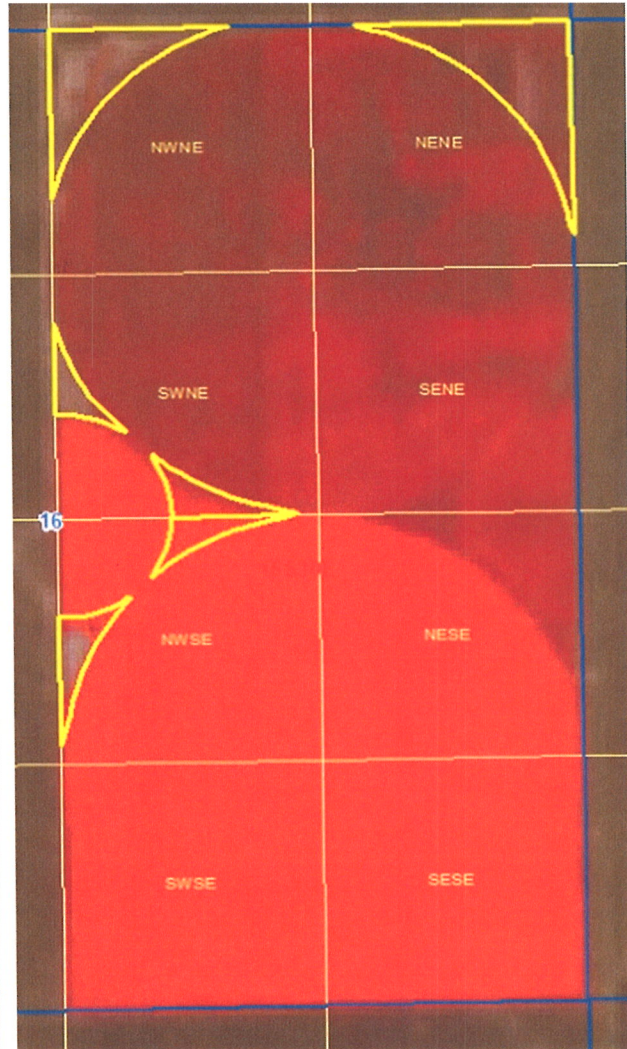
Water Supply Bank Evaluation: WSB review staff recommend approval of this lease proposal.

Lease Review Memo Appendix – Irrigation Observations from 2016-2020

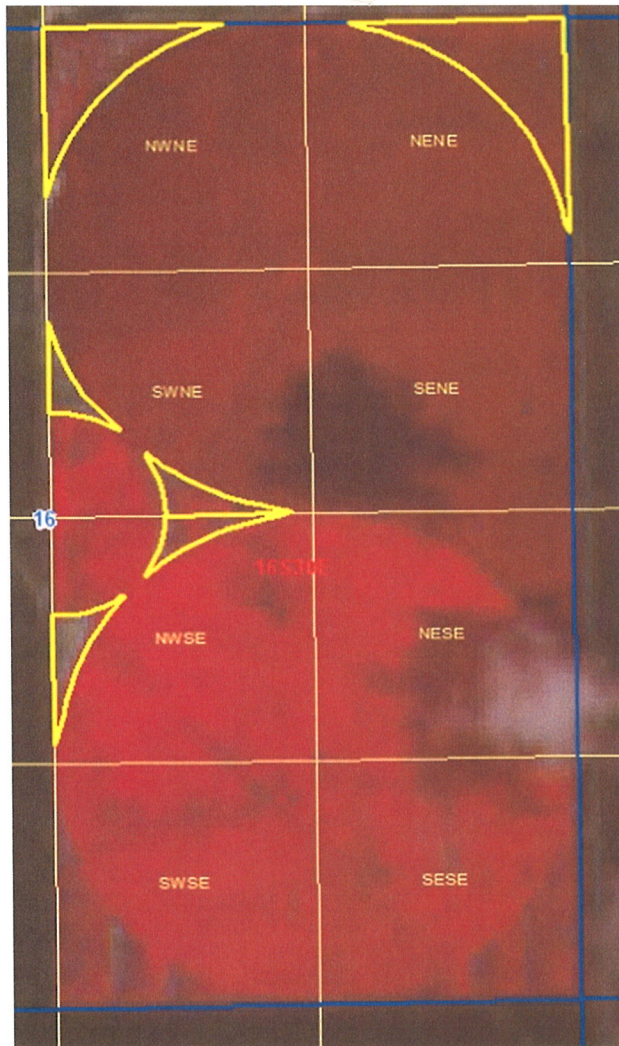
The following images were used to evaluate for validity of the irrigation use under this lease application.



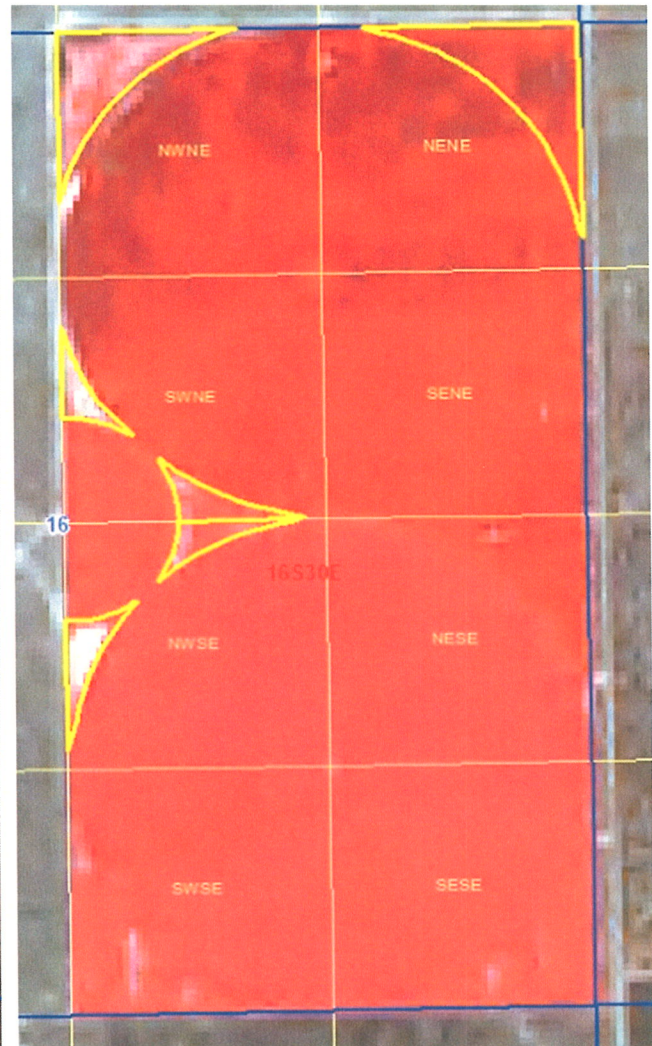
Acres proposed for lease (yellow polygons), true color imagery, 2015, exact date unknown



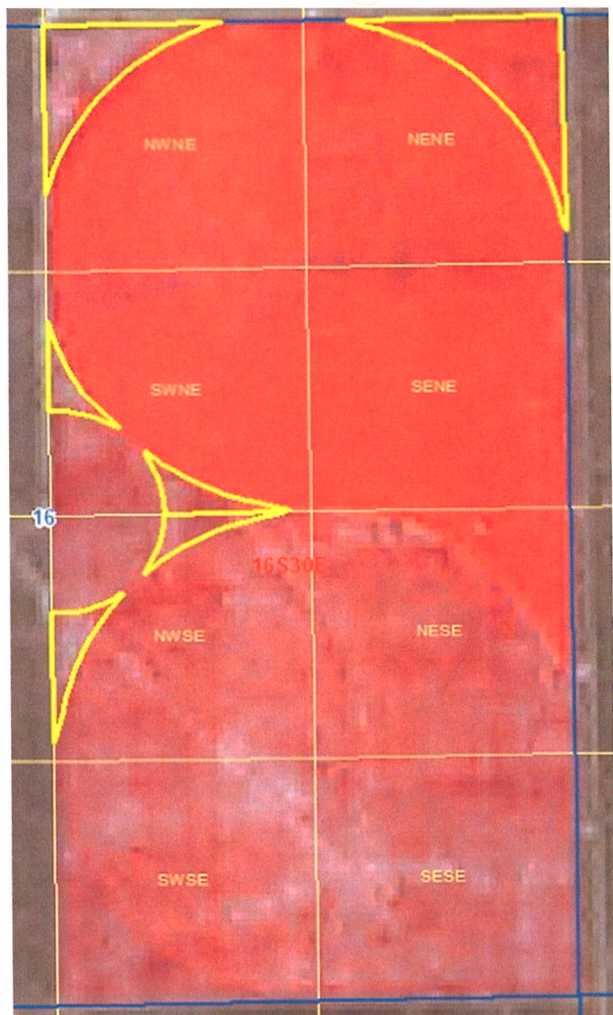
Acres proposed for lease, Sentinel Satellite imagery, May 30, 2020



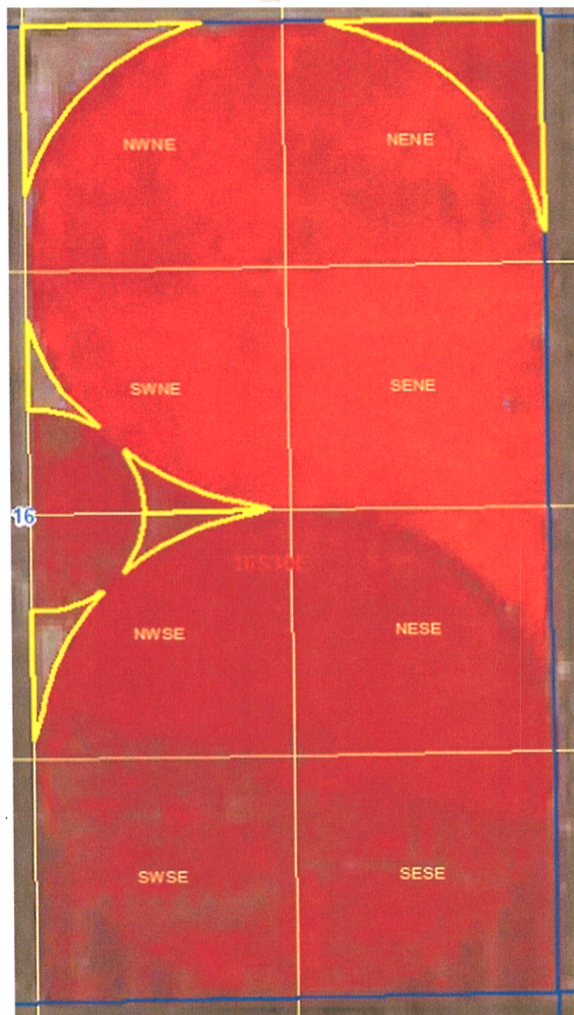
Acres proposed for lease, Sentinel Satellite imagery, May 31, 2019



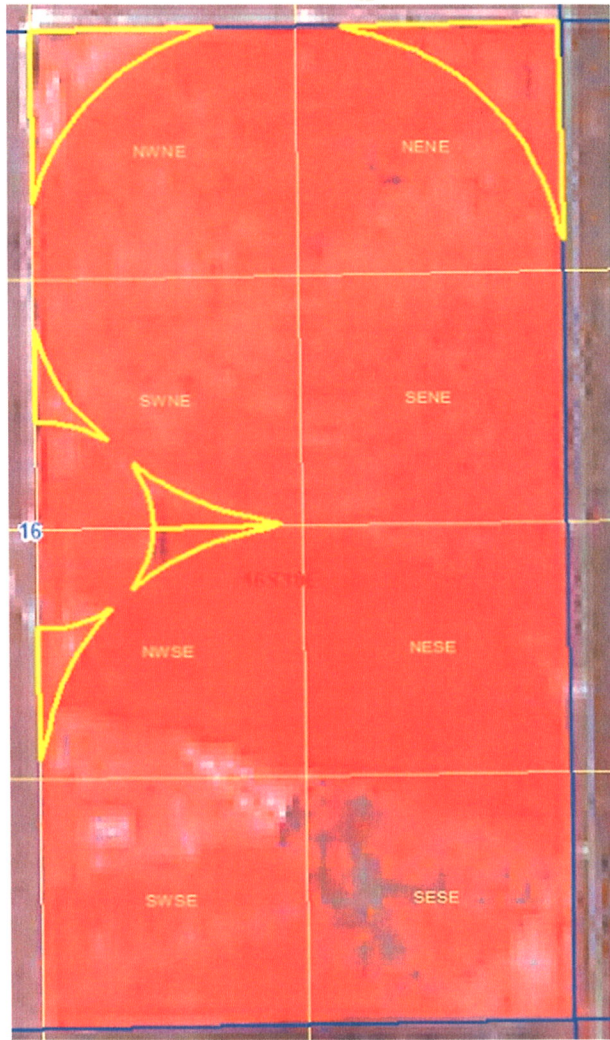
Acres proposed for lease, Sentinel Satellite imagery, June 10, 2019



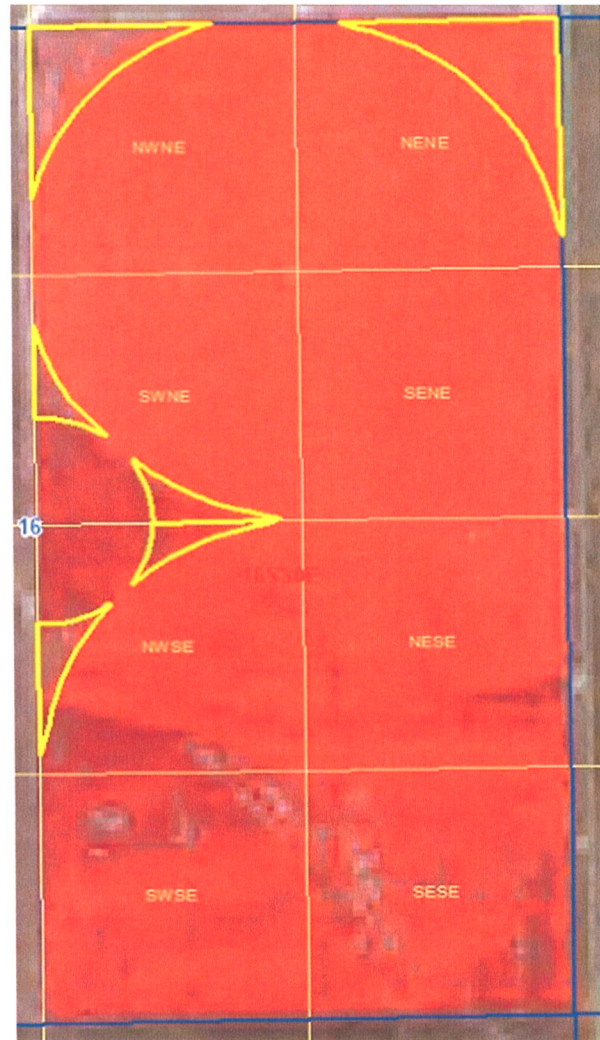
Acres proposed for lease, Sentinel Satellite imagery, May 16, 2018



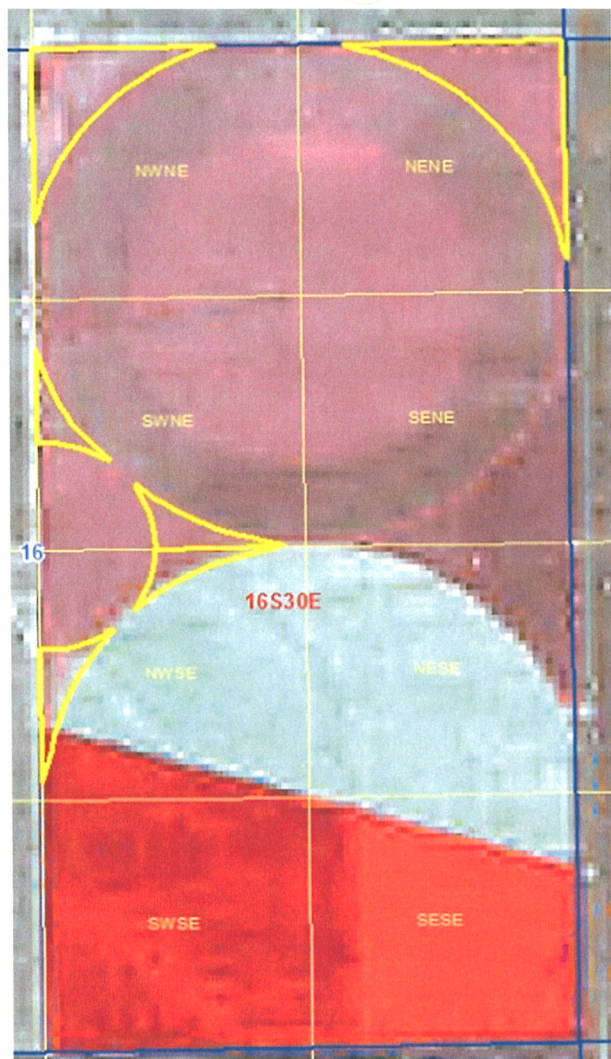
Acres proposed for lease, Sentinel Satellite imagery, July 5, 2018



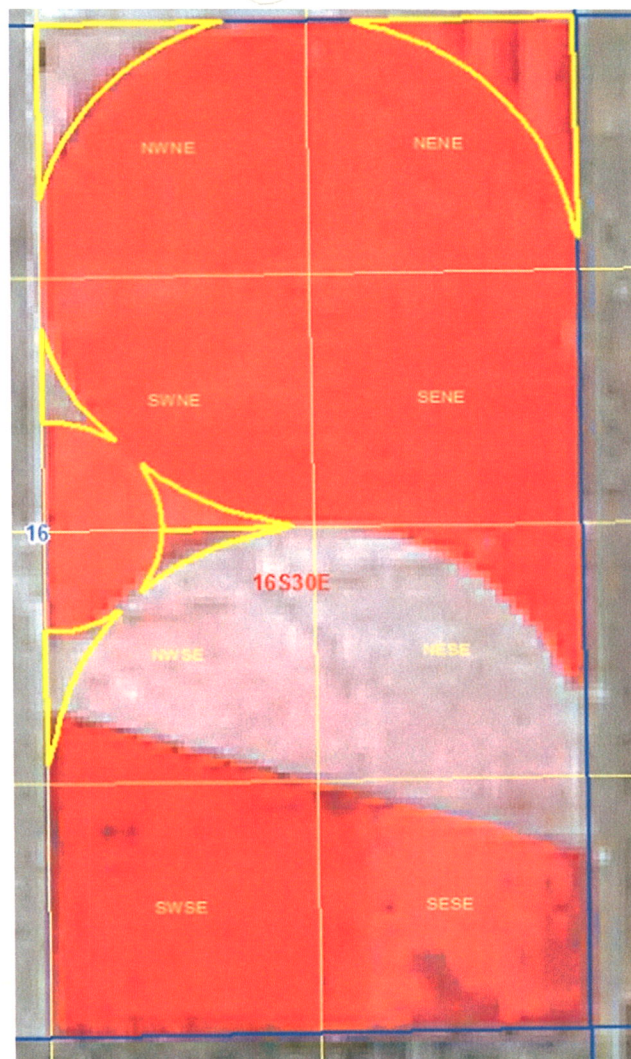
Acres proposed for lease, Sentinel Satellite imagery, May 11, 2017



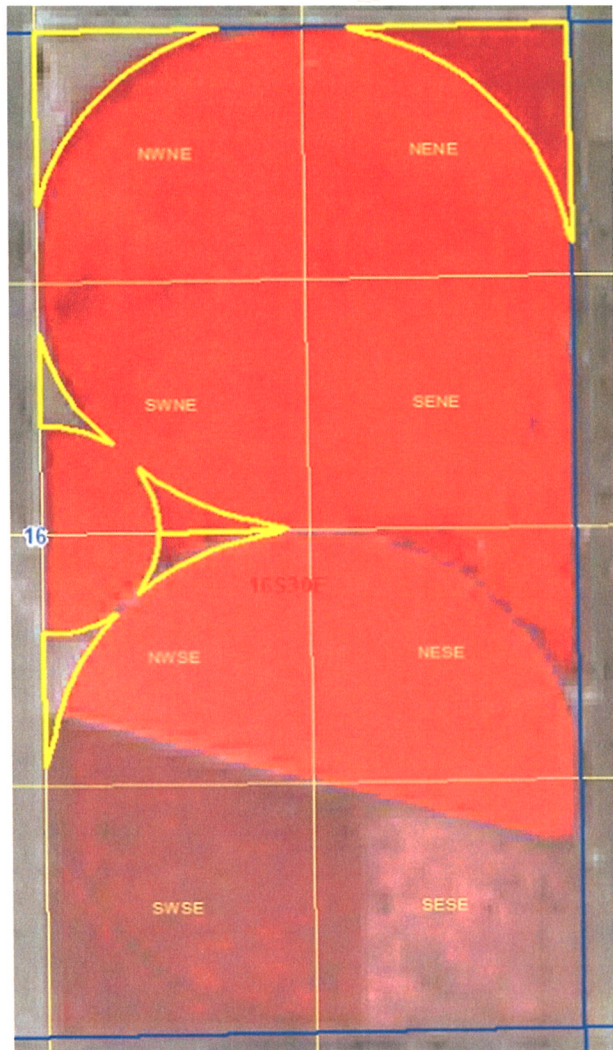
Acres proposed for lease, Sentinel Satellite imagery, May 31, 2017



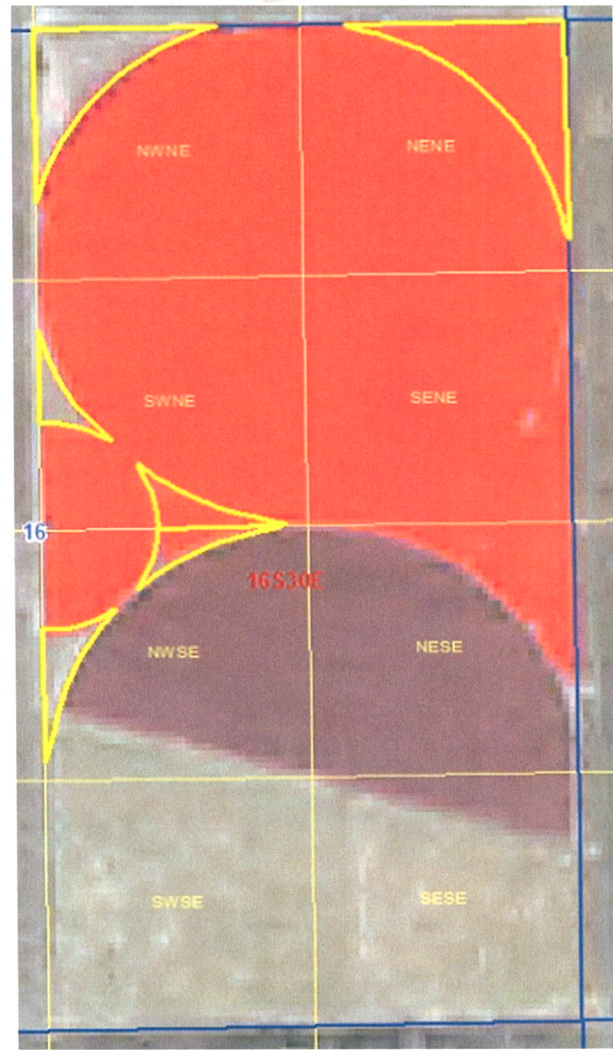
Acres proposed for lease, Sentinel Satellite imagery, June 5, 2016



Acres proposed for lease, Sentinel Satellite imagery, June 25, 2016



Acres proposed for lease, Sentinel Satellite imagery, July 15, 2016



Acres proposed for lease, Sentinel Satellite imagery, August 24, 2016

3/22/2021

Water Supply Bank Lease Application 1982 and Rental Application 1984

 Reply all |   Delete Junk |  ...



Water Supply Bank Lease Application 1982 and Rental Application 1984



Buyer, Remington

Today, 11:28 AM

Cefalo, James 

 Reply all | 

Sent Items

Draft Lease Contract 13...
243 KB 

Lease Map.pdf
1 MB 

Lease Review M
763 KB

 Show all 6 attachments (4 MB) Download all

Hi James,

Black Pine Ranch LLC is leasing into the Bank 14.3 acres of their irrigated land near the Utah border, east of Black Pine mountain, so that the lease volume of water might be rented by Pilot Gold (USA) Inc for mining exploration work on Black Pine Mountain. The Water Supply Bank lease proposal and rental request records are attached. On behalf of Eastern Region, please advise if you have any questions, comments or concerns about this transaction.

Thanks,

Remington

From: Dave Tuthill <dave@idahowaterengineering.com>
Sent: Thursday, April 15, 2021 5:06 PM
To: Buyer, Remington
Cc: Pete Shabestari; Bank
Subject: Re: WSB Rental Application 1984 - Pilot Gold (USA) INC

Thanks, Remington!

Cheers,

Dave
David R. Tuthill, Jr., Ph.D., P.E.
Idaho Water Engineering, LLC
2918 N. El Rancho Pl., Boise, ID 83704
Office: (208) 378-1513
Cell: (208) 870-0345
Fax: (888) 538-7703
email: dave@idahowaterengineering.com
website: www.idahowaterengineering.com

On Thu, Apr 15, 2021 at 5:03 PM Buyer, Remington <Remington.Buyer@idwr.idaho.gov> wrote:

Dave,

My apologies that I never got back to you with an answer about doing a three year lease/rental. The answer is yes, we can issue lease and rental approvals for three years, instead of one. I finalized my review of these applications earlier this month, and approvals are being prepared for issuance. I will update the approvals to make them for three years, to reflect the agreement between Pilot Gold and Black Pine Ranch.

Remington

From: Dave Tuthill <dave@idahowaterengineering.com>
Sent: Thursday, February 18, 2021 9:15:48 AM
To: Pete Shabestari
Cc: Buyer, Remington; Bank
Subject: Re: WSB Rental Application 1984 - Pilot Gold (USA) INC

Thanks, Pete.

My understanding was that this lease application would be for one year, so this is what we submitted.

Given the three year agreement, Remington can we change the application to reflect three years at this point?

Thanks,

Dave

On Thu, Feb 18, 2021, 9:07 AM Pete Shabestari <pshabestari@libertygold.ca> wrote:
I have attached our signed copy of the water lease agreement, the agreement is for 3 years with escalating payments each year so I assume that we need to re-do the water lease rent agreement with IDWR every year?

Peter Shabestari, PG
Vice President of Operations, Great Basin Manager