

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED

JUN 20 2016

DEPARTMENT OF
WATER RESOURCES

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

LESSOR: MYRON LEWIS FARMS
C/O RICHARD LEWIS
PO BOX 353
REXBURG ID 83440
208-356-9670

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 April 6, 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 |
|-------------|---------------|--------------|-----------|-------------|----------------------|--------------------|
| 22-13440 | 10/26/1965 | GROUND WATER | NA | 0.53 cfs | 126.0 af | 36.0 ac |

Lease Totals 0.53 cfs 126.0 af 36.0 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, 2020. 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.

MYRON LEWIS FARMS
C/O RICHARD LEWIS
PO BOX 353
REXBURG ID 83440

By Richard M. Lewis

Date 6/14/2016

Printed Name RICHARD M. LEWIS

Title man. con. Pwr

IDAHO WATER RESOURCE BOARD
322 EAST FRONT ST
PO BOX 83720
BOISE ID 83720-0098

By Brian Patton

Date 6/22/2016

Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR [Signature]

Date 6-22-2016

ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE
 WATER RIGHT NO. 22-13440

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

Lessor: MYRON LEWIS FARMS
 C/O RICHARD LEWIS
 PO BOX 353
 REXBURG ID 83440
 208-356-9670

Location of Point(s) of Diversion for Water Right 22-13440

GROUND WATER L1(SENENE) Sec. 04, Twp 05N, Rge 40E, MADISON County

| <u>Water Right</u> | <u>Beneficial Use</u> | <u>From</u> | <u>To</u> | <u>Diversion Rate</u> | <u>Volume</u> |
|--------------------|-----------------------|-------------|-----------|-----------------------|-----------------|
| 22-13440 | IRRIGATION | 04/01 | to 11/01 | 0.53 cfs | 126.0 af |
| Total: | | | | 0.53 cfs | 126.0 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 | | |
| 05N | 40E | 3 | | | | | 2.5 L3 | 0.6 L4 | | | | | 5.0 | 1.3 | | 1.1 | | | | 10.5 |
| 05N | 40E | 4 | 4.8 L1 | | | | | | | | | | | | 7.1 | 4.2 | 0.9 | 2.0 | | 19.0 |
| 05N | 40E | 9 | | 2.5 | | | | | | | | | | | | | | | | 2.5 |
| 05N | 40E | 10 | | | | | 4.0 | | | | | | | | | | | | | 4.0 |

Total Acres: 36.0

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.

Idaho Water Resource Board Water Supply Bank Lease

22-13440

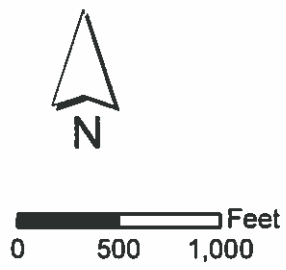
Effective until December 31, 2020

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.



Source: Esri, DigitalGlobe, GeoEye, Earthstar (United States), USDA, USGS, AeroGRID, IGN, IGP, swisstopo, and the GIS User Community

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



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

APR 06 2016

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant Myron Lewis Farms Water Right No. 22-13440
(Select one owner – see item 1A on the application) (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.

MIMUMUM REQUIREMENT CHECKLIST

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

Yes

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

Attachment N/A Yes

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

Department Use Only

| | | | |
|---|---------------------------------|---------------------------------------|--------------------------|
| Fee Amount \$ <u>250.-</u> | Received By: <u>[Signature]</u> | Date Received: <u>4/6/16</u> | Receipt # <u>C101807</u> |
| W-9 received? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | (Route W-9 to Fiscal) | Name on W-9: <u>MYRON LEWIS FARMS</u> | |

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 Richard Lewis

Mailing Address PO Box 353 Rexburg ID 83440
Street City State Zip Code

Email Address _____ Phone Number 208-356-9670

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 Chad Jensen Organization Rocky Mountain Environmental Associates

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

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

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

OR

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

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

The full water right is being offered to the Bank.

OR

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

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

3. MAP

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

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.
Well to pump to mainline.

- 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. The acres to be idled are irrigated at the maximum diversion rate allowed under the 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?

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 2020 (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.

Myron Lewis Fagan,
by Richard M. Lewis
Signature of Designated Applicant

Richard M. Lewis
Printed Name

3/25/2016
Date

Signature of Authorized Representative

Printed Name

Date

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

TO: IDAHO DEPARTMENT OF WATER RESOURCES

FROM: MYRON LEWIS FARMS

RE: Authorized Representatives

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

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

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

This authorizes these individuals to act as Representatives on behalf of Myron Lewis Farms. These representatives may submit information for Myron Lewis Farms, but are not authorized to sign for Myron Lewis Farms. This designation is only for the Water Banking of 36 acres of water right 22-13440 for the 2016 - 2021 calendar years.

*Myron Lewis Farms
by Richard M. Lewis*

Signature

Richard M. Lewis

Printed Name

3/25/2016

Date

Signature

Printed Name

Date

Signature

Printed Name

Date

Signature

Printed Name

Date



STATE OF IDAHO
WATER RESOURCE BOARD

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

ATTACHMENT 2

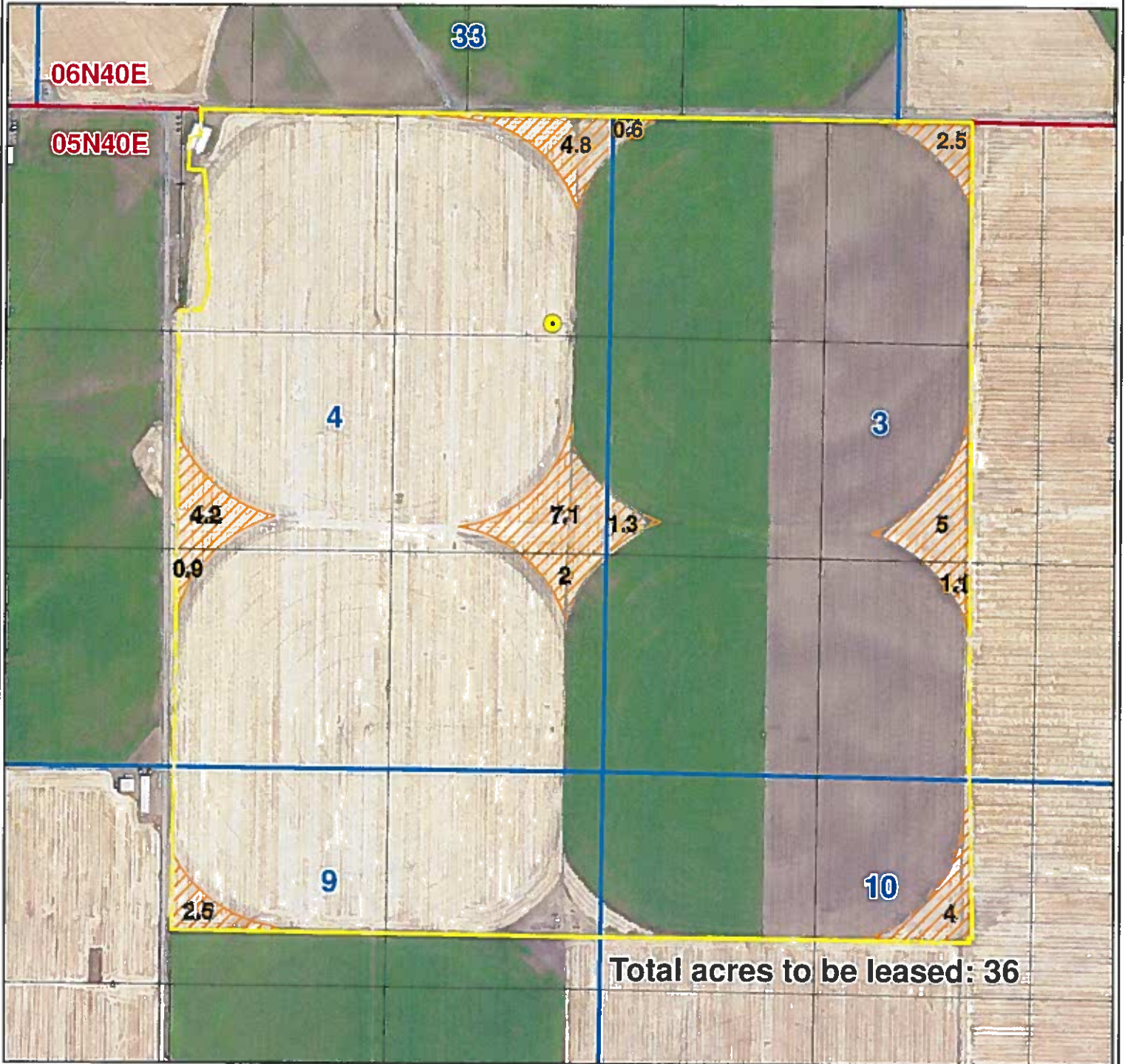
DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

| <u>Water Right Number</u> | <u>Nature of Use</u> | <u>Leased Rate</u> (cfs) | <u>Leased Volume</u> (af) | <u>Leased Acres</u> (ac) |
|---------------------------|----------------------|-----------------------------|------------------------------|-----------------------------|
| 22-13440 | Irrigation | 0.53 | 126.0 | 36.0 |
| | | | | |
| | | | | |
| | | | | |
| | Total Amounts: | 0.53 | 126.0 | 36.0 |

2. Source of water Groundwater tributary to _____

3. Point(s) of diversion:

| Twp | Rge | Sec | Lot | ¼ | ¼ | ¼ | County |
|-----|-----|-----|-----|----|----|----|---------|
| 05N | 40E | 04 | 1 | SE | NE | NE | Madison |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |



Total acres to be leased: 36



| | | | |
|--|-----------------|--|--------------------|
| | POD WR 22-13440 | | QQ |
| | POU WR 22-13440 | | Acres to be leased |
| | Twnp & Rng | | |
| | Section | | |

Raybould Brothers
Water Right No.(s): 22-13440
Madison County, Idaho



Date : 1/13/2016
Project #: 16-0006

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

WATER RIGHT NO. 22-13440

| Owner Type | Name and Address |
|---------------|-------------------|
| Current Owner | MYRON LEWIS FARMS |
| | C/O RICHARD LEWIS |
| | PO BOX 353 |
| | REXBURG, ID 83440 |
| | (208)356-9670 |

Priority Date: 10/26/1965

Basis: Decreed

Status: Active

| Source | Tributary |
|--------------|-----------|
| GROUND WATER | |

| Beneficial Use | From | To | Diversion Rate | Volume |
|-----------------|-------|-------|----------------|----------|
| IRRIGATION | 04/01 | 11/01 | 8.09 CFS | 1939 AFA |
| Total Diversion | | | 8.09 CFS | |

Location of Point(s) of Diversion:

| | | | | | |
|--------------|-------------|---------|--------------|-----------|----------------|
| GROUND WATER | SENELE Lt 1 | Sec. 04 | Township 05N | Range 40E | MADISON County |
|--------------|-------------|---------|--------------|-----------|----------------|

Place(s) of use:

Place of Use Legal Description: IRRIGATION MADISON County

| Township | Range | Section | Lot | Tract | Acres | Lot | Tract | Acres | Lot | Tract | Acres | Lot | Tract | Acres |
|----------|-------|---------|-----|-------|-------|-----|-------|-------|-----|-------|-------|-----|-------|-------|
| 05N | 40E | 3 | 3 | NENW | 28 | 4 | NWNW | 40 | | | | | | |
| | | | | NESW | 28 | | NWSW | 40 | | SWSW | 40 | | SESW | 28 |
| | | 4 | 1 | NENE | 41 | 2 | NWNE | 37 | | | | | | |
| | | | | NESE | 40 | | NWSE | 40 | | SWSE | 40 | | SESE | 40 |
| | | 9 | | NENE | 30 | | NWNE | 30 | | | | | | |
| | | 10 | | NENW | 22 | | NWNW | 30 | | | | | | |

Total Acres: 554

Conditions of Approval:

| | | |
|----|-----|---|
| 1. | C18 | 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. |
| 2. | P29 | This right is a combination of old Right Nos. 22-2263A and 22-2264A. |

Decreed Date: 11/24/2008



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 23, 2016

GARY SPACKMAN
Director

MYRON LEWIS FARMS
C/O RICHARD LEWIS
PO BOX 353
REXBURG ID 83440

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 22-13440

Dear Lessor:

Water right 22-13440 was leased into the Water Supply Bank (Bank) as of April 6, 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, 2020**, unless the right is released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water right from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at www.idwr.idaho.gov. **Please note your water right may not be available for immediate release if it has been rented or is being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

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

Sincerely,

A handwritten signature in black ink, appearing to read "G. Spackman".

Handwritten initials in black ink, possibly "JS".
Water Supply Bank

Enclosure: Executed Lease Contract

c: Chad Jensen – Rocky Mountain Environmental
James Cefalo - IDWR Eastern Region

Hersley, Jean

From: Cefalo, James
Sent: Wednesday, June 15, 2016 3:45 PM
To: Hersley, Jean
Subject: RE: WSB Lease contract for Myron Lewis Farms 22-13440

Jean,

I don't have any comments or concerns with the proposed WSB lease.

James

From: Hersley, Jean
Sent: Friday, June 03, 2016 11:34 AM
To: Cefalo, James
Subject: WSB Lease contract for Myron Lewis Farms 22-13440

Please let me know if you have any comments or concerns. Thank you.

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



Total acres to be leased: 36

0 0.2 0.4 0.8 Miles 2013 NAIP Photography

| | | | |
|--|-----------------|--|--------------------|
| | POD WR 22-13440 | | QQ |
| | POU WR 22-13440 | | Acres to be leased |
| | Twnp & Rng | | |
| | Section | | |

Raybould Brothers
Water Right No.(s): 22-13440
Madison County, Idaho



Rocky Mountain ENVIRONMENTAL ASSOCIATES, INC.

Date : 1/13/2016
Project #: 16-0006



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 3, 2016

MYRON LEWIS FARMS
C/O RICHARD LEWIS
PO BOX 353
REXBURG ID 83440

RE: APPLICATIONS TO LEASE WATER RIGHT 22-13440 TO THE WATER SUPPLY BANK

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

Dear Applicant:

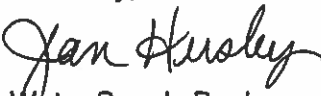
The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days. Upon 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, 2020**, 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 # C101807

c: Rocky Mountain Environmental Associates

WATER SUPPLY BANK

Agent Lease Review Checklist

Applicant(s) Name: Myron Lewis Farms

Memo Date: June 3, 2016

Water Right Number(s): 22-13440

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 | | | |
| | 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? | x | | |
| | Send the watermaster comment request form or e-mail request | | | |
| 11 | Area Headgate requirement | | | |
| 12 | Is water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments | | x | |
| 13 | <p>Narrative: The applicant wishes to place 36.0 acres of this right in the Bank. The portions are the pivot corners. The current owner signed the application. This right was decreed in 2008. The right was part of the AWEP Project from 2013-2015 in the name Raybould Farms who is authorized to farm the land owned by Lewis Farms. This project is the removal of the end guns for the purpose of conserving water. Forfeiture is not an issue. This water right is NOT currently within a WD.</p> | | | |