

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT NO. 2

This is to certify that:

MICHELLE WOLF
PO BOX 433
FAIRFIELD, ID 83327

RECEIVED
JAN 18 2017
DEPARTMENT OF
WATER RESOURCES

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)
37-7505A	7/21/1976	GROUND WATER	0.26	94.5	31.5	0.008	3.0
Rental Totals			0.26	94.5	31.5	0.008	3.0

Term of Rental: This rental shall take effect when all parties have signed it and shall continue in effect until December 31, 2020.

Annual Rental Fee:

2017:	\$160.65
2018:	\$189.00
2019:	\$189.00
2020:	\$189.00

The full fee for the rental of the above-described right(s) is \$1,606.50 for 2017 and \$1,890.00 per year for years 2018 - 2020. The rental fee includes an administrative fee of \$160.65 for 2017 and \$189.00 per year for years 2018 - 2020. Note that the renter is obligated to pay only the administrative fees associated with the water right(s) 37-7505A.

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 2

Beneficial Use	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate/Acre (CFS/AC)	Volume/Acre (AF/AC)
IRRIGATION	0.26	94.5	31.5	0.008	3.0
Total	0.26	94.5	31.5	0.008	3.0

Detailed water right conditions are attached.

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:

Michelle Wolf
Signature of Renter

1/13/17
Date

Michelle Wolf
Printed Name

OWNER
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
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date 1/23/2017

Rental approved by IDWR By Web

Date 1-23-2017

WATER SUPPLY BANK RENTAL AGREEMENT NO. 2

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER NENW Sec. 33, Twp 01S, Rge 14E, CAMAS County

Beneficial Use	Diversion Rate	Volume
IRRIGATION	0.26 CFS	94.5 AF

BENEFICIAL USE & SEASON OF USE

Water Right No.	From	To	Diversion Rate
37-7505A	4/1	11/1	0.26 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	
01S	14E	33			0.4	30.0									1.1				31.5

Total Acres: 31.5

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. This rental for mitigation by non-use may be ineffective if the mitigating water right is not in priority.
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. Diversion of ground water under this rental agreement shall only occur when surface water availability declines and application of water is limited to the authorized 31.5 acre place of use.
9. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre for irrigation of the lands above.
10. The right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion(s).

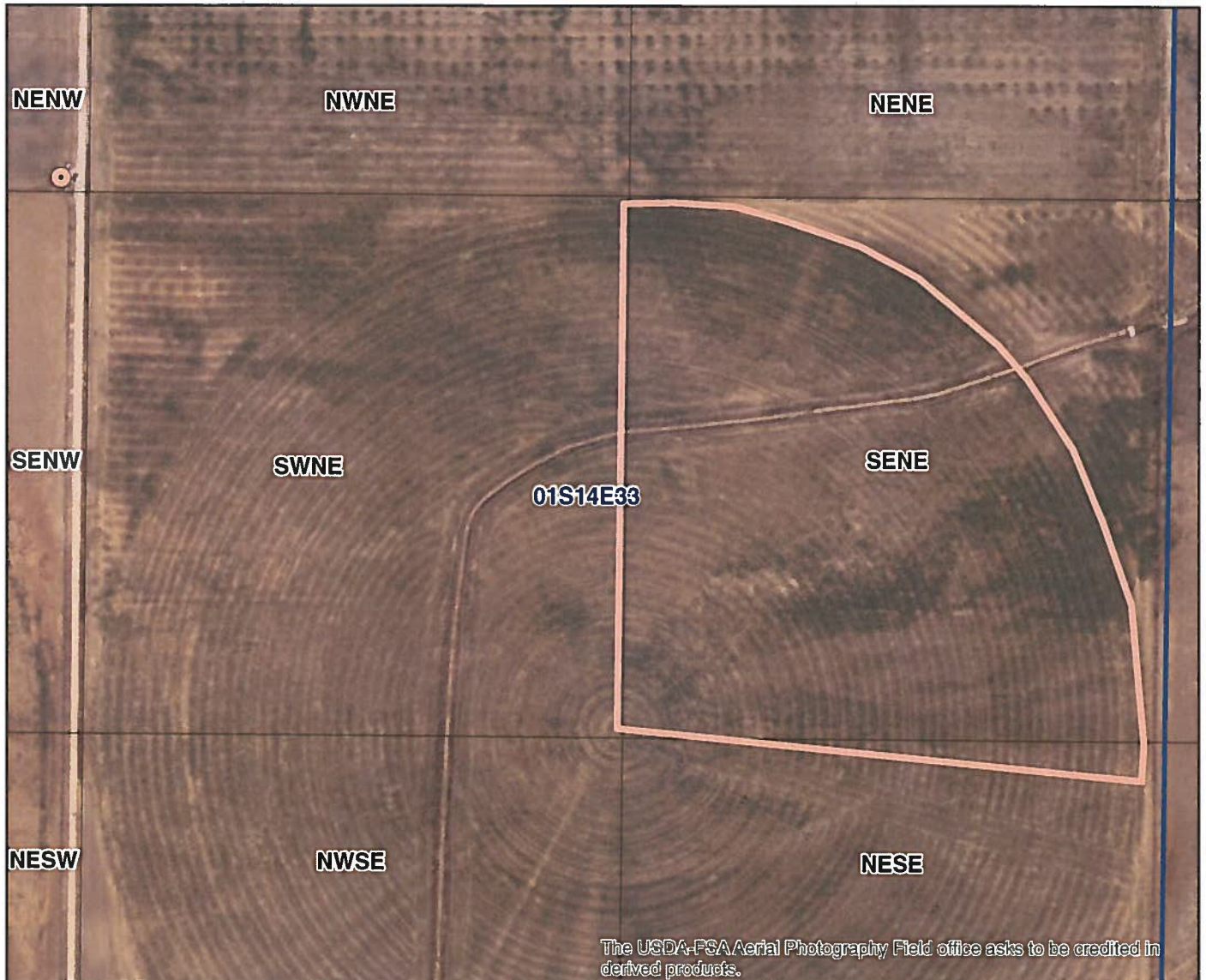
11. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 37B.
12. The following rights are diverted through point(s) of diversion described above: 37-7293.
13. This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.



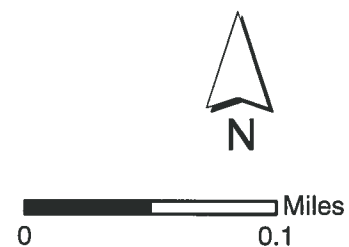
Idaho Water Resource Board Water Supply Bank Rental Agreement

Effective until December 31, 2020

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



-  Authorized Rental Point of Diversion
-  Authorized Rental Place of Use
-  Townships
-  PLS Sections
-  Quarter Quarters



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

APR 19 2016

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANKApplicant Name: Michelle Wolf

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 *Application to Rent Water from the Board's Water Supply Bank*
- ☒ 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)

**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Michelle Wolf

Mailing Address <u>PO Box 433</u>	Fairfield	ID	83327
Street	City	State	Zip Code
Email Address <u>mlwolf@wildblue.net</u>	Phone Number <u>208-320-2624</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>Candice McHugh/Chris Bromley</u>	Professional Title <u>Attorney</u>
Organization <u>McHugh Bromley, PLLC</u>	Relationship to Applicant <u>Attorney</u>
Mailing Address <u>380 S. 4th St., Ste. 103 Boise, ID 83702</u>	
Email Address <u>cmchugh@mchughbromley.com</u>	Phone Number <u>208-287-0991</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**:

Irrigation to be used to supplement irrigation on the place of use that is currently irrigated with water shares from Mormon Reservoir.

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)
CFS	AF	.26 CFS	94.5 AF	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?	
06/05/2016	07/15/2016	☒ 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):

Through the existing well, pipes, pivots and handlines.

- 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
T1S, R14E, S33 NENW	pump from groundwater	37-7293

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 _____ (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:

The place of use is irrigated with water from Mormon Reservoir shares as well; however, Mormon Reservoir does not fill on a regular basis and is not able to supply water for the full irrigation season.

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)
37-7505A	Irrigation	.26	94.5	31		.25	94.5	31
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	.25	93	31
						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**:

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**:

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:

- 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:

I have not decided whether I will file a transfer, but if a permanent water source proves necessary, I would file a transfer to this place of use.

- 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.

- D. Additional Information

The purpose of this rental is to provide an additional amount of water to the place of use and the crop will benefit from the minimum of amount of water requested in this application. The pump and diversion system that the point of diversion is sufficient to pump the additional water that is applied for in this rental application.

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.

Michelle Wolf
Signature of Applicant

Michelle Wolf
Printed Name of Applicant

4/19/16
Date

Candice McHugh
Signature of Representative

Candice McHugh
Printed Name of Representative

4/19/16
Date

Mail to:

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

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

RECEIVED
JUN 19 2014
DEPARTMENT OF
WATER RESOURCES

In Re SRBA

Case No. 35576

PARTIAL DECREE PURSUANT TO
I.R.C.P. 54(b) FOR

Water Right 37-07293

NAME AND ADDRESS: MICHELLE WOLF
PO BOX 433
FAIRFIELD, ID 83327

SOURCE: GROUND WATER

QUANTITY: 6.59 CFS
1887.00 APY

PRIORITY DATE: 10/10/1973

POINT OF DIVERSION: T01S R14E S33 NENW Within Camas County

PURPOSE AND PERIOD OF USE:	PURPOSE OF USE	PERIOD OF USE	QUANTITY
	Irrigation	04-01 TO 11-01	6.59 CFS 1887.00 APY

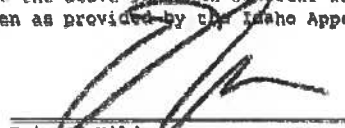
PLACE OF USE:	Irrigation	Within Camas County
T01S R14E S28	NENW 39.0 SWNW 40.0 NENE 40.0 SWSW 39.0 NESE 39.0 SWSE 39.0	NWNW 39.0 SENW 40.0 NWSW 40.0 SESW 39.0 NWSE 40.0 SESE 39.0
S33	NENB 39.0 NENW 39.0	NWNE 39.0 NWNW 39.0
629.0 Acres Total		

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS
NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT
ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY
DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE
ENTRY OF A FINAL UNIFIED DECREE, I.C. SECTION 42-1412(6).

RULE 54(b) CERTIFICATE

With respect to the issues determined by the above judgment or order, it is hereby CERTIFIED, in accordance with Rule 54(b), I.R.C.P., that the court has determined that there is no just reason for delay of the entry of a final judgment and that the court has and does hereby direct that the above judgment or order shall be a final judgment upon which execution may issue and an appeal may be taken as provided by the Idaho Appellate Rules.

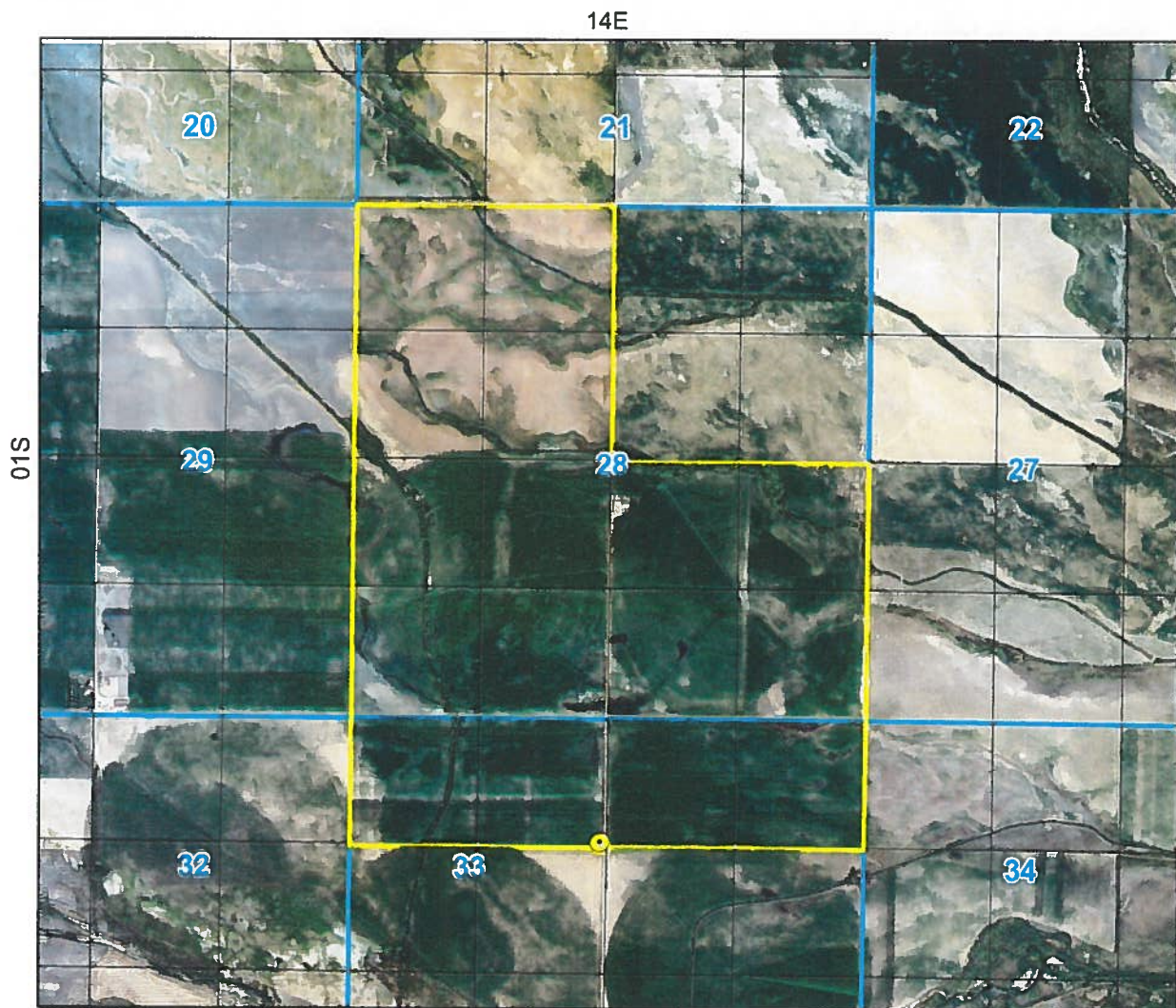

Eric A. Wilman
Presiding Judge of the
Snake River Basin Adjudication

State of Idaho
Department of Water Resources

Water Right
37-7293

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.

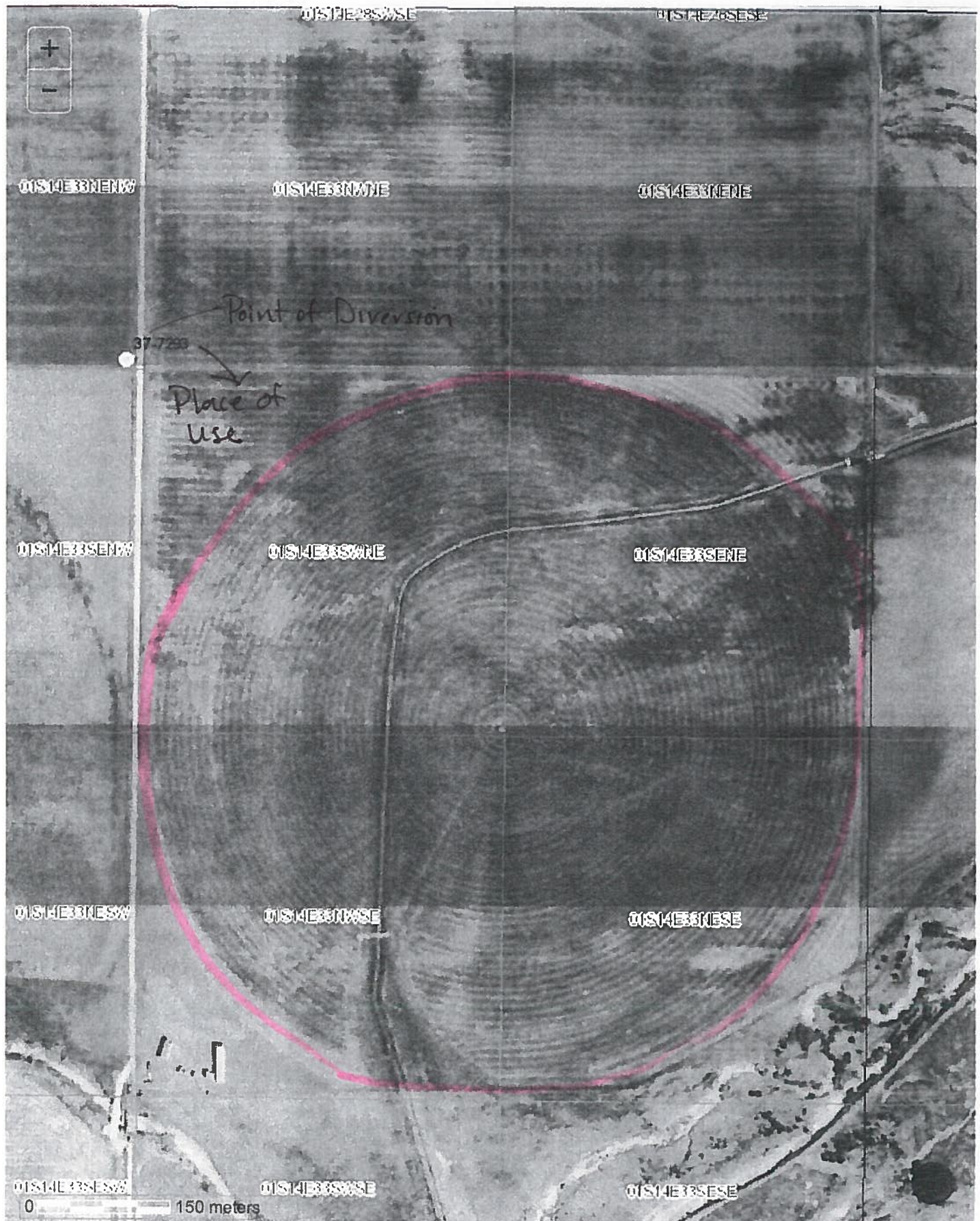


-  Point of Diversion
-  Place Of Use Boundary
-  Townships
-  PLS Sections
-  Quarter Quarters

0 0.225 0.45 0.9 Miles



Attachment 2 - Wolf Rental Application



LEASE AGREEMENT

THIS AGREEMENT, made and entered into this 23 day of January, 2007, by and between Rex McPhaul and Miriam McPhaul Trustees McPhaul Living Trust, whose address is 14 Winged Foot Drive, Novato, California 94949, hereinafter referred to as the "LESSOR", and WOLF ONE FARMS, INC., an Idaho corporation, the address of which is P.O. Box 433, Fairfield, Idaho 83327, hereinafter referred to as the "LESSEE";

WITNESSETH: That for and in consideration of the performance of each of the terms and conditions herein set forth, in the time and manner herein provided, time being expressly made of the essence of this AGREEMENT, the LESSOR by these presents promises and agrees to lease to the LESSEE, and the LESSEE hereby agrees to lease from the LESSOR, the following described real property lying, being and situation in the County of Camas, State of Idaho, more fully described as follows, to-wit:

Description: Tax #1068, E2SE4, SW4SE4, SEC 28 T1S R14E

Tax #1067, W2, SEC 28 T1S R14E

NE4, N2NW4, N2SE4 SEC 33 T1S R14E

It is specifically understood and agreed by and between the parties hereto, that the LESSOR is the owner of the above-described premises and has

the right and authority to enter into this lease with the LESSEE upon the following terms and conditions, to-wit:

1. **TERM OF LEASE.** The initial term of this lease shall be for a period of seven years, commencing November 1, 2006 and ending upon November 1, 2013.

2. **RENEWAL.** At the end of the third year of each lease term, this lease shall automatically extend for an additional three years under the same terms and provisions as this lease, unless either party gives notice to the other party in writing at least thirty (30) days prior to the third year anniversary of this lease that they do not wish to continue after the termination of the lease. (By way of illustration of this Paragraph the following would occur – at the end of the third year (assumed to be November 30, 2009) of the lease neither party gives notice of termination to the other party – the lease would automatically extend the termination date to November 30, 2016. At the end of the next three year period November 30, 2012 the same would occur with a new termination date of November 30, 2019. However if either party notified the other within the thirty day provision effective November 30, 2009 or 2012 of their cancellation wishes, the lease would expire November 2013 or 2016 respectively).

3. **CONSIDERATION.** The LESSOR reserves the right as rents and the LESSEE agrees to pay as rents fifty percent of the gross crop proceeds, government payments, and all other payments derived from the real property except as hereinafter otherwise provided.

Advance Rent Payments: LESSEE agrees to make advance rent payments to the LESSOR in the following manner:

A. A \$15,000 payment on or before the 15th day of March 2007, and like payments on each March 15th thereafter during the term of this lease and all extensions thereto.

B. As the second installment of advanced rent, LESSEE shall pay all of LESSOR'S irrigation power expense on the leased property incurred each year during the term of this lease and all extensions thereto.

C. The remaining balance of the rent proceeds based on the income derived from the property by the LESSEE shall be paid on the 1st day of December 2007 and each December 1st thereafter during the term of the Lease and all extensions thereto. The parties agree the rent proceeds paid by the LESSEE for a given year will not exceed one-half of the total proceeds earned by the LESSEE on the property.

4. **USE OF THE PREMISES.** The LESSEE shall, during the term of this lease, and any renewal or extension hereof, occupy and use the premises for the following purposes, and for use normally incident to the following purposes:

(a) The planting, growing and harvesting of crops upon said premises, including, but not limited to, alfalfa hay;

(b) The use, after harvest of crops, of fall pastures.

5. **PROPERTY TAXES AND MAINTENANCE.** The LESSEE understands it is his absolute duty to spray and keep under control all noxious weeds in a reasonable and farmer-like manner. The LESSOR covenants and agrees to pay all ad valorem real property taxes and/or water assessments levied or assessed against said real property during the term of this lease. LESSEE and LESSOR agree to share equally in all expenses incurred in the reasonable maintenance and upkeep of the mainline and wheelines. LESSEE will provide the labor necessary for the maintenance and upkeep for the mainline and wheelines. LESSOR will be responsible for maintaining and paying for all preseason maintenance on the irrigation equipment.

6 **IMPROVEMENTS AND LIENS.** The LESSEE shall be entitled to make improvements to the premises subject to the following conditions:

(a) Nothing in this paragraph 6 shall alter the respective obligations of LESSOR and LESSEE as stated in the preceding paragraph 5 of this lease.

(b) LESSEE agrees to keep the leased premises free and clean of all liens, claims and demands for work performed.

(c) LESSEE shall be entitled to replace, improve or make additions to the existing irrigation system and other improvements located on the leased premises. Any replacements, improvements or additions shall be set forth on an addendum to this lease Agreement attached hereto as Exhibit A, and approved in writing by both LESSOR and LESSEE.

(d) Any replacements, improvements or additions shall be at LESSEE'S sole expense.

(e) In the event LESSEE or its sole shareholders, SHANNON WOLF and MICHELLE WOLF, purchase the leased property, the cost of all of the replacements, improvements and additions approved by both LESSEE and LESSOR and paid for by the LESSEE shall be deducted from the purchase price paid by LESSEE to LESSOR at the time of closing.

(f) In the event LESSEE or its sole shareholders, SHANNON WOLF and MICHELLE WOLF, do not purchase the leased property, all of the cost of the replacements, improvements and additions approved by both LESSEE and LESSOR and paid for by the LESSEE shall be reimbursed to LESSEE at the time of the closing of the sale of the leased property by the LESSOR.

7. **OWNERSHIP OF CROPS.** The parties hereto covenant and agree that any crops grown by the LESSEE upon the premises during the term of this lease, or any renewal or extension hereof, shall, prior to its actual physical division and removal from the premises, be owned by LESSEE and LESSOR as tenants in common. The LESSOR shall own an undivided interest in such crops equal to the amount of the rent still due and owing him pursuant to Paragraph 3 above, and such interest shall vest in the LESSOR at the time that the crops are planted on the premises.

8. **RESPONSIBILITY:** **LESSEE:** Shall be responsible for the entirety of the labor involved in the planting, cultivating, harvesting and taking-

to-market of the crops grown by him on the premises. The LESSEE shall be responsible for and keep any personal property, such as the irrigation equipment, in good and working condition throughout the term of this lease. The LESSEE shall further be responsible for paying such costs as are incident with the farm operation of the above-described premises. LESSEE shall not commit any waste or damage to the premises.

LESSOR: Shall be responsible for the payment for the land and the payment of real property taxes and other expenses related to providing the land for the LESSEE's use. LESSOR will provide the use of the water for the purpose of watering the premises under the water rights appurtenant thereto. The LESSOR shall pay all water assessments and power bills during the term of this agreement. LESSOR will be responsible for the insurance on wheelines.

9. **WASTE OR NUISANCE.** The LESSEE shall not commit, or permit the commission by others of, any waste on the premises, and the LESSEE shall not maintain, commit or permit the maintenance or commission of any nuisance, and the LESSEE shall not use or permit the use of the premises for any unlawful purposes. For the purpose of this lease, the definition of waste shall include the use of the property for some purpose other than as set forth above, unless specifically permitted by the LESSOR. Waste should further be constituted by allowing destruction or damage, beyond normal wear and tear, to the personal property on said premises belonging to the LESSOR. Additionally waste and

nuisance would definitionally include any temporary or permanent housing on the property and is prohibited.

10. **ENTRY BY LESSORS.** The LESSEE shall permit the LESSOR or the LESSOR's agent to enter the premises at any reasonable time for the purpose of inspecting the premises to determine whether the LESSEE is complying with the terms of this lease.

11. **HOLD HARMLESS.** The LESSEE agrees to carry public liability insurance for the protection of the LESSOR in the minimum amount of Five Hundred Thousand Dollars (\$500,000) covering all of the property hereby leased. The LESSEE hereby agrees to indemnify and to hold the LESSOR harmless from any claim or liability arising from the LESSEE's use and occupation of the premises, or from the negligence of the LESSEE at any time during this lease. LESSEE agrees to include LESSOR as an "additionally named insured" under all insurance policies.

12. **NO PARTNERSHIP.** Nothing contained in this lease shall create or be construed as creating a partnership, joint venture or employment relationship between the LESSOR and the LESSEE. Neither the LESSOR nor the LESSEE shall be liable, except as otherwise expressly provided in this lease, for any obligation or liabilities incurred by the other.

13. **SUBLEASE OR ASSIGNMENT.** The LESSEE shall not encumber, assign, or otherwise burden the rights or interest in this lease, or any

rights or interest in the premises, or any personal property, improvements or crops thereon, without first obtaining the express permission of the LESSOR.

14. **SALE OF LEASED PROPERTY.** In the event LESSOR shall sell the above described leased property, or any portion thereof, during the term of this AGREEMENT or any renewal thereof, LESSOR shall make said sale subject to all terms of this AGREEMENT.

(a) LESSEE and its shareholders, SHANNON WOLF and MICHELLE WOLF, shall have the first right of refusal on said hereinabove described real property subject to the provisions of Paragraph 6 (e) & 6 (f) herein.

(b) In the event LESSEE does not purchase the leased property, LESSEE shall be entitled to be reimbursed for any improvements, replacements or additions as provided in Paragraph 6 (e) & 6 (f) herein.

15. **FORCE MAJEURE.** Should the performance of the obligations of either party under this lease be prevented by acts totally beyond their control, such party's performance under this lease, to the extent that it is so prevented or delayed by such occurrence, shall be excused.

16. **NO REPRESENTATIONS.** Each party to this lease agrees, and represents to the other, that they have inspected the premises and the facilities, improvements and personal property thereon, and that this lease is being entered into as an arms-length transaction, as a result of each party's own

personal knowledge and not as a result of any representation made by one party to the other.

17. **DEFAULT.** All covenants and agreements contained in this lease are declared to be conditions to this lease. Should either party default in the performance of the covenants, conditions or agreements contained in this lease, and such default in performance causes damage to the other party, the defaulting party hereby agrees, upon competent proof of loss incurred by the non-defaulting party, to pay said losses incurred by the non-defaulting party.

18. **TERMINATION FOR DEFAULT.** If default be made in the payment of the rent hereby reserved or in the performance of any of the other terms and conditions of this lease to be kept and performed by the LESSEE, the LESSOR shall first give the LESSEE thirty (30) days notice in writing specifying wherein the LESSEE has failed to comply with this lease, which notice shall be delivered to the LESSEE personally or may be sent to the LESSEE by registered or certified mail addressed to the LESSEE at his last known address. If the LESSEE fails to correct such default within said thirty (30) day period, then the LESSOR or his assigns may, without further notice, declare this lease terminated and re-enter and retake possession of the premises, and the LESSEE agrees that in the case of such default, to immediately deliver up peaceful possession of said premises to the LESSOR upon demand; or the LESSOR may, at his option, declare all rents payable under this lease immediately due and payable for the remainder of the term and proceed at once to recover the same, retaining all

sums theretofore paid by the LESSEE under the terms hereof, as the reasonable value for the use and occupancy of said premises during the time possession of the same was retained by the LESSEE. The remedies herein mentioned shall be construed as cumulative and not as exclusive and the LESSOR may execute any other right or remedy granted by law.

19. **ABANDONMENT.** If the LESSEE shall abandon or vacate the premises without notice to the LESSOR, they may be relet by the LESSOR for such rent and on such terms as are commercially reasonable, and if a sufficient sum shall not be thus realized, after paying all expenses of such reletting and collecting to satisfy the rent hereby reserved, the LESSEE agrees to satisfy and pay all deficiencies.

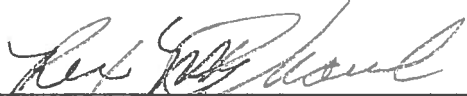
20. **ATTORNEY'S FEES.** Should any litigation, or other action requiring the services of any attorney, be commenced between the parties to this lease concerning the premises or the crops to be grown on the premises under this lease, or the rights and duties of either party in relation thereto, the prevailing party, in such case, shall be entitled to, in addition to such other relief as may be granted, reasonable sums as and for attorney's fees and costs in such action.

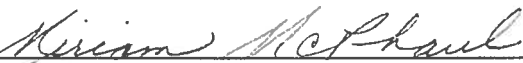
21. **HEIRS AND ASSIGNS.** This lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the said parties hereto have hereunto set their hands the day and year of this agreement first above written.

LESSOR:

MCPHAUL LIVING TRUST

By 
Rex McPhaul, Trustee

By 
Miriam McPhaul, Trustee

LESSEE:

WOLF ONE FARMS, INC., an Idaho corp.,

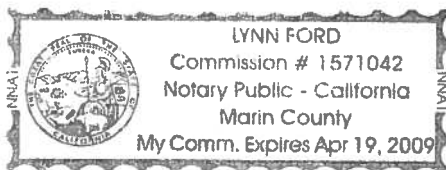
(Corporate Seal)

By 
Shannon Wolf, its President

STATE OF CALIFORNIA }
COUNTY OF Marin } ss.

On this 23rd day of January, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared REX MCPHAUL and MIRIAM MCPHAUL, trustees of the McPhaul Living Trust, known or identified to me to be the persons whose names are 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 in this certificate above written.



Notary Public for California
Residing at: 560 Convent Avenue, No. 200 CH
My Commission Expires: 4-19-09 94919

STATE OF IDAHO }
COUNTY OF Cama } ss.

On this 10th day of April, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared SHANNON WOLF, who being duly sworn, stated that he is the President of WOLF ONE FARMS, INC., an Idaho corporation, and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and the seal affixed is the seal of said corporation.

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



Notary Public for Idaho
Residing at: 555-510
My Commission Expires: 5-6-2010



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

January 24, 2017

MICHELLE WOLF
PO BOX 433
FAIRFIELD ID 83327

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO. 37-7505A**

Dear Renter:

Please find enclosed a receipt in the amount of **\$160.65** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 94.5 acre-feet of water for irrigation of 31.5 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, the rental fee will be retained by the Department to offset administrative costs since you are the owner of the right.

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

Sincerely,

 Water Supply Bank

Enclosures: Receipt No. C102907
Rental Agreement (copy)

c: Sascha Marston – Fiscal
Corey Skinner – IDWR Southern Regional Office
Rusty Kramer – State Water District No. 37B
Candice McHugh – McHugh Bromley PLLC

Skaggs, Pam

From: Candice McHugh <cmchugh@mchughbromley.com>
Sent: Monday, January 23, 2017 1:39 PM
To: Skaggs, Pam
Subject: RE: Water Supply Bank Rental Agreement No. 2-Wolf

Pam,

I confirmed with Michelle that the change to condition 8 on page 3 is acceptable.

Thank you.

Candice M. McHugh

MCHUGH BROMLEY
380 S. 4th, Ste. 103
Boise, ID 83702
(208) 287-0991 – office
(208) 287-0864 – facsimile
cmchugh@mchughbromley.com
<http://www.mchughbromley.com>

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From: Skaggs, Pam [mailto:Pam.Skaggs@idwr.idaho.gov]
Sent: Wednesday, January 18, 2017 3:29 PM
To: cmchugh@mchughbromley.com
Subject: Water Supply Bank Rental Agreement No. 2-Wolf

Candice,

We received the signed Lease Contract No. 8 & Rental Agreement No. 2 from Michelle Wolf today. As we discussed on the phone there was some enlargement concerns that needed addressed in the conditions of the rental. We have modified condition #8 of the rental agreement to address these concerns and I have attached a copy for your review. The only modification from the original draft is to condition #8 on page 3.

If you and your client find this condition acceptable, we will sign the rental agreement and mail an executed copy out with the executed lease contract.

Please advise me at your earliest convenience.

Pam

Pamela S. Skaggs
Water Rights Supervisor
Idaho Department of Water Resources
322 E Front St

Edl, Michele

From: Michelle Wolf Yore <wolfyore@wildblue.net>
Sent: Monday, January 16, 2017 4:21 PM
To: Edl, Michele
Subject: Re: Water Supply Bank lease rental 37-7505A
Attachments: Updated Lease Wolf-McPhaul.pdf

Good afternoon Michele.

I hope you are feeling better! I am attaching the updated lease for your files in regards to the property I am renting the water back for. Let me know if you need anything else.

Thank you!
Michelle Wolf
208-320-2624

ADDENDUM TO LEASE AGREEMENT

THIS ADDENDUM TO LEASE AGREEMENT is made and entered into effective this 1st day of December, 2016, MIRIAM MCPHAUL, Trustee of THE MCPHAUL LIVING TRUST, whose address is 16 Milland Ct., Mill Valley, California, 94941 (hereinafter referred to as "Lessor"); and WOLF ONE FARMS, INC., an Idaho corporation, the address of which is P.O. Box 433, Fairfield, Idaho, 83327 (hereinafter referred to as "Lessee").

WITNESSETH:

WHEREAS, Lessor and Lessee previously entered into a Lease Agreement (the "Agreement") on or about January 23, 2007, relative to the lease of certain real property more particularly described in Exhibit "A" attached hereto; and

WHEREAS, the parties hereto desire to renew and extend the Agreement, as modified herein, and in accordance with the following terms.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Paragraph 1 of the Agreement shall be amended to read as follows:

Term of Lease. The term of this Lease shall be for a period of seven (7) years, commencing December 1, 2016, and ending upon November 30, 2023.

2. Paragraph 2 of the Agreement shall be amended to read as follows:

Extended Lease Term. At the end of the third year of the Lease term set forth above, this Lease shall continue in effect for a new seven (7) year term, unless either party gives written notice to the other party at least thirty (30) days prior to the end of the third year anniversary of this Lease term that they wish to terminate this Lease. By way of illustration, the following would occur at the end of the third year of the Lease (i.e., November 30, 2019): If neither party gives timely written notice of termination to the other party, the Lease would automatically extend the termination date to November 30, 2026. If a timely termination notice was provided by one party to the other party prior to the end of the third-year anniversary, then this Lease would terminate on November 20, 2023, as set forth above. If no such timely termination notice was provided prior to November 30, 2019, either party's next opportunity to provide a termination notice would next occur on November 30, 2022, and, if so provided, the Lease would then terminate on November 30, 2026.

3. All terms and conditions of the Agreement not inconsistent herewith, are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum on the day and year first written above.

"LESSOR"
MCPhaul Living Trust

By: Miriam McPhaul
Miriam McPhaul
Its: Trustee

"LESSEE"
WOLF ONE FARMS, INC., an
Idaho corporation

By: Michelle Wolf
Michelle Wolf
Its: Secretary

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EXHIBIT "A" TO MCPHAUL LEASE

COUNTY OF CAMAS, STATE OF IDAHO

TAX #1068, E2SE4, SW4SE4, SEC 28 T1S R14E

TAX #1067, W2, SEC 28 T1S R14E

NE4, N2NW4, N2SE4, SEC 33 T1S R14E





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

January 10, 2017

MICHELLE WOLF
PO BOX 433
FAIRFIELD ID 83327

**RE: APPLICATION TO LEASE AND RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO. 37-7505A**

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

Dear Applicant:

The Department of Water Resources acknowledges receipt of your applications to lease water to and rent water from the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts and a Water Supply Bank Rental Agreement for your review and signature. Please sign and return ALL Lease Contracts and Rental agreements within 14 days.** Upon signature and return of the original contracts and agreement, together with the rental fee described below, the Department will also sign the original contracts and agreement and return executed copies 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 **\$1,606.50** was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 94.5 acre-feet. Since you are both the lessor and the renter of the right, **you are only obligated to pay the 10% administrative fee or \$160.65.** Please send a check for **\$160.65** made payable to the Idaho Department of Water Resources, so I can complete processing.

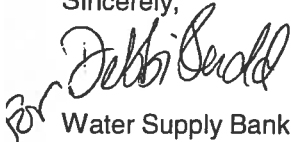
The Department shall receive an annual payment prior to January 1 in all subsequent years for the duration of the rental period. The rental agreement will be void if payment is not received prior to the due date in a given year. If the rental is voided and you do not terminate the lease contract, the water rights will still be subject to rental by other parties.

If you would like to terminate the lease and rental agreement prior to the end of the lease/rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date. You may use the Request to Release a Water Right from the Bank located at <http://idwr.idaho.gov/files/water-supply-bank/WSB-Request-to-Release-a-WR-from-the-Bank.pdf>.

If all signed leased contracts, signed rental agreements and the rental fee payment is not received within 14 days, your lease/rental package may be in danger of being returned without being executed in such case, the lease application fee will not be refunded.

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

Sincerely,


for Water Supply Bank

Enclosures:

Proposed Lease Contracts
Proposed Rental Agreement
Receipt # C101888

c: IDWR Front Desk
Candice McHugh/Chris Bromley – McHugh Bromley PLLC

Edl, Michele

From: Candice McHugh <cmchugh@mchughbromley.com>
Sent: Monday, November 28, 2016 1:24 PM
To: Edl, Michele
Subject: RE: Water Supply Bank 2017 lease-rental

Michelle Wolf has a new email address: wolfyore@wildblue.net.

Would you please update her email?

Thanks

Candice M. McHugh

M^CHUGH BROMLEY
380 S. 4th, Ste. 103
Boise, ID 83702
(208) 287-0991 – office
(208) 287-0864 – facsimile
cmchugh@mchughbromley.com
<http://www.mchughbromley.com>

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From: Edl, Michele [mailto:Michele.Edl@idwr.idaho.gov]
Sent: Monday, November 07, 2016 5:43 PM
To: cmchugh@mchughbromley.com
Subject: FW: Water Supply Bank 2017 lease-rental

Candace McHugh,

I got a bounce back of this message from the email address for Michelle Wolf. If she has provided you with an updated email, would you please ask her to provide it to me.

I need to update the letter attachment, so not much has been lost by the unsuccessful delivery.

I am reviewing Michelle Wolfs lease-rental applications and I still need to understand the terms of the lease and the rental but I may be incorrect about ESPA modeling. Modeling the Big Wood River Ground Water Management Area may require a different model that's not readily available to the public. I will confirm with IDWR's hydrology section tomorrow and update the letter.

Thank you for your tolerance.

Michele Edl

From: Edl, Michele
Sent: Monday, November 07, 2016 4:18 PM

To: 'mlwolf@wildblue.net'; 'cmchugh@cmchughbromley.com'

Subject: Water Supply Bank 2017 lease-rental

Michelle Wolf,

I have attached an early-bird copy of a letter which will be mailed from this office either today or tomorrow. Your applications to lease and rent water right 37-7505A through the Water Supply Bank cannot be processed without additional information from you.

Michele Edl

208-287-4946

MEMORANDUM

To: Right(s) 37-7505A

From: Michele Edl

Date: November 17, 2016

Re: Review & Analysis of Michelle Wolf's Application to Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: On April 22, 2016, Candice McHugh (attorney with McHugh-Bromley) submitted paired WSB lease and rental applications on behalf of Michelle Wolf. The applications propose to lease and rent a portion of 37-7505A for the 2016-2020 seasons. The right is owned by Michelle Wolf and the lease-rental will temporarily change the POD and POU location of a portion of the right to a property which is leased by Wolf from the McPhaul Trust.

AUTHORITY TO FILE: According to the application, the proposed place-of-use is property leased by Michelle Wolf until 2019. The land lease agreement has a re-up condition and I have requested a copy of the version which authorizes Wolf to irrigate the land beyond 2019. The proposed POD is within that leased property and is WMIS well #1001708 (Big Barn Well)

WATER RIGHT VALIDITY: A portion Water Right 37-7505A is proposed for lease to the bank until December 31, 2020. A sufficient quantity of the irrigation use is idled at the native POU. The right was decreed on September 24, 2010 through the SRBA. The pivots which irrigate the lease POU were in place before the decree so the portion of the right does need to be protected from forfeiture.

INJURY TO OTHER WATER RIGHTS: I consulted with an IDWR hydrologist and confirmed that there is no modeling utility available with which to estimate the impacts that this change will have to the aquifer.

The lease and rental PODs and POUs are all within the Big Wood River Ground Water Management Area. Both the 'To' well-POD and the 'From' well-POD are WMIS wells. They have been measured for the past two years and are expected to be monitored for the duration of the lease-rental.

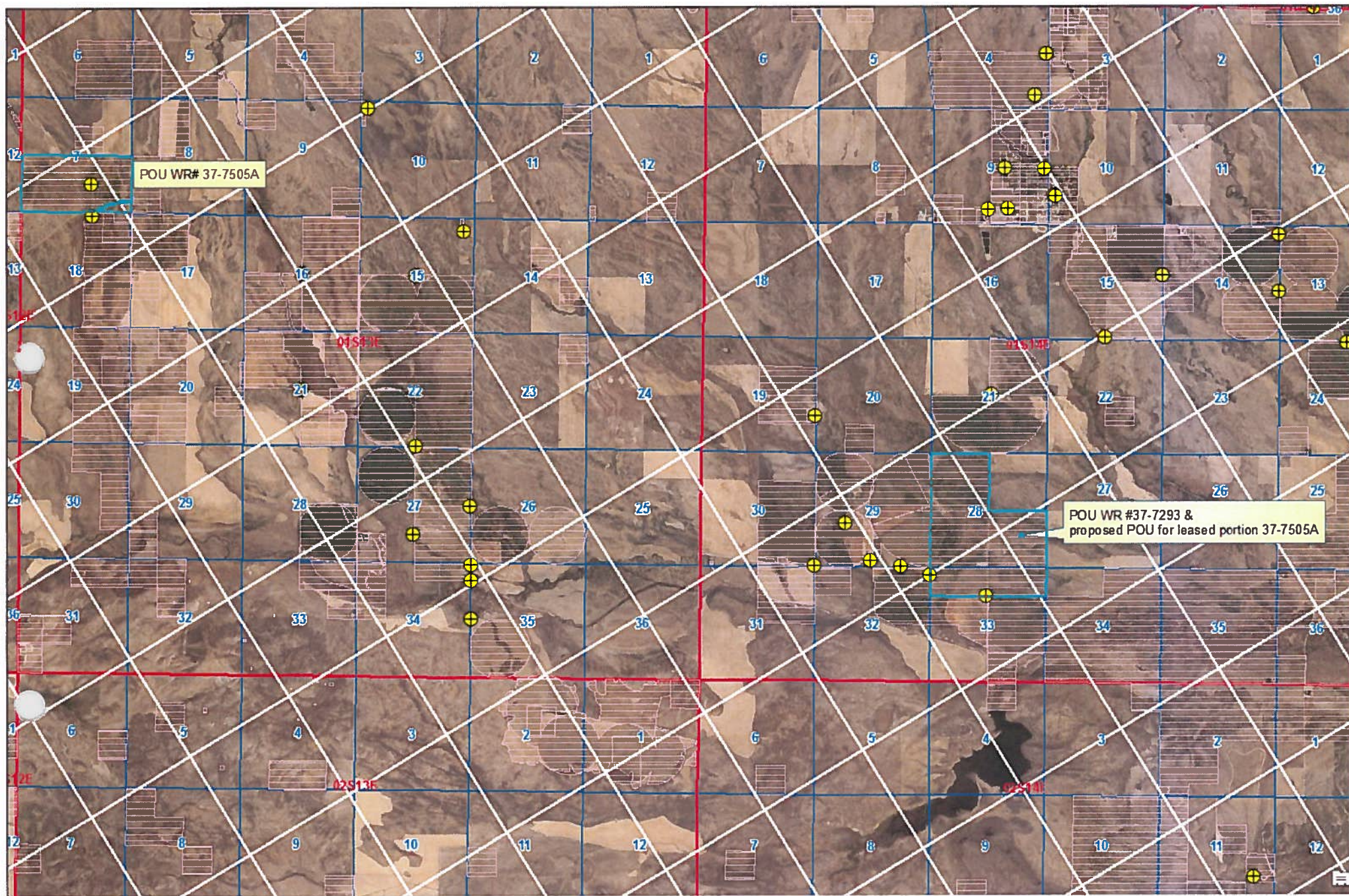
ENLARGEMENT OF USE: No enlargement is anticipated. Both the lease and the rental locations have the same SOU and NOU. Only the quantities of WR 37-7505A which are idled at the native POU, will be authorized for use at the rental POU. The proposed rental POU is within the authorized POU for WR 37-13120 (Twin Lakes Reservoir & Irrigation Co Ltd) and can be irrigated by shares from the reservoir. This rental of ground water will be used to supplement those shares when needed.

A review of 2016 satellite imagery indicates that the pivot corners were idled as proposed. The imagery also shows that the rental POU was irrigated. The WD 37B watermaster provided the 2016 AF measurement from the three WMIS wells which supply the two properties. The measurements indicate that the irrigation was in compliance with the water rights.

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 leased-rented right is subject to Water District 37B. In a phone conversation on 11/14/2016, the WD 37B watermaster Rusty Kramer, stated that he is in favor of the lease-rental. Southern Region is not opposed to the lease-rental.



Edl, Michele

From: Skinner, Corey
Sent: Thursday, November 17, 2016 11:32 AM
To: Edl, Michele
Subject: RE: Michelle Wolf lease-rental

Michele,

No problems from this end.

Corey

From: Edl, Michele
Sent: Wednesday, November 16, 2016 10:47 AM
To: Skinner, Corey
Subject: Michelle Wolf lease-rental

Corey,

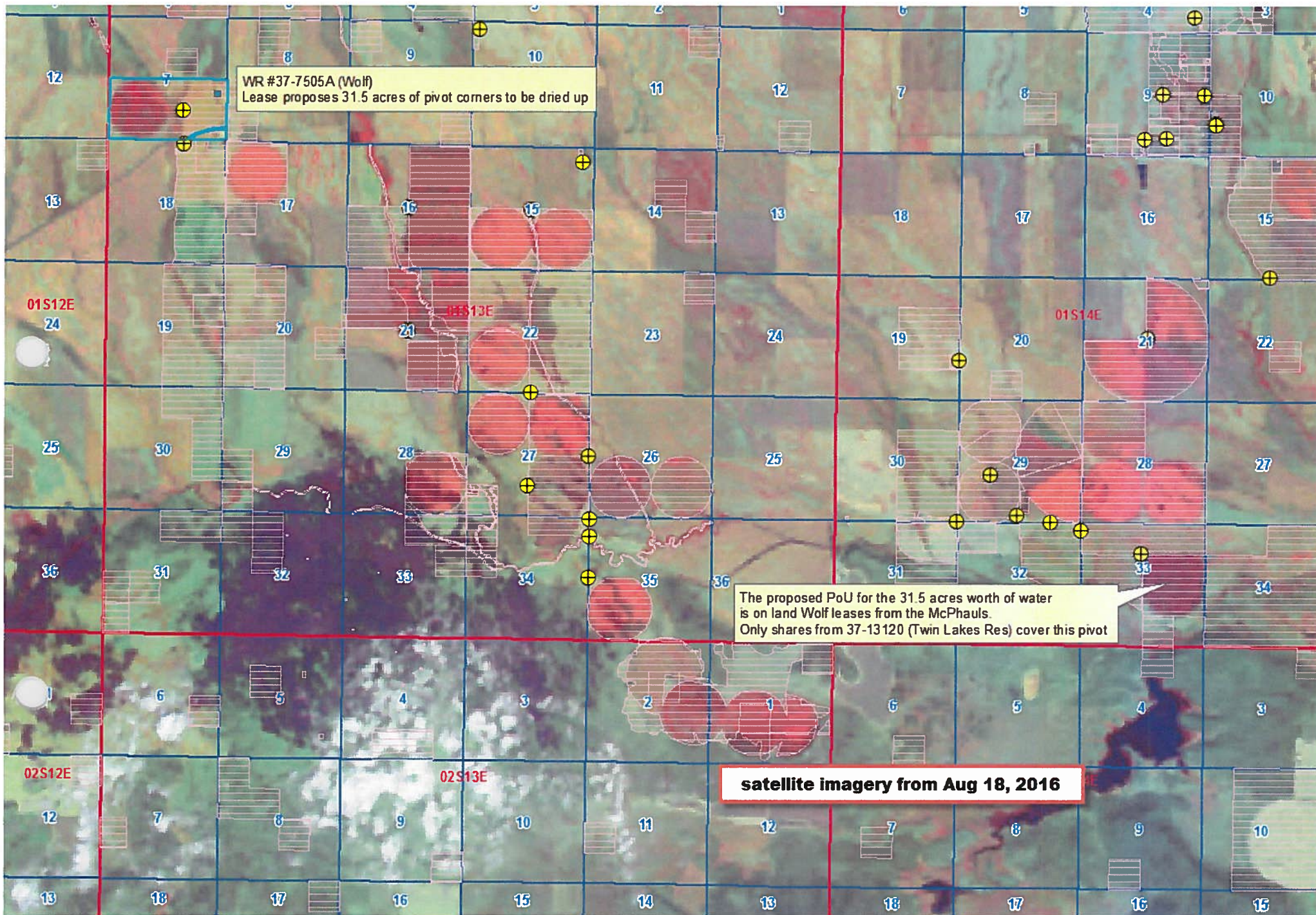
I understand that you are taking the Water Supply Bank requests for comment from Southern Region. I have completed my review of a lease-rental package submitted by Michelle Wolf. The lease and rental requests acting on 37-7505A were submitted last year. She needs to protect the pivot corners of 37-7505A from forfeiture so we will be processing the lease for 2016-2020. However, I'm instructed not to retroactively approve a rental for 2016. So the rental of her right 37-7505A will be 2017-2020.

The lease and rental PODs and POU's are within the Big Wood River GWMA. I have spoken with the Rusty Kramer, the watermaster of 37B and he is in favor of this lease-rental. He said Michelle Wolf is one of the good guys. The relevant wells are in the WMIS and measurements demonstrate compliance. The ground water will be used to supplement surface water shares at a pivot that is otherwise without a WR.

I have attached:

- a pdf map of the leased acres and the lease review checklist for the lease.
- a jpg map showing the relationship of the 2 properties

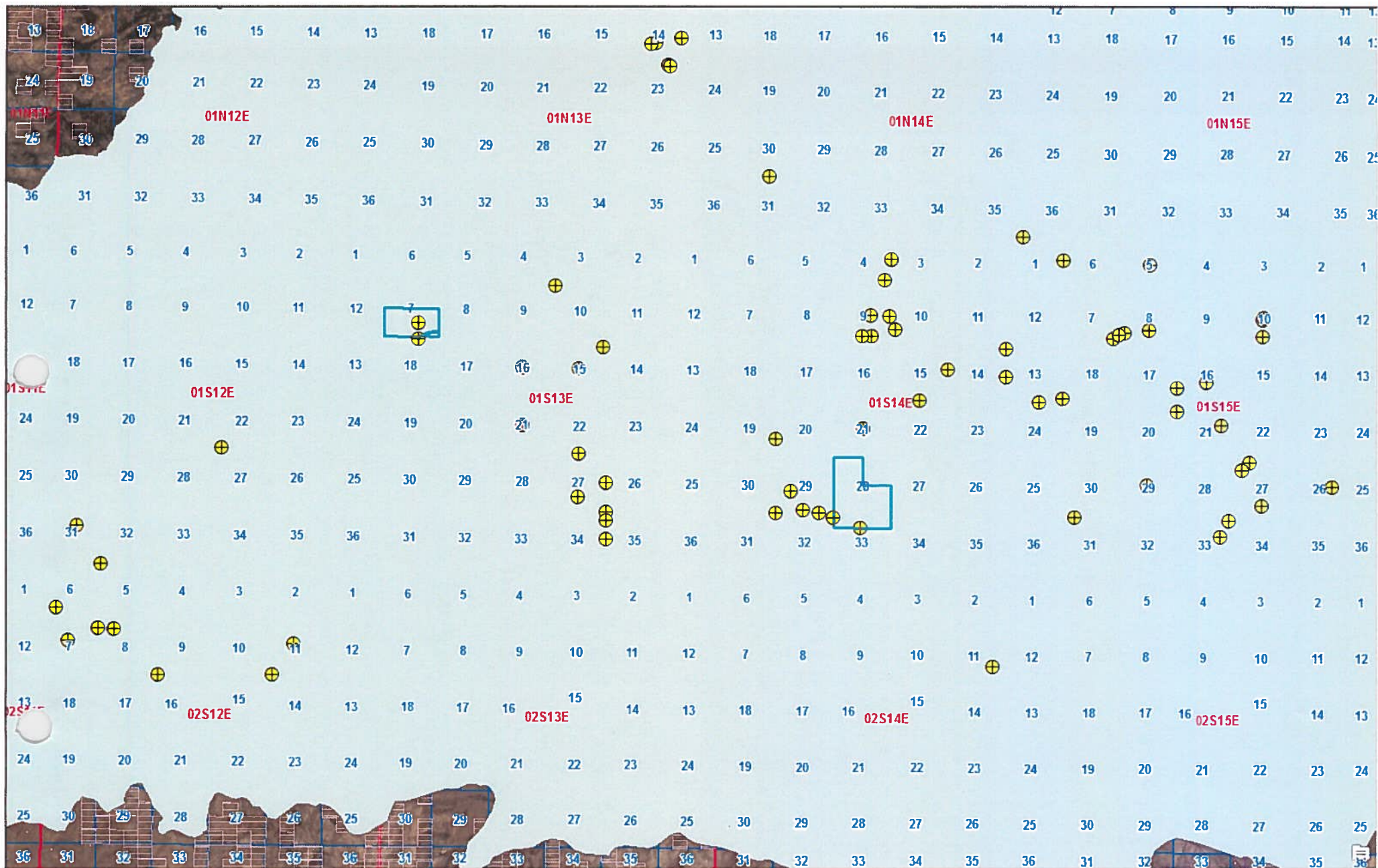
Michelle and I spoke over the phone yesterday. She knows that a transfer might be a better long-term solution. At your next convenient moment, please let me know if you have any concerns about this lease-rental package.



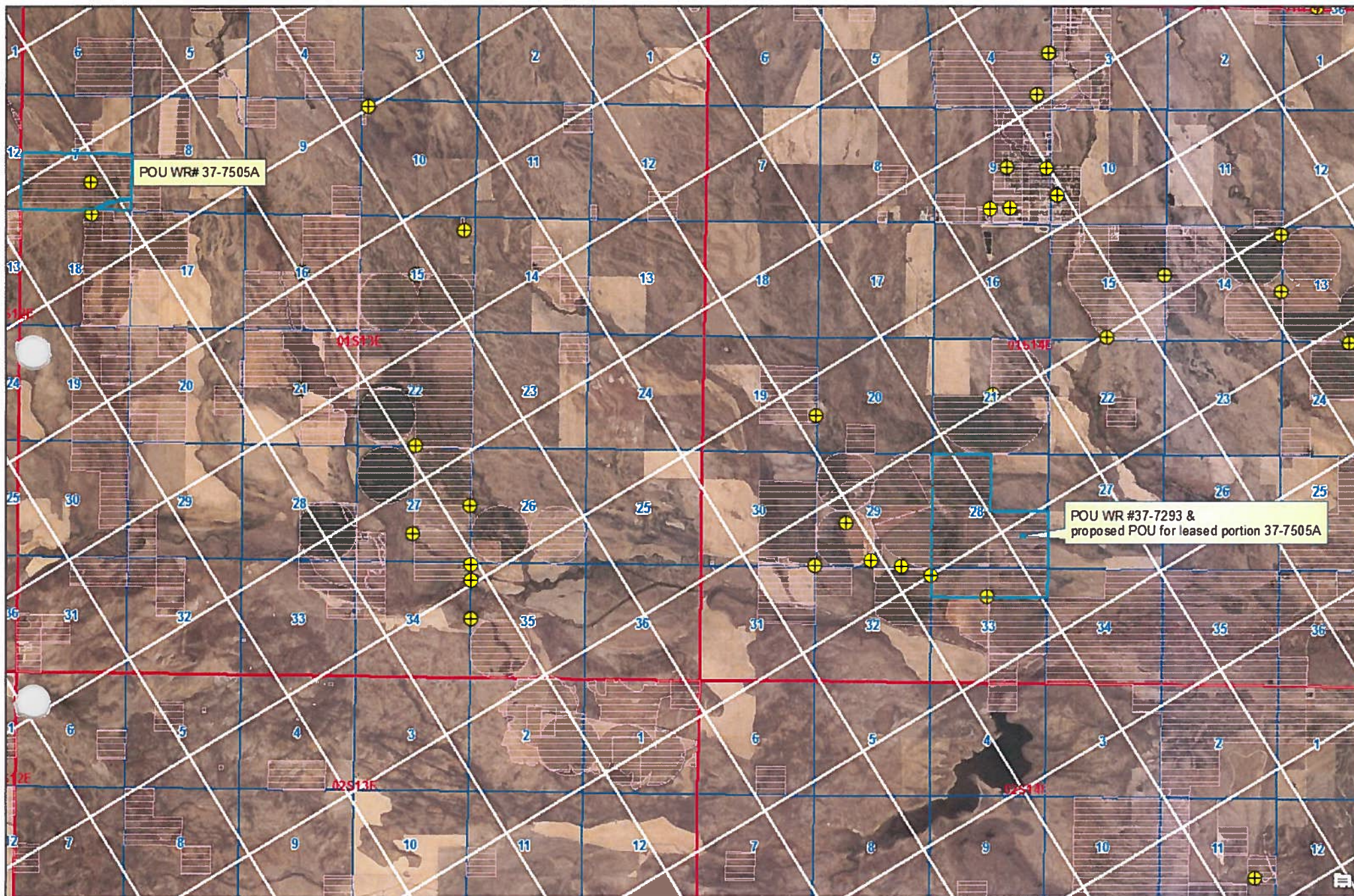
WR #37-7505A (Wolf)
Lease proposes 31.5 acres of pivot corners to be dried up

The proposed PoU for the 31.5 acres worth of water
is on land Wolf leases from the McPhauls.
Only shares from 37-13120 (Twin Lakes Res) cover this pivot

satellite imagery from Aug 18, 2016



Water Right No.	Rented Vol (AF)	Lessor Fee (90%)	Administrative Fee (10%)	Total Fee @ \$17 (2017)	Rental Amounts			Lessor Fee (90%)	Administrative Fee (10%)	Total Fee @ \$20 (2018-2022)
					Rate	Acres				
37-7505A	94.5	\$1,445.85	\$160.65	\$1,606.50	0.26	31.50		\$1,701.00	\$189.00	\$1,890.00
Total	94.5	\$1,445.85	\$160.65	\$1,606.50	0.26	31.50		\$1,701.00	\$189.00	\$1,890.00
calculated by										
Edl										
37-/505A	rate	volume	acre	af/ac	cfs/ac	trimester vol				
decreed	2.45	897	299	3.00	0.008					
leased	0.26	94.5	31.5	3.00	0.008	31.50				
available	0.26	94.5	31.5							
Wolf self-serve	0.26	94.5	31.5							
remaining	0	0	0		rental availability depleted					
					rate is thin					





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

September 30, 2016

MICHELLE WOLF
PO BOX 433
FAIRFIELD ID 83327

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK

Dear Applicant:

On April 19, 2016 the Idaho Department of Water Resources (Department) received your application to rent water from the Water Supply Bank (Bank) for irrigation during 2016-2020. A letter was sent on April 22, 2016 informing you it was unlikely the application would be processed. Since the Department was not able to process your application prior to the latest possible start date of the proposed rental period, your application will be retained by the Department to process for the 2017 season.

If you have any questions regarding this matter, please contact me at (208) 287-4910.

Sincerely,

for 
Clay Webster
Water Resource Agent
WSB Process Point of Contact

c: Mc Hugh Bromley

Thiel, Sandra

From: Candice McHugh [cmchugh@mchughbromley.com]
Sent: Thursday, September 29, 2016 12:32 PM
To: Thiel, Sandra
Subject: RE: Water supply bank lease/rental for right 37-7505A

Yes. Please process it for next year and we would like to extend it to 2020 since it was anticipated to be 5 irrigation seasons. Thanks

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Thursday, September 29, 2016 9:17 AM
To: cmchugh@mchughbromley.com
Subject: Water supply bank lease/rental for right 37-7505A

Good Morning, In April, we received a lease / rental package from Michelle Wolf. I understand that you are her representative. We were unable to process the lease and the rental for the 2016 season. The latest possible start date on the application was July 15, 2016. However, the application also shows the duration as being for the next 4 years. Would you like us to process the lease and rental applications for 2017 through 2020?

Sandra Beer Thiel
Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098
(208)287-4881
sandra.thiel@idwr.idaho.gov



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

April 22, 2016

MICHELLE WOLF
PO BOX 433
FAIRFIELD ID 83327

RE: APPLICATION(S) TO RENT WATER FROM THE WATER SUPPLY BANK

Dear Applicant:

The Idaho Department of Water Resources (Department) acknowledges receipt of your application(s) to rent water from the Idaho Water Resource Board's Water Supply Bank (Bank) for irrigation use. Filing a Bank rental application does not automatically result in approval. Before a rental application can be approved, the rental request must be reviewed, a rental agreement must be prepared, the agreement must be approved by the applicant and the Department, and the rental fee must be paid. To maximize the number of rental applications processed while managing competing priorities, the Department begins accepting rental applications on November 1 for use in the next calendar year, and it processes as many applications as it can before the start of the irrigation season in March or April. Once the irrigation season begins, Department staff members are reassigned to address field work and other duties. Consequently, few rental applications are processed after May 1.

Because your application was received near the beginning of the irrigation season, which is now well underway, it is unlikely the Department will be able to process your application in time for approval in 2016 unless you have proposed a start date late in the year. If your application was for 2016 only and the latest possible start date on your application has passed, the application may be returned to you. If your application requests a rental for more than one year, the rental application may be retained by the Department and evaluated for 2017.

In future years, we encourage you to file your rental applications as soon as possible after November 1 to improve the chances that they will be processed.

Additional information about the Bank may be found on the Department's website at <http://idwr.idaho.gov/water-supply-bank/>.

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

Sincerely,

Water Supply Bank

C: Candice McHugh – McHugh Bromley