



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 6, 2017

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

**RE: NOTIFICATION OF WATER SUPPLY BANK LEASE EXPIRATION FOR WATER
RIGHTS: 2-2262**

Dear Lessor:

Idaho Department of Water Resources (Department) records show that all or a portion of the above referenced water right(s) were leased to the Water Supply Bank (Bank) through December 31, 2016. **This letter is notice that the right(s) are now considered released from the Bank.**

If you would like to renew the lease of these right(s) to the Bank, please complete a new Application to Sell or Lease a Water Right to the Water Supply Bank and remit the applicable filing fee. You can find new applications at the Department's website at www.idwr.idaho.gov.

A water right is not protected from forfeiture unless it is accepted into the Bank or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. The five-year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the Bank.

If you have any questions regarding this matter, please contact me at (208) 287-4918.

Sincerely,

A handwritten signature in black ink, appearing to be 'RB' followed by a long horizontal stroke.

Remington Buyer
Water Supply Bank Coordinator

Enclosures:

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED

JUL 08 2016

DEPARTMENT OF
WATER RESOURCES

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

LESSOR: GRINDSTONE BUTTE MUTUAL CANAL CO
C/O JOHN MARSHALL LAW
575 W BANNOCK ST
BOISE ID 83702
208-991-2701

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. On May 24, 2016, the Lessor filed an application to lease the water right described below into the Water Supply Bank.
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 the 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 RIGHT:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water right described as follows:

Summary of Water Right or Portion Leased to the Bank

Water Right	Priority Date	Source	Tributary	Leased Rate	Annual Leased Volume	Total Leased Acres
2-2262	12/06/1963	SNAKE RIVER	COLUMBIA RIVER	49.86 cfs	14,800.0 af	3700.0 ac

Lease Totals 49.86 cfs 14,800.0 af 3700.0 ac

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, 2016 to December 31, 2016. 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.
5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

WATER SUPPLY BANK LEASE CONTRACT

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

GRINDSTONE BUTTE MUTUAL CANAL CO

C/O JOHN MARSHALL LAW
575 W BANNOCK ST
BOISE ID 83702

By



Date

July 6, 2016

Printed Name

Allen Noble

Title

President

IDAHO WATER RESOURCE BOARD

322 EAST FRONT ST
PO BOX 83720
BOISE ID 83720-0098

By



Date

7/11/2016

Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR



Date

7-11-2016

ATTACHMENT A

WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

WATER RIGHT NO. 2-2262

The water right or portion thereof leased to the bank is described as follows:

Lessor: GRINDSTONE BUTTE MUTUAL CANAL CO
C/O JOHN MARSHALL LAW
575 W BANNOCK ST
BOISE ID 83702
208-991-2701

Location of Point(s) of Diversion for Water Right 2-2262

SNAKE RIVER L4(NWSW) Sec. 34, Twp 05S, Rge 09E, ELMORE County

<u>Water Right</u>	<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
2-2262	IRRIGATION	03/15	to 11/15	49.86 cfs	14,800.0 af
Total:				49.86 cfs	14,800.0 af

Place of Use to be Idled Under This Lease: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S	09E	22	40.0			26.0									28.0			32.0	126.0
		23							3.0						9.0	8.0	9.0	9.0	38.0
		24									6.0	9.0	7.0	9.0					31.0
		25					9.0	9.0	9.0	9.0		9.0	9.0	9.0	9.0	9.0	9.0	9.0	99.0
		26	4.0	9.0	9.0	9.0					9.0	9.0	9.0	9.0					67.0
		27													9.0		9.0	9.0	27.0
		28											29.0	40.0			9.0	9.0	87.0
		33	4.0	9.0			26.0	26.0											65.0
		34	6.0	13.0	11.0	11.0	40.0	25.0							25.0				131.0
		35	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0		18.0	37.0				9.0	9.0	145.0
		36	9.0	9.0	9.0	9.0	9.0	9.0	6.0	12.0	9.0	2.0	9.0	9.0	9.0	9.0	9.0	9.0	137.0
06S	10E	30										9.0	9.0						18.0
		31									7.0	13.0	6.0	9.0	9.0	9.0	9.0	9.0	71.0
		32										9.0	9.0	9.0					27.0
07S	09E	1			4.0	9.0				7.0	15.0			31.0	9.0	29.0	36.0	30.0	170.0
		10																38.0	38.0
		11			39.0	38.0					40.0		30.0	32.0		40.0	37.0		256.0
		12															18.0		18.0
		13	40.0	40.0	40.0	40.0	40.0			33.0					36.0	33.0			302.0
		14						40.0											40.0
		15	40.0																40.0
07S	10E	4									9.0	9.0	9.0	9.0	4.0	9.0	9.0	9.0	67.0
		5									9.0	4.0	9.0	9.0	9.0	9.0	9.0	9.0	67.0
		6							31.0	40.0	16.0	13.0	6.0	6.0					112.0
		7	9.0	9.0		9.0													27.0
		8	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0						40.0	40.0		152.0
		9	9.0			9.0	9.0	9.0	9.0	9.0	40.0	40.0			9.0	9.0	9.0	9.0	170.0
		10						25.0	35.0		4.0	10.0	9.0	5.0					88.0
		14											36.0						36.0
		15					9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	108.0

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07S	10E	16					9.0	9.0	9.0	9.0	6.0	15.0	6.0	12.0	9.0	9.0	9.0	9.0	111.0
		17	9.0	9.0	9.0	9.0													34.0
		18							40.0		40.0	40.0							120.0
		20													9.0		9.0	9.0	27.0
		21	9.0	9.0	9.0	9.0				30.0					40.0	37.0			143.0
		22									9.0	9.0	9.0	9.0					36.0
		23					17.0									40.0	40.0	40.0	137.0
		26	9.0	9.0	9.0	9.0	40.0	40.0											116.0
		27	5.0	2.0	2.0	5.0	5.0			5.0									24.0
		28				9.0		40.0	9.0		9.0	9.0			9.0				85.0
		29				9.0									9.0		40.0	9.0	67.0
		34	40.0	40.0															80.0

Total Acres: 3700.0

Conditions Applicable to Leased Water Right

1. The water right 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, nor does it improve the status of the right or accomplish the 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 after the following rental season.

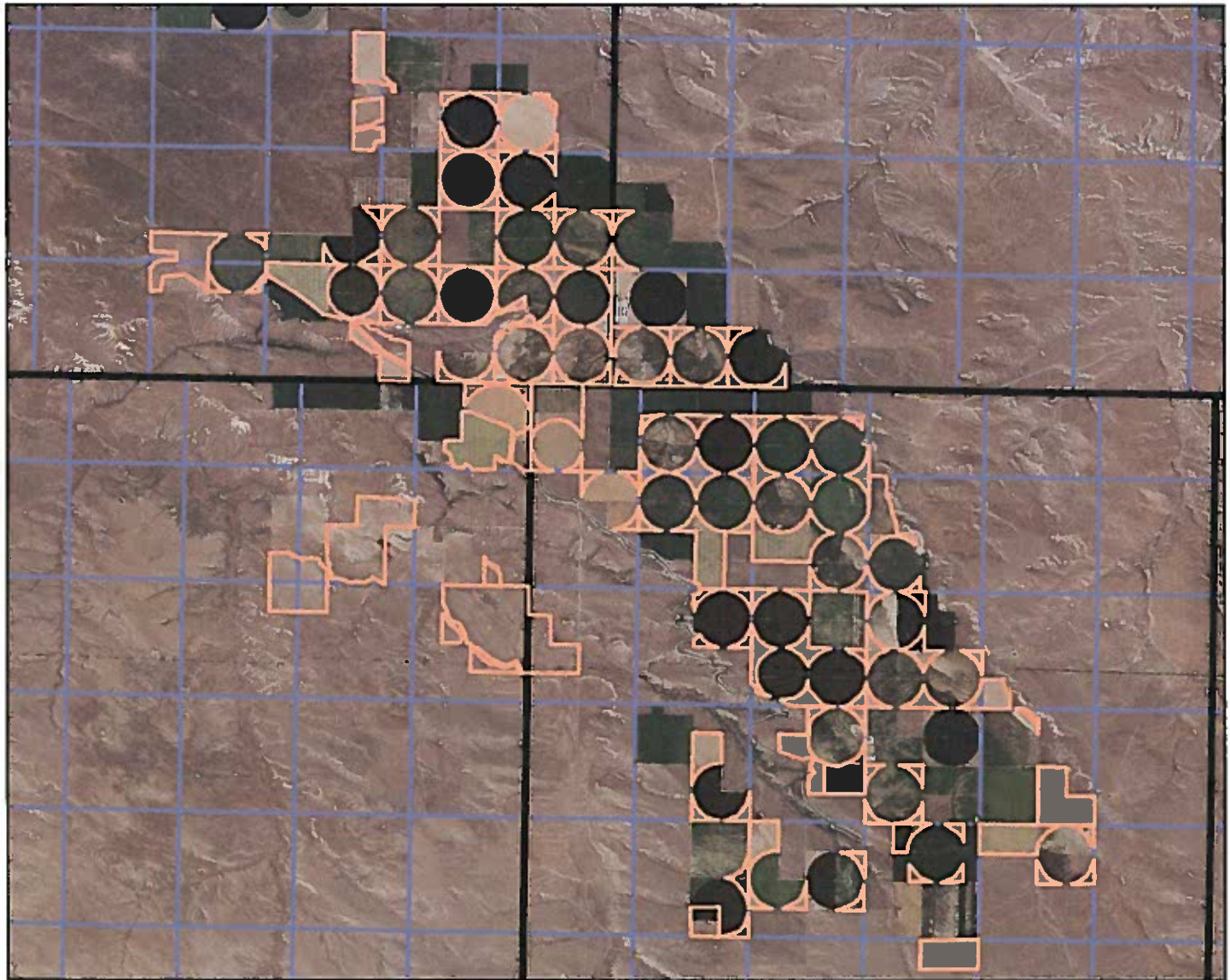
11. The water right leased to the bank is subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Use of water under this right is regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 02.
13. When combined with all other rights, the leased rights shall provide not more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
14. Place of use is within the service area of Grindstone Butte Mutual Canal Company as provided for under Idaho law. The place of use is generally located within T6S, R9E; T6S, R10E; T7S, R9E; and T7S, R10E, B.M.
15. The unleased portion right is limited to the irrigation of 9506.5 acres within the place of use described above in a single irrigation season.

Idaho Water Resource Board
Water Supply Bank Lease

2-2262

Effective until December 31, 2016

This map depicts the **place of use to be idled** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



-  Approved Lease Place of Use
-  Townships
-  PLS Sections



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

MAY 24 2016

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant Grindstone Butte Mutual Canal Co.

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

Water Right No. 2-2262

(One water right per application)

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

Yes ☐ No ☒

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

MINIMUM REQUIREMENT CHECKLIST

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

Yes

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

Attachment N/A Yes

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

Department Use Only

Fee Amount \$ 250.00Received By: AODate Received: 5-24-16Receipt # C102085W-9 received? Yes ☐ No ☒ (Route W-9 to Fiscal)

Name on W-9:

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

1. CONTACT INFORMATION

- A. This application must be completed by a Designated Applicant who is a current owner of the water right being sold or leased to the Water Supply Bank. If there are additional current owners, those individuals must authorize the Designated Applicant to represent them on this application by completing and signing Attachment 1A of this application package.

Designated Applicant Grindstone Butte Mutual Canal Co.

Mailing Address 575 W Bannock St Boise ID 83702
Street City State Zip Code

Email Address john@jamrshalllaw.com Phone Number 208-991-2701

☒ 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 Allen Noble Organization Grindstone Butte Mutual Canal Co.

Professional Title Director Email Address john@jmarshallow.com

Mailing Address 575 W Bannock St, Boise, ID 83702 Phone Number 208-991-2701

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

OR

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

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

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

OR

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

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

3. MAP

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

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

- A. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☒
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 4A).

If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to [Section 42-108, Idaho Code](#) and [IDAPA WSB Rule 37.02.03.25.02e](#).

- B. Please provide a description of the current water diversion and delivery system.
Pumps at river, penstocks and an open canal that feeds mainlines.

- C. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank. None

- D. Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes ☐ No ☒
Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of \$500.

- E. Will the present place of use continue to receive water from any other source? Yes ☐ No ☒
If yes, explain the relationship between the different water sources and how enlargement of the authorized use will not occur if this water right is leased.

- F. Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. This right was decreed in the SRBA in 2008. Since that time the 13,432 acres authorized by the right have been irrigated or placed in the water bank. The acres identified in this application receive the proportional share of the water diverted under right 2-2262.

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

- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?
If yes, describe. Yes ☐ No ☒

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE AGREEMENT

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

If lease, specify the years when the use of water will be suspended: 2016 to 2016 (maximum lease period 5 calendar years).
(Year) (Year)

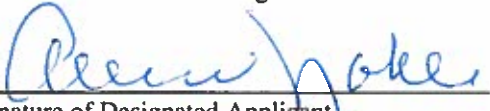
B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.

Current rental rate

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right, even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture is stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any element of the water right.


Signature of Designated Applicant

Allen Noble
Printed Name

5/23/14
Date

Signature of Authorized Representative

Printed Name

Date

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

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

ATTACHMENT 2

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

<u>1. Water Right Number</u>	<u>Nature of Use</u>	<u>Leased Rate</u> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
<u>2-2262</u>	<u>Irrigation</u>	<u>49.86</u>	<u>14800</u>	<u>3700</u>
	Total Amounts:	<u>49.86</u>	<u>14800</u>	<u>2700</u>

2. Source of water Snake River tributary to Columbia River

3. Point(s) of diversion:

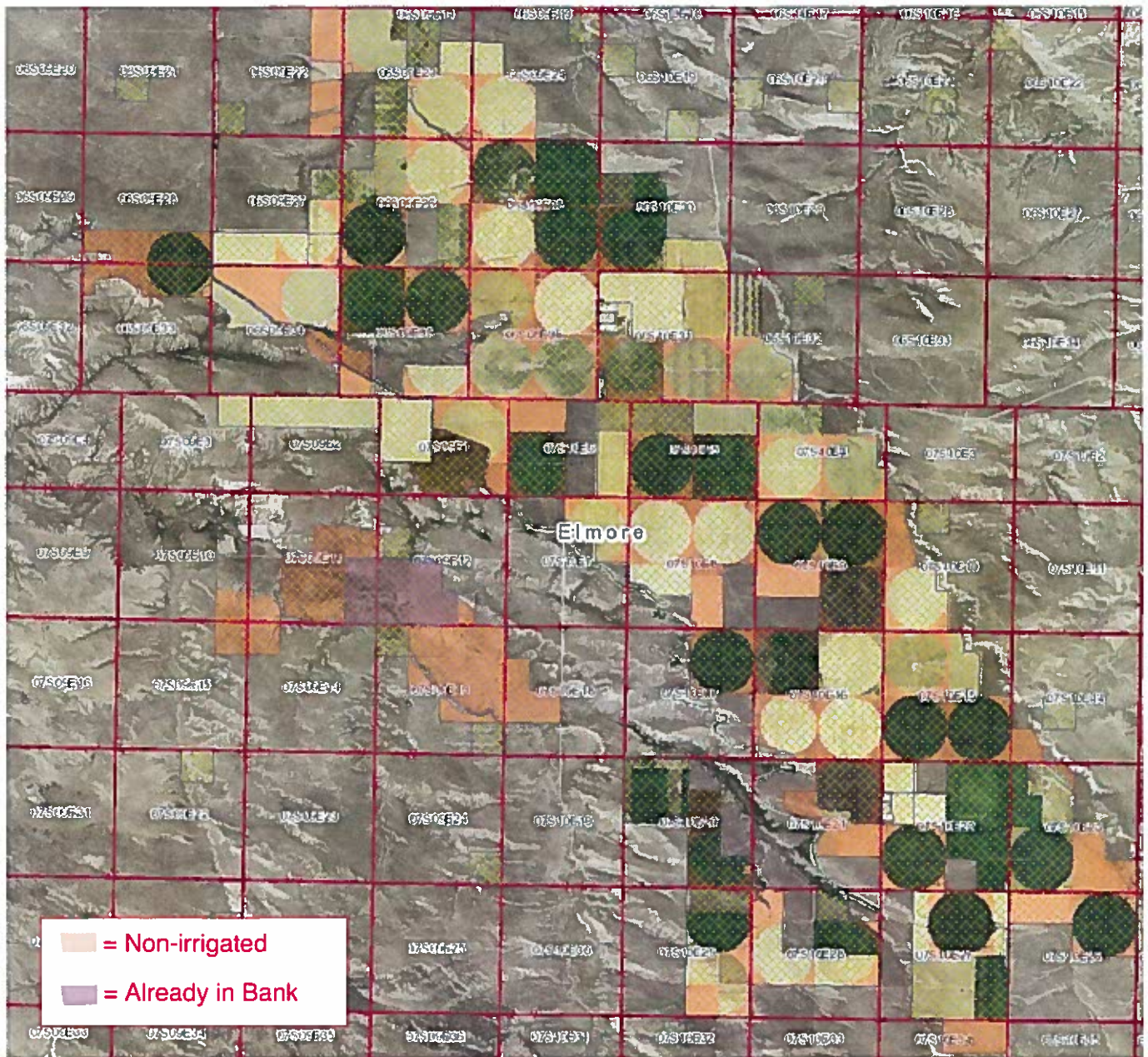
Twp	Rge	Sec	Lot	¼	¼	¼	County
5S	9E	34	4		NW	SW	Elmore

Tw	Rng	Sec	Tract	Acres	Tract	Acres	Tract	Acres	Tract	Acres	Totals	
06S	09E	22	NENE	40	SENE	26					66	Map 1
			NESE	28	SESE	32					60	
		23	SENE								0	
			NENW		NWNW		SWNW	3	SENE		3	
			NESW		SESW						0	
		24	NESE	9	NWSE	8	SWSE	9	SESE	9	35	
			SWNW								0	
			NESW	6	NWSW	9	SWSW	7	SESW	9	31	
		25	NENE		NWNE		SWNE		SENE		0	Map 2
			NENW	9	NWNW	9	SWNW	9	SENE	9	36	
			NESW		NWSW	9	SWSW	9	SESW	9	27	
			NESE	9	NWSE	9	SWSE	9	SESE	9	36	
		26	NENE	4	NWNE	9	SWNE	9	SENE	9	31	
			NENW		SWNW		SENE				0	
			NESW	9	NWSW	9	SWSW	9	SESW	9	36	
			NESE		SESE						0	
		27	SENE								0	
			SWSW		SESW						0	
		28	NESE	9	SWSE	9	SESE	9			27	Map 3
			SWSW	29	SESW	40					69	
			SWSE	9	SESE	9					18	
		33	NENE	4	NWNE	9					13	
			NENW	26	NWNW	26					52	
		34	NENE	6	NWNE	13	SWNE	11	SENE	11	41	
			NENW	40	NWNW	25	SWNW		SENE		65	
			NESE	25							25	
		35	NENE	9	NWNE	9	SWNE	9	SENE	9	36	
			NENW	9	NWNW	9	SWNW	9	SENE	9	36	
		36	NWSW	18	SWSW	37					55	Map 2
			SWSE	9	SESE	9					18	
			NENE	9	NWNE	9	SWNE	9	SENE	9	36	
			NENW	9	NWNW	9	SWNW	6	SENE	12	36	
		37	NESW	9	NWSW	2	SWSW	9	SESW	9	29	
			NESE	9	NWSE	9	SWSE	9	SESE	9	36	
		38	NENE		NWNE		SWNE		SENE		0	
			NENW		NWNW		SWNW		SENE		0	
			NESW	7	NWSW	13	SWSW	6	SESW	9	35	
			NESE	9	NWSE	9	SWSE	9	SESE	9	36	
10E		30	NWNW		SWNW						0	Map 4
			NESW		NWSW	9	SWSW	9	SESW		18	
			SWSE		SESE						0	
		31	NENE		NWNE		SWNE		SENE		0	
			NENW		NWNW		SWNW		SENE		0	
			NESW	7	NWSW	13	SWSW	6	SESW	9	35	
		32	NESE	9	NWSE	9	SWSE	9	SESE	9	36	
			NWNW		SWNW						0	
			NESW		NWSW	9	SWSW	9	SESW	9	27	

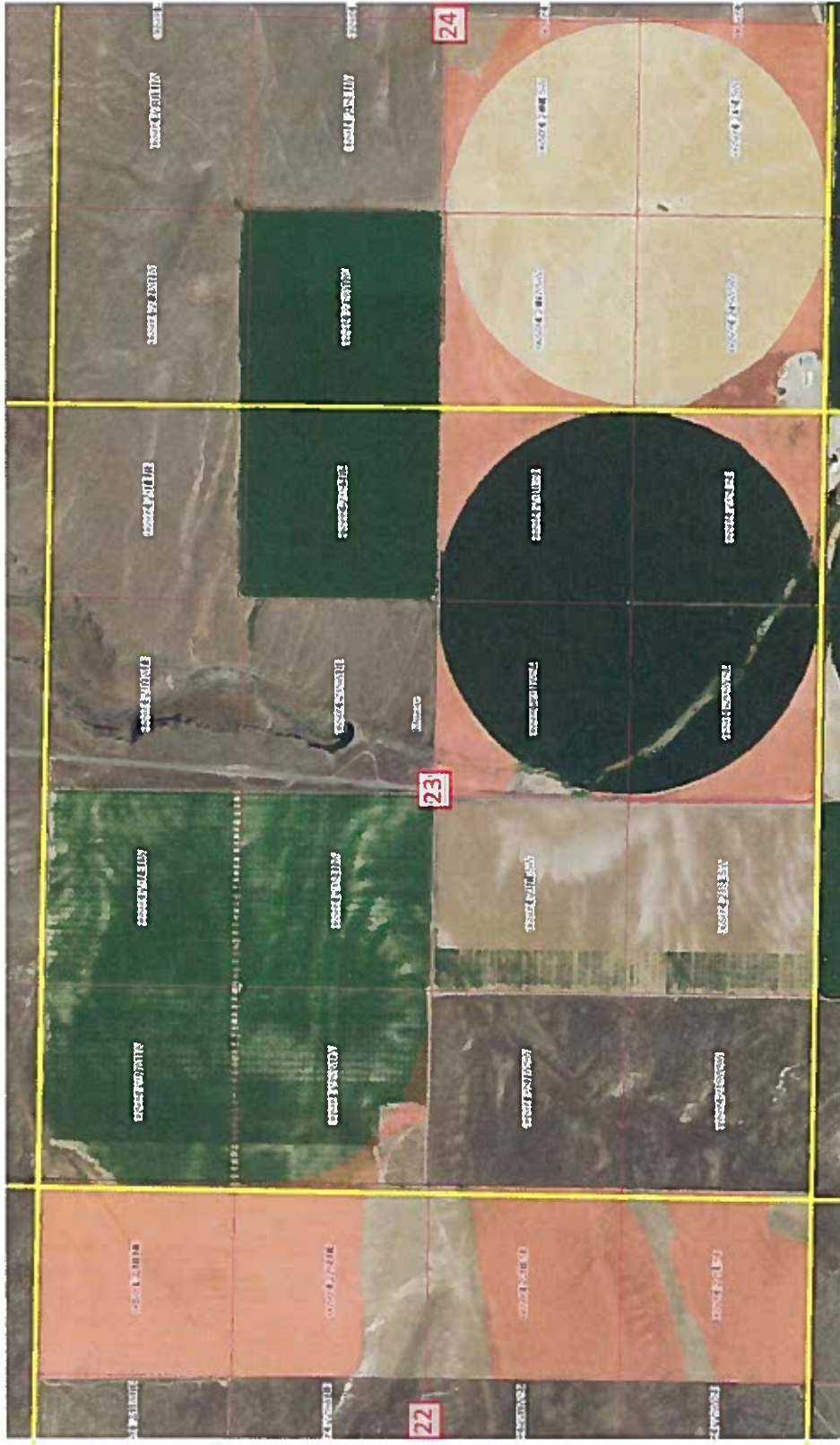
07S	09E	1				SWNE	4	SENE	9	13	Map 5
						SWNW		SENE	7	7	
		NESW	15	NWSW		SESW	31			46	
		NESE	9	NWSE	29	SWSE	36	SESE	30	104	
		2 SENE		SWNE						0	
		SENE		SWNW						0	Solosobal Map
		3 SENE								0	
		10 SESE	38							38	
		11 SWNE	39	SENE	38					77	
		NESW	40	SWSW	30	SESW	32			102	
		NESE		NWSE	40	SWSE	37	SESE		77	
		12 NESW		NWSW		SWSW		SESW		0	
		SWSE	18							18	
		13 NENE	40	NWNE	40	SWNE	40	SENE	40	160	
		NENW	40	SENE	33					73	
		NESE	36	NWSE	33					69	
		14 NWNW	40							40	
		15 NENE	40							40	
10E	4	SWNW		SENE						0	Map 7
		NESW	9	NWSW	9	SWSW	9	SESW	9	36	
		NESE	4	NWSE	9	SWSE	9	SESE	9	31	
	5	SWNE		SENE						0	Map 6
		SWNW		SENE						0	
		NESW	9	NWSW	4	SWSW	9	SESW	9	31	
		NESE	9	NWSE	9	SWSE	9	SESE	9	36	
	6	SENE								0	
		SWNW	31	SENE	40					71	
		NESW	16	NWSW	13	SWSW	6	SESW	6	41	
		NESE		SESE						0	
	7	NENE	9	NWNE	9	SENE	9			27	
	8	NENE	9	NWNE	9	SWNE	9	SENE	9	36	
		NENW	9	NWNW	9	SWNW	9	SENE	9	36	
		NESW		NWSW						0	
		NWSE	40	SWSE	40					80	
	9	NENE	9	NWNE		SWNE		SENE	9	18	Map 7
		NENW	9	NWNW	9	SWNW	9	SENE	9	36	
		NESW	40	NWSW	40					80	
		NESE	9	NWSE	9	SWSE	9	SESE	9	36	
	10	NWNW	25	SWNW	35					60	
		NESW	4	NWSW	10	SWSW	9	SESW	5	28	Map 8
	14	SWSW	36							36	
	15	NWNE		SWNE						0	
		NENW	9	NWNW	9	SWNW	9	SENE	9	36	
		NESW	9	NWSW	9	SWSW	9	SESW	9	36	
		NESE	9	NWSE	9	SWSE	9	SESE	9	36	

16	NENE		NWNE		SWNE		SENE		0	Map 9
	NENW	9	NWNW	9	SWNW	9	SENW	9	36	
	NESW	6	NWSW	15	SWSW	6	SESW	12	39	
	NESE	9	NWSE	9	SWSE	9	SESE	9	36	
17	NENE	9	NWNE	9	SWNE	7	SENE	9	34	Solosobal Map
18	SWNW	40							40	
	NESW	40	NWSW	40					80	Map 9
20	SWNE	40							40	
	NENW		NWNW		SWNW		SENW		0	
	NWSE	9	SWSE	9	SESE	9			27	
21	NENE	9	NWNE	9	SWNE	9	SENE	9	36	Map 8
	SENW	30							30	
	NESE	40	NWSE	37					77	Map 10
22	NENE		NWNE		SWNE		SENE		0	
	NWNW		SWNW		SENW				0	
	NESW	9	NWSW	9	SWSW	9	SESW	9	36	
	NESE		NWSE		SESE				0	Map 11
23	NENW	17	NWNW		SWNW		SENW		17	
	NESW		NWSW		SWSW		SESW		0	
			NWSE	40	SWSE	40	SESE	40	120	
26	NENE	9	NWNE	9	SWNE	9	SENE	9	36	Map 10
	NENW	40	NWNW	40					80	
27	NENE	5	NWNE	2	SWNE	2	SENE	5	14	
	NENW	5	SENW	5					10	
	NESW		SESW						0	Map 11
	NESE		NWSE		SWSE		SESE		0	
28	SWNE		SENE	9					9	
	NWNW	40	SWNW	9					49	
	NESW	9	NWSW	9					18	Map 10
	NESE	9	NWSE						9	
29	NENE		NWNE		SWNE		SENE	9	9	
	NESE	9	NWSE		SWSE	40	SESE	9	58	
34	NENE	40	NWNE	40						

Total: 3700



T6S R9E S22, 23 & 24



MAP 1

T6S R9E S25, 26, 35 & 36



T6S R9E S27, 28, 33 & 34



T6S R10E S30, 31 & 32

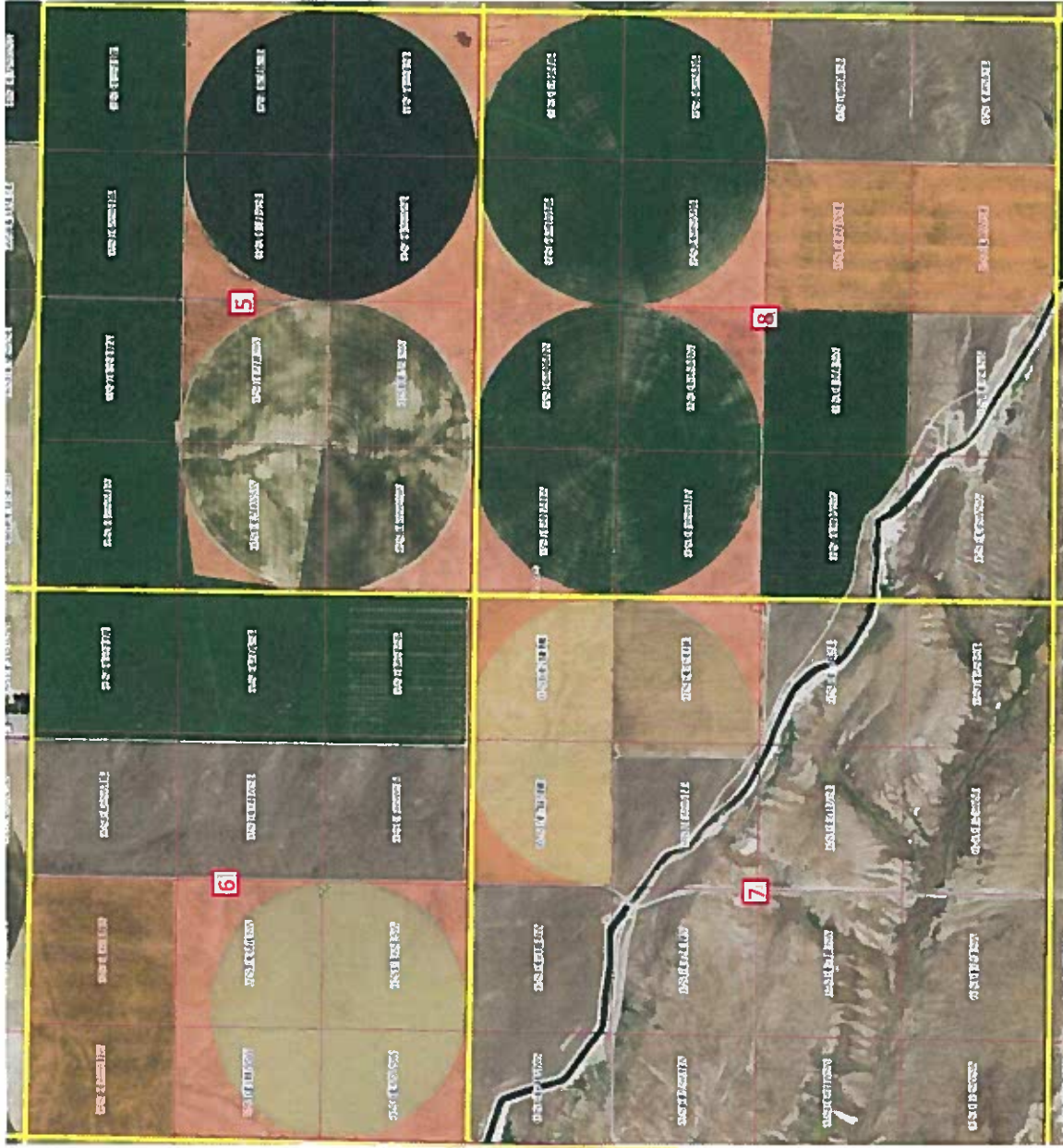


MAP 4

T7S R9E S1, 2 & 3

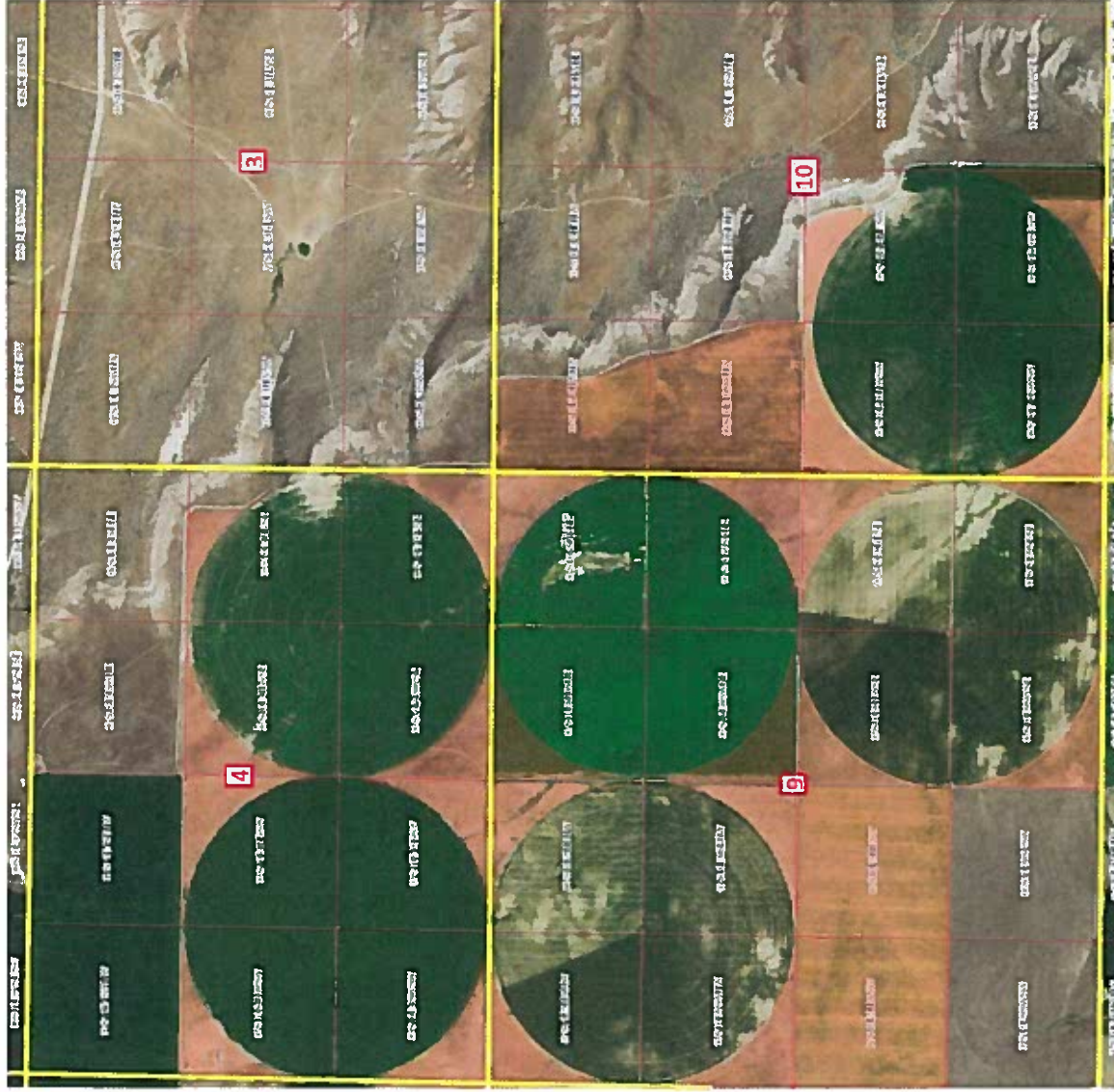


T7S R10E S5, 6, 7 & 8



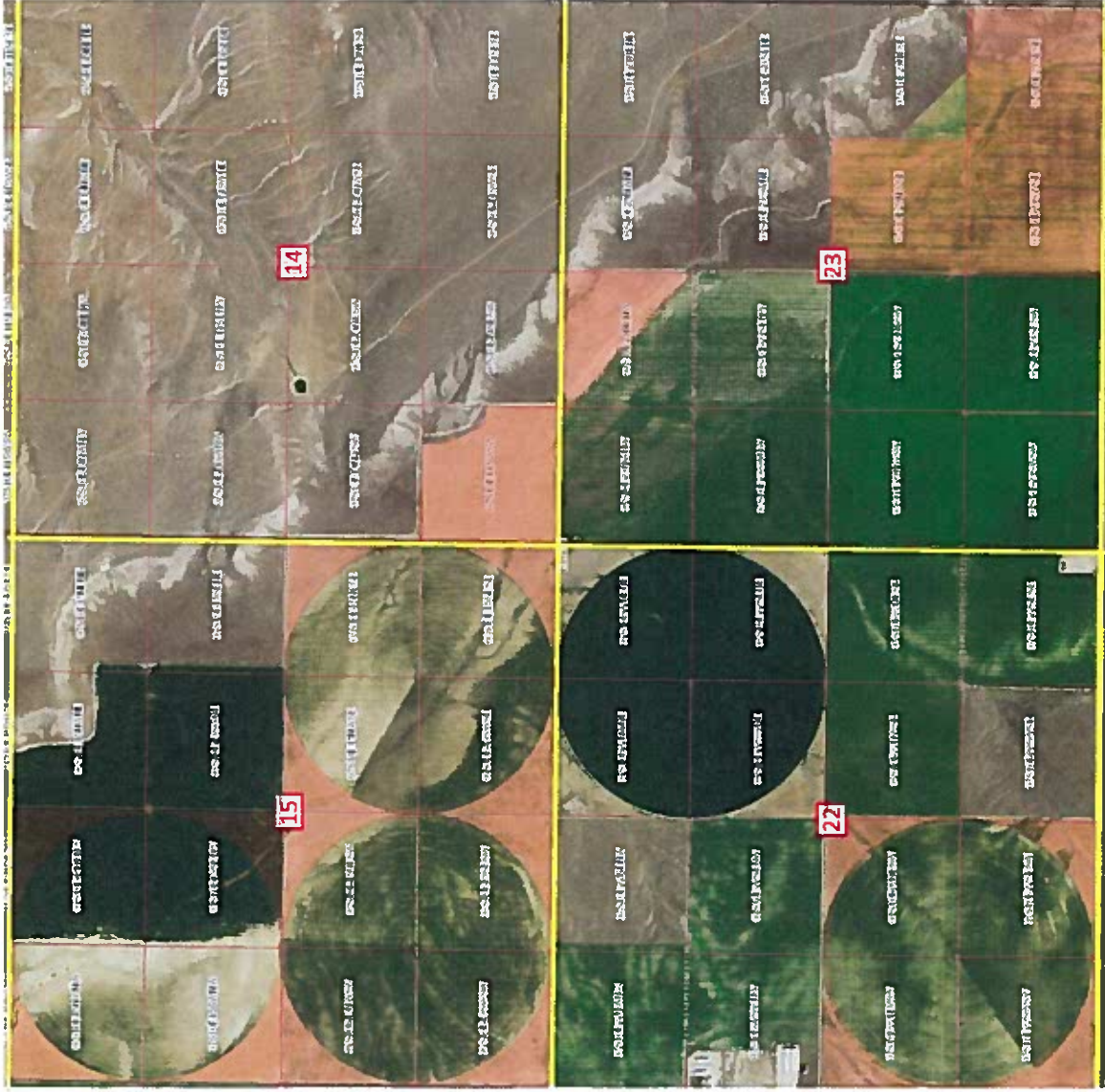
MAP 6

T7S R10E S4, 9 & 10



MAP 7

T7S R10E S14, 15, 22 & 23



T7S R10E S16, 17, 20 & 21



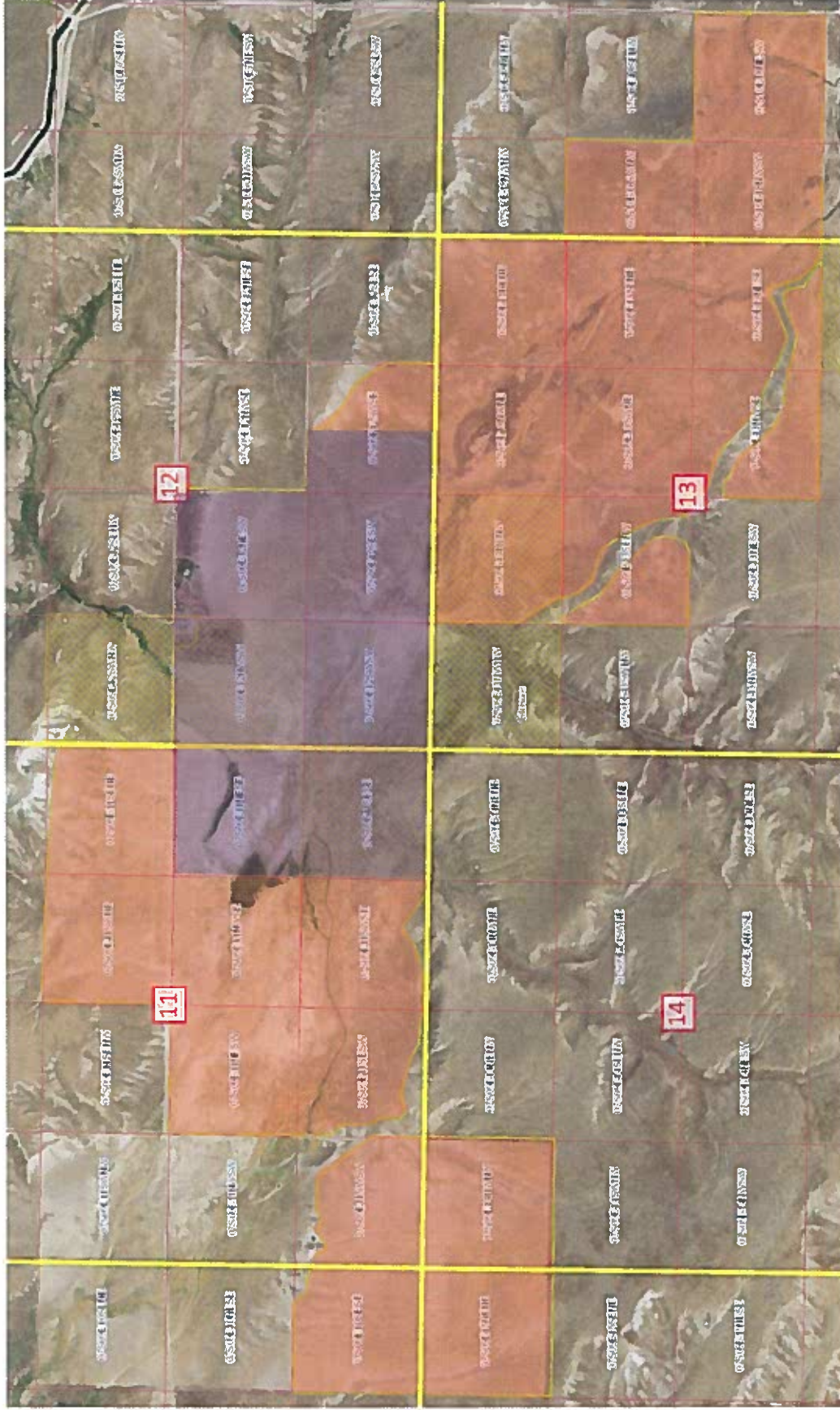
T7S R10E S26, 27 & 34



T7S R10E S28 & 29



MAP 11



SOLOSABOL MAP



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

July 12, 2016

GRINDSTONE BUTTE MUTUAL CANAL CO
C/O JOHN MARSHALL LAW
575 W BANNOCK ST
BOISE ID 83702

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

Dear Lessor:

Water right 2-2262 was leased into the Water Supply Bank (Bank) as of May 24, 2016, in accordance with the enclosed executed lease contract. **Your water right, as described on the lease contract, is considered leased into the Bank and should remain unused until it is formally released from the Bank.** More information and further restrictions placed on your water right while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The right will automatically be released from the Bank on **December 31, 2016**, unless the right is released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water right from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at www.idwr.idaho.gov. **Please note your water right may not be available for immediate release if it has been rented or is being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

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

Sincerely,

 Water Supply Bank

Enclosure: Executed Lease Contract

c: Angie Grimm - IDWR Western Region
Rob Whitney – Water District 02

John Marshall Law PLLC

575 W Bannock, Suite B
Boise, ID 83702

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

RECEIVED

JUL 08 2016

DEPARTMENT OF
WATER RESOURCES

July 6, 2016

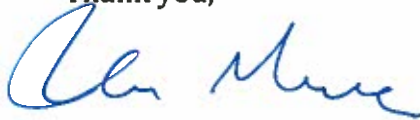
Idaho Department of Water Resources
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

Re: Grindstone Butte Water Bank Lease

To Whom It May Concern:

Enclosed please find executed copies of the Water Supply Bank Lease Contract for right 2-2262 held by the Grindstone Butte Mutual Canal Co.

Thank you,



John M. Marshall



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

June 23, 2016

GRINDSTONE BUTTE MUTUAL CANAL CO
C/O JOHN MARSHALL LAW
575 W BANNOCK ST
BOISE ID 83702

RE: APPLICATIONS TO LEASE WATER RIGHT 2-2262 TO THE WATER SUPPLY BANK

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

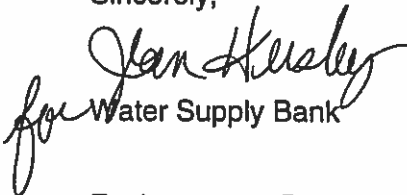
The right will automatically be released from the Bank on **December 31, 2016**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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 # C102085

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

Memo Date: June 22, 2016

Water Right Number(s): 2-2262

Reviewers Name: Jean

Quick Tools

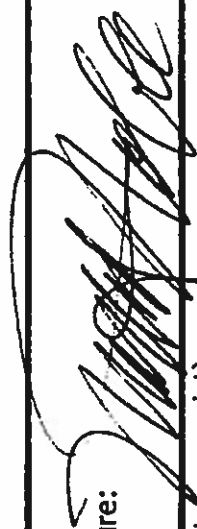
Decreed Year	No Forfeiture Concerns Thru:
2009	2015
2010	2016
2011	2017
2012	2018
2013	2019

		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)			
	Past irrigation to ensure forfeiture is not an issue if decreed or licensed over 7 years ago (consider transfers that changed the POU, rentals to the POU etc.)			
	Has this right previously been leased to the bank or in CREP?	x		
7	Injury to other water rights			
	If the POD is through a delivery entity, was consent provided?			
	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?			
	Send the watermaster comment request form or e-mail request	x		
11	Area Headgate requirement			4
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: On May 24, 2016, the Dept. received an application to lease a portion of water right 2-2262 to the Bank. There is already a lease on a different portion of this water right that expires in 2019. This lease is for different acres. The amount offered to the Bank is 3700 acres, 49.86 cfs and 14800 af. On Attachment 2 of the application, there was a typo on the total acres but the detailed spreadsheet adds up to 3700 acres. The total leased for the season (this includes both leases) will be 3925.5 acres, 53.3 cfs and 15,822 af. The unleased portion is 9506.5 acres, 127.7 cfs and 37,908 af. Allen Noble, director of Grindstone Butte Mutual Canal Co. signed the application. This right was decreed in 2008 and has been utilized since then. Portions of this right were in the Bank in the 2015 season. Forfeiture is not an issue. This water right is within WD 02.

No. C 38313 Return to: SECRETARY OF STATE 450 N 4th STREET PO BOX 83720 BOISE, ID 83720-0080	Due no later than Apr 30, 2016 Annual Report Form 1. Mailing Address: Correct in this box if needed. GRINDSTONE BUTTE MUTUAL CANAL COMPANY P. O. BOX 2673 BOISE ID 83701	2. Registered Agent and Office (NOT A P.O. BOX) ALLEN NOBLE 575 W BANNOCK ST BOISE ID 83702
NO FILING FEE IF RECEIVED BY DUE DATE		3. <u>New</u> Registered Agent Signature.

4. Corporations: Enter Names and Business Addresses of President, Secretary, Directors, Treasurer, Vice Pres.						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
President	Mark Noble	P. O. Box 2673	Boise	Idaho	USA	83701
Secretary	Damon Thompson	P. O. Box 1201	Boise	Idaho	USA	83701
Directors	Allen Noble	P. O. Box 1582	Boise	Idaho	USA	83701
	Mark Noble	P. O. Box 1201	Boise	Idaho	USA	83701
	Rusty Johnson	P. O. Box 1201	Boise	Idaho	USA	83701
	Craig Castagneto	P. O. Box 2822	Boise	Idaho	USA	83701

5. Organized Under the Laws of: IDAHO C 38313	6. Signature:  Date: 2/24/15 Name (type or print): Mark Noble Title: PRES.
---	---

Issued 02/22/2016 by online 118713

INSTRUCTIONS FOR THE IDAHO ANNUAL REPORT FORM

Block 1: Entity name may not be altered through the use of this form. Pay special attention to the mailing address.