

WATER SUPPLY BANK LEASE CONTRACT No. 779

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

LESSOR: HOLBROOK FARM LLC
1291 US HIGHWAY 258 NORTH
KINSTON, NC 28504

RECEIVED

MAR 29 2018

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 Tuesday, February 13, 2018.
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)
17-2052	4/15/1966	GROUND WATER	0.18	77.7	54.2
17-7063	9/12/1975	GROUND WATER	0.61	165.7	63.9
Combined Lease Totals			0.79	243.4	118.1

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, 2018 to December 31, 2018. 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.

SUPPORT DATA

IN FILE # 17-2052

WATER SUPPLY BANK LEASE CONTRACT NO. 779

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.



WATER SUPPLY BANK LEASE CONTRACT NO. 779

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

LESSOR: HOLBROOK FARM LLC
1291 US HIGHWAY 258 NORTH
KINSTON, NC 28504

By [Signature]
Title Principal
Date 3/26/18

IDAHO WATER RESOURCE BOARD

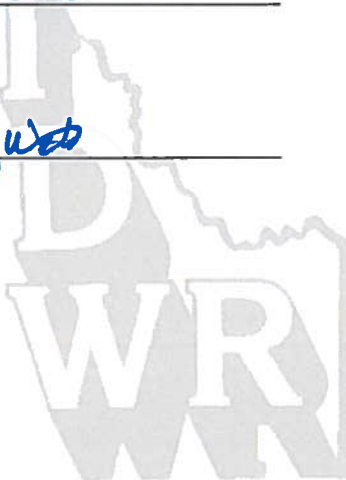
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By [Signature]
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 3/29/2018

Lease approved by IDWR [Signature]

Date 3-29-2018



WATER SUPPLY BANK LEASE CONTRACT NO. 779

ATTACHMENT A

WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE FOR LEASE CONTRACT NO. 779

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): 17-2052, 17-7063

GROUND WATER SENW Sec. 25 Twp 14S Rge 32E ONEIDA County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From	to	To		
17-2052	IRRIGATION	04/01	to	10/31	0.18 cfs	77.7 AF
17-7063	IRRIGATION	05/01	to	09/15	0.61 cfs	165.7 AF
Totals:					0.79 cfs	243.4 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	
14S	32E	25										28.8	29.5						58.3
14S	32E	26													24.7			29.5	59.8

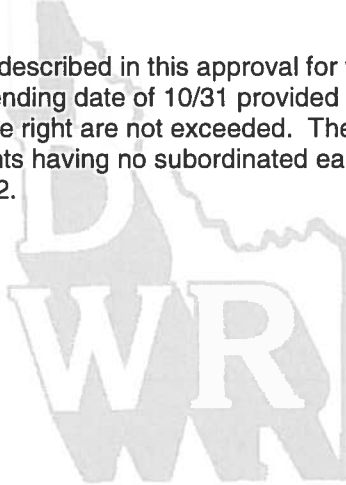
Total Acres: 118.1

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.

WATER SUPPLY BANK LEASE CONTRACT NO. 779

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. These rights 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.
13. Right 17-2052 is limited to the irrigation of 145.0 acres within the authorized place of use in a single irrigation season. The unleased portion of water right 17-2052 is limited to the irrigation of 90.8 acres within the authorized place of use in a single irrigation season.
14. The unleased portions of rights 17-2052 and 17-7063 when combined shall not exceed the irrigation of 197.9 acres.
15. The period of use for the irrigation described in this approval for water right 17-7063 may be extended to a beginning date of 4/1 and an ending date of 10/31 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 5/1 and after 9/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than December 7, 2012.



17-2052 and 17-7063
Effective until December 31, 2018

This aerial map displays a 5x5 grid of land parcels, each labeled with a unique identifier. The labels are as follows:

14S32E26NWNE	14S32E26NENE	14S32E25NWNW		
14S32E26SWNE	14S32E26SENE	14S32E25SWNW	14S32E25SENW	14S32E25SWNE
14S32E26NWSE	14S32E26NESE	14S32E25NWSW	14S32E25NESW	14S32E25NWSE
14S32E26SWSE	14S32E26SESE	14S32E25SWSW	14S32E25SESW	14S32E25SWSE
14S32E35NWNE	14S32E35NENE	14S32E36NWNW	14S32E36NENW	14S32E36NWNE

A large circular feature, outlined in orange, is centered on the intersection of the second and third rows and the second and third columns. This circle covers the parcels labeled 14S32E26NESE, 14S32E25NWSW, 14S32E26SESE, and 14S32E25SWSW. The map also shows a blue line running vertically through the center and a blue line running horizontally through the center, intersecting at the center of the circular feature. A small orange dot is visible in the top right corner of the map.

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STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

FEB 13 2018

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant Holbrook Farm, LLC

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

Water Right No. 17-2052

(One water right per application)

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

Yes ☒ No ☐

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

MINIMUM REQUIREMENT CHECKLIST

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

Yes

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

Attachment N/A Yes

1A ☐ ☒ Signatures and contact information for **all owners** of the water right to be leased or sold on this application.1B ☐ ☒ An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.1C ☒ ☐ *Notice of Change in Water Right Ownership* form (accessible from www.idwr.idaho.gov).1D ☐ ☒ Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.2 ☐ ☒ Description of a water right portion offered to the Water Supply Bank.3 ☐ ☒ A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. You have the option of printing a map using the map tool on IDWR's website at: www.idwr.idaho.gov.4A ☒ ☐ Written consent from irrigation district or water delivery company.4G ☐ ☒ Evidence demonstrating the water right has not been forfeited pursuant to Section 42-222(2), Idaho Code.

Department Use Only

Fee Amount \$ 500.00Received By: TPDate Received: 2/13/2018Receipt # C104648W-9 received? Yes ☐ No ☒ (Route W-9 to Fiscal)

Name on W-9:

1022

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 Holbrook Farm, LLC

Mailing Address 1291 US Highway 258 North Kinston, NC 28504

Street

City

State

Zip Code

Email Address _____

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 Greg Sullivan

Organization Brockway Engineering

Professional Title Engineer

Email Address greg.sullivan@brockwayeng.com

Mailing Address 2016 N. Washington St. Ste 4 Twin Falls, Idaho 83301

Phone Number 208-736-8543

- ☐ 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.
Existing well, motor, pump and delivery 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. 17-2052 and 17-7063

- 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. No annual volumes or rates are available at this time. See attached aerial map of area to be dried up.

- 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: 2018 to 2018 (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

Printed Name

Date


Signature of Authorized Representative

BRIAN UKEN
Printed Name

12/15/17
Date

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

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

ATTACHMENT 2

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

1. <u>Water Right Number</u>	<u>Nature of Use</u>	<u>Leased Rate</u> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
<u>17-2052</u>	<u>Irrigation</u>	<u>0.18</u>	<u>77.7</u>	<u>54.2</u>
	Total Amounts:	<u>0.18</u>	<u>77.7</u>	<u>54.2</u>

2. Source of water Ground Water tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
14S	32E	25			SE	NW	Oneida

DEPT OF WATER RESOURCES

MAR 05 2018

RECEIVED

**STATE OF IDAHO
WATER RESOURCE BOARD**

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

ATTACHMENT 2

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

1. <u>Water Right Number</u>	<u>Nature of Use</u>	<u>Leased Rate</u> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
17-2052	Irrigation	0.19	82.3	57.4
	Total Amounts:	0.19	82.3	57.4

2. Source of water Ground Water tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
14S	32E	25			SE	NW	Oneida

SUPERCEDED



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

March 30, 2018

HOLBROOK FARM LLC
1291 US HIGHWAY 258 NORTH
KINSTON NC 28504

RE: WATER SUPPLY BANK LEASE CONTRACTS FOR WATER RIGHTS 17-2028, 17-2045, 17-2030, 17-7007, 17-2052, and 17-7063

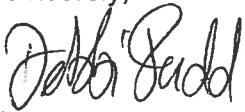
Dear Lessor:

Water rights **17-2028, 17-2045, 17-2030, 17-7007, 17-2052, and 17-7063** were leased into the Water Supply Bank (Bank) as of February 13, 2018, in accordance with the enclosed executed lease contracts. **Your water rights, as described on the lease contracts, 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 contracts. Read the conditions of acceptance carefully.

The rights will automatically be released from the Bank on **December 31, 2018**, 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 contracts 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 287-4800.

Sincerely,


for Water Supply Bank

Enclosure: Executed Lease Contract

c: James Cefalo - IDWR Eastern Region
Greg Sullivan – Brockway Engineering



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

March 29, 2018

HOLBROOK FARM LLC
1291 US HWY 258 NORTH
KINSTON NC 28504

**RE: REQUEST FOR RETURN OF SIGNED WATER SUPPLY BANK LEASE CONTRACTS FOR
WATER RIGHTS 17-2028, 17-2045, 17-2030, 17-7007, 17-2052, and 17-7063**

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

Dear Applicant,

The Department of Water Resources (Department) mailed **original Water Supply Bank Lease Contracts for your review and signature** on March 13, 2018 and March 14, 2018. The signed contracts have not been returned to the Department.

Please sign all original Lease Contracts and return them to the Department within ten (10) days of this letter to complete processing. The Lease Contracts are not considered final until both you and the Department have signed.

If the signed lease contracts are not received by the Department within the 10-day period, the lease applications will be returned and the application fees will not be refunded. You can reapply to lease the water rights in the future by submitting new application forms along with applicable fees.

Please note the forfeiture period is not tolled unless a right is accepted into the Bank or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. If forfeiture is a concern, you may consider filing an Application for Extension of Time to Avoid Forfeiture of a Water Right form. This and other water right forms are available from the Department's web site at www.idwr.idaho.gov.

If you have questions regarding this matter, please contact this office at 287-4800.

Sincerely,


Greg Sullivan
Water Supply Bank

c: Greg Sullivan – Brockway Engineering



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

March 13, 2018

HOLBROOK FARM LLC
1291 US HIGHWAY 258 NORTH
KINSTON NC 28504

**RE: APPLICATIONS TO LEASE WATER RIGHTS 17-2052 and 17-7063
TO THE WATER SUPPLY BANK**

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water rights 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.

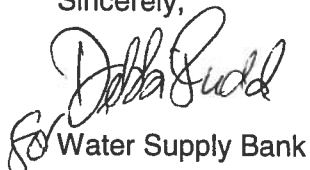
The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. To release the rights from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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 rights may not be available for immediate release if they have 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 287-4800.

Sincerely,


for Water Supply Bank

Enclosures: Proposed Lease Contracts
Receipt # C104648

c: Greg Sullivan – Brockway Engineering

WATER SUPPLY BANK			Quick Tools											
Agent Lease Review Checklist			☒ Filled No Forfeiture Concerns Thru:											
Applicant(s) Name: Holbrook Farm LLC			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>2010</td><td>2016</td></tr> <tr><td>2011</td><td>2017</td></tr> <tr><td>2012</td><td>2018</td></tr> <tr><td>2013</td><td>2019</td></tr> <tr><td>2014</td><td>2020</td></tr> </table>		2010	2016	2011	2017	2012	2018	2013	2019	2014	2020
2010	2016													
2011	2017													
2012	2018													
2013	2019													
2014	2020													
Memo Date: March 2, 2018														
Water Right Number(s): 17-2052 & 17-7063														
Reviewers Name: Rachael														
		Check box		COMMENTS/CONCERNS:										
1	Fill out WSB Data Entry Checklist for Leases	x												
2	Reason for lease of water rights (Brief description of lease proposal in narrative)													
	Portion of right	x												
	All of right													
3	Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)	X		Curlew Valley CGWMA										
		Yes	No											
4	Rentable? If no explain in comments	x												
5	Authority to file													
	Current owner or designated applicant	x		Brian Uken is authorized to sign on behalf of Holbrook Farms										
	SOS Web site checked for business entity													
	Other (explain in comments)													
6	Water Right validity													
	Decreed/Licensed/Statutory claim date (write in comments section)			17-2052 licensed 1966, 17-7063 licensed 1975										
	Past irrigation to ensure forfeiture is not an issue if decreed or licensed over 7 years ago (consider transfers that changed the POU, rentals to the POU etc.)													
	Has this right previously been leased to the bank or in CREP?	X		WSB 2017										
7	Injury to other water rights													
	If the POD is through a delivery entity, was consent provided?		na											
	If the POD is through a delivery entity, was holdback required? (percentage in comments)			%										
8	Enlargement concerns	Check box												
	Complete a POU comparison overlap analysis	x		17-2052 & 17-7062 overlap										
	Complete a combined limits review	x		17-2052 & 17-7063 have a combined acre limit of 316 acres										
	Complete POD overlap analysis (if there is an overlap add condition to lease)	x		17-2052 & 17-7062 overlap										
		Yes	No											
	Are there overlapping rights that need to be placed in the bank also?	x		17-2052 & 17-7062 overlap and both will be placed in bank										
	Will the place of use continue to receive water?		x											
9	Local Public Interest													
	Does the processor know of any problems this action will cause for the local public?		x											
10	Have you contacted regional office and watermaster for comment/concerns?	x		IDWR Eastern Region										
	Send the watermaster comment request form or e-mail request			Not currently in a water district										
11	Area Headgate requirement			3.5										
12	Is water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments		x											
13	Narrative: The applicant wishes to place a portion of water rights 17-2052 & 17-7062 in the Bank. The two water rights have a combined limit of 316.0 acres and the applicant wishes to lease 118.1 acres. This same portion was leased to the WSB in 2017. There are no concerns of forfeiture. Idled use for the 2017 season was verified with Landsat satellite imagery. The two rights share a POD and there are no other overlapping POUs. Comments were requested from IDWR Eastern Region and there were no concerns regarding the leases.													

Smith, Rachael

From: Cefalo, James
Sent: Friday, March 02, 2018 10:23 AM
To: Smith, Rachael
Subject: RE: WSB lease 17-2052 & 17-7063

Rachael,

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

James

From: Smith, Rachael
Sent: Friday, March 02, 2018 10:21 AM
To: Cefalo, James <James.Cefalo@idwr.idaho.gov>
Subject: WSB lease 17-2052 & 17-7063

Good morning,

Attached are a lease application review memo and map for the water supply bank. This portion of the two water rights was also leased to the bank last year.

Please let me know if you have any comments or concerns.

Thank you,

Rachael Smith, Sr. Water Resource Agent
Idaho Dept of Water Resources
322 E. Front Street PO Box 83720
Boise, ID 83720-0098
Rachael.Smith@idwr.idaho.gov
208.287.4912



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E FRONT ST STE 648 • PO BOX 83720 • BOISE ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

February 13, 2018

HOLBROOK FARM, LLC
1291 US HIGHWAY 258
NORTH KINSTON NC 28504

**RE: ADDITIONAL INFORMATION REQUEST FOR PROCESSING APPLICATION TO LEASE
WATER RIGHT NO(S) 17-7052 AND 17-7063 TO THE WATER SUPPLY BANK**

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

Dear Applicant:

The Idaho Department of Water Resources (Department) acknowledges receipt of the application to lease the above referenced water right to the Idaho Water Resource Board's Water Supply Bank (Bank). The Department will review your application as resources allow.

If the right is determined to be eligible for acceptance into the Bank, the right will be entered as of the date of receipt of the application. The acceptance date may be adjusted when additional information is required. A preliminary review of your application has been completed and it has been determined that additional information is required to continue processing.

Please provide the following information or request withdrawal of your application within 30 days of the date of this letter or the application will be returned unprocessed and your application fee will be refunded:

- Have Holbrook Farm LLC Sign the W-9 form (attached)

On another note Brockway Engineering overpaid the Lease Application fees by \$50.00 check number 14454. A note has been sent to our Fiscal Dept. requesting the refund of \$50.00 and will be sent to Brockway under separate cover.

The department will continue processing your application once you have submitted the requested information. Water right forms are available from the Department's website at www.idwr.idaho.gov. If you have any questions, please contact this office at (208) 287-4800.

Sincerely, .

Christine Field

for Water Supply Bank

Enclosure(s): W9 form

C: Brockway Engineering

MEMORANDUM

To: Sascha Marston
From: Christine Field
Date: Feb 13, 2018
Re: Water Supply Bank Refund Needed

Please issue a Refund in the amount of **\$50.00 for overpayment in Lease Application fees** for Lease Application for W/R 17-7052 and W/R 17-7063 for 2018 season.

Receipt: C104648 Original Receipt was for \$550.00

Issue Refund \$50 Refund to:

Brockway Engineering
2016 N Washington Suite 4
Twin Falls ID 83301



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED

FEB 13 2018

DEPARTMENT OF
WATER RESOURCES

January 2, 2018

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

Re: Holbrook Farm, LLC

Dear Mr. Buyer:

Holbrook Farm, LLC desires to lease 125.0 acres of 17-2052 and 17-7063 into the Idaho Water Supply Bank.

The 125.0 acres to be leased are comprised of acres that were previously irrigated by a pivot that will not be irrigated in 2018. The 125.0 acres were leased into the Idaho Water Supply Bank for the 2017 irrigation season.

The lease applications propose to lease the water for only the 2018 irrigation season.

Please copy our office on all correspondence regarding this applications.

Sincerely,

Greg Sullivan, M.S., Engineer

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

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

Cc: Toby McKay
Enc: Aerial Maps, W-9 Form, Warranty Deed, Brockway Engineering Check # 14454 for \$550.00

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506