

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 179

RECEIVED

JUL 19 2017

DEPARTMENT OF
WATER RESOURCES

This is to certify that:

IDAHO WATER CO LLC
1135 VALLEY RD S
EDEN, ID 83325

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
61-12039	1/13/1964	GROUND WATER	0.830	237.15	52.70	0.016	4.50
61-12075	4/23/1964	GROUND WATER	0.013	4.50	1.00	0.013	4.50
61-12077	3/15/1977	GROUND WATER	0.010	0.00	0.30	0.030	0.00
Combined Limits			0.013	4.50	1.00	0.013	4.50
61-2165	12/2/1963	GROUND WATER	1.160	265.50	59.00	0.020	4.50
61-7170	10/24/1973	GROUND WATER	6.730	60.00	400.00	0.018	0.15
Combined Rental Totals			8.733	567.15	512.70	0.018	1.11

Term of Rental: This rental shall take effect when all parties have signed it and shall continue in effect until December 31, 2018

Annual Rental Fee:

2017 - 2018: \$9,641.55
2018 - 2019: \$11,343.00

The full fee for the rental of the above-described right(s) is \$9,641.55 for 2017 and \$11,343.00 for 2018. The rental fee includes an administrative fee of \$964.16 for 2017 and \$1,134.30 for 2018.

An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Total Water Use Authorized Under Rental Agreement

Beneficial Use	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate/Acre (CFS/AC)	Volume/Acre (AF/AC)
IRRIGATION	1.970	567.00	126.00	0.016	4.50
Combined Total	1.970	567.00	126.00	0.016	4.50

* The authorized water usage reflects a reduction in diversion rate and irrigable acre elements rented, to provide the appropriate rate per acre and volume per acre amount, as requested for this rental.

Detailed water right conditions are attached.

IN FILE #

61-2165

SCANNED
JUL 20 2017

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:


Delbert K. Kritz 7/13/17
Signature of Renter Date
Delbert K. Kritz *owner*
Printed Name Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By *Brian Patton* Date 7/19/2017
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board
Rental approved by IDWR *Charles* Date 7-19-2017

WATER SUPPLY BANK RENTAL AGREEMENT No. 179

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER NWNW Sec. 25, Twp 04s, Rge 05e, ELMORE County

Beneficial Use Diversion Rate Volume
IRRIGATION 1.97 CFS 567.00 AF

BENEFICIAL USE & SEASON OF USE

Water Right No.	From	To	Diversion Rate
61-2165	3/15	11/15	1.160 CFS
61-12039	4/1	10/31	0.830 CFS
61-12075	4/1	10/31	0.130 CFS
61-12077	4/1	10/31	0.010 CFS
61-7170	3/15	11/15	1.970 CFS

RENTERS PLACE OF USE: 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	
04S	05E	26	31.5	31.5	31.5	31.5													126.0

Total Acres: 126.0

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

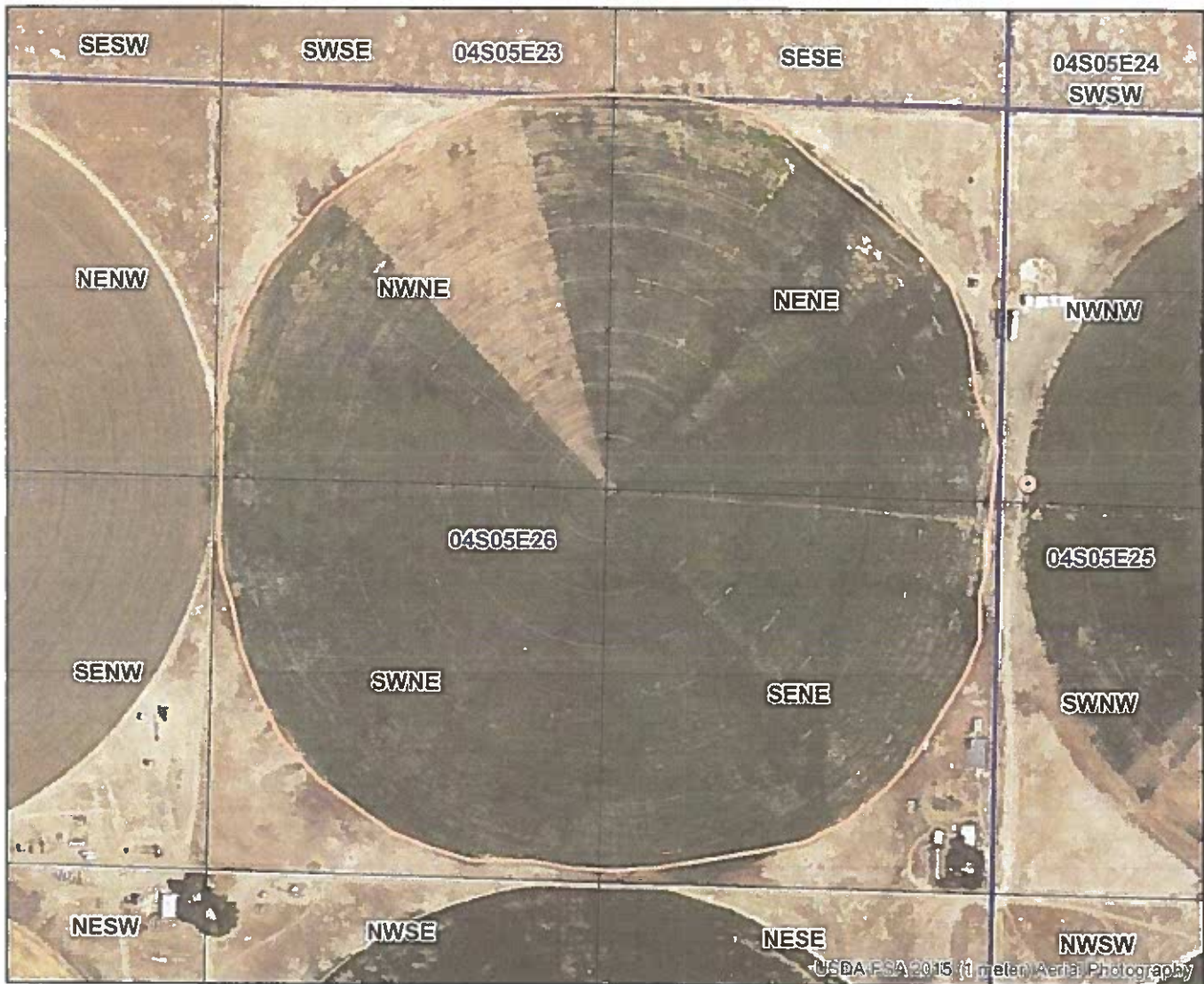
1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
3. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
4. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
5. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
6. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.
7. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
8. Rights 61-12148 and 61-12269 are also diverted through the points of diversion described above.
9. The use of water before 4/1 and after 10/31 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than October 26, 2000.
10. Right 61-12077 is an enlargement of Right 61-12075 pursuant to Section 42-1426, Idaho Code.
11. This rental agreement does not authorize the construction of a well.

12. Use of water under this rental agreement 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. 161.

Idaho Water Resource Board
Water Supply Bank Rental Agreement

Effective until December 31, 2018

This map depicts the **rental place of use** pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



○ Rental Point of Diversion

□ Rental Place of Use

□ Townships

□ PLS Sections

□ Quarter Quarters



0 0.1 0.2 Miles

STATE OF IDAHO
WATER RESOURCE BOARD

**APPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANK**

RECEIVED

APR 21 2017

DEPARTMENT OF
WATER RESOURCESApplicant Name: IDAHO WATER COMPANY LLC

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

Yes ☐ No ☒

If yes, specify companion water rights in Section 4

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

		Yes	
		☒	Completed <i>Application to Rent Water from the Board's Water Supply Bank</i>
		☒	Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank
Attachment	N/A	Yes	
2	☒	☒	A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request
3A	☐	☒	Detailed information on a proposed use of rental water
3F	☒	☐	Authorization from the owner/operator of the rental point(s) of diversion
3H	☒	☐	Water modeling to account for the impacts of the rental request
3J	☒	☐	Documents justifying a rate of flow greater than 0.02 cfs/acre
3K	☒	☐	Authorization from the owner/operator of the property at the proposed rental place(s) of use
4B	☒	☐	Explanation of how the rental water will sufficiently accomplish your rental purposes
4C	☒	☐	Explanation of consumptive use amounts for water rights experiencing a change in nature of use

Department Use Only – Proposed Water Right(s)

61-12039

**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant IDAHO WATER COMPANY LLC

Mailing Address	<u>1135 VALLEY ROAD SOUTH</u>	<u>EDEN</u>	<u>ID</u>	<u>83325</u>
	Street	City	State	Zip Code
Email Address	<u>INFO@IDAHOWATERCOMPANY.COM</u>		Phone Number	<u>208-312-1135</u>

B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☒ No ☐
 If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative	<u>KEVIN KOHTZ</u>	Professional Title	
Organization	<u>IDAHO WATER COMPANY LLC</u>	Relationship to Applicant	<u>MANAGING MEMBER</u>
Mailing Address	<u>1135 VALLEY ROAD SOUTH EDEN, ID 83325</u>		
Email Address	<u>KEVIN@IDAHOWATERCOMPANY.COM</u>	Phone Number	<u>208-559-0974</u>

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental 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 irrigate. Attach the map to this application and label it Attachment 2.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them Attachment 3A:

THIS WATER RENTEL IS FOR AGRICULTURAL PURPOSE AND WILL BE APPLIED TO 126 ACRES UNDER PIVOT ON THE NE1/4 OF SEC. 26 T4S R5E. THE WATER WILL BE USED TO GROW CORN DURING THE 2017 STANDARD IRRIGATION SEASON.

B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
1.97 CFS	567 AF	1.64 CFS	504 AF	126 AC

* Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.

C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
4/25/17	5/10/17	☒ 1	☒ 2	☐ 3	☐ 4	☐ 5	☒ Process application as soon as possible	☐ Return application to applicant

* The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.

** Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):

HERE THE PROPOSED PLACE OF USE HAS AN EXISTING WELL WITH INSTALLED MAINLINE SUPPLYING THE PIVOT.

- E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
TURBINE PUMP	GROUNDWATER	61-12148

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

- F. Has documented consent from all relevant water delivery entities been obtained? Yes ☒ N/A ☐
If yes, include documented consent as Attachment 3F.

- G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☐ No ☒
Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

- H. Has water modeling been provided with your rental request? Yes ☐ N/A ☒
If yes, label modeling Attachment 3 H.
Rental applications that require modeling will be returned if modeling is not provided.

- I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

- ☒ Irrigation 126 (number of acres) Duration: Subject to IDWR standard seasons of use
- ☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Other: _____ from: _____ (mm/dd) to: _____ (mm/dd)

- J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☐ Yes ☐ No ☒
If yes, justify the rate of flow and attach any supporting documents as Attachment 3J. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

- K. Do you own the land at the proposed rental place of use (POU)? Yes ☒ No ☐
If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it Attachment 3K.

- L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

NONE

**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights?

Yes ☒ No ☐

If yes, specify below the elements of the water rights you are requesting to rent. If no, continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via [IDWR's website](#).

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request. For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
61-12039	IRRIGATION	3.47	994.5	221		1.97	567	126
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL	1.97	567	126
						CFS	AF	AC

**Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.*

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

N/A

C. Does your rental request propose to change the nature of use for any water right(s) being rented?

Yes ☐ No ☒

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

N/A

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

- A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☒ No ☐
If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

N/A

- B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes ☐ No ☒
If yes, describe:

N/A

- C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☐ No ☒
If yes, describe the date and location of the NOV.

N/A

- D. Additional Information

N/A

DECLARATION

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.

Signature of Applicant

Kevin Kohtz

Signature of Representative

IDAHO WATER COMPANY LLC

Printed Name of Applicant

4/21/17

Date

KEVIN G KOHTZ

Printed Name of Representative

4/21/17

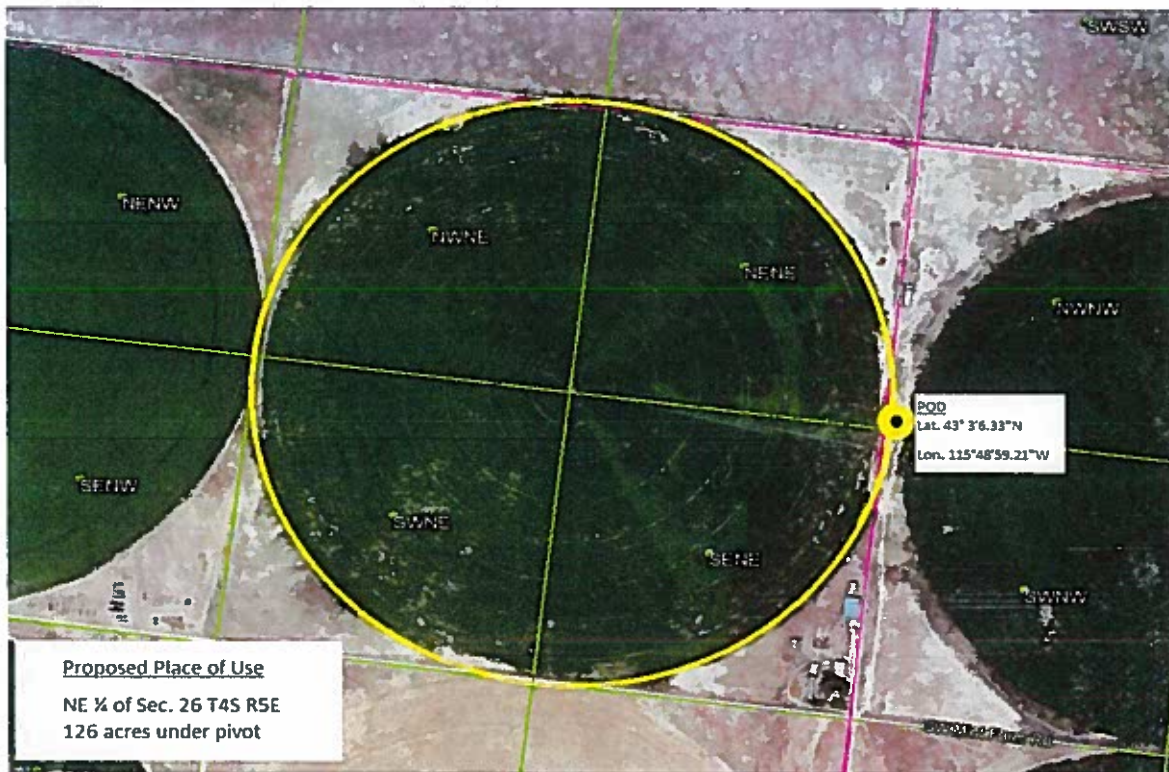
Date

Mail to:

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

Attachment 2

Proposed PPU for portion(s) of 61-12039



Close

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

4/21/2017

WATER RIGHT NO. 61-12039

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	J R SIMPLOT CO C/O DAVID SPURLING 1099 W FRONT ST PO BOX 27 BOISE, ID 83707-0027 (208)336-2110
Original Owner	JACK W HOLLAND , ID
Original Owner	C & T RANCHES INC C/O TOM NICHOLSON 10322 ESTATE DR BOISE, ID 83705
Original Owner	CARL E NICHOLSON PO BOX 703 MERIDIAN, ID 83642 (208)888-1593

Priority Date: 01/13/1964

Basis: Decreed

Status: Active

Water Supply Bank Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	10/31	3.47 CFS	994.5 AFA
Total Diversion			3.47 CFS	

Location of Point(s) of Diversion:

GROUND WATER	SESE	Sec. 31	Township 04S	Range 04E	ELMORE County
GROUND WATER	NWNW	Sec. 05	Township 05S	Range 04E	ELMORE County
GROUND WATER	NESW	Sec. 05	Township 05S	Range 04E	ELMORE County
GROUND WATER	NESE	Sec. 05	Township 05S	Range 04E	ELMORE County
GROUND WATER	SENE	Sec. 06	Township 05S	Range 04E	ELMORE County

Place(s) of use:

Place of Use Legal Description: IRRIGATION ELMORE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
05S	04E	8		NENE	40		NWNE	21						
				NENW	40		NWNW	40		SWNW	40		SENW	40

Total Acres: 221

Conditions of Approval:

1. T19 Pursuant to Section 42-1412(6), Idaho Code, 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 may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.
2. X61 The period of use for the irrigation described in this approval may be extended to a beginning date of 3/1 and an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/31 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than October 26, 2000.
3. X63 All water rights within Basin 61 are from connected sources of water in the Snake River Basin and shall be administered conjunctively.

Dates:

Licensed Date:

Decreed Date: 10/26/2000

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number: 161

Generic Max Rate per Acre: 0.02

Generic Max Volume per Acre: 4.5

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Water Supply Bank:

Lessor Name(s): J R SIMPLOT CO

Lease Status: Active

Lease Amount: 3.47cfs

Rental Availability: 3.47cfs

Date Received: 3/2/2017

Lease Begin Date: 1/1/2017

Expiration Date: 12/31/2021

Close

RECEIVED

JUL 19 2017

DEPARTMENT OF
WATER RESOURCES

FARM LEASE AGREEMENT

THIS FARM LEASE AGREEMENT (the "Lease") is made and entered this 17 day of July, 2017 ("Effective Date"), by and between IDAHO WATER COMPANY LLC, an Idaho Limited Liability Company, whose address is 1135 Valley Road South, Eden, Idaho 83325 (hereinafter "Tenant"), and Daniel L. West and Kimberly Jo West, husband and wife, whose address is 10294 SW Mint Farm Road NW - 83647 ~~HC85 Box 20-A~~ (hereinafter "Land Owner") (collectively the "Parties").

NOW THEREFORE, in consideration of the rent to be paid and the terms and conditions herein, Landowner leases to Tenant a farm, comprising one hundred fifty-eight and one half (158.5) irrigated acres, to use for agricultural purposes, at the SE 1/4 of the NE 1/4 Sec. 26 T4S R5E and the NW 1/4 of Sec. 25 T4S R5E Boise Meridian Elmore County, Idaho (the "Property"). Del Kohtz is an authorized managing member of Tenant and discloses that he is a licensed Real Estate Agent acting as principal for his own account.

1. Lease term.

The term of this lease will be from January 1, 2017, to December 31, 2018. Tenant will surrender possession at the end of the lease term or the end of any extension thereof. Failure to execute an extension at least thirty days before the end of any term will serve as constructive notice of intent to allow the lease to expire.

2. Rental rates and arrangements.

Rent for the farm will be [REDACTED]. Tenant agrees to pay the total sum of [REDACTED] in four rental payments. The Tenant made the first payment of [REDACTED] paid in April 2017 and the second payment of [REDACTED] will be due on October 15th, 2017. Rental payments for the 2018 season will be due on April 1st 2018 [REDACTED], and October 15th, 2018 [REDACTED]. Tenant will timely make the rental payments. Late payment will cause a 5% fee [REDACTED] to be incurred by the Tenant, for any payment that is greater than ten days late.

3. **Property Rights.**

- (a) Landowner reserves the right for them, their agents, their employees, or their assigns to enter the Property at any reasonable time for (1) consultation with the Tenant; (2) making repairs, improvements, or inspection; (3) after notice of termination of the lease is given for purposes of plowing, seeding, fertilizing, and other such customary seasonal work, none of which will interfere with the Tenant in carrying out regular farm operations or removal of personal property.
- (b) During the Lease, Landowner will provide Tenant any reasonable right of entry for ingress and egress to the property through its usual access points.
- (c) If the Landowner should sell or otherwise transfer title to the Property, he or she will do so subject to the lease.
- (d) Tenant may sublease any part of the Property, or assign the lease to any person, persons, or entity during the terms of the Lease.
- (e) The Lease will be binding upon the heirs, executors, administrators, and successors of both Landowner and Tenant in like manner as upon the original parties. However, if the lease has been modified to extend beyond one year from the original term, the heirs or successors of the Tenant will have the option to give a written notice of termination effective at the end of the lease year in which death occurs.
- (f) The Parties have had a pre-existing Landowner-Tenant relationship since 2007. Lease of the Property is re-authorized under this instrument. Landowner has previously granted Idaho Water Company LLC a separate Easement, for access to their neighboring property at NWNE NENE SWNE Sec. 26 T4S R5E, and use of the irrigation well that serves as the point of diversion for both properties. Nothing in this Lease agreement shall or is intended to alter any previously issued Easements.

4. **Improvements.**

The irrigation equipment purchased and placed on the Property by the Tenant is "personal property" owned by the Tenant, and the Parties agree the equipment is not permanent improvements or fixtures. (two center pivots, one deep well pump and motor, one booster pump,

electrical panels, and connected above ground mainlines). At the end of the lease term, where the parties have not elected an extension, the irrigation equipment may be removed, or it may remain pursuant to the parties underlying equipment agreement. In the event that Tenant removes its irrigation equipment, the property will be worked flat and returned to its original condition so as to be fit for its particular purpose.

Other improvements to the property, permanent fixtures or otherwise, may be placed on the property with Landowner's consent, which will not be unreasonably withheld where such improvements are necessary to accomplish the rental purpose of the property, and no expense is incurred to the Landowner.

Excluding the above-described irrigation systems, other personal property, or equipment utilized for agriculture; any permanent improvements made to the property must remain at the end of the lease term. Tenant will not be entitled to an increase in value to the property resulting from improvements made under this provision.

5. Conservation.

The Irrigation equipment, owned by the Tenant, will be kept in good repair and operated reasonably so as to avoid excessive erosion or other damage to the property. Tenant will cultivate the farm faithfully and in a timely, thorough, and businesslike manner and will maintain any existing terraces, ditches, inlets, outlets or drainage courses, including grassed waterways.

Crop selection and rotation are at the discretion of Tenant. Any application of agricultural fertilizers, herbicides, or pesticides, will be at the discretion of the Tenant who will use prudence and care in their transporting, storing, handling, and application. Tenant will comply with pollution control and environmental protection requirements as required by local, state and federal regulatory agencies. Upon Landowner's request, Tenant will provide manufacturer's literature regarding any chemical fertilizers or weed controls utilized on the property.

6. Non-Partnership.

This Lease Agreement intends no partnership. Neither party will have the authority to bind the other without written consent. Neither party will be liable for the debts or obligations incurred by the other without written consent.

7. **Entire Agreement.**

This Lease Agreement, its attached exhibits, and addendums contain the entire understanding between the parties. All contemporaneous or prior agreements, whether written or oral, are fully integrated and merged herein. The Parties may make later amendments, extensions, or other alterations to this Lease Agreement ~~may~~ by written addendum, attached as a separate document. In the event of a failure to agree on a proposed alteration, the existing provisions of the lease will control.

8. **Mediation and Attorney Fees.**

If the Parties cannot reach an agreement on any matter or controversy arising out of the Lease, the question will be submitted to an independent and disinterested mediator chosen by the Landowner with the consent of the Tenant. Costs of mediation will be split between the Parties. If mediation has failed and either party should seek redress in a court of law, each party individually will be responsible for his or her own attorney's fees.

9. **Default.**

If either party willfully neglects or refuses to perform any provision of this Lease Agreement, the other party will be entitled to termination of the lease in addition to compensation for damages. Written notice must be provided to the party in default specifying the particular violations of the Lease. If violations are not corrected within thirty days, the lease may be terminated.

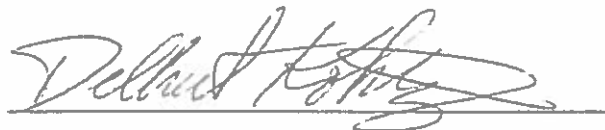
Signed this 17 day of July, 2017



Daniel West – Landowner



Kimberly Jo West Landowner



Del Kohtz – Managing Member

Idaho Water Company LLC. - Tenant



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

July 20, 2017

IDAHO WATER CO LLC
1135 VALLEY RD S
EDEN ID 83325

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 61-2165, 61-7170, 61-12039, 61-12075, and 61-12077**

Dear Renter:

Please find enclosed a receipt in the amount of \$9,641.55 and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 567.15 acre-feet of water for irrigation of 126.0 acres during 2017. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$8,677.39 of the rental fee will be paid to the lessor(s) and 10% or \$964.16 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,

for Water Supply Bank

Enclosures: Receipt No. C103852
Rental Agreement (copy)

c: Sascha Marston – Fiscal
Angie Grimm – IDWR Western Regional Office
Nick Miller – State Water District No. 161



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

July 11, 2017

IDAHO WATER CO LLC
1135 VALLEY RD S
EDEN ID 83325

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 61-2165, 61-7170, 61-12039, 61-12075, and 61-12077

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

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of \$9,641.55 was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 567.15 acre-feet. An annual payment shall be received by the Department prior to the execution of this agreement and prior to January 1 in all subsequent years for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check for \$9,641.55 made payable to the Idaho Department of Water Resources, together with the signed rental agreement and farm rental agreement between Idaho Water Company and Daniel West, within 14 days so I can complete processing. Pursuant to the Water Supply Bank Rules, 90% or \$8,677.39 of the rental fee will be paid to the lessor(s) and 10% or \$964.16 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,



Water Supply Bank

Enclosure

c: IDWR Front Desk

Buyer, Remington

From: Buyer, Remington
Sent: Monday, July 10, 2017 1:24 PM
To: 'KEVIN KOHTZ'
Subject: RE: Water Supply Bank Rental No. 179

Mr. Kohtz,

Thank you for providing the answers below. A rental agreement will soon be going out from our office for your signature. Once the signed rental agreement is received back from you, with the 2017 rental payment, the rental agreement can be executed by IDWR. However, prior to executing the rental agreement, IDWR will need to validate that the farm rental agreement between Idaho Water Company and Daniel West is in place and valid through 2018. When you return the signed rental agreement to our office with your rental payment, please include a copy of the farm rental agreement between Idaho Water Company and Daniel West.

Thank you,

Remington
287-4918

From: KEVIN KOHTZ [mailto:kevin@idahowatercompany.com]
Sent: Thursday, July 06, 2017 4:39 PM
To: Buyer, Remington <Remington.Buyer@idwr.idaho.gov>
Subject: RE: Water Supply Bank Rental No. 179

Hi Remington,

Thank you for your email. Please see the responses below.

From: Buyer, Remington [mailto:Remington.Buyer@idwr.idaho.gov]
Sent: Wednesday, July 5, 2017 1:21 PM
To: 'kevin@idahowatercompany.com' <kevin@idahowatercompany.com>
Subject: Water Supply Bank Rental No. 179

Mr. Kohtz,

I have completed my review of your rental request and have submitted it to our water rights section and to the Water District 161 watermaster for final review and comments. You should be made aware of two important items:

- 1) You requested to rent 57% (126 acres) from water right 61-12039, however due to another 2017 rental requests, only 52.7 acres of irrigation usage was available to be rented under water right 61-12039. Other water rights under active lease to the Bank will make up the outstanding balance; **Not a problem at all.**
- 2) You specified on your application (Question 3K) that you own the place of use where the rental is proposed. However, Elmore County tax records indicate that the SENE quarter-quarter of Section 26 is presently owned by Daniel West. Do you have an agreement with Mr. West to irrigate his property in 2017? IDWR will need to confirm you are authorized to irrigate the acres within the SENE QQ prior to finalizing your rental agreement. **Yes, the 40 acres in the SENE QQ belong to Dan West and irrigation is authorized. The portion of the pivot circle that crosses this 40 is included in a farm rental agreement between Del Kohtz and Dan West, along with the irrigated acres in the NW ¼ of sec 25. Let me know if a phone call from Dan is sufficient or if you need further documentation. Thanks for your work on this.**

Please feel free to contact me if you have any questions about the above, else, please email me a copy of documentation confirming your authority to irrigate the SENE quarter-quarter of Section 26.

Regards,

Remington Buyer
Water Supply Bank Coordinator
Idaho Department of Water Resources
322 East Front Street, Boise, ID, 83720
T: (208) 287-4918 | F: (208) 287-6700

MEMORANDUM

To: Water Supply Bank Rental Application #832
From: Remington Buyer
Date: July 5, 2017
Re: Review of Applications to Rent Water Right from the State Water Supply Bank

PURPOSE/NARRATIVE: On April 21, 2017, the Department received an application to rent water from the Bank submitted by Idaho Water Company. Idaho Water Company owns three of the four quarter-quarters (QQs) within the NE quarter of Section 26 of Township 04 South, Range 05 East, while the area under the center pivot in the SE QQ of Section 26 belongs to a third party. There was a water right previously appurtenant to this property (61-12269), however it was transferred to new acres in January 2017, as part of Transfer 81212. Hence, these acres that have recently been irrigated are no longer authorized to be irrigated and rental application #832 seeks an authorization to allow for continued irrigation of the property.

AUTHORITY TO FILE: The application is submitted by Kevin Kohtz, a managing member of Idaho Water Company, which is the party that owns $\frac{3}{4}$ of Section 26, and which continues to own water right 61-12269, previously appurtenant to Section 26. The remaining quarter of Section 26 is owned by Daniel West. Because irrigation is intended to be accomplished on land owned by Mr. West, his approval for this rental will be sought.

WATER RIGHT VALIDITY: The rental seeks to rent water right 61-12039, which valid and leased to the Bank under Contract #623, but which is partially utilized under Agreement #173. Additional water rights are available to be rented from the Bank to make up the difference between what is available to be rented from Contract #623, and the desired diversion rate and volume of water to be rented for irrigation under application #823. Specifically, irrigation water rights 61-12075, 61-2165 and 61-7170 are valid, leased to the Bank and sufficient to be rented for application #823.

INJURY TO OTHER WATER RIGHTS: The rental location is within the Mountain Home Ground Water Management Area (GWMA), however so too are all the leased water rights proposed to be rented. No injury is apparent under the rental.

ENLARGEMENT OF USE: All water rights to be rented include a beneficial use of irrigation and there are no irrigation water rights presently on the parcel to be irrigated. No enlargement is evident under this rental.

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 rental appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The rental right is subject to Water District # 161. Comments will be requested from Water District #161 Watermaster and IDWR Western Region Manager Nick Miller.

Buyer, Remington

From: Buyer, Remington
Sent: Wednesday, July 05, 2017 1:21 PM
To: 'kevin@idahowatercompany.com'
Subject: Water Supply Bank Rental No. 179

Mr. Kohtz,

I have completed my review of your rental request and have submitted it to our water rights section and to the Water District 161 watermaster for final review and comments. You should be made aware of two important items:

- 1) You requested to rent 57% (126 acres) from water right 61-12039, however due to another 2017 rental requests, only 52.7 acres of irrigation usage was available to be rented under water right 61-12039. Other water rights under active lease to the Bank will make up the outstanding balance;
- 2) You specified on your application (Question 3K) that you own the place of use where the rental is proposed. However, Elmore County tax records indicate that the SENE quarter-quarter of Section 26 is presently owned by Daniel West. Do you have an agreement with Mr. West to irrigate his property in 2017? IDWR will need to confirm you are authorized to irrigate the acres within the SENE QQ prior to finalizing your rental agreement.

Please feel free to contact me if you have any questions about the above, else, please email me a copy of documentation confirming your authority to irrigate the SENE quarter-quarter of Section 26.

Regards,

Remington Buyer
Water Supply Bank Coordinator
Idaho Department of Water Resources
322 East Front Street, Boise, ID, 83720
T: (208) 287-4918 | F: (208) 287-6700

Buyer, Remington

From: Buyer, Remington
Sent: Wednesday, July 05, 2017 12:51 PM
To: Miller, Nick
Subject: WSB Rental Application No. 824
Attachments: RentalMap.pdf; Rental Review Memo.docx; Rental Agreement.docx

Nick,

Idaho Water Company has submitted a rental request to irrigate acres that were previously irrigated by water right 61-12269 (transferred off the property earlier this year via Transfer #81212). Attached is my review memo, draft rental agreement and map. Please advise if you have any questions, comments or concerns.

Thanks,

Remington
287-4918