

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1058

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

LESSOR: CROWN FARM OUTBACK LLC
C/O CROWN WEST REALTY LLC
3808 N SULLIVAN RD BLDG N15 STE #202
SPOKANE, WA 99216

RECEIVED
MAR 30 2020
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 November 21, 2019.
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)
2-7064	4/23/1970	SNAKE RIVER, tributary to COLUMBIA RIVER	6.36	1,590	318
Combined Lease Totals			6.36	1,590	318

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, 2020 to December 31, 2020. 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. 1058


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. 1058


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

LESSOR: CROWN FARM OUTBACK LLC
C/O CROWN WEST REALTY LLC
3808 N SULLIVAN RD BLDG N15 STE #202
SPOKANE, WA 99216

By  OLIVER LAWRENCE
Title ASSET MANAGER
Date MARCH 26, 2020

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 4/14/2020

Lease approved by IDWR



Date 4/14/2020

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1058

**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): 2-7064

SNAKE RIVER L 9SESW Sec. 34 Twp 05S Rge 04E OWYHEE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
2-7064	IRRIGATION	03/15	to	11/15	6.36 cfs	1,590 AF
Totals:					6.36 cfs	1,590 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	
06S	02E	12									40			40		40	40		160
06S	02E	13	39	40			40												119
06S	03E	18						39 L1											39

Total Acres: 318.0

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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

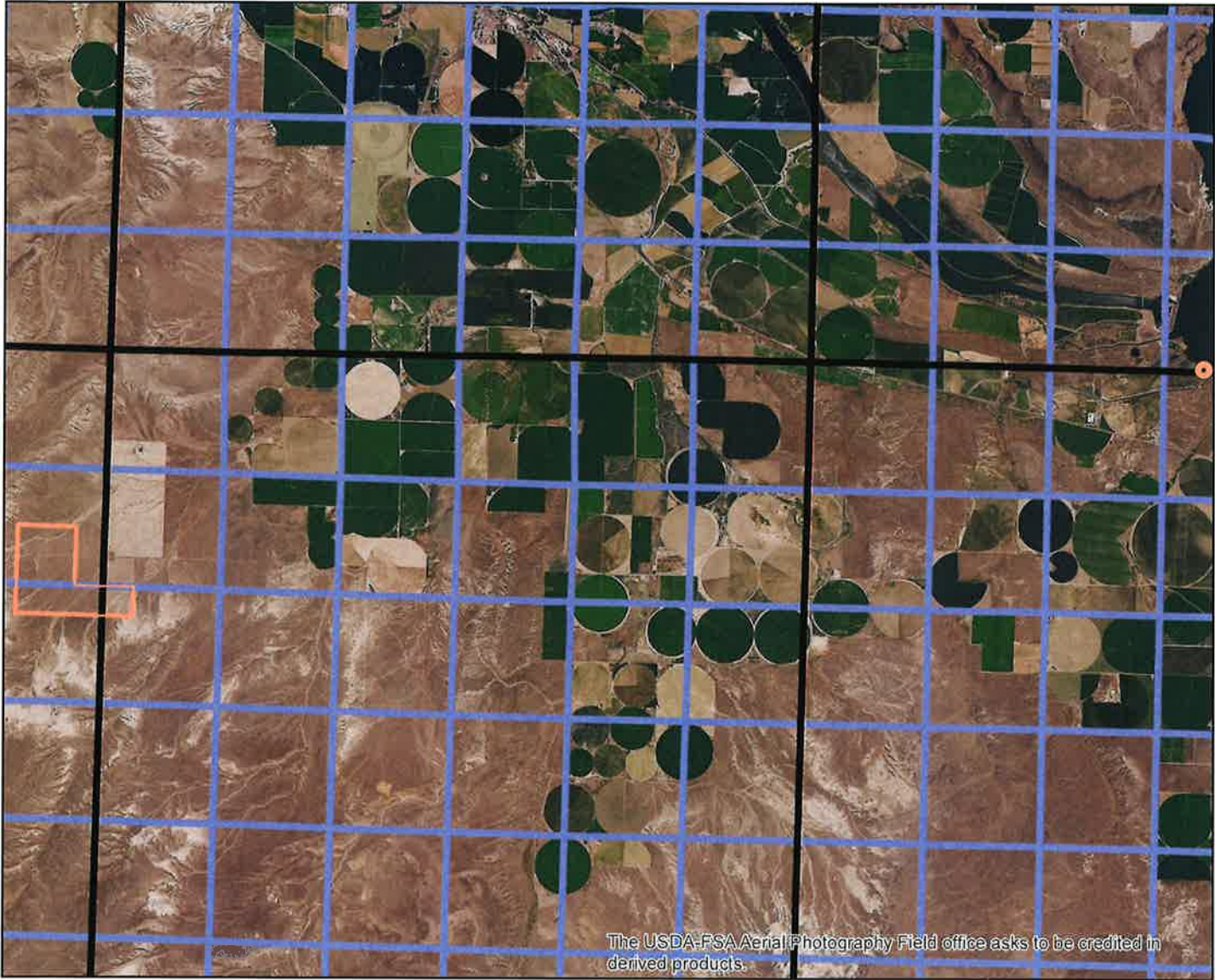
WATER SUPPLY BANK LEASE CONTRACT No. 1058

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. The following rights are diverted through point of diversion described above: 02-7059, 02-7060B, 02-7061, 02-7062, 02-7064, 02-7168A, 02-7168B, 02-7168C, 02-7237A, 02-7275, 02-7279A, 02-10180, & 02-10181.
13. Use of water under this right may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 2.
14. Pursuant to Idaho Code § 42-1412(6), this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as determined by the Snake River Basin Adjudication court in the final unified decree entered 08/26/2014.
15. The period of use for the irrigation described in this approval may be extended to a beginning date of 3/1 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 3/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than a date the partial decree is entered for this right.

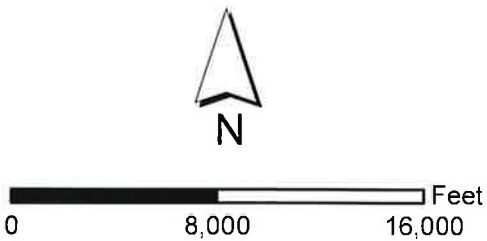
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1058

2-7064
Effective until December 31, 2020

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



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

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

NOV 01 2019

**DEPARTMENT OF
WATER RESOURCES**

Designated Applicant Crown Farm Outback, LLC c/o Crown Realty, LLC
(Select one owner -- see item 1A on the application)

Water Right No. 02-07064
(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 | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Signatures and contact information for all owners of the water right to be leased or sold on this application. |
| 1B | <input type="checkbox"/> | <input checked="" type="checkbox"/> | An <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant. |
| 1C | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <i>Notice of Change in Water Right Ownership</i> form (accessible from www.idwr.idaho.gov). |
| 1D | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 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 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Description of a water right portion offered to the Water Supply Bank. |
| 3 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Written consent from irrigation district or water delivery company. |
| 4G | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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>gmk</u>	Date Received: <u>11-1-19</u>	Receipt # <u>C107911</u>
W-9 received? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Route W-9 to Fiscal)	Name on W-9:		

12/18/19

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 Crown Farm Outback, LLC c/o Crown West Realty, LLC
Mailing Address 3808 N. Sullivan Road, Building N-15, Suite 202, Spokane Valley, WA 99216
Street City State Zip Code
Email Address olawrence@crownwest.com Phone Number (509) 924-1720

- ☒ 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 S. Bryce Farris Organization Sawtooth Law Offices, PLLC
Professional Title Attorney for Applicant Email Address bryce@sawtoothlaw.com
Mailing Address P.O. Box 7985, Boise, ID 83707 Phone Number (208) 629-7447

- ☐ 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.
N/A. This water right is currently in the Water Supply Bank, has been in the Water Supply Bank for several years, and the Applicant is renewing the application for another year.

- 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. N/A. See above.

- 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. N/A. See above.

- 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.

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: 1/1/20 to 12/31/20 (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

Oliver Lawrence, Authorized Representative

Printed Name

OCTOBER 7, 2019

Date



Signature of Authorized Representative

S. Bryce Farris, Attorney for Applicant

Printed Name

10/7/19

Date

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



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 15, 2020

CROWN FARM OUTBACK LLC
C/O CROWN WEST REALTY LLC
3808 N SULLIVAN RD BLDG N15 STE #202
SPOKANE, WA 99216

**RE: WATER SUPPLY BANK LEASE CONTRACT 1057 FOR WATER RIGHT 2-7237A
WATER SUPPLY BANK LEASE CONTRACT 1058 FOR WATER RIGHT 2-7064**

Dear Lessor:


Water rights **2-7237A & 2-7064** were leased into the Water Supply Bank (Bank) as of January 1, 2020, in accordance with the enclosed executed lease contracts. **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, 2020**, 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.**

Please note, condition # 15 on Contract 1058 was updated to better describe the season of use for water right 2-7064.

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

Sincerely,


for Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- WESTERN REGION
WATER DISTRICT NO. 02



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

March 23, 2020

CROWN FARM OUTBACK LLC
C/O CROWN WEST REALTY LLC
3808 N SULLIVAN RD BLDG N15 STE #202
SPOKANE, WA 99216

RE: APPLICATION TO LEASE WATER RIGHT 2-7064 TO THE WATER SUPPLY BANK
CONTRACT 1058

****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.

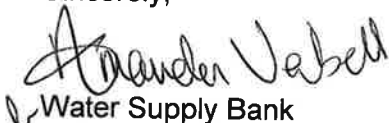
The right will automatically be released from the Bank on **December 31, 2020**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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,


Alexander Vabell
Water Supply Bank

Enclosures: Proposed Lease Contracts

Memorandum

To: Water Rights 2-7064, 2-7237A, 2-10181, and 2-10189

From: Justin Ferguson

Date: January 14, 2020

Re: Water Supply Bank Lease Application 1489, 1498, 1499, 1500

Purpose/Narrative: Four applications to lease 2-7064, 2-7237A, 2-10181, and 2-10189 were received by the Department on November 1, 2019. The applicant has requested to place the entirety of the rights into the Water Supply Bank through 2020, extending their current lease for another year. These applications are part of a lease/rental package similar to previous years with Owyhee Farming Co LLC requesting to rent the entirety of what can be made available.

Review of the previous lease found that it appeared there had been irrigation in 2011, 2013, & 2017 of the acreage covered by parts of these water rights. IDWR compliance was contacted and found that they had dry farmed the area and any water use would have been from rainfall.

There also appears to be a combined use limit attached to these rights however, it appears that this may be a historic data point that may need updated. Some of the rights within the limit have been split into child water rights and some of the child rights were disallowed. This lease will not recognize the data point and recommends it be updated to reflect actual limits, should any exist.

Authority to File: The applications were submitted by Crown Farm Outback, c/o Crown West Realty LLC, through their representative, Bryce Farris, and they were signed by Oliver Lawrence, who listed himself as an 'authorized representative' of Crown Farm Outback LLC. Mr. Lawrence has also previously represented himself as the asset manager for Crown Farm Outback, through his signing of prior Water Supply Bank lease contracts for the company. Crown Farm Outback directly acquired the water rights from the prior water right owners, who continue to own the land to which these water rights are appurtenances. No concerns about Mr. Lawrence, nor Crown Farm Outback's authority to file these lease applications.

Water Right Validity/Forfeiture Evaluation: Water rights 2-7064 and 2-7237A were licensed in 1985, as was 2-7060 (which is the parent water right from which 2-10181 originates); the three rights were leased to the Bank from 1999 through 2017, during which time they were decreed by the SRBA Court (2009). Water right 2-10189 was leased to the Bank from 1991 through 2017, during which time it too was decreed by the SRBA Court (2011). The four water rights were fully leased to the Bank again in 2018 and 2019. No concerns about water right validity.

Injury Evaluation: No injury is apparent through lease alone, Water district 2 and the Bybee Canal association will be contacted for comments regarding conveyance losses to avoid possible injury.

Enlargement of Use: No enlargement is evident through the lease alone, proper rental review should protect against enlargement.

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: Watermaster, IDWR Southern Region, and The Bybee Canal association's comments have been requested December 26, 2019.

Water Supply Bank Evaluation: Based on the information presented by the applicant, staff recommend the application be approved.

Ferguson, Justin

From: Ferguson, Justin
Sent: Thursday, December 26, 2019 10:11 AM
To: 'Calzola@earthlink.net'
Subject: Bybee Canal Authorization for Crown Farm Outback
Attachments: Crown Farms 2-7064.pdf; Crown Farms 2-7237A.pdf; Crown Farms 2-10181.pdf; Crown Farms 2-10189.pdf

Chris,

Good morning, I was given your email address as part of the Bybee Canal Association. Attached are four maps depicting the place of use where irrigation is authorized under water rights 2-7064, 2-7237A, 2-10181, and 2-10189. These four rights, held by Crown Farm Outback LLC, have been in the Water Supply Bank from 1999 through December 31, 2019 and applications to lease them back to the Bank through 2020 were recently received by IDWR.

Our WSB rules (IDAPA 37.02.03.25.02e – WSB Rule 25.02.e) require that where the right to water includes diversion via a join diversion works owned or operated by a company, corporation (or in the case of the Bybee Canal, an association/organization), that written consent from the owner/operator of the diversion works should be included with the lease application.

Because the four above-listed water rights authorize diversion of Snake River water via the Bybee Canal, I am reaching out to you, to obtain written comments from a representative of the Bybee Canal, regarding this lease proposal. Previously it was mentioned that Jack Post and/or Darren Agenbroad may be the presently authorized representative of the Bybee Canal. If that is correct, could you please forward this email to Mr. Post or Mr. Agenbroad, so that we might obtain from them written confirmation that the Bybee Canal does not object and does consent to the lease of these four water rights into the Bank for 2020.

Please feel free to call if you have any questions,
Thank you,

Ferguson, Justin

From: Ferguson, Justin
Sent: Thursday, December 26, 2019 9:58 AM
To: Miller, Nick; Erling, Jes
Cc: Whitney, Rob
Subject: WSB Lease - Crown Farm Outback
Attachments: Lease Review Memo v2.docx; Lease Contract Crown Farm Outback 2-7064.docx; Crown Farms 2-7064.pdf; Lease Contract Crown Farm Outback 2-7064.docx; Crown Farms 2-7064.pdf; Lease Contract Crown Farm Outback 2-10181.docx; Crown Farms 2-10181.pdf; Lease Contract Crown Farm Outback 2-10189.docx; Crown Farms 2-10189.pdf

Morning!

Attached are the draft lease contracts, maps, and review memo for Crown Farm Outback. Please let me know if you have any questions or concerns, I am also going to reach out the Bybee Canal association to see if they require any holdback.

Thanks
Justin
208-287-4936



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

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NOV 01 2019

DEPARTMENT OF
WATER RESOURCES

October 31, 2019

Remington Buyer
Idaho Department of Water Resources
Water Supply Bank
P.O. Box 83720
Boise, ID 83720-0098

Re: Lease and Rental Applications

Dear Mr. Buyer:

Lease and rental applications are being submitted to the Idaho Water Supply Bank at this time.

Owyhee Farming Company, LLC desires to rent 914.5 acres from water rights 2-7237A, 2-10181, 2-7064 and 2-10189 for the 2020 irrigation season. These water rights are owned by Crown Farm Outback LLC.

The lease applications for water rights 2-7237A, 2-10181, 2-7064 and 2-10189 are attached to this letter. It is proposed to lease 2-7237A, 2-10181, 2-7064 and 2-10189 for the 2020 irrigation season. The lease applications were prepared by S. Bryce Farris.

Sincerely,

Greg Sullivan, M.S., Engineer

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

Cc: Jim McClelland, Oliver Lawrence
Enc: Crown Farm Outback LLC Lease Applications and Check, Rental Applications for
914.5 Acres, Aerial Map

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506