

WATER SUPPLY BANK LEASE CONTRACT No. 641

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

LESSOR: GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE, ID 83701

RECEIVED

JUL 14 2017

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 May 19, 2017.
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)
2-2262	12/6/1963	SNAKE RIVER, tributary to COLUMBIA RIVER	44.0	13,096.0	3,274.0
Combined Lease Totals			44.0	13,096.0	3,274.0

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, 2017 to December 31, 2017. 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.

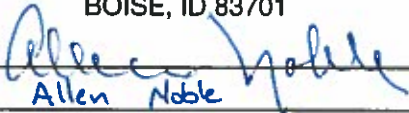
LEASE CONTRACT NO. 641

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.

LEASE CONTRACT NO. 641

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

LESSOR: GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE, ID 83701

By 
Title Allen Noble
Date July 10, 2017

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 7/18/2017

Lease approved by IDWR 

Date 7-18-2017

ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE
FOR LEASE CONTRACT NO. 641

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): 2-2262

SNAKE RIVER L 4(NWSW) Sec. 34 Twp 05S Rge 09E **ELMORE County**

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
2-2262	IRRIGATION	03/15	to	11/15	44.0 cfs	13,096.0 AF
Totals:					44.0 cfs	13,096.0 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	09E	22													28.0			32.0	60.0
06S	09E	23					8.0	8.0	3.0	8.0					8.0	7.0	8.0	8.0	58.0
06S	09E	24									37.0	40.0	37.0	40.0					154.0
06S	09E	25					8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	96.0
06S	09E	26	4.0	8.0	8.0	8.0					40.0	40.0	40.0	40.0					188.0
06S	09E	27													8.0		8.0	8.0	24.0
06S	09E	28											29.0	40.0			8.0	8.0	85.0
06S	09E	33	4.0	8.0			26.0	26.0											64.0
06S	09E	34	6.0	13.0	11.0	11.0	40.0	25.0							25.0				131.0
06S	09E	35	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0		18.0	37.0				8.0	8.0	135.0
06S	09E	36	8.0	8.0	8.0	8.0	8.0	8.0	6.0	12.0	8.0	2.0	8.0	8.0	8.0	8.0	8.0	8.0	124.0
06S	10E	30										8.0 L3	8.0 L4						16.0
06S	10E	31									7.0	13.0 L3	6.0 L4	8.0	8.0	8.0	8.0	8.0	66.0
06S	10E	32										8.0	8.0	8.0					24.0
07S	09E	1			4.0	8.0				7.0	15.0			31.0	8.0	29.0	36.0	8.0	146.0
07S	09E	10																38.0	38.0
07S	09E	11			39.0	38.0					40.0		30.0	32.0		40.0	37.0		256.0
07S	09E	12															18.0		18.0
07S	09E	13	40.0	40.0	40.0	40.0	40.0			33.0					36.0	33.0			302.0
07S	09E	14						40.0											40.0
07S	09E	15	40.0																40.0

07S	10E	4										8.0	8.0	8.0	8.0	4.0	8.0	8.0	8.0	60.0
07S	10E	5										8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	64.0
07S	10E	6										16.0	13.0 L5	6.0 L6	6.0					41.0
07S	10E	7	40.0	40.0		40.0														120.0
07S	10E	8	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0										64.0
07S	10E	9					8.0	8.0	8.0	8.0						8.0	8.0	8.0	8.0	64.0
07S	10E	10						25.0	35.0			4.0	10.0	8.0	10.0					92.0
07S	10E	15					8.0	8.0	8.0	8.0										32.0
07S	10E	16					8.0	8.0	8.0	8.0	6.0	15.0	6.0	12.0	8.0	8.0	8.0	8.0	8.0	103.0
07S	10E	17	8.0	7.0	7.0	8.0														30.0
07S	10E	18								40.0 L2		40.0	40.0 L3							120.0
07S	10E	20			40.0												8.0	8.0	8.0	64.0
07S	10E	21	8.0	8.0	5.0	8.0														29.0
07S	10E	22										8.0	8.0	8.0	8.0	8.0	8.0		8.0	56.0
07S	10E	23					17.0					8.0	8.0	8.0	8.0		8.0	8.0	8.0	73.0
07S	10E	26	8.0	8.0	8.0	8.0														32.0
07S	10E	27										8.0			8.0					16.0
07S	10E	28				8.0		40.0	8.0			8.0	8.0			8.0				80.0
07S	10E	29				8.0										8.0	8.0	21.0	8.0	53.0
07S	10E	34	8.0	8.0																16.0

Total Acres: 3,274.0

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.

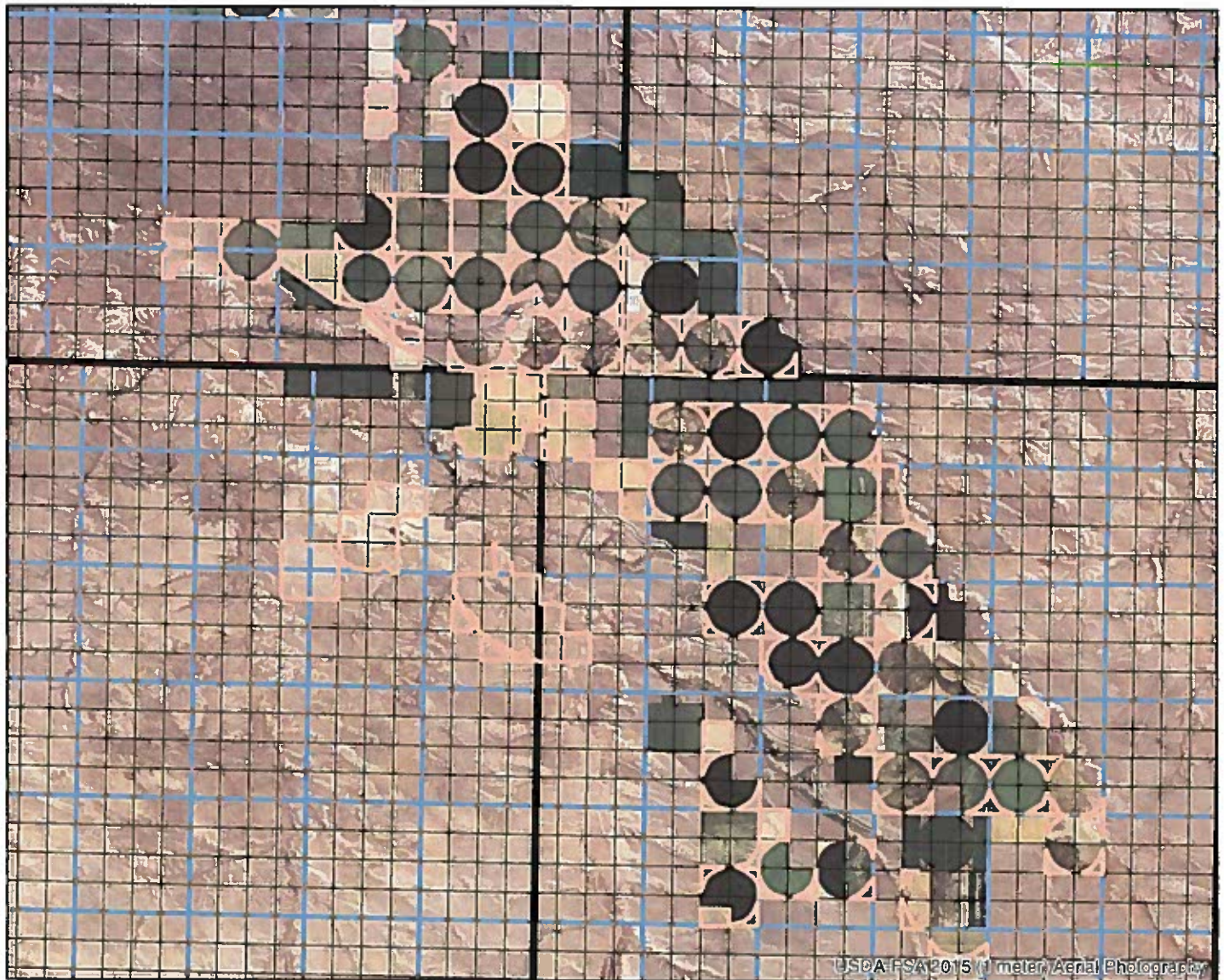
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other 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. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
13. The unleased portion of this right is limited to the irrigation of 10,158 acres within the place of use described above in a single irrigation season.
14. Place of use is within the service area of Grindstone Butte Mutual Canal Company as provided for under Idaho law. The place of use is generally located within T6S, R9E; T6S, R10E; T7S, R9E; and T7S, R10E, B.M.
15. 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. 02.

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 641

2-2262

Effective until December 31, 2017

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 Place of Use
-  Townships
-  PLS Sections
-  Quarter Quarters



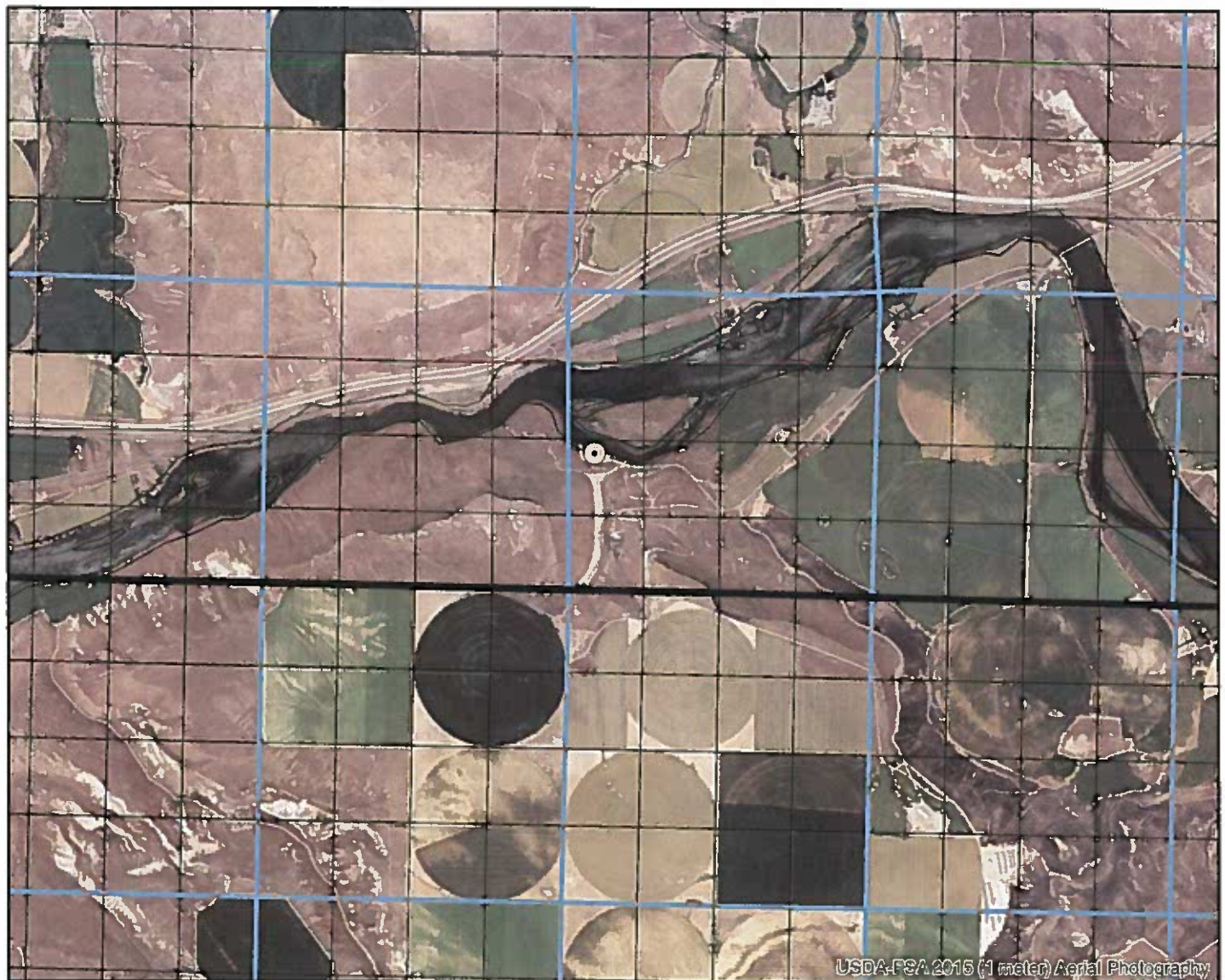
0 1 2 Miles

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 641

2-2262

Effective until December 31, 2017

This map depicts the **point of diversion** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



USDA-FSA 2015 (1 meter) Aerial Photography

-  Approved Lease Point of Diversion
-  Townships
-  PLS Sections
-  Quarter Quarters



0 1 2 Miles

STATE OF IDAHO
WATER RESOURCE BOARD

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

RECEIVED

MAY 19 2017

DEPARTMENT OF
WATER RESOURCESDesignated Applicant Grindstone Butte Mutual Canal Co.

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

Water Right No. 2-2262

(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 \$ <u>250.00</u>	Received By: <u>dj</u>	Date Received: <u>5-19-17</u>	Receipt # <u>103602</u>
W-9 received? Yes ☐ No ☒ (Route W-9 to Fiscal)		Name on W-9:	

841

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 Grindstone Butte Mutual Canal Co.

Mailing Address <u>575 W Bannock St</u>	<u>Boise</u>	ID <u>83702</u>	
Street	City	State	Zip Code
Email Address <u>john@jmarshalllaw.com</u>	Phone Number <u>208-991-2701</u>		

☒ 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 <u>Allen Noble</u>	Organization <u>Grindstone Butte Mutual Canal Co.</u>
Professional Title <u>Director</u>	Email Address <u>john@jmarshalllaw.com</u>
Mailing Address <u>575 W Bannock St, Boise, ID 83702</u>	Phone Number <u>208-991-2701</u>

☒ 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.
Pumps at river, penstocks and an open canal that feeds mainlines.

- 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. None

- 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. This right was decreed in the SRBA in 2008. Since that time the 13,432 acres authorized by the right have been irrigated or placed in the water bank. The acres identified in this application receive the proportional share of the water diverted under right 2-2262.

- G. Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes ☐ No ☒
If yes, describe the circumstances and attach evidence to demonstrate how the water right has not been lost through forfeiture (Attachment 4G). See [Section 42-223, Idaho Code](#) for exceptions to forfeiture. Your application may be denied if forfeiture concerns are not addressed.

- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?
If yes, describe.

Yes ☐ No ☒

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE AGREEMENT

A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☒.

If lease, specify the years when the use of water will be suspended: 2017 to 2017 (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

Allen Noble
Printed Name

May 19, 2017
Date

Signature of Authorized Representative

Printed Name

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>	Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
<u>2-2262</u>	<u>Irrigation</u>	<u>43.90</u>	<u>13,032</u>	<u>3258</u>
	Total Amounts:	<u>43.90</u>	<u>13,032</u>	<u>3258</u>

2. Source of water Snake River tributary to Columbia River

3. Point(s) of diversion:

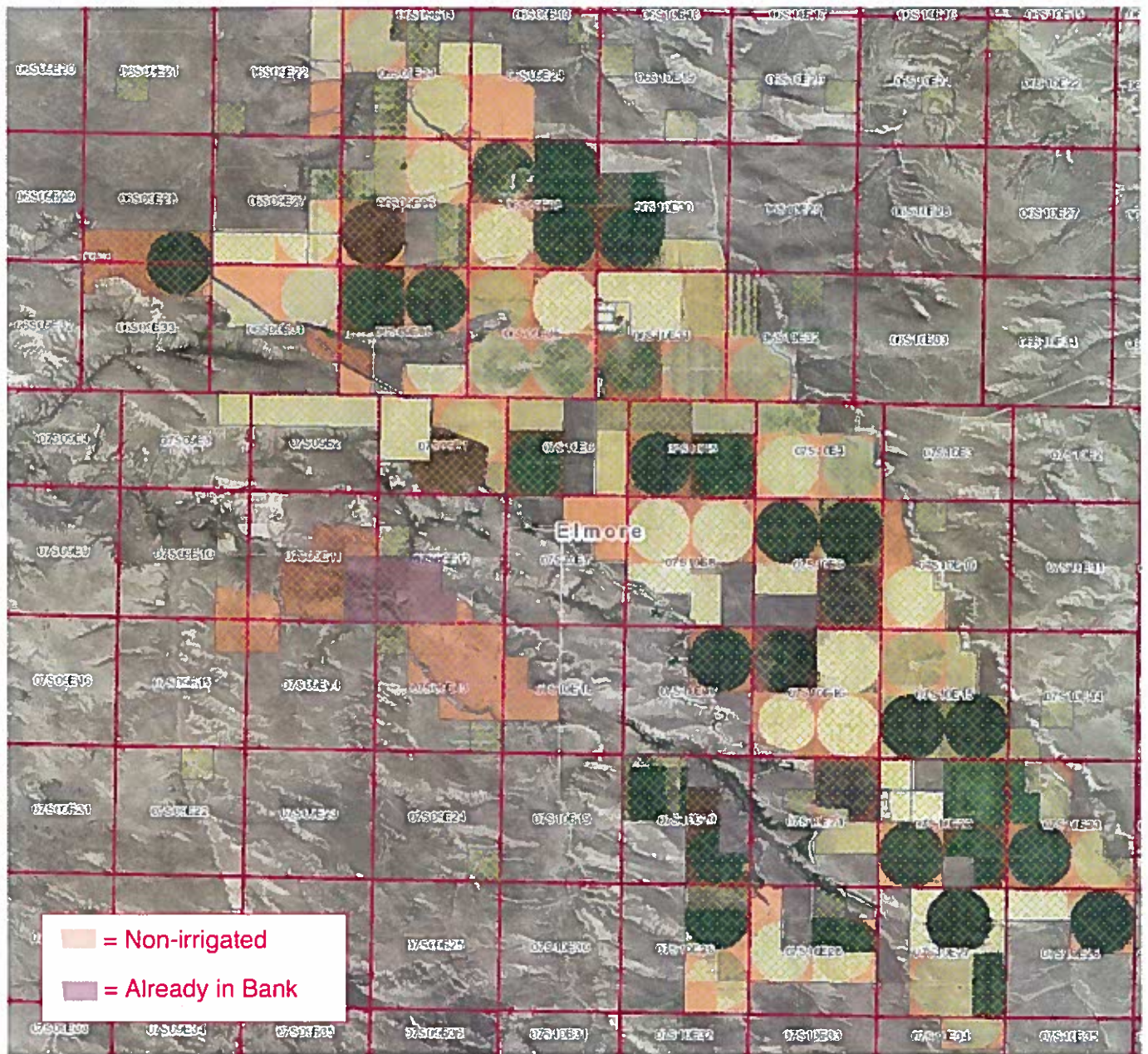
Twp	Rge	Sec	Lot	¼	¼	¼	County
5S	9E	34	4		NW	SW	Elmore

<u>Tw</u> n	<u>Rng</u>	<u>Sec</u>	<u>Tract</u>	<u>Acres</u>	<u>Tract</u>	<u>Acres</u>	<u>Tract</u>	<u>Acres</u>	<u>Tract</u>	<u>Acres</u>	<u>Totals</u>	
06S	09E	22	NENE		SENE						0	Map 1
			NESE	28	SESE	32					60	
		23	SENE								0	
			NENW	8	NWNW	8	SWNW	3	SENE	8	27	
			NESW		SESW						0	
		24	NESE	8	NWSE	7	SWSE	8	SESE	8	31	
			SWNW								0	
			NESW	37	NWSW	40	SWSW	37	SESW	40	154	
		25	NENE		NWNE		SWNE		SENE		0	
			NENW	8	NWNW	8	SWNW	8	SENE	8	32	
			NESW	8	NWSW	8	SWSW	8	SESW	8	32	
			NESE	8	NWSE	8	SWSE	8	SESE	8	32	
			26	NENE	4	NWNE	8	SWNE	8	SENE	8	
		26	NENW		SWNW		SENE				0	
			NESW	40	NWSW	40	SWSW	40	SESW	40	160	
			NESE		SESE						0	
		27	SENE								0	Map 3
			SWSW		SESW						0	
			NESE	8	SWSE	8	SESE	8			24	
		28	SWSW	29	SESW	40					69	
			SWSE	8	SESE	8					16	
		33	NENE	4	NWNE	8					12	
			NENW	26	NWNW	26					52	
		34	NENE	6	NWNE	13	SWNE	11	SENE	11	41	
			NENW	40	NWNW	25	SWNW		SENE		65	
			NESE	25							25	
		35	NENE	8	NWNE	8	SWNE	8	SENE	8	32	Map 2
			NENW	8	NWNW	8	SWNW	8	SENE	8	32	
			NWSW	18	SWSW	37					55	
			SWSE	8	SESE	8					16	
		36	NENE	8	NWNE	8	SWNE	8	SENE	8	32	
			NENW	8	NWNW	8	SWNW	6	SENE	12	34	
			NESW	8	NWSW	2	SWSW	8	SESW	8	26	
			NESE	8	NWSE	8	SWSE	8	SESE	8	32	
10E		30	SWNW		SENE						0	Map 4
			NESW		NWSW	8	SWSW	8	SESW		16	
			SWSE		SESE						0	
		31	NENE		NWNE		SWNE		SENE		0	
			NENW		NWNW		SWNW		SENE		0	
			NESW	7	NWSW	13	SWSW	6	SESW	8	34	
		32	NESE	8	NWSE	8	SWSE	8	SESE	8	32	
			NWNW		SWNW						0	
			NESW		NWSW	8	SWSW	8	SESW	8	24	

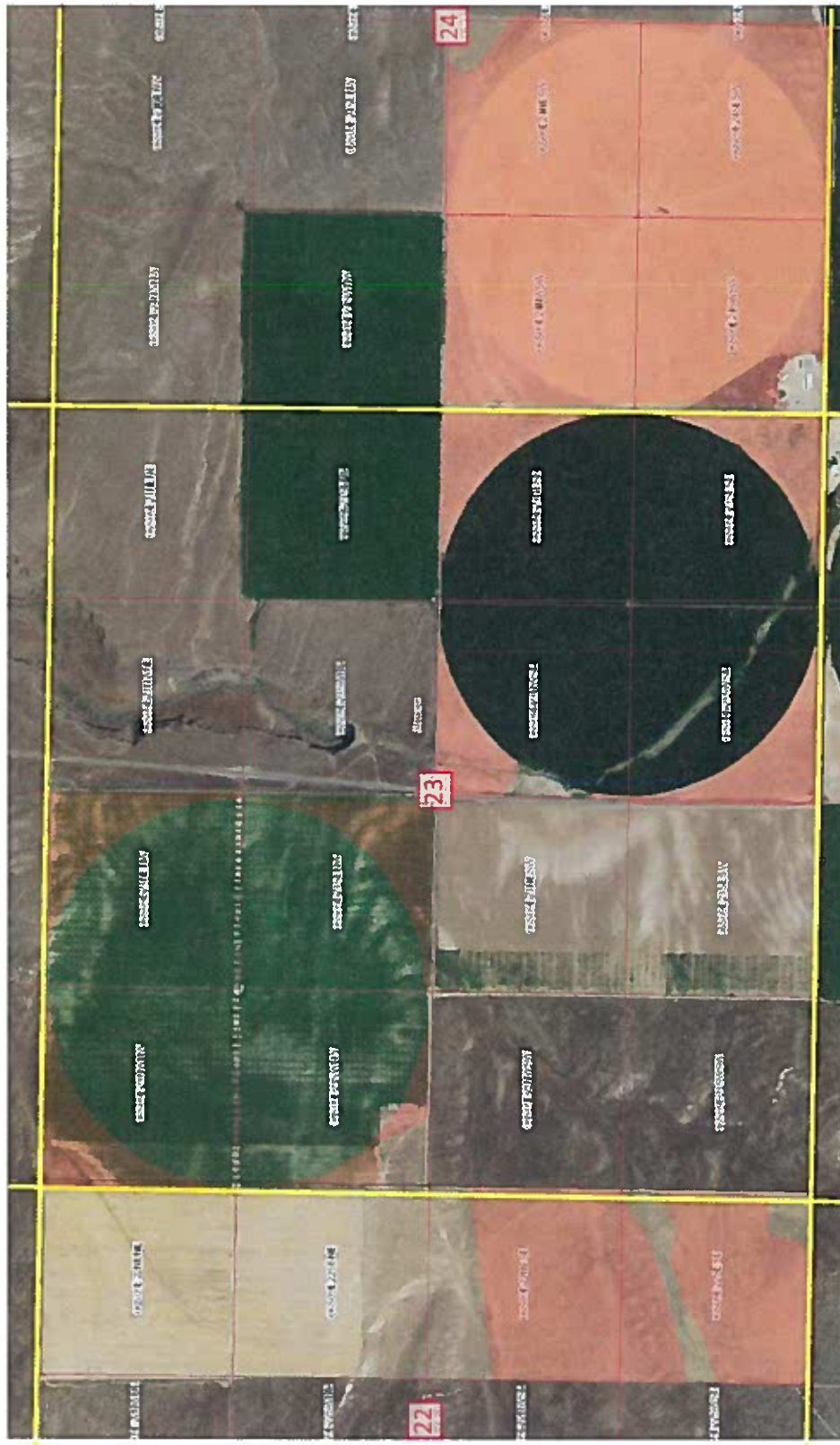
07S	09E	1			SWNE	4	SENE	8	12	Map 5
					SWNW		SENW	7	7	
		NESW	15	NWSW	SESW	31			46	
		NESE	8	NWSE	29	SWSE	36	SESE	8	
		2 SENE		SWNE					0	
		SENW		SWNW					0	Solosobal Map
		3 SENE							0	
		10 SESE	38						38	
		11 SWNE	39	SENE	38				77	
		NESW	40	SWSW	30	SESW	32		102	
		NESE		NWSE	40	SWSE	37	SESE	77	
		12 NESW		NWSW		SWSW		SESW	0	
		SWSE	18						18	
		13 NENE	40	NWNE	40	SWNE	40	SENE	40	
		NENW	40	SENW	33				73	
		NESE	36	NWSE	33				69	
		14 NWNW	40						40	
		15 NENE	40						40	
10E		4 SWNW		SENW					0	Map 7
		NESW	8	NWSW	8	SWSW	8	SESW	8	
		NESE	4	NWSE	8	SWSE	8	SESE	8	
		5 SWNE		SENE					0	Map 6
		SWNW		SENW					0	
		NESW	8	NWSW	8	SWSW	8	SESW	8	
		NESE	8	NWSE	8	SWSE	8	SESE	8	
		6 SENE							0	
		SWNW		SENW					0	
		NESW	16	NWSW	13	SWSW	6	SESW	6	
		NESE		SESE					0	
		7 NENE	40	NWNE	40	SENE	40		120	
		8 NENE	8	NWNE	8	SWNE	8	SENE	8	
		NENW	8	NWNW	8	SWNW	8	SENW	8	
		NESW		NWSW					0	
		NWSE		SWSE					0	
		9 NENE		NWNE		SWNE		SENE	0	
		NENW	8	NWNW	8	SWNW	8	SENW	8	Map 7
		NESW		NWSW					0	
		NESE	8	NWSE	8	SWSE	8	SESE	8	
		10 NWNW	25	SWNW	35				60	Map 8
		NESW	4	NWSW	10	SWSW	8	SESW	10	
		14 SWSW							0	
		15 NWNE		SWNE					0	
		NENW	8	NWNW	8	SWNW	8	SENW	8	
		NESW		NWSW		SWSW		SESW	0	
		NESE		NWSE		SWSE		SESE	0	

16	NENE		NWNE		SWNE		SENE		0	Map 9
	NENW	8	NWNW	8	SWNW	8	SENW	8	32	
	NESW	6	NWSW	15	SWSW	6	SESW	12	39	
	NESE	8	NWSE	8	SWSE	8	SESE	8	32	
17	NENE	8	NWNE	7	SWNE	7	SENE	8	30	Solosobal Map
18	SWNW	40							40	
	NESW	40	NWSW	40					80	Map 9
20	SWNE	40							40	
	NENW		NWNW		SWNW		SENW		0	
	NWSE	8	SWSE	8	SESE	8			24	
21	NENE	8	NWNE	8	SWNE	5	SENE	8	29	Map 8
	SENW								0	
	NESE		NWSE						0	Map 10
22	NENE		NWNE		SWNE		SENE		0	
	NWNW		SWNW		SENW				0	
	NESW	8	NWSW	8	SWSW	8	SESW	8	32	
	NESE	8	NWSE	8	SESE	8			24	Map 11
23	NENW	17	NWNW		SWNW		SENW		17	
	NESW	8	NWSW	8	SWSW	8	SESW	8	32	
			NWSE	8	SWSE	8	SESE	8	24	
26	NENE	8	NWNE	8	SWNE	8	SENE	8	32	Map 10
	NENW		NWNW						0	
27	NENE		NWNE		SWNE		SENE		0	
	NENW		SENW						0	
	NESW	8	SESW	8					16	Map 11
	NESE		NWSE		SWSE		SESE		0	
28	SWNE		SENE	8					8	
	NWNW	40	SWNW	8					48	
	NESW	8	NWSW	8					16	Map 10
	NESE	8	NWSE						8	
29	NENE		NWNE		SWNE		SENE	8	8	
	NESE	8	NWSE	8	SWSE	21	SESE	8	45	
34	NENE	8	NWNE	8						

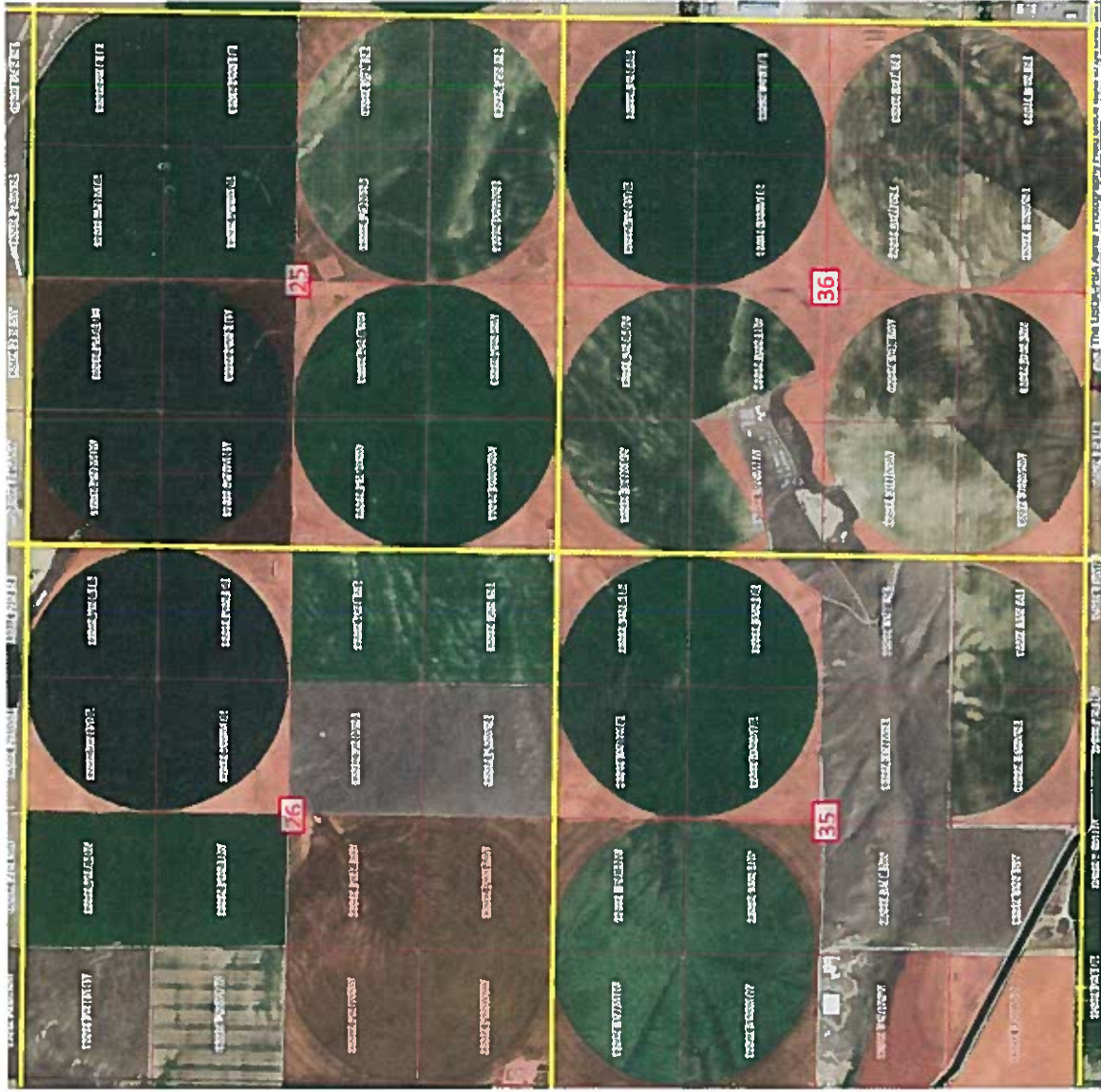
Total: 3258



T6S R9E S22, 23, & 24



T6S R9E S25, 26, 35, & 36



MAP 2

T6S R9E S27, 28, 33, & 34



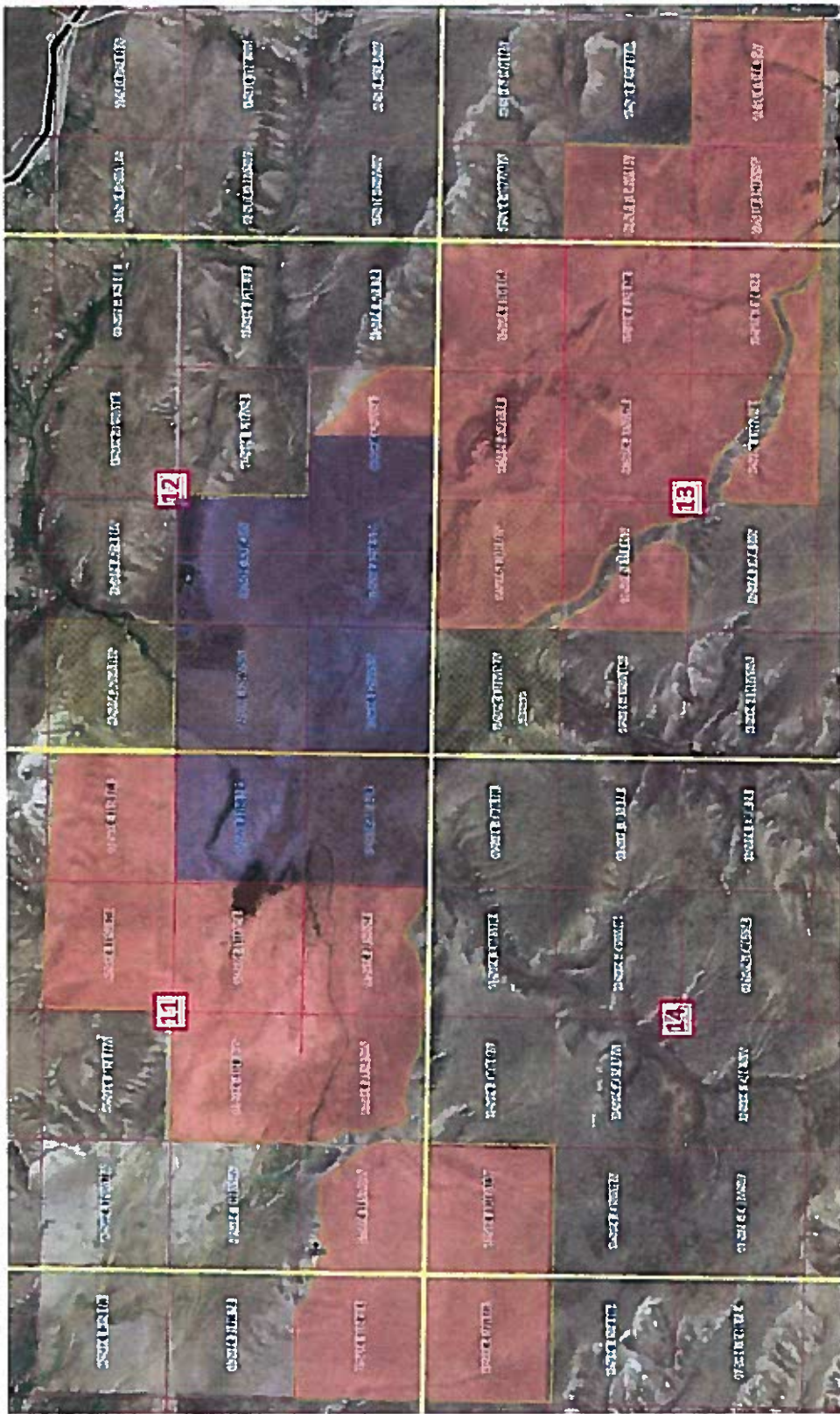
MAP 3

T6S R10E S30, 31, & 32



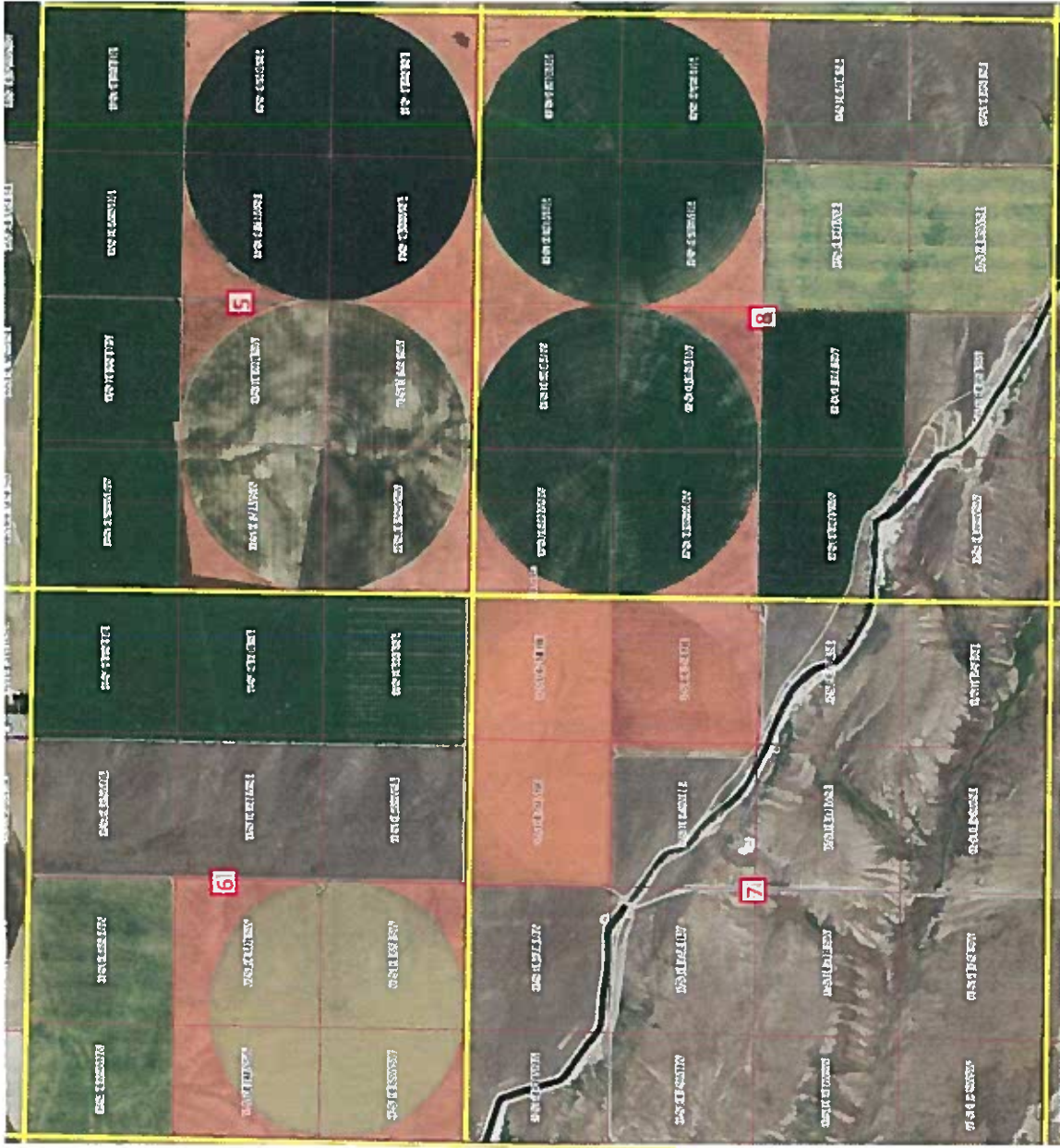
T7S R9E S1, 2, & 3





SOLOSABOL MAP

T7S R10E S5, 6, 7 & 8



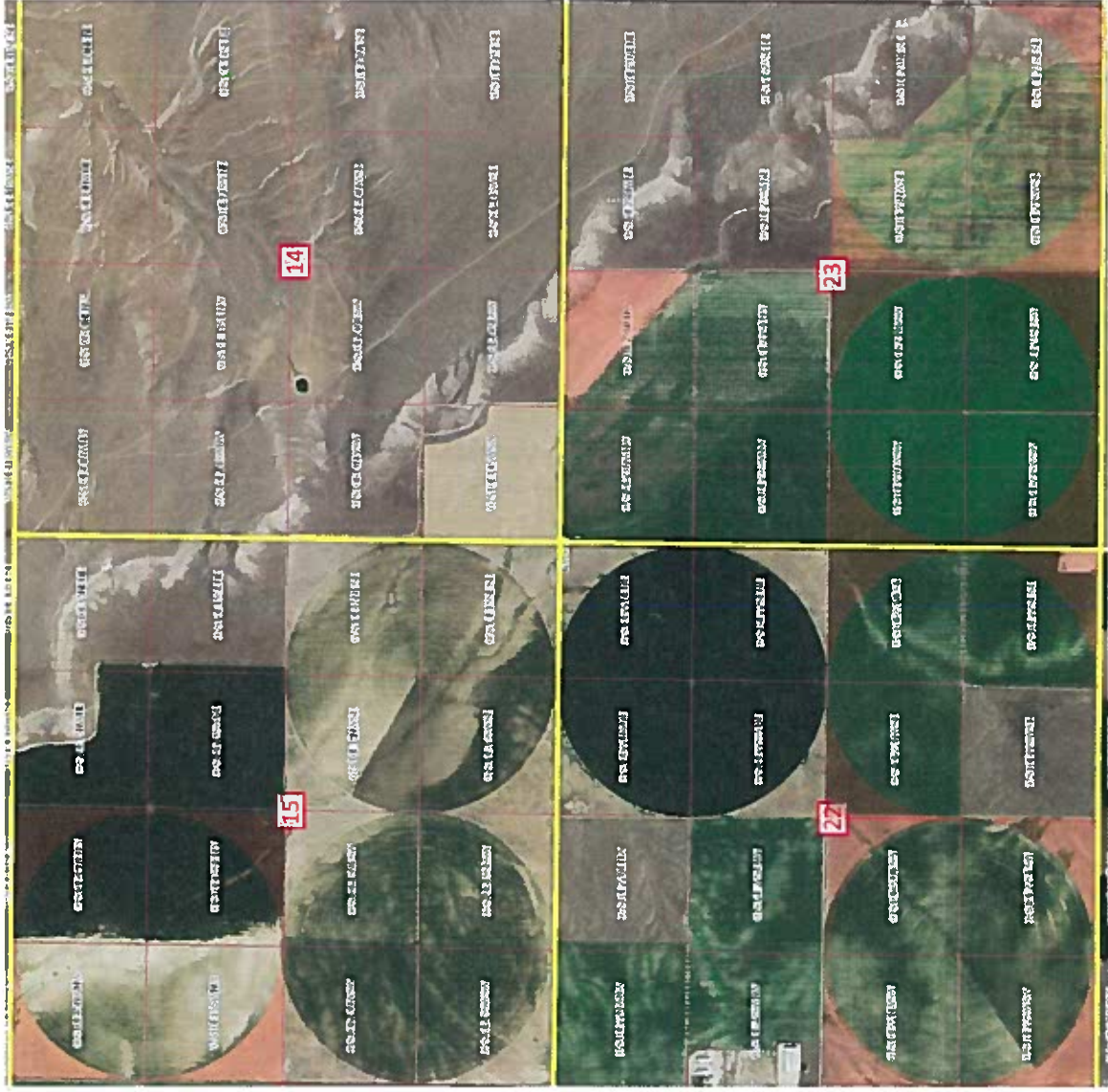
MAP 6

T7S R10E S3, 4, 9 & 10

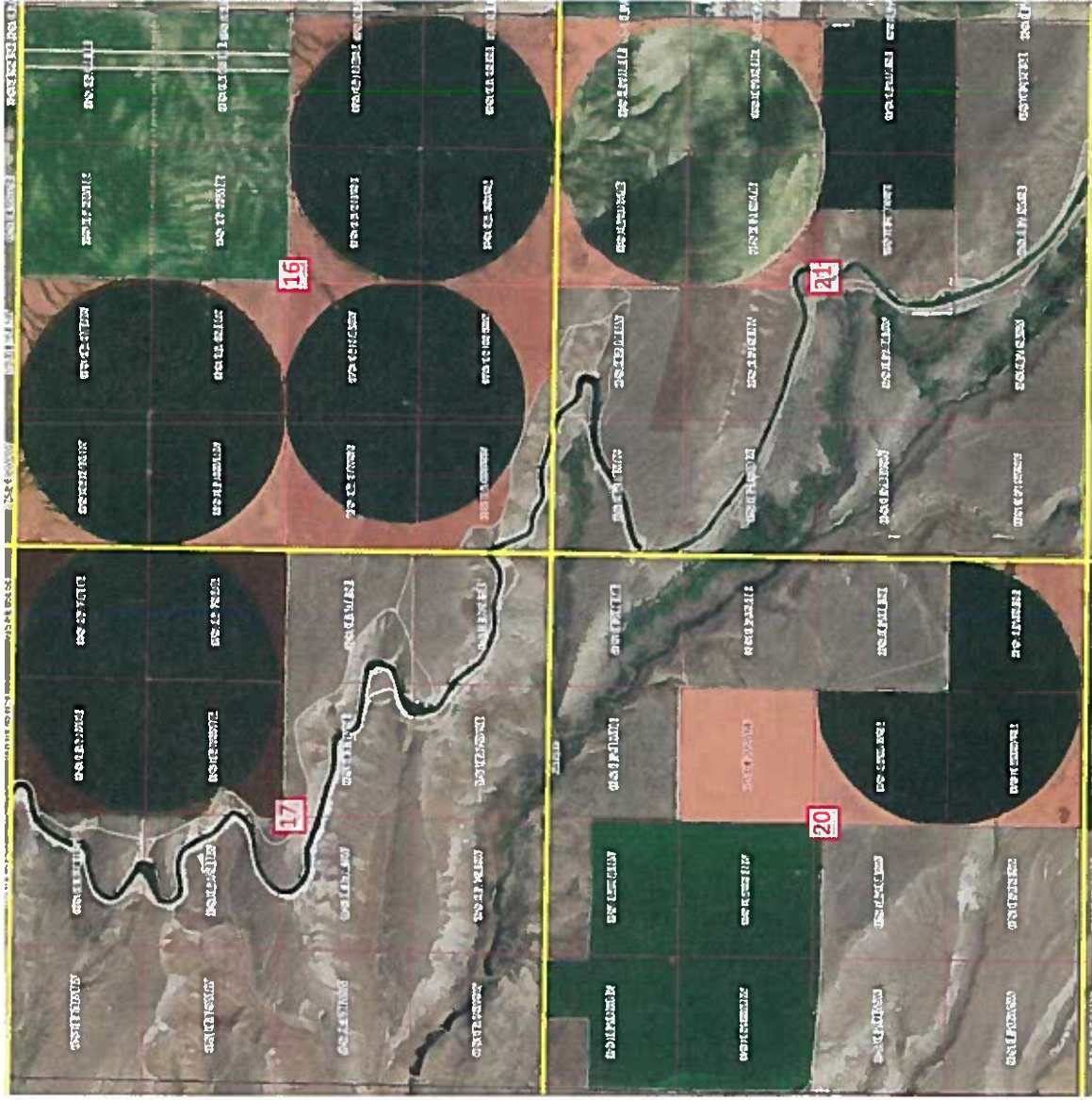


MAP 7

T7S R10E S14, 15, 22 & 23



T7S R10E S16, 17, 20 & 21



T7S R10E S26, 27 & 34



T7S R10E S28 & 29





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 19, 2017

GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE ID 83701

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 2-2262

Dear Lessor:

Water right 2-2262 was leased into the Water Supply Bank (Bank) as of May 19, 2017, in accordance with the enclosed executed lease contract. **Your water right, as described on the lease contract, is considered leased into the Bank and should remain unused until it is formally released from the Bank.** More information and further restrictions placed on your water right while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The right will automatically be released from the Bank on **December 31, 2017**, unless the right is 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 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. This form is available on our public website at www.idwr.idaho.gov. **Please note your water right may not be available for immediate release if it has been rented or is 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,


Rev Water Supply Bank

Enclosure: Executed Lease Contract

c: Angie Grimm - IDWR Western Region
Rob Whitney – Water District 02
John Marshall – John Marshall Law PLLC

John Marshall Law PLLC

575 W Bannock, Suite B
Boise, ID 83702

phone 208-991-2701
fax 208-906-8043
john@jmarshalllaw.com

RECEIVED

JUL 14 2017

DEPARTMENT OF
WATER RESOURCES

July 12, 2017

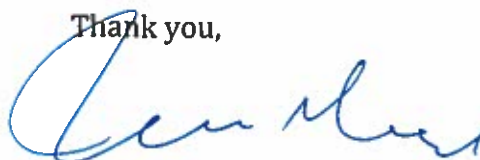
Idaho Department of Water Resources
Jean Hersley
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

Re: Grindstone Water Bank

Dear Jean:

Enclosed please find executed copies of Water Supply Bank Lease Contract No. 641.

Thank you,



John M. Marshall

Hersley, Jean

From: Whitney, Rob
Sent: Monday, July 10, 2017 1:47 PM
To: Hersley, Jean; Grimm, Angie
Subject: RE: WSB Lease Contract for 2-2262 Grindstone Butte Mutual Canal Co

No concerns here.

R

From: Hersley, Jean
Sent: Wednesday, July 05, 2017 1:43 PM
To: Whitney, Rob <Rob.Whitney@idwr.idaho.gov>; Grimm, Angie <Angie.Grimm@idwr.idaho.gov>
Subject: WSB Lease Contract for 2-2262 Grindstone Butte Mutual Canal Co

Please let me know within 7 days if you have any comments or concerns with this lease.

*Jean Hersley
Idaho Dept Water Resources
Technical Records Specialist II
208-287-4942*

Hersley, Jean

From: Grimm, Angie
Sent: Friday, July 07, 2017 4:06 PM
To: Hersley, Jean
Subject: RE: WSB Lease Contract for 2-2262 Grindstone Butte Mutual Canal Co

Jean,

No local area concerns come to my mind on this one. Thank you for the opportunity to comment.

Regards,
Angie

Angela M. Grimm, P.G.
Water Rights Supervisor
IDWR - Western Region
2735 Airport Way
Boise, ID 83705-5082
(208) 334-2190 phone
(208) 334-2348 fax

From: Hersley, Jean
Sent: Wednesday, July 05, 2017 1:43 PM
To: Whitney, Rob <Rob.Whitney@idwr.idaho.gov>; Grimm, Angie <Angie.Grimm@idwr.idaho.gov>
Subject: WSB Lease Contract for 2-2262 Grindstone Butte Mutual Canal Co

Please let me know within 7 days if you have any comments or concerns with this lease.

*Jean Hersley
Idaho Dept Water Resources
Technical Records Specialist II
208-287-4942*



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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

July 6, 2017

GRINDSTONE BUTTE MUTUAL CANAL CO
575 W BANNOCK ST STE B
BOISE ID 83702

RE: APPLICATIONS TO LEASE WATER RIGHT 2-2262 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 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.

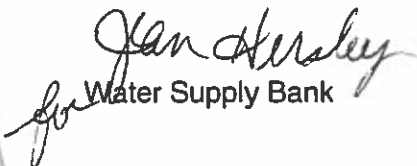
The right will automatically be released from the Bank on **December 31, 2017**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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 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,


Jan Hershey
Water Supply Bank

Enclosure: Proposed Lease Contracts

Hersley, Jean

From: John Marshall <john@jmarshalllaw.com>
Sent: Wednesday, July 05, 2017 8:58 AM
To: Hersley, Jean
Subject: Re: WSB Lease Application for Grindstone Butte Mutual Canal Co.

Jean, please use the 3274 number. Thank you,

John

On Mon, Jun 26, 2017 at 3:53 PM, Hersley, Jean <Jean.Hersley@idwr.idaho.gov> wrote:

The Department is in the process of reviewing the WSB Lease application filed on behalf of Grindstone Butte Mutual Canal Co. The total number of acres requested to be leased is 3258. Please review the attached copy of the acres. The total number of acres listed on the last page is 3274 acres. 16 acres in Township 07S, Range 10E, Section 34 were inadvertently left out in the total number.

Please let me know if you would like to leave the acres as applied for or increase to the 3274 acres. If you have any questions, please contact me at [\(208\) 287-4942](tel:208-287-4942). Thank you.

Jean Hersley

Idaho Dept Water Resources

Technical Records Specialist II

[208-287-4942](tel:208-287-4942)

WATER SUPPLY BANK
Agent Lease Review Checklist
Applicant(s) Name: Grindstone Butte Mutual Canal Co

Memo Date: June 23, 2017

Water Right Number(s): 2-2262

Reviewers Name: Jean

Quick Tools

Decreed Year	No Forfeiture Concerns Thru:
2010	2016
2011	2017
2012	2018
2013	2019
2014	2020

	Check box		COMMENTS/CONCERNS:
1	☒		
Fill out WSB Data Entry Checklist for Leases			
2	☒		
Reason for lease of water rights (Brief description of lease proposal in narrative)			
Portion of right			
All of right			
3	☒		
Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)			
Yes No			
4	☒		
Rentable? If no explain in comments			
5	☒		
Authority to file			
Current owner or designated applicant			
SOS Web site checked for business entity			
Other (explain in comments) Allen Noble-Director			
6	☒		
Water Right validity			
Decreed/Licensed/Statutory claim date (write in comments section) 2008			
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?			
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			
Complete a POU comparison overlap analysis			
Complete a combined limits review			
Complete POD overlap analysis (if there is an overlap add condition to lease)			
Yes No			
Are there overlapping rights that need to be placed in the bank also?			
Will the place of use continue to receive water?			
9	☒		
Local Public Interest			
Does the processor know of any problems this action will cause for the local public?			
10	☒		
Have you contacted regional office and watermaster for comment/concerns?			
Send the watermaster comment request form or e-mail request			
11	☒		
Area Headgate requirement			
12	☒		
Is water right involved in any other department action? Pull file and check database			
() Ownership Change () Transfer () Mitigation () Other - Explain in comments			

13 **Narrative:** The Department received this application on May 19, 2017. Aerial photography indicates no irrigation has taken place this season. Allen Noble, Director, signed the application. This right was decreed in 2008 and portions have either been irrigated or placed in the Bank since then. Forfeiture is not an issue. There are no overlapping rights. This right is currently within WD 02.

John Marshall Law PLLC

575 W Bannock, Suite B
Boise, ID 83702

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MAY 19 2017

DEPARTMENT OF WATER RESOURCES Phone 208-991-2701
Fax 208-906-8043
john@jmarshalllaw.com

May 19, 2017

Idaho Department of Water Resources
Jean Hersley
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

Re: Grindstone Water Bank

Dear Jean:

Enclosed please find an executed copy of the Application to Sell or Lease A Water Right to the Water Supply Bank for right 2-2262.

Thank you,



John M. Marshall