



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

TETON PARTNERS LTD
1201 S ORLANDO AVE STE 203
WINTER PARK FL 32789

**RE: NOTIFICATION OF WATER SUPPLY BANK LEASE EXPIRATION FOR WATER
RIGHTS: 22-583B, 22-161, 22-347B, 22-348B, 22-349B, 22-610 & 22-13176**

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,

Remington Buyer
Water Supply Bank Coordinator

Enclosures:

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED

JUN 24 2016

DEPARTMENT OF
WATER RESOURCES

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

LESSOR: TETON PARTNERS LTD
1201 S ORLANDO AVE STE 203
WINTER PARK FL 32789
407-629-1800

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 2, 2016, the Lessor filed an application to lease the water rights 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 RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

Water Right	Priority Date	Source	Tributary	Leased Rate	Annual Leased Volume	Total Leased Acres
22-161	06/01/1901	SOUTH LEIGH CREEK	TETON RIVER	2.0 cfs	350.0 af	100.0 ac
22-347B	06/01/1901	SOUTH LEIGH CREEK	TETON RIVER	0.2 cfs	490.0 af	140.0 ac
22-348B	06/01/1902	SOUTH LEIGH CREEK	TETON RIVER	0.6 cfs	490.0 af	140.0 ac
22-349B	06/01/1903	SOUTH LEIGH CREEK	TETON RIVER	0.4 cfs	490.0 af	140.0 ac
22-583B	06/01/1899	SOUTH LEIGH CREEK	TETON RIVER	1.0 cfs	490.0 af	140.0 ac
22-610	01/22/1916	SOUTH LEIGH CREEK	TETON RIVER	4.8 cfs	721.0 af	206.0 ac
22-13176	05/15/1897	SOUTH LEIGH CREEK	TETON RIVER	0.6 cfs	490.0 af	140.0 ac
Total annual combined limits of these water rights				9.6 cfs	721.0 af	206.0 ac

SUPPORT DATA

Lease Totals

IN FILE # 22-161

9.6 cfs 721.0 af 206.0 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.

WATER SUPPLY BANK LEASE CONTRACT

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.

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

TETON PARTNERS LTD

1201 S ORLANDO AVE STE 203
WINTER PARK FL 32789

Smg Teton, Inc - General Partner

By *[Signature]*

Printed Name DAVID C. Strong

Date 6/21/16

Title President

IDAHO WATER RESOURCE BOARD

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

By *[Signature]*

Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 6/27/2016

Lease approved by IDWR *[Signature]*

Date 6-27-2016

ATTACHMENT A

WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

WATER RIGHT NOS. 22-161, 22-347B, 22-348B,
22-349B, 22-583B, 22-610, and 22-13176

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

Lessor: TETON PARTNERS LTD
1201 S ORLANDO AVE STE 203
WINTER PARK FL 32789
407-629-1800

Location of Point(s) of Diversion for Water Right 22-161, 22-347B, 22-348B, 22-349B, 22-583B, 22-610, and 22-13176

SOUTH LEIGH CREEK L3 (NENWSE) Sec. 32, Twp 06N, Rge 46E, TETON County

<u>Water Right</u>	<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
22-161	IRRIGATION	04/15	to 10/31	2.0 cfs	350.0 af
22-347B	IRRIGATION	04/15	to 10/31	0.2 cfs	490.0 af
22-348B	IRRIGATION	04/15	to 10/31	0.6 cfs	490.0 af
22-349B	IRRIGATION	04/15	to 10/31	0.4 cfs	490.0 af
22-583B	IRRIGATION	04/15	to 10/31	1.0 cfs	490.0 af
22-610	IRRIGATION	04/15	to 10/31	4.8 cfs	721.0 af
22-13176	IRRIGATION	04/15	to 10/31	0.6 cfs	490.0 af
Total:				4.8 cfs	721.0 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	
06N	46E	31													23.0			36.0	59.0
06N	46E	32									37.0	34.0	38.0	38.0					147.0

Total Acres: 206.0

Conditions Applicable to All Leased Water Rights

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department, even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, or the lease term expires. A right may be released from the bank upon request, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).

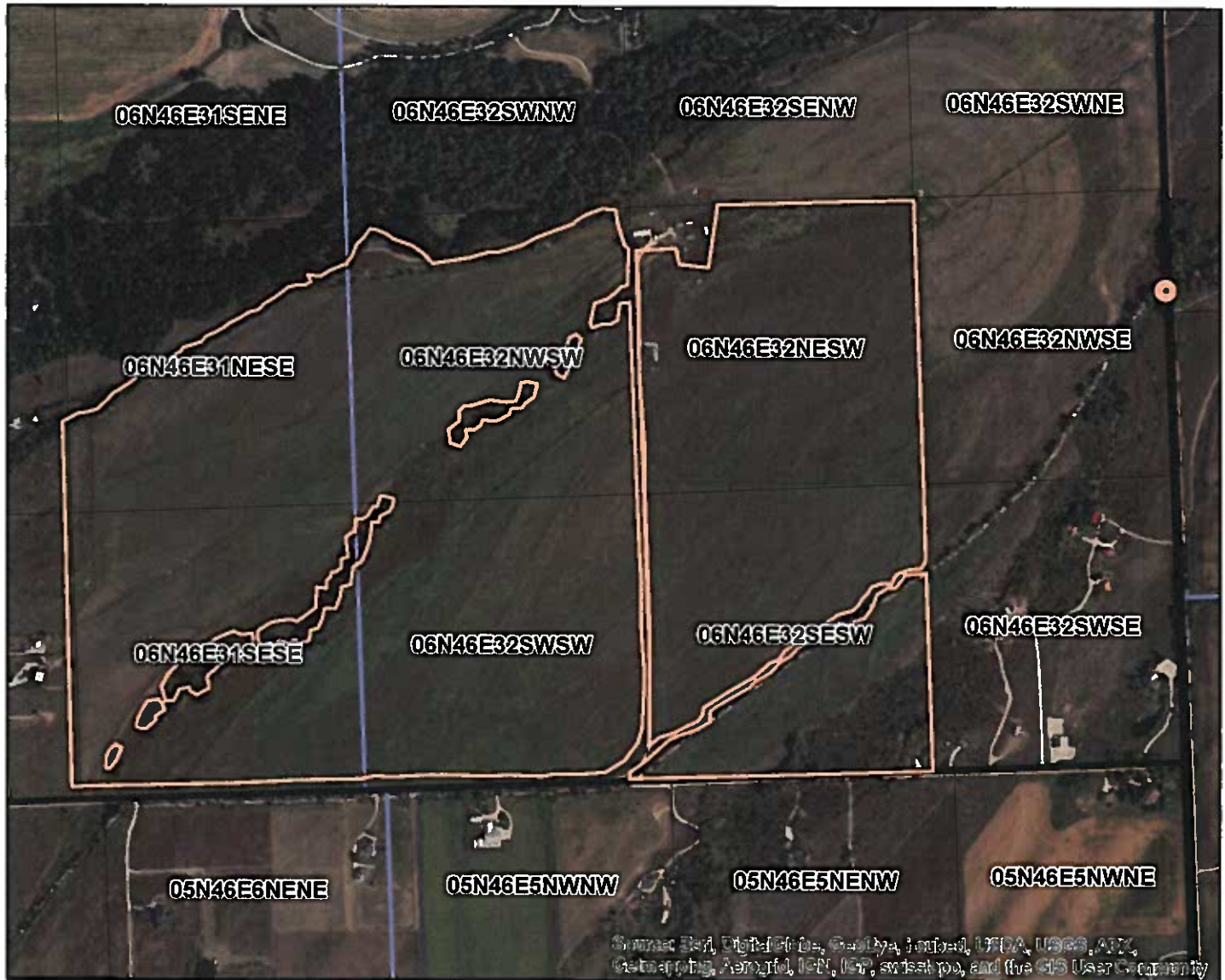
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, 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 rights leased to the bank are 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. 01.
13. The actual point of diversion for these rights is in Wyoming, T44N, R118W, Sec 5, SENWNW, 6PM. The point of diversion shown above is where the conveyance system enters Idaho.
14. Water is delivered through the Hog Canal, also known as Leigh Creek Canal. Ditches with headings off the Hog Canal located in Wyoming provide irrigation water for portions of the place of use.
15. Water rights 22-161, 22-347B, 22-248B, 22-249B, 22-583B, 22-610 and 22-13176 are limited to a combined total of 206.0 acres in a single irrigation season.
16. Water right 22-161 is limited to the irrigation of 100 acres within the place of use described above in a single irrigation season.
17. Water right 22-347B is limited to the irrigation of 140 acres within the place of use described above in a single irrigation season.
18. Water right 22-348B is limited to the irrigation of 140 acres within the place of use described above in a single irrigation season.
19. Water right 22-349B is limited to the irrigation of 140 acres within the place of use described above in a single irrigation season.
20. Water right 22-583B is limited to the irrigation of 140 acres within the place of use described above in a single irrigation season.
21. Water right 22-13176 is limited to the irrigation of 140 acres within the place of use described above in a single irrigation season.
22. This water right is subject to the delivery provisions contained in *Roxana Canal Co. v. Daniels*, Equity No. 2447 (D. Wy. Feb. 4, 1941) ("Roxana decree"). Nothing in this Partial Decree is intended to relieve or alter the state of Idaho nor the state of Wyoming from their obligations contained in the Roxana decree.

Idaho Water Resource Board
Water Supply Bank Lease

22-161, 22-347B, 22-348B, 22-349B, 22-583B,
22-610, and 22-13176

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



0 500 1,000 Feet

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

MAY 02 2015

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant Teton Partners LTD

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

Water Right No. 22-161

(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 \$ 750.00Received By: djDate Received: 5-2-16Receipt # C101955W-9 received? Yes ☒ No ☐

(Route W-9 to Fiscal)

Name on W-9: Teton Partners Ltd

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 Teton Partners LTD

Mailing Address 1201 S. Orlando Ave, STE 203 Winter Park FL 32789
Street City State Zip Code

Email Address zstrong@strongmgmt.com Phone Number (407) 629-1800

☒ 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 _____ Organization _____

Professional Title _____ Email Address _____

Mailing Address _____ Phone Number _____

☐ 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.
The water is diverted from S. Leigh Ck at a structure located in Wyoming at T44N, R118W. The structure has two headgates, used to divert water into Hog Canal, ditches with headings off the Hog deliver water to the property.

- C. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank. Water right nos. 22-161, 22-347B, 22-348B, 22-349B, 22-583B, 22-610, and 22-13176 are all used for the purpose of irrigation and are all appurtenant to the same permissible place of use. All seven of these water rights are being offered to the Bank.

- 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. 2.0 cfs, the entire diversion rate associated with water right no. 22-161, has been diverted annually for the last 5 years to accomplish the beneficial use authorized by this water right.

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

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

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE AGREEMENT

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

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

David Strong General Partner
Printed Name Strong Teton, LLC

4-28-16
Date

Signature of Authorized Representative

Printed Name

Date

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

Attachment 3

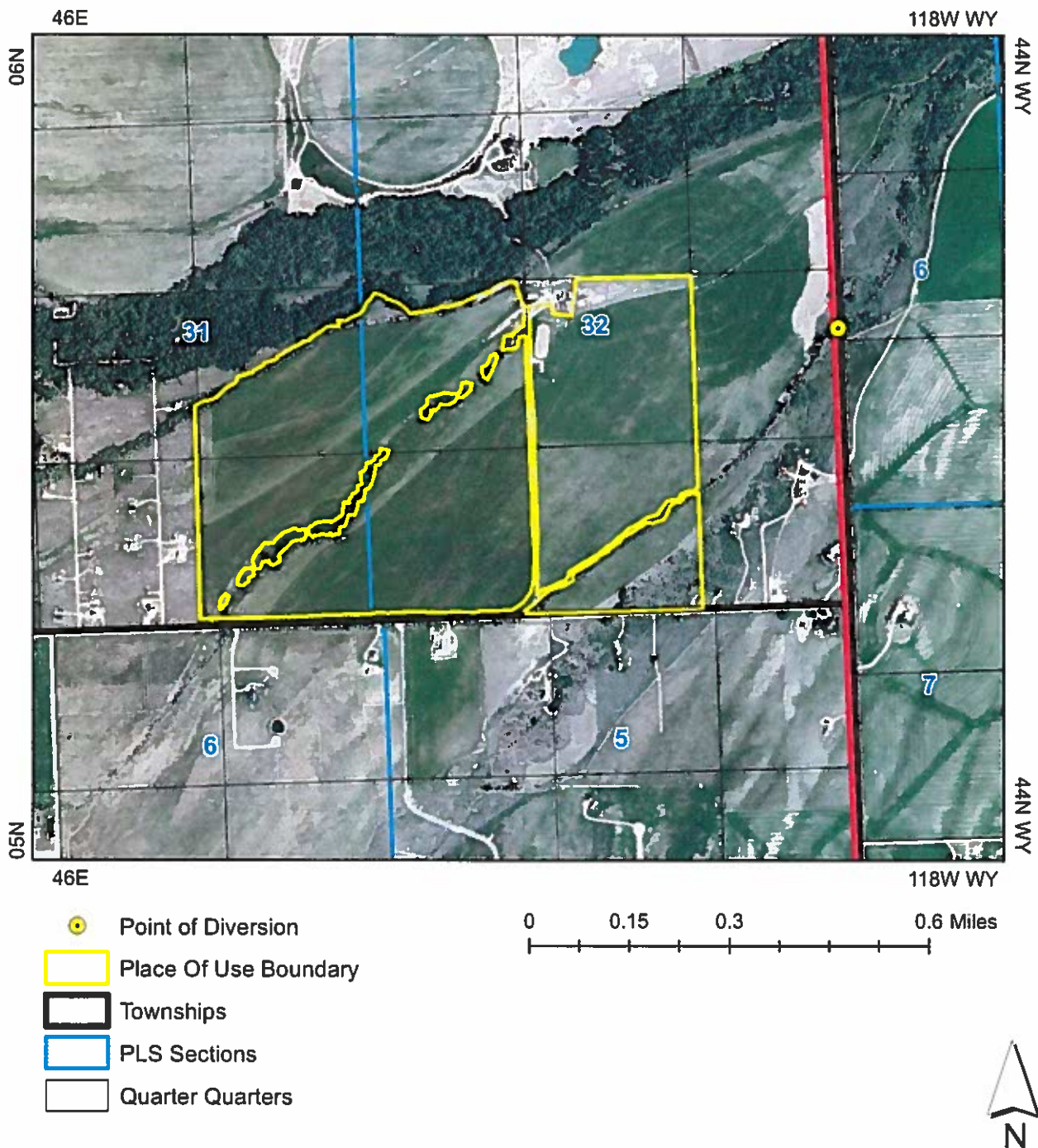
All water rights associated with the PPU are being offered to the Bank

State of Idaho
Department of Water Resources

Water Right 22-161

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.





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

June 28, 2016

GARY SPACKMAN

Director

TETON PARTNERS LTD
1201 S ORLANDO AVE TE 203
WINTER PARK FL 32789

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 22-161, 22-347B, 22-348B, 22-349B, 22-583, 22-610, and 22-13176

Dear Lessor:

Water rights 22-161, 22-347B, 22-348B, 22-349B, 22-583, 22-610, and 22-13176 were leased into the Water Supply Bank (Bank) as of May 2, 2016, in accordance with the enclosed executed lease contract. **Your water rights, as described on the lease contract, are considered leased into the Bank and should remain unused until they are formally released from the Bank.** More information and further restrictions placed on your water rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

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

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

Sincerely,

 Water Supply Bank

Enclosure: Executed Lease Contract

c: James Cefalo - IDWR Eastern Region
Lyle Swank – Water District 01

Hersley, Jean

From: Hersley, Jean
Sent: Thursday, June 16, 2016 8:43 AM
To: Swank, Lyle; Olenichak, Tony
Subject: WSB Lease Application for Teton Partners
Attachments: Idled Acres.pdf; Lease Application Review Checklist Teton Partners.xls; Lease Contract.docx

Please let me know if you have any comments or concerns about the attached lease request. Thank you.

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



State of Idaho

DEPARTMENT OF WATER RESOURCES

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June 16, 2016

TETON PARTNERS LTD
1201 S ORLANDO AVE STE 203
WINTER PARK FL 32789

RE: APPLICATIONS TO LEASE WATER RIGHT 22-161, 22-347B, 22-348B, 22-349B, 22-583B, 22-610, and 22-13176 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 # C101955

WATER SUPPLY BANK
Agent Lease Review Checklist
Applicant(s) Name: Teton Partners LTD

Memo Date: June 15, 2016

Water Right Number(s): 22-161, 22-347B, 22-348B, 22-349B, 22-583B, 22-610 and 22-13176

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		
All of right	x	
3 Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)	x	
	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?	x	
If the POD is through a delivery entity, was holdback required? (percentage in comments)		%
8 Enlargement concerns	Check box	
Complete a POU comparison overlap analysis	x	
Complete a combined limits review	x	
Complete POD overlap analysis (if there is an overlap add condition to lease)	x	
	Yes No	
Are there overlapping rights that need to be placed in the bank also?	x	
Will the place of use continue to receive water?	x	
9 Local Public Interest		
Does the processor know of any problems this action will cause for the local public?	x	
10 Have you contacted regional office and watermaster for comment/concerns?	x	
Send the watermaster comment request form or e-mail request	x	
11 Area Headgate requirement		3.5
12 Is water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments	x	
13 Narrative: The applicant wishes to place the entirety of all rights in the Bank. Together, these rights are limited to the irrigation of 206 acres. The POD for these rights is located in Wyoming, T44N, R118W, Sec. 5, SENWNW and is delivered through the Hog Canal, aka Leigh Creek Canal. Permission from the Canal Co. is not needed. (See file for emails regarding this.) The lease is for the 2016 season. These rights were decreed in 2008 and aerial photography suggests irrigation has taken place within the last 5 years. Forfeiture is not an issue. These rights are currently within WD 01.		

No. J 1453	Due no later than Jun 30, 2016 Annual Report Form		2. Registered Agent and Address (NO PO BOX)
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE			SEAN MOUTON 60 E WALLACE DRIGGS ID 83422 3. <u>New</u> Registered Agent Signature:*
4. Limited Liability Partnerships: Enter Names and Business Addresses of two (2) or more partners.			
Office Held	Name	Street or PO Address	City State Country Postal Code
PARTNER	DAVID C STRONG	PO BOX 276	WINTER PARK FL USA 32789
PARTNER	ALEXANDER STRONG	PO BOX 276	WINTER PARK FL USA 32789
5. Organized Under the Laws of: FL J 1453	6. Annual Report must be signed.* Signature: David Strong Name (type or print): David Strong Date: 04/28/2016 Title: Partner		
Processed 04/28/2016		* Electronically provided signatures are accepted as original signatures.	

Field, Christine

From: Webster, Clay
Sent: Friday, May 13, 2016 11:56 AM
To: Field, Christine
Subject: FW: Canal permission for Water Bank application approval

Christine,

We can go ahead and process this lease without the Canal Company's Consent per the e-mail below.

Clay

From: Olenichak, Tony
Sent: Wednesday, May 11, 2016 3:08 PM
To: Buyer, Remington
Cc: Sarah Lien (Rupp) (sarah@tetonwater.org); Webster, Clay
Subject: RE: Canal permission for Water Bank application approval

Remington,

Your understanding of the situation is correct. As for your follow-up questions.....

Lyle Swank is the Watermaster for Water District #1 which includes the Upper Teton Valley Basin which contains South Leigh Creek and the Hog Canal. The Deputy (on the ground) Watermaster for the Upper Teton Basin/South Leigh Creek (a contract employee for Water District #1) is Nick Olson (589-4199) who takes care of the day-to-day regulation of headgates in that area and is supervised by me and Lyle.

If the Teton Partners water rights are leased to the Bank, they would be removed from the water rights to be delivered to the Hog Canal, unless the rights were leased from the Water Bank to be delivered to the Hog Canal for some other purpose or place-of-use served by the Hog Canal. If they are leased to the Bank but not from the Bank, my assumption would be that the rights are not being used by anyone and the Teton Partner's water rights would not be delivered to any point of diversion. That would result in additional water in South Leigh Creek that would then become available to junior water users either on South Leigh Creek or the Teton River, that may or may not also be water users of Hog Canal.

A third scenario would be if the Teton Partners water rights were leased from the Bank and assigned to another point-of-diversion on South Leigh Creek or on the Teton River downstream. This situation gets a little tricky if the water right can't physically reach the new point-of-diversion before sinking into the ground, or the new point-of-delivery is for in-stream usage at some point on South Leigh Creek downstream. This type of situation needs to be evaluated by the IDWR and Watermaster on a case-by-case basis.

Tony

From: Buyer, Remington
Sent: Wednesday, May 11, 2016 1:25 PM
To: Olenichak, Tony
Cc: Sarah Lien (Rupp) (sarah@tetonwater.org); Webster, Clay
Subject: RE: Canal permission for Water Bank application approval

Tony,

Thanks for the additional context. Based on your input, the following is my understanding of the situation:

- The Hog Canal is a shared conveyance system for multiple appropriators.
- No single entity exclusively manages or operates the Hog Canal, and thus no single entity is required to provide comments to the Bank per WSB rule 25.02.E,
- A lease into the Bank of Teton Partners water rights does not require consent from South Leigh Creek Canal Company.

Some follow up questions for you:

- Who is the watermaster for the Hog Canal/South Leigh Creek?
- If the Teton Partners water rights are leased to the Bank, would the watermaster continue to deliver the decreed flow for the Teton Partners water rights into the Hog Canal, or would the decreed flow be kept in South Leigh Creek?

Thanks,

Remington
287-4918

From: Olenichak, Tony
Sent: Tuesday, May 10, 2016 5:18 PM
To: Buyer, Remington
Cc: Sarah Lien (Rupp) (sarah@tetonwater.org); Webster, Clay
Subject: Canal permission for Water Bank application approval

Remington,

When Clay asked Lyle the name of the irrigation company that manages the Hog Canal concerning a Teton Partners LTD Water Bank lease application, and I sent Clay the name of Karen Clifton who is president of South Leigh Creek Canal Company, I had a feeling this would come back to me at some point. I think it would be helpful if I provided a little more explanation about the Hog Canal and water delivery based on the inquiries I've been getting to perhaps make things a little easier for everyone to understand and to help facilitate the lease application approval or denial.

The Hog Canal diverts 17 water rights (totaling 151 cfs) from South Leigh Creek. Three of the 17 rights (120 cfs) are owned by Leigh Creek Canal Company. The remaining 14 rights (totaling 31 cfs) are owned by other entities. South Leigh Creek Canal Company manages the delivery of the canal company's three water rights to its shareholders through the Hog Canal and provides some maintenance to the canal to ensure delivery of the company's water rights to its shareholders, but I don't think it provides all the maintenance and all the management for all water rights carried by the canal. The South Leigh Creek Canal Company cannot interfere with the delivery (or non-delivery) to the other 14 rights (31 cfs) owned by other entities. For example, if Teton Partners LTD came to the WD01 Watermaster and said Teton Partners is not going to irrigate its property this year, the WD01 Watermaster would cease delivering the 7 water rights owned by Teton Partners LTD totaling 9.6 cfs to the Hog Canal without seeking approval from anyone else on the Hog Canal.

The question asked to me by Sarah Lien was.....Why would the Water Bank need approval from South Leigh Creek Canal Company before Teton Partners LTD could lease their water right(s) outside of Hog Canal if Leigh Creek Canal Company cannot interfere with the delivery (or non-delivery) of the Teton Partners water rights in the canal? Notification of the lease application to other water right owners and managers of the Hog Canal doesn't seem inappropriate, but requiring approval by the other water right owners and managers of the canal before the lease would be granted seems senseless because Teton Partners could simply cease to have their water rights delivered to the Hog Canal by the Watermaster if they ceased irrigating their properties.....which would put them in danger of water right forfeiture.....which I assume is why they are attempting to put their water rights in the Water Bank.....which either way would result in the same amount of water delivered to the Hog Canal.

Can you help with the answers to these inquiries by Sarah?

Thanks,
Tony Olenichak

Webster, Clay

From: Sarah Rupp [sarah@tetonwater.org]
Sent: Wednesday, May 04, 2016 11:12 AM
To: Webster, Clay
Cc: Field, Christine; Buyer, Remington
Subject: RE: Consent Needed

Clay,
Thanks for the information. Perhaps I will follow up with Remington when he returns to the office. I fully understand the injury question, but this seems like inconsistent application of the law.

The water supply bank lease application asks for consent if the water right is part of an irrigation district or water delivery company. The water rights in question are not part of a company or district.

While I can get in touch with the Leigh Creek Canal Company to discuss permission for the leases, I believe this is an inaccurate application of the rules. I have worked on a number of water supply bank leases, including applications which require permission. In that instance, the water rights being offered to the bank were actually part of a water delivery company, even though they were owned individually. That is not the situation at hand.

In this situation the water rights are diverted at the same point of diversion as water rights owned by several other owners - Teton West Irrigation, the Fullmer Family Trust, the Jardines, Leigh Creek Canal Co., Teton Partners, the Moultons, D Diamond Ranch HOA, and the Brooks. All owners have an equal interest in the operation of the diversion works. It doesn't make sense to me why you require the permission of Leigh Creek Canal Company for Teton Partners to enroll their rights in the bank, when Leigh Creek Canal Company has no right/interest in the rights or their delivery.

Best,
Sarah

From: Webster, Clay [mailto:Clay.Webster@idwr.idaho.gov]
Sent: Wednesday, May 04, 2016 9:17 AM
To: Sarah Rupp
Cc: Field, Christine
Subject: RE: Consent Needed

Sarah,

The water supply bank lease application asks for the consent of the irrigation district or water delivery company (page 1, 4A). That is the company that manages the ditch that the water is delivered through. I have checked and found that the Hog Canal is managed by the South Leigh Creek Canal Company. The purpose of this requirement is to ensure that no one is injured by ceasing the diversion of the water through that ditch. In some instances the water right may have conveyance losses associated with the water being moved through a ditch. In many cases the delivery entity will require that a percentage of the water continue to be delivered at the POD to ensure that the people at the end of the ditch will still receive their water. This requirement comes from Idaho code 42-1763. Thank you.

Sincerely,
Clay Webster
Water Resource Agent
clay.webster@idwr.idaho.gov
208-287-4910
Idaho Department of Water Resources (IDWR)

From: Field, Christine
Sent: Wednesday, May 04, 2016 7:36 AM
To: sarah@tetonwater.org
Cc: Webster, Clay
Subject: FW: Consent Needed

Sarah,

I am going to refer your inquiry to Clay who is a Water Agent key point of contact for the Water Supply Bank. Remington is out of the office this week

Clay,

Need your help with one, see e-mail below for Teton Partners reply regarding consent.....

If you could reply to Sarah that would be marvelous.

Christine

From: Sarah Rupp [<mailto:sarah@tetonwater.org>]
Sent: Tuesday, May 03, 2016 5:51 PM
To: Field, Christine
Cc: Buyer, Remington
Subject: RE: Consent Needed

Christine,

Leigh Creek Canal Company has water rights (water right no. 22-378, 22-379 & 22-608) which are diverted at the Hog Canal, the same point of diversion used for the Teton Partner's water rights. However, the water rights owned by Teton Partners are not part of that canal company. In addition to Leigh Creek Canal Company, there are more than seven other water users that utilize this ditch. They all share the ditch, but only the water rights owned by Leigh Creek Canal Company are operated on behalf of the company, and by consequence Leigh Creek Canal Company has no legal right associated with the other water rights on the ditch...including those owned by Teton Partners.

It is my understanding and experience, that in a shared ditch situation, such as this, unless the water right being offered to the water Bank is owned and operated by the canal company, no permission is needed to lease it into the Bank. Is that accurate?

Please advise,
Sarah

Sarah Lien (Rupp)
Water Resources Director and Staff Attorney
Friends of the Teton River
PO Box 768
18 North Main Street Suite 310
Driggs, Idaho 83422
208.354.3871 ext. 11
sarah@tetonwater.org



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

May 3, 2016

TETON PARTNERS LTD
1201 S ORLANDO AVE STE 203
WINTER PARK FL 32789

**RE: ADDITIONAL INFORMATION REQUEST FOR PROCESSING APPLICATION TO LEASE
WATER RIGHT NO(S) 22-161, 22-347B, 22-348B, 22-349B, 22-583B, 22-610, 22-11604
AND 22-13176 TO THE WATER SUPPLY BANK**

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

Dear Applicant:

The Idaho Department of Water Resources (Department) acknowledges receipt of the application to lease the above referenced water right to the Idaho Water Resource Board's Water Supply Bank (Bank). The Department will review your application as resources allow.

If the right is determined to be eligible for acceptance into the Bank, the right will be entered as of the date of receipt of the application. The acceptance date may be adjusted when additional information is required. A preliminary review of your application has been completed and it has been determined that additional information is required to continue processing.

Please provide the following information or request withdrawal of your application within 30 days of the date of this letter or the application will be returned unprocessed and your application fee will be refunded:

- **Written consent needed from Teton West Irrigation Co Inc.**

The department will continue processing your application once you have submitted the requested information. Water right forms are available from the Department's website at www.idwr.idaho.gov. If you have any questions, please contact me at (208) 287-4910.

Sincerely,

Christine Field

Clay Webster

Water Resource Agent

WSB Process Point of Contact

for



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

May 3, 2016

TETON PARTNERS LTD
1201 S ORLANDO AVE STE 203
WINTER PARK FL 32789

**RE: ADDITIONAL INFORMATION REQUEST FOR PROCESSING APPLICATION TO LEASE
WATER RIGHT NO(S) 22-161, 22-347B, 22-348B, 22-349B, 22-583B, 22-610, 22-11604
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Please provide the following information or request withdrawal of your application within 30 days of the date of this letter or the application will be returned unprocessed and your application fee will be refunded:

- **Written consent needed from Leigh Creek Canal Co Inc.**

The department will continue processing your application once you have submitted the requested information. Water right forms are available from the Department's website at www.idwr.idaho.gov. If you have any questions, please contact me at (208) 287-4910.

Sincerely,

Christine Field

for Clay Webster
Water Resource Agent
WSB Process Point of Contact

From: Field, Christine [<mailto:Christine.Field@idwr.idaho.gov>]
Sent: Tuesday, May 03, 2016 3:19 PM
To: Sarah Rupp
Subject: RE: Consent Needed

Sarah,

Ok I received two points of clarification:

1. Permission is needed from **Leigh Creek Canal Co** – not Teton West Irrigation
2. The reason permission is needed, is due to the point of diversion for these Water Rights. POD is where the surface water is delivered thru the Canal., which means Teton Partners Water Rights will need permission to pull this water from the Canal co to avoid potential conveyance loss to other users.

If further explanation is needed let me know and I can refer you to one of our Water Right agents.

Regards

Christine

From: Sarah Rupp [<mailto:sarah@tetonwater.org>]
Sent: Tuesday, May 03, 2016 2:54 PM
To: Field, Christine
Subject: RE: Consent Needed

Hi Christine,

Thanks for passing the information my way. However, it is my understanding that these water rights are not within the service area of the Teton West Irrigation Company, and that they are individually owned by Teton Partners LTD. Can you clarify why Teton West Irrigation would need to provide consent?

Thanks so much,
Sarah

From: Field, Christine [<mailto:Christine.Field@idwr.idaho.gov>]
Sent: Tuesday, May 03, 2016 2:45 PM
To: Sarah Rupp
Subject: Consent Needed

Hi Sarah,

My name is Christine and I am working on the lease applications submitted by Teton Partners LTD to the State of ID Dept of Water Resources,

for the following Water Rights: **W/R 22-161, W/R 22-347B, W/R 22-348B, W/R 22-349B, W/R 22-583B, W/R 22-610, W/R 22-11604 and W/R 22-13176.**

Attached is a letter for your review, stating consent is needed from TETON WEST IRRIGATION CO INC within 30 days to allow Teton Partners Ltd to lease their Water Rights into the Bank.

Kind Regards,

Christine Field
Water Supply Bank Support Clerk

Webster, Clay

From: Olenichak, Tony
Sent: Wednesday, May 04, 2016 8:26 AM
To: Webster, Clay
Cc: Swank, Lyle
Subject: RE: Hog Canal

Clay,

Hog Canal is managed by South Leigh Creek Canal Company. Karen Clifton is president at 208-456-2810 (H) or 208-709-0935 (C).

Tony

From: Swank, Lyle
Sent: Wednesday, May 04, 2016 8:20 AM
To: Olenichak, Tony
Cc: Webster, Clay
Subject: FW: Hog Canal

Tony,

Since you have been working with some of the water users in this area, you are the person who can answer Mr. Webster's question(s).

Lyle

From: Webster, Clay
Sent: Wednesday, May 04, 2016 8:00 AM
To: Swank, Lyle
Subject: Hog Canal

Lyle,

We have received a WSB lease application from Teton Partners LTD. It came in without a consent from the delivery entity. Do you know what irrigation company manages Hog Canal? Thanks.

Sincerely,
Clay Webster
Water Resource Agent
clay.webster@idwr.idaho.gov
208-287-4910
Idaho Department of Water Resources (IDWR)

RECEIVED

MAY 02 2016

DEPARTMENT OF
WATER RESOURCES

April 19, 2016

Zander Strong
1201 S. Orlando Ave, STE 203
Winter Park, FL 32789

RE: Teton Partners LTD Water Right Lease Applications

Zander,

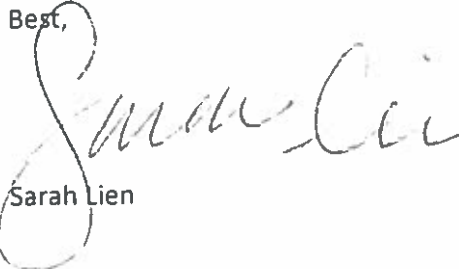
Please find enclosed a water right lease application for each of Teton Partners LTD's eight water rights.
To complete the lease application forms:

- Review and sign each application, where indicated;
- Fill out the enclosed IRS Form W-9; and
- Mail all documents, along with a \$750 application fee made payable to the Idaho Department of Water Resources, to the following address:

Idaho Department of Water Resources
Attention: Idaho Water Supply Bank
PO Box 83720
Boise, ID 83720-0098

If you have any questions about the contents of the lease applications please don't hesitate to contact me. I can be reached by email at sarah@tetonwater.org or by phone at (208) 709-7008.

Best,


Sarah Lien