

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1300

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

LESSOR: DMA FAMILY TRUST
PO BOX 388
DRIGGS, ID 83422-0388

RECEIVED

FEB 01 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 December 16, 2020.
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)
22-13923	7/18/1978	GROUND WATER	0.39	138	46
Combined Lease Totals			0.39	138	46

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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1300

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. 1300

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

LESSOR: DMA FAMILY TRUST
PO BOX 388
DRIGGS, ID 83422-0388

By Margaret C. Cole
Title Trustee
Date Jan 27, 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 02/01/21

Lease approved by IDWR Phum

Date 02/01/21

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1300

**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): 22-13923

GROUND WATER NWSENW Sec. 25 Twp 05N Rge 44E TETON County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
22-13923	IRRIGATION	04/15	to	10/15	0.39 cfs	138 AF
Totals:					0.39 cfs	138 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	
05N	44E	25						29	17										46

Total Acres: 46

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

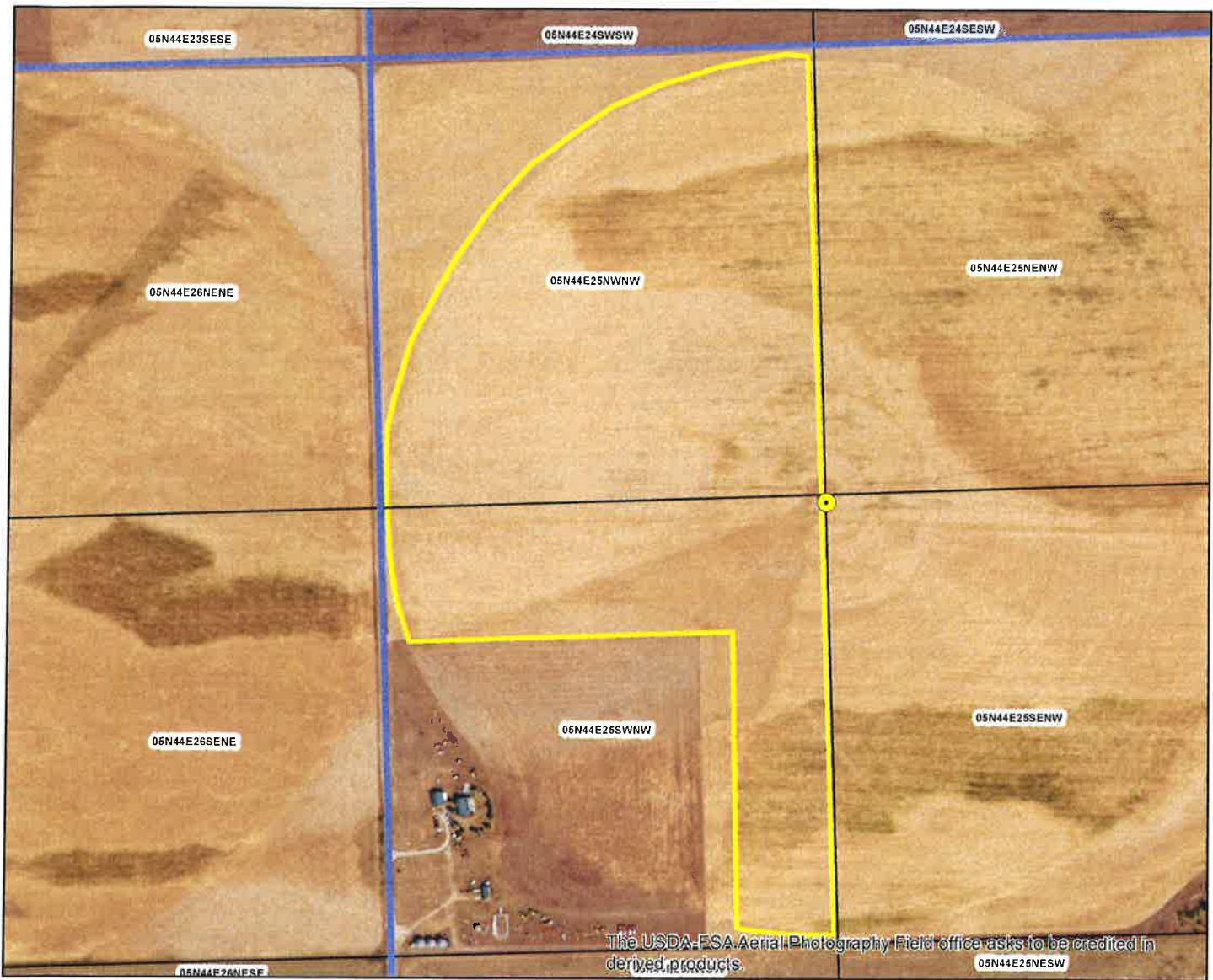
WATER SUPPLY BANK LEASE CONTRACT No. 1300

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.

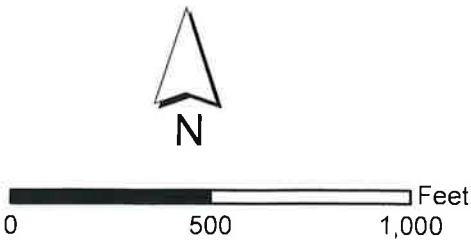
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1300

22-13923
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



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

DEC 16 2020

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant DMA Family Trust

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

Water Right No. 22-13923

(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 \$ <u>250 -</u>	Received By: <u>Ku</u>	Date Received: <u>12.16.2020</u>	Receipt # <u>C109661</u>
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W-9 received? Yes ☐ No ☒	(Route W-9 to Fiscal)
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Name on W-9:

1871

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 DMA Family Trust

Mailing Address PO Box 388 Driggs ID 83422-0388
Street City State Zip Code

Email Address merget831@gmail.com Phone Number 208-354-8243

☒ 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 Assoc. Inc.

Professional Title Sen. Water Rights Analyst Email Address kristin.rmea@gmail.com

Mailing Address 482 Constitution Way Ste 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.
One well serves a standard pivot irrigation system.

- 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. No other water rights overlap the same place of use.

- 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. Water right was enrolled in the WSB from 2016-2020 and was rented in 2016-2019.

- 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.


Signature of Designated Applicant

Margaret Grebe
Printed Name

12/8/2020
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: MARGARET GREBE, TRUSTEE OF DMA FAMILY TRUST
RE: Designated Representatives

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

The following are designated representative of Rocky Mountain Environmental Associates, Inc.:

John R. Rice, Jr. _____ President
W. Roger Warner _____ Vice-President
Kristin M. Moore _____ Senior Water Rights Analyst _____ (PRIMARY CONTACT)
Chad Jesnen _____ Staff Water Rights Analyst

This authorizes these individuals to act as Representatives on behalf of DMA FAMILY TRUST. These representatives may submit information for DMA FAMILY TRUST, but are not authorized to sign for DMA FAMILY TRUST. This designation is only for the Water Supply Bank Application of water right 22-13923.


Signature

Margaret Grebe
Printed Name

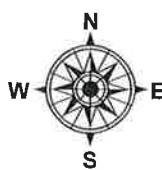
12/8/2020
Date



0 500 1,000 2,000 Feet

2017 NAIP

- POD 22-13923
- POU 22-13923
- Township and Range
- Section
- QQ



Water Supply Bank Lease App

DMA Family Trust

RMEA #09-0021

by: KM

Date: 12/7/2020





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

February 10, 2021

DMA FAMILY TRUST
PO BOX 388
DRIGGS, ID 83422-0388

**RE: WATER SUPPLY BANK LEASE CONTRACTS 1300
FOR WATER RIGHTS 22-13923**

Dear Lessor:

Water right **22-13923** 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. **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
Kristin Moore – Rocky Mountain Environmental Association Inc.



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

January 22, 2021

DMA FAMILY TRUST
PO BOX 388
DRIGGS, ID 83422-0382

RE: APPLICATION TO LEASE WATER RIGHT 22-13923 TO THE WATER SUPPLY BANK
CONTRACT 1300

****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 or 208-287-4800.

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosures: Proposed Lease Contracts
Receipt: C109661

C: Kristin Moore – Rocky Mountain Environmental Assoc.

MEMORANDUM FOR APPLICATION # 1871

To: Water Right(s) 22-13923

From: Scott Storms

Date: January 11, 2021

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

PURPOSE/NARRATIVE: Application to lease water right 22-13923 to the Water Supply Bank ("Bank") was received on December 16, 2020. The application proposes to lease the entire right to the Bank. The entire right was previously leased to the Bank under contract 341, which expired on December 31, 2020. This new application is essentially a renewal of contract 341.

AUTHORITY TO FILE: The application was submitted by Kristin Moore of Rocky Mountain Environmental Associates on behalf of the DMA Family Trust and was signed by Margaret Grebe. Review of the water right file revealed the right was quitclaim deeded to the DMA Family Trust in 2019. No proof of Margaret Grebe's signing authority for the Trust was originally submitted with the application. Upon requesting such information, Margaret provided a copy of the Declaration of Trust which clearly designates her as the sole trustee. No concerns of authority to file.

WATER RIGHT VALIDITY: Water right 22-13923 is ultimately a child right of decreed right 22-13842, which was decreed on November 28, 2008. The parent right has gone through a series of Transfers resulting in multiple splits. Transfer 74125, approved September 30, 2009, was what ultimately created right 22-13923. Subsequent Transfer 80535, approved January 8, 2016 moved the POD and POU of the right to their current location. The right was then accepted into the Bank on February 10, 2016 under contract 341. This right was subsequently rented for use at the same POU under agreement 4 from 2017 to 2019. Rental agreement 4 expired on December 31, 2019, however review of remote sensing data shows clear evidence of irrigation in 2020. There are no concerns of water right validity. See Enlargement of Use section for further discussion.

INJURY TO OTHER WATER RIGHTS: Lease of this water right would not cause injury to other water rights. Proper review to prevent injury if rented.

ENLARGEMENT OF USE: This water right was placed in the Bank in 2016 under contract 341 with a term of January 1, 2016 to December 31, 2020. The entire right was subsequently rented from the Bank for use at the same POU in 2017 under agreement 4, which ran for a term of January 1, 2017 to December 31, 2019. Review of remote sensing data shows clear evidence of irrigation during the 2016 growing season, even though agreement 4 had not yet been established and no other authorization was in place to allow irrigation at the lease POU. This was recognized in the review of rental agreement 4, however there were no actions taken by the Department and the rental was still approved.

Current review of remote sensing data shows clear evidence of irrigation during the 2020 growing season, however rental agreement 4 ended on December 31, 2019 and there was no further authorization for irrigation at the lease POU for contract 341. This at first appeared to be a violation of lease contract 341, creating serious concerns of enlargement of the right and breach of contract. On January 14, 2021 the applicant was contacted via email in order to provide explanation as to how this irrigation could have been authorized. Responses from both

the water right owner and the representative explained that DMA Family Trust does not own the land at the POU, has no oversight on the operations that take place on the property, did not provide any permissions to allow irrigation using the water right, and that the right was no longer appurtenant to the land at the POU.

Because ownership of the right was established through quitclaim deed, this would indeed sever the appurtenance of the right to the land, and because the water right owner has no involvement with operations that take place on the land nor provided any permissions to utilize the right for irrigation, it has been determined that only the owners/operators of the property at the POU are liable for the unauthorized irrigation in 2020, and there was no enlargement of the actual water right nor violation of the lease.

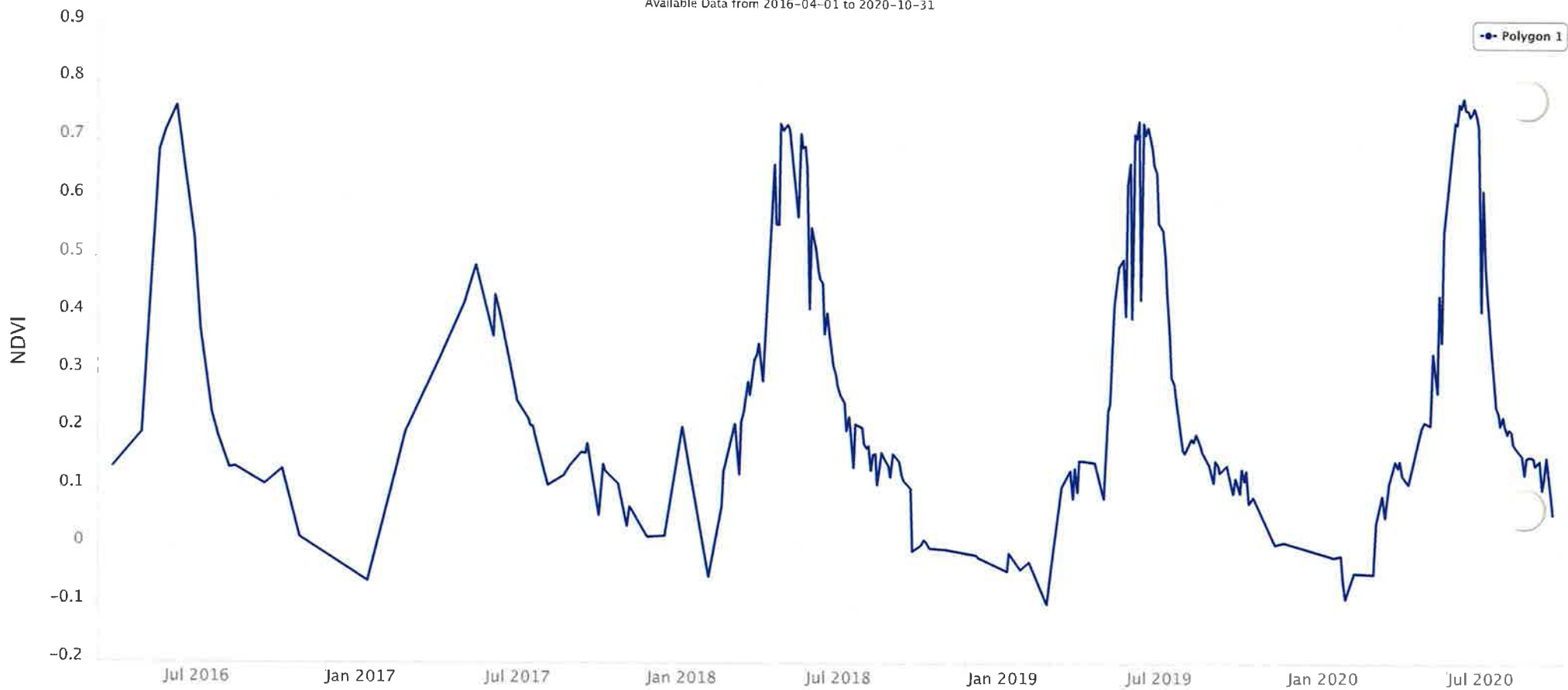
LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The lease appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: James Cefalo of Eastern had a response of no concerns.

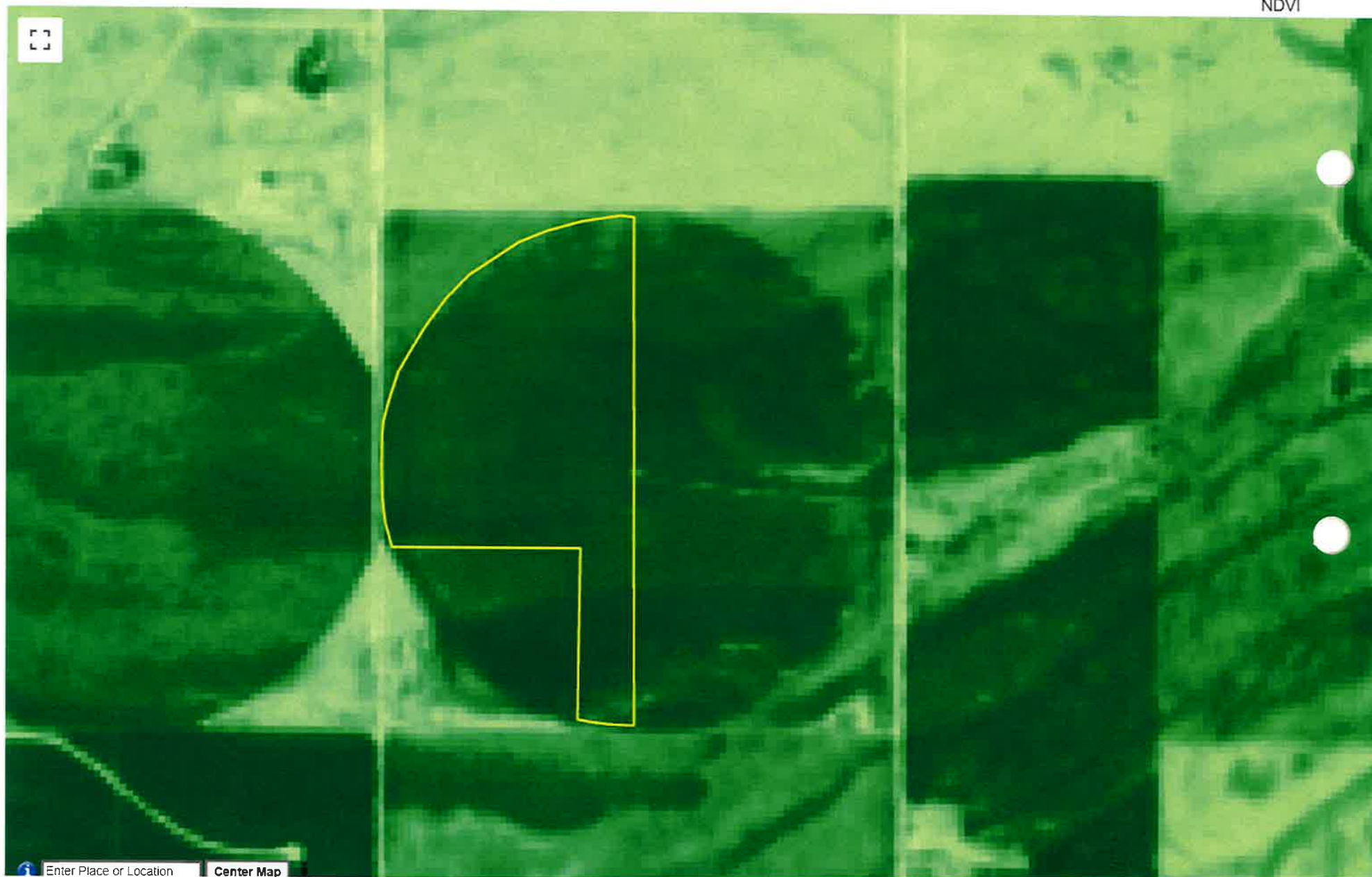
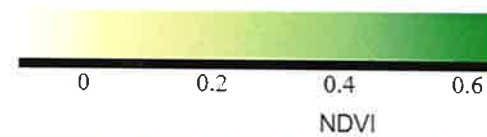
NDVI (Sentinel 2 TOA)

Available Data from 2016-04-01 to 2020-10-31



NDVI (Sentinel 2 TOA)

2020-04-01 to 2020-10-31, Maximum



Storms, Scott

From: Cefalo, James
Sent: Tuesday, January 19, 2021 12:59 PM
To: Storms, Scott
Subject: RE: Water Supply Bank Lease 1300

Scott,

I don't have any concerns with the proposed WSB lease.

James

From: Storms, Scott
Sent: Tuesday, January 19, 2021 12:35 PM
To: Cefalo, James <James.Cefalo@idwr.idaho.gov>
Subject: Water Supply Bank Lease 1300

Hello James,

Please see the attached Water Supply Bank lease review memo and map layout. You will see in the memo there were originally concerns of enlargement because of unauthorized irrigation in 2020 at the POU. In discussing this with Remington and Cody, the conclusion was made that, since the right was severed from the land by quitclaim deed, and the right holder did not provide any permissions for the land owner or operator to irrigate using the water right, the irrigation is a violation by the landowner/operator but not an enlargement of the water right by the water right owner. I have alerted Cherie Palmer of the situation as well.

Please let me know within the next 14 days if you have any other concerns.

Scott

Scott Storms
Senior Water Resource Agent
Idaho Department of Water Resources
208-287-4915
Scott.Storms@idwr.idaho.gov

Storms, Scott

From: Kristin Moore <kristin.rmea@gmail.com>
Sent: Thursday, January 14, 2021 3:29 PM
To: Storms, Scott; 'Margaret Grebe'
Subject: RE: Potential Violation of Prior Lease

Scott,

I understand your concern about the water right being used while it is in the Water Bank. However, DMA Family Trust does not own the property that was being irrigated and is not responsible for the use of water on that property, which is now owned by Three Forks LLC, but is leased by Teton Rainbow Ranches. While the water right may pertain to that property, DMA Family Trust retained ownership of the water rights and has opted to make the water right available to the neighboring property through the Water Supply Bank only. No authorization was granted to Teton Rainbow Ranch to use the water in 2020 without first going through the WSB.

Since Teton Rainbow Ranches has rented the water in previous years, I believe the rental of the water in 2020 was likely an oversight on their part. I understand that Teton Rainbow Ranches has been notified of the requirements to use the water right, but it is ultimately up to them to carry it out. This should not prohibit right 22-13923 from being leased to the WSB.

We are happy to discuss further if needed.

Regards,

Kristin Moore

Senior Water Rights Analyst

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

E-Mail: kristin.rmea@gmail.com

VOICE: 208-524-2353 ||| FAX: 208-524-1795



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From: Storms, Scott [<mailto:Scott.Storms@idwr.idaho.gov>]
Sent: Thursday, January 14, 2021 9:25 AM
To: Margaret Grebe <merget831@gmail.com>
Cc: kristin.rmea@gmail.com
Subject: Potential Violation of Prior Lease

Margaret,

Storms, Scott

From: Margaret Grebe <merget831@gmail.com>
Sent: Thursday, January 14, 2021 1:27 PM
To: Storms, Scott
Cc: kristin.rmea@gmail.com
Subject: Re: Potential Violation of Prior Lease

Scott,

The water right in question is a 46 acre piece attached to land that we used to own. We retained the water rights.

We have put all our water rights into the Water Supply Bank. In the spring of 2020 Teton Rainbow Ranch let us know they wanted to continue using the right in question. We told them to rent directly from the Water Supply Bank. We did not have any agreement with them for water use. Teton Rainbow Ranch should have leased the right from the Water Supply Bank. We expected to be paid through the Water Supply Bank for their usage.

We are happy with the arrangement to pay the fees associated with having our rights in the Water Supply Bank to simplify accounting.

Let me know if you have any questions.

Thank you,
Margaret

On Thu, Jan 14, 2021 at 9:25 AM Storms, Scott <Scott.Storms@idwr.idaho.gov> wrote:

Margaret,

In reviewing your current Water Supply Bank lease application 1871 and your prior lease contract 341, a concern of a potential lease violation in 2020 has become apparent. In reviewing the history of lease contract 341 and subsequent rental agreements, I see the entirety of water right 22-13923 was rented under rental agreement 4 by Teton Rainbow Ranch, for use on the same place of use (POU) as the original water right. Rental agreement 4 was initiated in 2017 and expired on December 31, 2019. Aerial imagery and remote sensing data review of the water right POU shows clear signs of irrigation during all years of the rental agreement (2017 – 2019), however there was also obvious signs of irrigation during the 2020 irrigation season. Since rental agreement 4 expired in 2019 and no new agreement was established, it appears the irrigation that happened in 2020 was in violation of lease contract 341. This violation raises concerns as to whether the new application should be approved and whether or not the conditions of a new agreement will be adhered to, primarily the idling of the water right acres.

In order to proceed, I would like to know if you have any explanation as to how the acres covered under water right 22-13923 could have received authorized irrigation during the 2020 season. Please respond within 14 days in order to hasten processing of your application.

Thank you.

Scott Storms

Senior Water Resource Agent

Idaho Department of Water Resources

208-287-4915

Scott.Storms@idwr.idaho.gov

Storms, Scott

From: Margaret Grebe <merget831@gmail.com>
Sent: Monday, January 11, 2021 10:36 AM
To: Storms, Scott
Cc: kristin.rmea@gmail.com
Subject: Re: Signing Authority for DMA Family trust
Attachments: DMA Family Trust.pdf

Hi Scott,

Please see the attached copy of the DMA Family Trust.

Thank you,
Margaret

On Mon, Jan 11, 2021 at 10:29 AM Storms, Scott <Scott.Storms@idwr.idaho.gov> wrote:

Hello Margaret,

I am in the process of review the application to submit water right 22-13923 to the Water Supply Bank and I need some evidence of signing authority for the application. Can you provide a copy of the legal document creating the Trust and listing you as a trustee? All I need to see is that portion of the document that clearly shows you as a designated trustee. A scanned and emailed copy would work well if you have means to do that. Even an emailed picture of that portion of the document would work.

Thank you,

Scott Storms

Scott Storms

Senior Water Resource Agent

Idaho Department of Water Resources

208-287-4915

Scott.Storms@idwr.idaho.gov

RECEIVED

MAY 19 2004

CLERK RECORDER

161270

Instrument # 161270

DRIGGS, TETON, IDAHO

2004-05-19

01:55:34 No. of Pages: 1

Recorded for: MARGARET GREBE

NOLAN G. BOYLE

Fee: 3.00

Ex-Officio Recorder Deputy

Index to: DEED, WARRANTY

DMA FAMILY TRUST

DECLARATION OF TRUST made this ____ day of November, 2003, by Margaret E. Grebe, of Teton County, Idaho, desiring to hold real and personal property for the uses and purposes herein set forth. The initial trustee hereunder shall be Margaret E. Grebe. From and after the date hereof, all real, personal and investment property, money and choses in action acquired in the name of or transferred to the trust known as "DMA Family Trust" shall be administered by the trustee for the benefit of the following named persons: Derrik A. Hufsmith Margaret E. Grebe and Amelia Louise Hufsmith.

PURPOSE. This trust is intended as a spendthrift trust to protect the assets from involuntary alienation by legal process, and to avoid probate proceedings.

CORPUS. The following real estate is accepted as part of the corpus.

A portion of the NW ¼ Sec. 25, T. 5 N. R. 44 E. Teton County, Idaho, described by metes and bounds as follows:

Beginning at the southwest corner of said NW ¼, Sec. 25, thence easterly, following the south line of said NW ¼ 933.38 feet to a point; thence northerly 933.38 feet to a point; thence westerly 933.38 feet to a point on the west line of said NW ¼; thence southerly, following the west line of said NW ¼ 933.38 feet to the point of beginning and containing 20 acres, more or less, together with and including all improvements thereon and all appurtenances belonging thereto, subject to easements in sight or of record.

POWERS OF TRUSTEE. The trustee shall have the power to negotiate, bargain, sell, convey, invest, reinvest and generally deal in real and personal property vested in this trust; to execute conveyances, mortgages, evidences of debt, obligations for the payment of money, releases and to deal fully with the said property as an individual might do in his or her own right. The trustee shall have broad discretion to invade the corpus of this trust in furtherance of the purpose, objective and intent of this indenture. In the exercise of discretion, trustee shall not be limited by statutory restrictions regarding the investment of the trust corpus, nor shall trustee be liable for error in judgment in the exercise of discretion, except in the case of active negligence or waste. Trustee shall not be required to post bond.

SPENDTHRIFT CLAUSE. The beneficiaries of this trust may not, by their separate action, encumber, hypothecate or pledge their interest in this trust to any third person or creditor. Provided always, that if the assets of this trust are taken on involuntary process of law or otherwise, then the trustee shall pass over such beneficiary and follow the provisions of this trust as if he or she were deceased, and this provision shall apply as long as the share of such beneficiary is in jeopardy. Likewise on any final distribution, if such share remain in jeopardy then his or her share shall be passed over as if such beneficiary were deceased.

REMOVAL AND SUBSTITUTION OF TRUSTEE. Derrik A. Hufsmith shall be the successor trustee upon the demise of the initial trustee. A majority of any living

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beneficiaries to this trust, acting together, shall have the power to remove any trustee without showing cause; to appoint a successor upon the death or removal of a trustee; or to dissolve this trust and make a final distribution of the trust property. The governance under this part shall be effective immediately upon service of a memorandum in writing, acknowledged by those entitled, at the last known address of trustee.

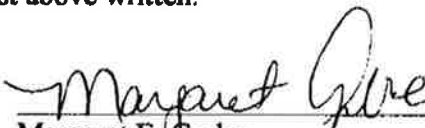
TERM. The term of this trust shall be during the life of the trustee named herein and the last survivor of the beneficiaries named herein. This trust may be sooner terminated or amended from time to time by the unanimous consent of all surviving beneficiaries, duly acknowledged.

POWER OF APPOINTMENT. The trustee may appoint a successor to his or her duties, upon the terms and conditions hereof, who shall not be obliged to post bond, unless required by the appointing trustee. No person shall be ineligible to serve as trustee because of conflict of interest as a contingent beneficiary hereunder.

USE AND DISTRIBUTIONS. The premises shall be occupied by the beneficiaries as a personal residence, free of any charge for such occupancy. Upon dissolution of this trust, or if there be proceeds from sales or income from trust property, distribution shall be made equally to Derrik A. Hufsmith and Margaret E. Grebe or the survivor of them, subject always to the spendthrift provisions herein contained. Upon their demise, this trust shall continue during the minority of Amelia Louise Hufsmith, during which period of time, Tera Crisalida shall become trustee hereunder and at age of her majority, the corpus shall be distributed to Amelia Louise Hufsmith or if she be deceased, to her children, by right of representation.

SAVING CLAUSE. In the event that any part of this trust shall be stricken by a Court of competent jurisdiction, then only the specific provision found objectionable shall be stricken and the balance hereof shall remain in full force and effect.

WITNESS my hand the day and year first above written.

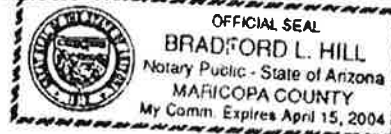

Margaret E. Grebe.

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

Acknowledged by Margaret E. Grebe this 1 day of ^{December} November, 2003.

Commission expires: APRIL 15, 2004


Notary Public



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