

RECEIVED

MAY 01 2017

DEPARTMENT OF
WATER RESOURCES**WATER SUPPLY BANK LEASE CONTRACT No. 627**

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

LESSOR: D & C PROPERTIES LLC
PO BOX 390
REXBURG, ID 83440

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 March 30, 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)
22-11900	4/15/1970	TETON CREEK, tributary to TETON RIVER	0.60	137.55	39.3
22-7394	4/22/1982	GROUND WATER	0.50	117.90	39.3
Combined Lease Totals			0.78	137.55	39.3

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, 2019. 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 DATAIN FILE # 22-7394

LEASE CONTRACT NO. 627

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. 627

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

LESSOR: D & C PROPERTIES LLC

PO BOX 390

REXBURG, ID 83440

By David J. Waller

Title member

Date 4-26-17

IDAHO WATER RESOURCE BOARD

322 East Front Street

P.O. Box 83720

Boise, ID 83720-0098

By Brian Patton

Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 5/1/2017

Lease approved by IDWR May W

Date 5-1-2017

**ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE
FOR LEASE CONTRACT NO. 627**

The water rights or portions thereof leased to the bank are described as follows:

Source and Location of Point(s) of Diversion for Water Right No(s): 22-7394

GROUND WATER SENESE Sec. 30 Twp 05N Rge 46E TETON County

Source and Location of Point(s) of Diversion for Water Right No(s): 22-11900

TETON CREEK (L 3)SENWSE Sec. 29 Twp 05N Rge 46E TETON County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From	to	To		
22-7394	IRRIGATION	04/15	to	10/15	0.500cfs	117.90 AF
22-11900	IRRIGATION	04/15	to	10/31	0.60 cfs	137.55 AF
Totals:					0.78 cfs	137.55 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05N	46E	30									38.0				1.3				39.3

Total Acres: 39.3

ADDITIONAL CONDITIONS OF ACCEPTANCE

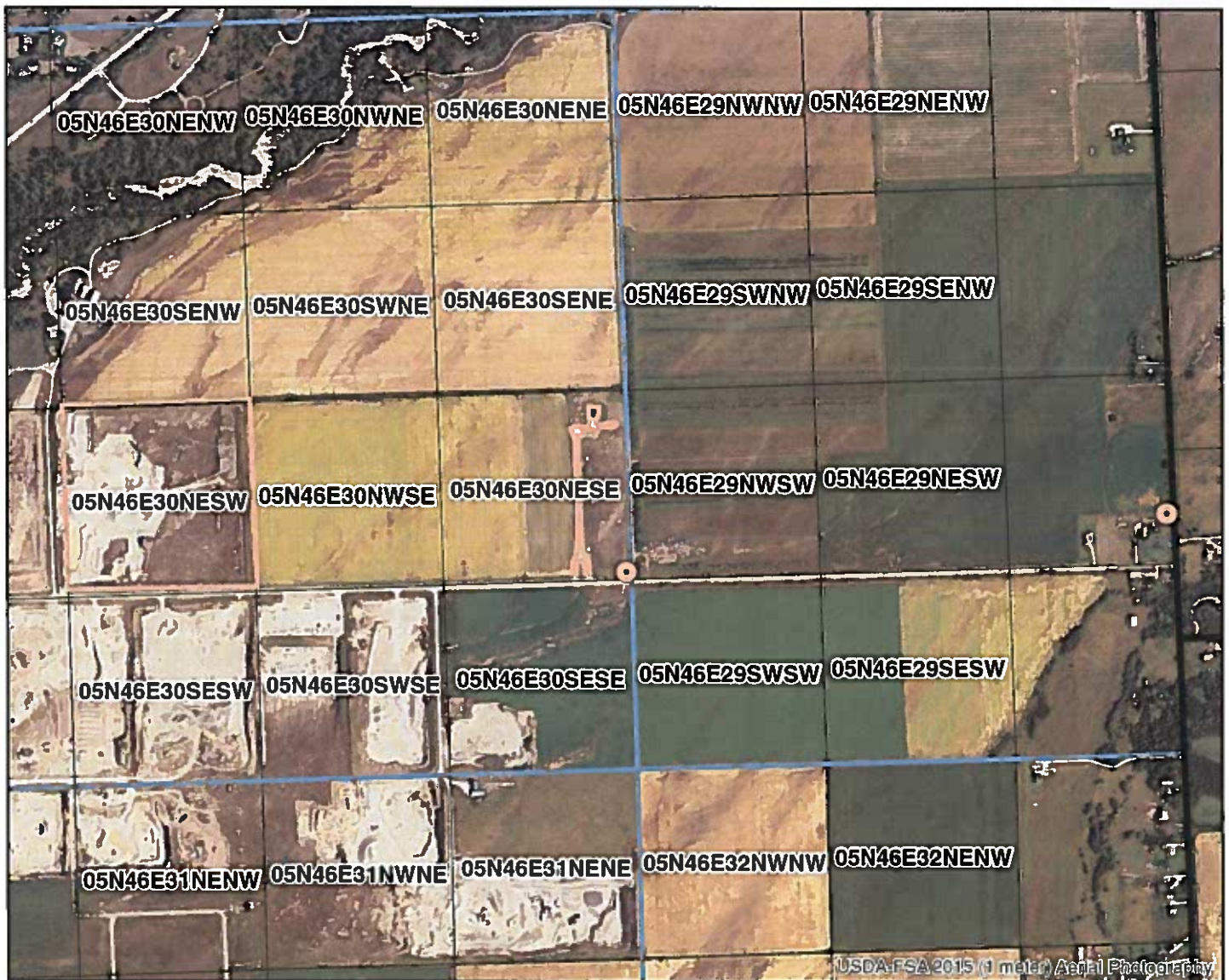
1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of 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. The point of diversion for this water right is in Wyoming in T44N R118W section 22 NESW. The point of diversion shown above is where the conveyance system enters Idaho.
13. The quantity of water diverted under water right 22-119900 shall be from the portion awarded to Idaho and deducted there from as set forth in *Roxana Canal Co. v. Daniels*, Equity No. 2447 (D. Wy. Feb. 4, 1941).
14. The unleased portions of the rights listed below are limited to a total combined diversion rate of 1.54 cfs. Combined Right Nos.: 22-7394, 22-11900.
15. The unleased portions of the rights listed below are limited to the irrigation of a combined total of 76.7 acres in a single irrigation season. Combined Right Nos.: 22-7394, 22-11900.
16. The use of water for irrigation under this right may continue to as late as October 31, provided other elements of the right are not exceeded. The use of water after October 15 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.
17. Water right 22-11900 is also recorded as Wyoming Certificated Water Right No. 7308E.
18. This water right is subject to the delivery provisions contained in *Roxana Canal Co. v. Daniels*, Equity No. 2447 (D. Wy. Feb. 4, 1941) ("Roxana decree"). Nothing in this Partial Decree is intended to relieve or alter the state of Idaho nor the state of Wyoming from their obligations contained in the Roxana decree.
19. Water right 22-11900 is delivered through South Side Ditch.
20. Use of water under these rights 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. 01.

Idaho Water Resource Board
Water Supply Bank Lease

22-7394 & 22-11900
Effective until December 31, 2019

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.



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

MAR 30 2017

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant D & C Properties, LLC

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

Water Right No. 22-7394

(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 \$ 250.00Received By: JedDate Received: 3-30-17Receipt # C103288W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)Name on W-9: D & C Properties LLC

803

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 D & C Properties, LLC

Mailing Address <u>PO Box 390</u>	<u>Rexburg</u>	<u>Idaho</u>	<u>83440</u>
Street	City	State	Zip Code

Email Address _____ Phone Number (208) 356-5491

☒ The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Applicant is representing additional water right holders who have completed Attachment 1A.

- B. Has the Designated Applicant submitted an IRS Form W-9 to this Department within the last 2 years? Yes ☐ No ☒
If no, complete the form and attach to this application (Attachment 1B).

- C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐
If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

- D. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☒ No ☐
If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1D).

Name of Representative Kristin Moore Organization Rocky Mountain Environmental

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

Mailing Address 482 Constitution Way, Suite 303, Idaho Falls, ID 83402 Phone Number 208-524-2353

☐ Send all correspondence for this application to the representative and not to the Designated Applicant.

OR

☒ Send original correspondence to the Designated Applicant and copies to the representative.

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

☐ The full water right is being offered to the Bank.

OR

☒ A part of the water right is being offered to the Bank.

If a portion of the water right is being offered, complete Attachment 2.

3. MAP

Attach a map of the point(s) of diversion and place(s) of use proposed to be idled by this lease application. Make sure the idled place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to idle. If the water right proposed for lease is located within a permissible place of use (PPU) and portions of the PPU will continue to receive water from non-leased water rights, clearly outline on a map the acres within the PPU that will continue to be irrigated, as well as acres that will be idled during the lease term. Label the map **Attachment 3**.

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

- A. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☒
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 4A).
If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to Section 42-108, Idaho Code and IDAPA WSB Rule 37.02.03, 25.02e.
- B. Please provide a description of the current water diversion and delivery system.
Water is diverted from a well and delivered through a mainline to the irrigation system

- C. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank. Water right no. 22-11900 is co-mingled with this water right. It is delivered through the South Side Ditch and is diverted into the same mainline.

- 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. Portions of water rights 22-7394 and 22-11900 were leased into the Water Supply Bank in 2014. prior to that they had not been use don these lands for several years.

- 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? Yes ☐ No ☒
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: 2017 to 2019 (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.

David Z. Walters
Signature of Designated Applicant

DAVID Z. WALTERS
Printed Name

3-14-17
Date

Signature of Authorized Representative

Printed Name

Date

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

TO: IDAHO DEPARTMENT OF WATER RESOURCES

FROM: D & C Properties, LLC

RE: Authorized Representatives

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

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

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

This authorizes these individuals to act as Representatives on behalf of D & C Properties, LLC. These representatives may submit information for D & C Properties, LLC, but are not authorized to sign D & C Properties, LLC. This designation is only for the Water Banking of 38.3 acres of the following two (2) water right(s):

22-11900
22-7394

<u>David J. Walters</u> Signature	<u>DAVID J. WALTERS</u> Printed Name	<u>3-14-17</u> Date
_____ Signature	_____ Printed Name	_____ Date
_____ Signature	_____ Printed Name	_____ Date
_____ Signature	_____ Printed Name	_____ Date

**STATE OF IDAHO
WATER RESOURCE BOARD**

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

ATTACHMENT 2

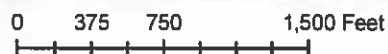
DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

1. <u>Water Right Number</u>	Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
<u>22-7394</u>	<u>Irrigation</u>	<u>0.50</u>	<u>114.9</u>	<u>38.3</u>
Total Amounts:				

2. Source of water Teton Creek tributary to Teton River

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
5N	46E	30		SE	NE	SE	Teton



Rocky Mountain
ENVIRONMENTAL
ASSOCIATES, INC.



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

May 2, 2017

D & C PROPERTIES LLC
PO BOX 390
REXBURG ID 83440

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHTS 22-7394 and 22-11900

Dear Lessor:

Water rights **22-7394 and 22-11900** were leased into the Water Supply Bank (Bank) as of March 30, 2017, in accordance with the enclosed executed lease contract. **Your water rights, as described on the lease contract, are considered leased into the Bank and should remain unused until they are formally released from the Bank.** More information and further restrictions placed on your water rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The rights will automatically be released from the Bank on **December 31, 2019**, unless the rights are released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water rights from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at www.idwr.idaho.gov. **Please note your water rights may not be available for immediate release if they have been rented or are being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

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

Sincerely,


For Water Supply Bank

Enclosure: Executed Lease Contract

c: James Cefalo - IDWR Eastern Region
Lyle Swank - Water District 01
Kristin Moore - Rocky Mountain Environmental



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

April 14, 2017

D & C PROPERTIES LLC
PO BOX 390
REXBURG ID 83440

RE: APPLICATIONS TO LEASE WATER RIGHT 22-7394 & 22-11900 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, 2019**, 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,


for Water Supply Bank

Enclosure: Proposed Lease Contracts
Receipt # C103288

c: Rocky Mountain Environmental

WATER SUPPLY BANK

Agent Lease Review Checklist

Applicant(s) Name: D & C Properties

Memo Date: April 13, 2017

Water Right Number(s): 22-7394 & 22-11900

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	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)		
	Yes No	
4 Rentable? If no explain in comments	x	
5 Authority to file		
Current owner or designated applicant	x	
SOS Web site checked for business entity	x	
Other (explain in comments)		
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?		2014-2016
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	
Complete a combined limits review	x	
Complete POD overlap analysis (if there is an overlap add condition to lease)	x	
	Yes No	
Are there overlapping rights that need to be placed in the bank also?		x
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	
Send the watermaster comment request form or e-mail request	x	
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

Narrative: The Department received these applications on March 30, 2017. The applicant wishes to place 38.3 acres of these rights in the Bank. After asking for clarification, the consultant changed the acres to 39.3. See email in file. David Z Walters, member, signed the applications. There is a lot in the NESE that D & C Properties doesn't own but retained the water rights. The portions of this qq going into the Bank, is the land under the road and house. Water rights 22-7394 and 22-11900 were decreed on 12/2/2008. They overlap the same place of use for both beneficial uses. Both 22-7394 and 22-11900 are subject to a combined use limit of 116 acres in a single irrigation season and a combined diversion rate of 2.32 cfs.

Water right 22-11900 (Teton Creek surface water) is delivered via South Side Ditch. It is also recorded as Wyoming Certificated Water Right No. 7308E. This water right is subject to the delivery provisions contained in the "Roxana decree," Equity No. 2447 (see WR conditions). These rights are currently within WD 01.



201478 NOV 25 08 PM 2:37

1-35-Walters-KL
ALLIANCE TITLE & ESCROW
P.O. BOX 732
HEABURG, ID 83440

WARRANTY DEED

FOR VALUE RECEIVED

Dave Z. Walters and Charlene B. Walters, husband and Wife

the grantor(s), do(es) hereby grant, bargain, sell and convey unto

James David Walters and Amber Walters, Husband and Wife

whose current address is

P O Box 560 Victor, Idaho 83455

the grantee(s), the following described premises, in Teton County, Idaho, TO WIT:

Lot 4 of the Final Plat of Old Farm Subdivision, as per the recorded plat, Instrument No. 201107

All water rights are reserved to the Grantor

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee(s), that (s)he is/are the owner(s) in fee simple of said premises; that they are free from all encumbrances Except: Current Year Taxes, conditions, covenants, restrictions, reservations, easements, rights and rights of way, apparent or of record.

And that they will warrant and defend the same from all lawful claims whatsoever.

Dated: 11-24-08

Dave Z. Walters

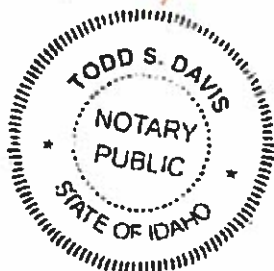
Charlene B. Walters

State of Idaho

County of Madison

On this 24 day of November, in the year 2008 before me, a Notary Public in and for said state, personally appeared Dave Z. Walters and Charlene B. Walters known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.



Notary Public for the State of
Residing at:
Commission Expires:

Residing in Sugar City, ID
Commission exp 12-21-2011

This instrument filed
as an accommodation only.
It has not been examined
as to it's execution, insurability
or effect on title.

Instrument # 201478
TETON COUNTY, IDAHO
11-25-2008 02:37:00 No. of Pages: 2
Recorded for: ALLIANCE TITLE
MARY LOU HANSEN
Ex-Officio Recorder Deputy
Index to DEED WARRANTY
Fee: \$6.00

State of Idaho

}
} ss.
}

County of Madison

On this 24 day of November, in the year 2008, before me, a Notary Public in and for said state, personally appeared Charlene B. Walters known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that executed the same.

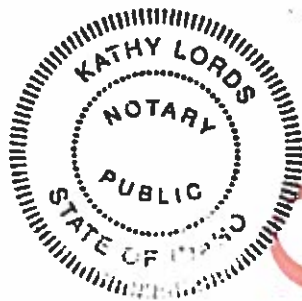
IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Kathy Lords

Notary Public for the State of Idaho

Residing at: *1111 1st St. N.*

Commission Expires: *4/23/2011*





201477 NOV 25 08 PM 2 36

1-35-Walters-LL
ALLIANCE TITLE & ESCROW
P.O. BOX 732
REXBURG, ID 83440

WARRANTY DEED

FOR VALUE RECEIVED

D & C Properties, LLC, an Idaho Limited Liability Company

the grantor(s), do(es) hereby grant, bargain, sell and convey unto

Dave Z. Walters and Charlene B. Walters, Husband and Wife

whose current address is

342 W 4th N Rexburg, Idaho 83440

the grantee(s), the following described premises, in Teton County, Idaho, TO WIT:

Lot 4 of the Final Plat of Old Farm Subdivision, as per the recorded plat, Instrument No. 201107

All water rights are reserved to the grantor

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee(s), that (s)he is/are the owner(s) in fee simple of said premises; that they are free from all encumbrances Except: Current Year Taxes, conditions, covenants, restrictions, reservations, easements, rights and rights of way, apparent or of record.

And that they will warrant and defend the same from all lawful claims whatsoever.

Dated: 11-24-08

Dave Z. Walters, member

Charlene B. Walters, member

State of Idaho

County of Madison

On this 24 day of November 2008, before me, a Notary Public in and for said state, personally appeared Dave Z. Walters and Charlene B. Walters, known or identified to me to be the Managing Members in the Limited Liability Company known as D & C Properties, LLC, who executed the foregoing instrument, and acknowledged to me that they executed the same in said LLC name.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Notary Public for the State of
Residing at:
Commission Expires:

Residing in Sugar City ID
Commission exp 12-21-2011

This instrument filed
as an accommodation only.
It has not been examined
as to it's execution, insurability
or effect on title.

Instrument # 201477

TETON COUNTY, IDAHO

11-25-2008 02:38:30 No. of Pages: 2

Recorded for: ALLIANCE TITLE

MARY LOU HANSEN

Ex-Officio Recorder Deputy

Fee: \$ 0.00

WARRANTY

State of Idaho

County of Madison

} ss.

On this 24 day of November, in the year 2008, before me, a Notary Public in and for said state, personally appeared Charlene B. Walters known or identified to me to be the person whose name is subscribed to the within instrument and acknowledged to me that executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Kathy Lords
Notary Public for the State of Idaho
Residing at: Bozeman, Id
Commission Expires: 4/23/2011



NOT A LEGAL COPY

Hersley, Jean

From: Kristin Moore <kristin.rmea@gmail.com>
Sent: Thursday, April 13, 2017 1:47 PM
To: Hersley, Jean
Subject: RE: WSB Lease Application for D & C Properties
Attachments: Deed_WaltersJ.aspx.pdf; Deed_DCPProp_Walt.pdf; WRPOU22_11900_wsb2017.dbf; WRPOU22_11900_wsb2017.prj; WRPOU22_11900_wsb2017.sbn; WRPOU22_11900_wsb2017.sbx; WRPOU22_11900_wsb2017.shp; WRPOU22_11900_wsb2017.shx

Jean,

The water rights were reserved by D & C Properties prior to the parcel on the east side of the property being sold to Dave Walters, and then James Walters. I have attached a copy of the deeds.

We calculated that there are 37 acres in the NESW and 1.3 acres in the NWSW. I think the discrepancy came in rounding for the NESW. Our measured acres are 37.4. However, a vertex was not snapped to the corner of the QQ, which reduced our measurements by 0.4 acre. So the NESW should measure 38 acres and the NWSW should measure 1.3 acres. The total acreage should be 39.3 acres. Do you need me to amend the application? Or can you move forward with the information you have? I have attached a copy of our updated shapefile.

Thank you,

Kristin Moore
Senior Water Rights Analyst
482 Constitution Way, Ste 303, Idaho Falls, ID 83402
E-Mail: kristin.rmea@gmail.com
VOICE: 208-524-2353 ||| FAX: 208-524-1795



CONFIDENTIALITY NOTICE: This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination or distribution of this communication to other than the intended recipient is strictly prohibited. If you have received this communication in error, please notify us immediately by reply email to the sender or collect telephone call to (208) 524-2353. *Thank you.*

From: Hersley, Jean [mailto:Jean.Hersley@idwr.idaho.gov]
Sent: Thursday, April 13, 2017 9:01 AM
To: kristin.rmea@gmail.com
Subject: WSB Lease Application for D & C Properties

The department received your request to place a portion of water rights 22-7394 and 22-11900 in the Water Supply Bank. The map you provided highlights land in Township 05N, Range 46E Section 30, NESE to be placed in the Bank. This portion includes a home and driveway, that is owned by James David Walters. Does the applicant have permission from the land owner to place their portion of the water rights in the Bank? I'm assuming its all owned by the same family, but the Department still has to ask the question.

Also, when I plot out the acres requested in this QQ, it is 1 acre. The application listed as 0.3 acres. When I draw up the contract, it will be for 39 acres instead of the 38.3 requested unless you show the Department how you came up with the 0.3 acres. Could you send me your shape files?

Please provide the requested 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. If you have any questions, please contact me at the number below. A hard copy of this request will go out in today's mail. Thank you.

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

No. W 30950	Due no later than Jun 30, 2016 Annual Report Form		2. Registered Agent and Address (NO PO BOX)			
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	1. Mailing Address: Correct in this box if needed. D & C PROPERTIES, LLC DAVID Z WALTERS 342 W 4TH N REXBURG ID 83440		DAVID Z WALTERS 342 W 4TH N REXBURG ID 83440			
			3. <u>New</u> Registered Agent Signature:*			
4. Limited Liability Companies: Enter Names and Addresses of at least one Member or Manager.						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
MEMBER	DAVID Z WALTERS	577 S 5TH W	REXBURG	ID		83440
MEMBER	CHARLENE B WALTERS	577 S 5TH W	REXBURG	ID		83440
5. Organized Under the Laws of: ID W 30950		6. Annual Report must be signed.* Signature: Shauna Hurd Name (type or print): Shauna Hurd Date: 04/26/2016 Title: Office Manager				
Processed 04/26/2016		* Electronically provided signatures are accepted as original signatures.				



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

April 13, 2017

D & C PROPERTIES LLC
PO BOX 390
REXBURG ID 83440

**RE: ADDITIONAL INFORMATION REQUEST FOR PROCESSING APPLICATION TO LEASE
WATER RIGHT NO(S) 22-7394 and 22-11900 TO THE WATER SUPPLY BANK**

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

Dear Applicant:

The Idaho Department of Water Resources (Department) received your request to place a portion of water rights 22-7394 and 22-11900 in the Water Supply Bank.

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:

- The map you provided highlights land in Township 05N, Range 46E Section 30, NESE to be placed in the Bank. This portion includes a home and driveway that is owned by James David Walters. Does the applicant have permission from the land owner to place their portion of the water rights in the Bank? I'm assuming its all owned by the same family, but the Department still has to ask the question.
- Also, when I plot out the acres requested in this QQ, it is 1 acre. The application listed as 0.3 acres. When I draw up the contract, it will be for 39 acres instead of the 38.3 requested unless you show the Department how you came up with the 0.3 acres. Could you send me your shape files?

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,

Jan Hershey
for Water Supply Bank

c: Rocky Mountain Environmental