

WATER SUPPLY BANK LEASE CONTRACT

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

LESSOR: EGIN BENCH CANALS INC
PO BOX 15
ST ANTHONY ID 83445

RECEIVED

JUN 07 2016

**DEPARTMENT OF
WATER RESOURCES**

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 November 18, 2015, 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
21-12897	04/25/1885	Henrys Fork	Snake River	16.38 cfs	786.7 af	224.8 ac
21-12912	04/01/1939	Henrys Fork	Snake River	1.88 cfs	90.5 af	25.8 ac
21-12934	03/01/1890	Henrys Fork	Snake River	16.38 cfs	786.7 af	224.8 ac
Total Annual Combined Limit				34.65 cfs	1663.9 af	475.4 ac
21-12908	04/01/1939	Henrys Fork	Snake River	1.97 cfs	131.9 af	37.7 ac
21-12921	07/29/1892	Henrys Fork	Snake River	8.19 cfs	549.6 af	157.0 ac
21-12922	06/21/1888	Henrys Fork	Snake River	49.15 cfs	3297.6 af	942.2 ac
Total Annual Combined Limit				59.31 cfs	3979.1 af	1136.9 ac
21-12910	04/01/1939	Henrys Fork	Snake River	2.87 cfs	159.5 af	45.6 ac
21-12928	06/14/1895	Henrys Fork	Snake River	32.77 cfs	1823.0 af	520.8 ac
Total Annual Combined Limit				35.64 cfs	1982.5 af	566.4 ac
21-12961	02/09/1897	Henrys Fork	Snake River	18.02 cfs	1006.0 af	287.4 ac
21-12962	02/09/1897	Henrys Fork	Snake River	9.83 cfs	548.7 af	156.8 ac
Total Annual Combined Limit				18.02 cfs	1006.0 af	287.4 ac

Lease Totals

147.63 cfs 8631.5 af 2466.1 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.

SUPPORT DATA

IN FILE # 21-12897

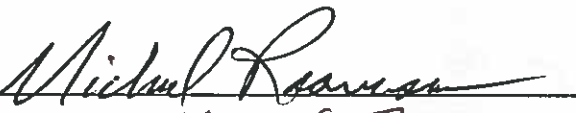
WATER SUPPLY BANK LEASE CONTRACT

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.

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

EGIN BENCH CANALS INC
PO BOX 15
ST ANTHONY ID 83445

By 
Printed Name Michael Rasmussen

Date June 6 2016
Title President Egin Bench Canals

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

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 6/8/2016

Lease approved by IDWR 

Date 6-8-2016

ATTACHMENT A

WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

WATER RIGHT NOS. 21-12897, 21-12912, 21-12934, 21-12908, 21-12921, 21-12922, 21-12910, 21-12928, 21-12961, and 21-12962

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

Lessor: EGIN BENCH CANALS INC
PO BOX 15
ST ANTHONY ID 83445
208-624-3381

Location of Point(s) of Diversion for Water Right 21-12897, 21-12912 and 21-12934

HENRYS FORK L8(ENE) Sec. 01, Twp 07N, Rge 40E, FREMONT County

Location of Point(s) of Diversion for Water Right 21-12908, 21-12921 and 21-12922

HENRYS FORK L6(SENW) Sec. 01, Twp 07N, Rge 40E, FREMONT County
HENRYS FORK L7(NENW) Sec. 33, Twp 08N, Rge 41E, FREMONT County

Location of Point(s) of Diversion for Water Right 21-12910 and 21-12928

HENRYS FORK L6(NESE) Sec. 02, Twp 07N, Rge 40E, FREMONT County

Location of Point(s) of Diversion for Water Right 21-12961 and 21-12962

HENRYS FORK L4(NWSE) Sec. 14, Twp 08N, Rge 41E, FREMONT County

<u>Water Right</u>	<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>
21-12897	IRRIGATION	04/01	to 10/31	16.38 cfs
21-12912	IRRIGATION	04/01	to 10/31	1.88 cfs
21-12934	IRRIGATION	04/01	to 07/01	16.38 cfs
		07/02	to 07/16	8.19 cfs
		07/17	to 08/01	16.38 cfs
		08/02	to 10/31	8.19 cfs
21-12908	IRRIGATION	04/01	to 10/31	1.97 cfs
21-12921	IRRIGATION	04/01	to 10/31	8.19 cfs
21-12922	IRRIGATION	04/01	to 07/01	49.15 cfs
		07/02	to 07/16	40.96 cfs
		07/17	to 07/31	49.15 cfs
		08/01	to 10/31	40.96 cfs
21-12910	IRRIGATION	04/01	to 10/31	2.87 cfs
21-12928	IRRIGATION	04/01	to 07/01	32.77 cfs
		07/02	to 07/16	29.49 cfs
		07/17	to 07/31	32.77 cfs
		08/01	to 10/31	29.49 cfs
21-12961	IRRIGATION	04/01	to 07/01	18.02 cfs
21-12962	IRRIGATION	07/02	to 10/31	9.83 cfs

Total: 147.63 cfs 8631.5 af

Place of Use to be Idled Under This Lease: IRRIGATION; Large POU Not Displayed, See Attached Map

Total Acres: 2466.1

Conditions of Acceptance

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department, even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, or the lease term expires. A right may be released from the bank upon request, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Board or 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.
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. 100.
13. Unleased portions of rights 21-12897, 21-12912 and 21-12934 are limited to irrigation of a combined total of 5,627.6 acres in a single irrigation season.
14. Unleased portions of rights 21-12908, 21-12921 and 21-12922 are limited to irrigation of a combined total of 13,459.1 acres in a single irrigation season.
15. Unleased portions of rights 21-12928 and 21-12910 are limited to irrigation of a combined total of 6,705.6 acres in a single irrigation season.
16. Unleased portions of rights 21-12961 and 21-12962 are limited to irrigation of a combined total of 3,102.6 acres and a combined diversion rate of 201.7 cfs in a single irrigation season.
17. Unleased portions of rights 21-12897, 21-12912, 21-12934, 21-12908, 21-12921, 21-12922, 21-12910, 21-12928, 21-12961, and 21-12962 are limited to the irrigation of a combined total of 27,335.9 acres.
18. Water is delivered through the Egin Canal for water rights 21-12897, 21-12912 and 21-12934.

19. Water is delivered through the St Anthony Union Canal and St. Anthony Union Feeder for water rights 21-12908, 21-12921 and 21-12922.
20. Water is delivered through the Independent Canal for water rights 21-12910 and 21-12928.
21. Water is delivered through the Last Chance Canal for water rights 21-12961 and 21-12962.

RECEIVED

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

NOV 18 2015

DEPARTMENT OF
WATER RESOURCES

An application to lease or sell a water right into the Water Supply Bank must be prepared in accordance with the minimum requirements listed below to be acceptable for processing by the Department. 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. **Incomplete applications will be returned to applicants for completion.**

Designated Applicant Egin Bench Canals, Inc.
(Select one owner – see item 1A on the application)

Water Right No. 21-12897
(One water right per application)

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

YES

- ☒ Completed *Water Supply Bank Lease or Sale Application Checklist* (this form).
- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank* (pages 2-3).
- ☒ 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.

Attachment N/A YES

- | | | | |
|----|-------------------------------------|-------------------------------------|--|
| 1A | ☒ | ☐ | Contact information for <i>all owners</i> of the water right that is being leased or sold on this application. |
| 1B | | ☒ | An <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant. |
| 1C | ☒ | ☐ | <i>Notice of Change in Water Right Ownership</i> form (accessible from www.idwr.idaho.gov). |
| 1D | ☒ | ☐ | Written consent from irrigation district or water delivery company. |
| 1E | ☐ | ☒ | 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. |
| 3E | ☒ | ☐ | Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to <u>Section 42-222(2), Idaho Code</u> . |
| 4 | | ☒ | 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 . |

Department Use Only

Fee Amount \$ <u>2500</u>	Received By: <u>J. Strang</u>	Date Received: <u>11-18-15</u>	Receipt # <u>0101231</u>
W-9 received? Yes ☒ No ☐	(Route W-9 to Fiscal)	Name on W-9: <u>Egin Bench Canals Inc.</u>	

No. C 105872		Due no later than Apr 30, 2015		2. Registered Agent and Address (NO PO BOX)	
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE		1. Mailing Address: Correct in this box if needed. EGIN BENCH CANALS, INC. DALE L SWENSEN PO BOX 15 ST ANTHONY ID 83445		DALE L SWENSEN 350 N 6TH W ST ANTHONY 83445	
				3. <u>New</u> Registered Agent Signature:*	
4. Corporations: Enter Names and Business Addresses of President, Secretary, and Directors. Treasurer (optional).					
Office Held	Name	Street or PO Address	City	State	Country Postal Code
DIRECTOR	BLAIR PARKER	1970 E 600 N	ST ANTHONY	ID	USA 83445
SECRETARY	DALE L SWENSEN	2353 E 200 N	ST ANTHONY	ID	USA 83445
DIRECTOR	ROLAND P BLASER	5777 W 5000 N	REXBURG	ID	USA 83440
DIRECTOR	GEORGE M CRAPO	726 N 2100 E	ST ANTHONY	ID	USA 83445
PRESIDENT	MIKE RASMUSSEN	4991 W 5000 N	REXBURG	ID	USA 83440
DIRECTOR	JEFFERY D RAYBOULD	301 N 1500 E	ST ANTHONY	ID	USA 83445
DIRECTOR	MIKE LOVELAND	662 SAND CREEK ROAD	ST ANTHONY	ID	USA 83445
DIRECTOR	LEE MILLER	535 E MAIN	ST ANTHONY	ID	USA 83445
DIRECTOR	RANDOLPH H BROWN	6028 N 4000 N	REXBURG	ID	USA 83440
DIRECTOR	DOUGLAS HANKS	624 NORTH SPRUCE - PARKER	ST ANTHONY	ID	USA 83445
5. Organized Under the Laws of: ID C 105872		6. Annual Report must be signed.* Signature: Dale L. Swensen Name (type or print): Dale L. Swensen Date: 02/23/2015 Title: Secretary			
Processed 02/23/2015		* Electronically provided signatures are accepted as original signatures.			

Overlapping_Irrigation_Rights

Owner	WaterRight	PriorityDa	DecreedDat	Source
CONSOLIDATED FARMERS CANAL CO LTD	1-333	4/1/1939	3/12/1969	HENRYS FORK
WILCOX BROTHERS LLC	21-7106B	3/11/1977	2/2/2007	GROUND WATER
CITY OF REXBURG	21-7106A	3/11/1977	2/2/2007	GROUND WATER
MILLER, DELL; MILLER, PATRICIA	21-7305	3/26/1987	11/30/2011	GROUND WATER
CORP OF THE PRESIDING BISHOP	21-11264	10/1/1951	2/2/2007	GROUND WATER
CORP OF THE PRESIDING BISHOP	21-4088	4/1/1951	2/2/2007	GROUND WATER
MILLER, DELL; MILLER, PATRICIA	21-7138	9/9/1977	11/3/2011	GROUND WATER
EGIN BENCH CANALS INC	21-12897	4/25/1885	3/3/2011	HENRYS FORK
EGIN BENCH CANALS INC	21-12934	3/1/1890	11/29/2012	HENRYS FORK
EGIN BENCH CANALS INC	21-12912	4/1/1939	11/29/2012	HENRYS FORK
EGIN BENCH CANALS INC	21-12922	6/21/1888	3/3/2011	HENRYS FORK
EGIN BENCH CANALS INC	21-12921	7/29/1892	11/29/2012	HENRYS FORK
UNITED STATES OF AMERICA ACTING THROUGH	21-24A	5/10/1889	4/2/2012	SHERIDAN CREEK
UNITED STATES OF AMERICA ACTING THROUGH	21-26A	5/10/1889	4/2/2012	SHERIDAN CREEK
UNITED STATES OF AMERICA ACTING THROUGH	21-27A	5/10/1889	4/2/2012	SHERIDAN CREEK
UNITED STATES OF AMERICA ACTING THROUGH	21-120A	9/20/1901	4/2/2012	SHERIDAN CREEK
UNITED STATES OF AMERICA ACTING THROUGH	21-121A	6/1/1893	4/2/2012	HOTEL CREEK
UNITED STATES OF AMERICA ACTING THROUGH	21-122A	6/1/1901	4/2/2012	GRIZZLY SPRING
UNITED STATES OF AMERICA ACTING THROUGH	21-123A	6/1/1901	4/2/2012	SHERIDAN CREEK
UNITED STATES OF AMERICA ACTING THROUGH	21-124A	9/20/1901	4/2/2012	SHERIDAN CREEK
UNITED STATES OF AMERICA ACTING THROUGH	21-125A	6/1/1901	4/2/2012	GRIZZLY SPRING
UNITED STATES OF AMERICA ACTING THROUGH	21-126A	6/1/1900	4/2/2012	SHERIDAN CREEK
FREMONT MADISON IRRIGATION DISTRICT	21-13151	4/23/1969	1/8/2013	GROUND WATER
FREMONT MADISON IRRIGATION DISTRICT	22-14057	4/23/1969	1/8/2013	GROUND WATER
EGIN BENCH CANALS INC	21-12908	4/1/1939	11/29/2012	HENRYS FORK
EGIN BENCH CANALS INC	21-12928	6/14/1895	3/3/2011	HENRYS FORK
EGIN BENCH CANALS INC	21-12910	4/1/1939	11/29/2012	HENRYS FORK
EGIN BENCH CANALS INC	21-12961	2/9/1897	11/29/2012	HENRYS FORK
EGIN BENCH CANALS INC	21-12962	2/9/1897	3/3/2011	HENRYS FORK
NORTH FORK RESERVOIR CO	21-2154	5/15/1917	3/5/2013	TYGEE CREEK
NORTH FORK RESERVOIR CO	21-12946	5/15/1917	3/5/2013	HENRYS LAKE
NORTH FORK RESERVOIR CO	21-2161	7/29/1965	3/5/2013	HENRYS LAKE
NORTH FORK RESERVOIR CO	21-110	6/1/1887	4/1/2013	TIMBER CREEK
NORTH FORK RESERVOIR CO	21-111	6/1/1897	4/1/2013	JOHNSON CREEK
NORTH FORK RESERVOIR CO	21-112	6/1/1900	4/1/2013	JOHNSON CREEK
CRAPO FARMS	21-2122	7/7/1961	11/2/2011	GROUND WATER
CRAPO FARMS	21-7024	4/25/1973	11/2/2011	GROUND WATER
DJ&J FARMS AN IDAHO GENERAL PARTNERSHIP	21-7173	6/11/1979	11/3/2011	GROUND WATER
COUNTY OF MADISON	21-7405	1/26/1989	<null>	QUAYLES LAKE

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

RECEIVED
NOV 18 2015
DEPARTMENT OF
WATER RESOURCES

1. CONTACT INFORMATION

A. An application to sell or lease a water right to the Water Supply Bank must be completed by a Designated Applicant who is a recognized owner of the water right being sold or leased to the Water Supply Bank. If there are additional owners recorded for the property to which the water right is appurtenant, 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 Egin Bench Canals, Inc. Email Address fmid@myidahomail.com

Mailing Address P.O. Box 15, St. Anthony, Idaho 83445 Phone Number 208-624-3381

☒ 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 completed an IRS Form W-9 (Attachment 1B)? Yes ☒ No ☐

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 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 1D).

E. 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 1E).

Name of Representative Dale L. Swensen Organization Egin Bench Canals, Inc.

Professional Title Secretary/Treasurer Email Address fmid@myidahomail.com

Mailing Address P.O. Box 15, St. Anthony, Idaho 83445 Phone Number 208-624-3381

☐ 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

Water Right Number 21-12897 ☐ 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 a water right is being offered, complete Attachment 2)

3. GENERAL INFORMATION

A. Please provide a description of the current water diversion system.

Earthen lined canals and headgates at point of diversion from the Henry's Fork river. Known as the Egin Canal
point of diversion.

B. 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.

21-12912, 21-12934

C. Are any of the water rights identified in question 3B stacked with the water right proposed for lease? Yes ☒ No ☐

Stacked water rights are water rights that are utilized 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.

D. Will the present place of use continue to receive water from any other source? Yes ☐ No ☒

If yes, describe. These overlapping irrigation rights will not be used to irrigate the acres identified as being dried up.
The dried up acres on this application are not and will not be irrigated under any circumstances. See Attachment 1

E. Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes ☐ No ☒

If yes, describe and attach Watermaster records or other evidence to demonstrate that the water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.

F. 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. _____

4. MAP

Plat map, survey map, or aerial photograph clearly showing the specific acres proposed to be idled by this lease application.

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 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 provisions are stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any elements of the water right.

Dale L. Swensen
Signature of Designated Applicant

Dale L. Swensen
Printed Name

11-16-15
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

ATTACHMENT 2

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

1. <u>Water Right Number</u>	<u>Amount (cfs/ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
<u>21-12897</u>	<u>9,236 ac-ft</u>	<u>Irrigation</u>	<u>4/1</u> to <u>11/1</u>
			to
			to
			to
			to
			to
Total Amount:	9,236 ac-ft		

2. Source of water Henry's Fork tributary to Snake River

3. Point(s) of diversion:

[illegible]

4. Acres to be idled within the place of use:

[illegible]

If the water right is for irrigation, show total number of acres offered to the Bank. Total Acres 2,639



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 8, 2016

GARY SPACKMAN
Director

EGIN BENCH CANALS INC
PO BOX 15
ST ANTHONY ID 83445

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHTS 21-12897, 21-12908, 21-12910, 21-12912, 21-12921, 21-12922, 21-12928, 21-12934, 21-12961, and 21-12962

Dear Lessor:

Water rights 21-12897, 21-12908, 21-12910, 21-12912, 21-12921, 21-12922, 21-12928, 21-12934, 21-12961, and 21-12962 were leased into the Water Supply Bank (Bank) as of November 18, 2015, in accordance with the enclosed executed lease contracts. **Your water rights, as described on the lease contracts, 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, 2020**, 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 287-4918.

Sincerely,

 Remington Buyer
Water Supply Bank Program Coordinator

Enclosure: Executed Lease Contract (copy)

c: James Cefalo - IDWR Eastern Region/Water District #100
Lyle Swank - Water District #01
Liz Cresto - IDWR



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

June 6, 2016

EGIN BENCH CANALS INC
PO BOX 15
ST ANTHONY ID 83445

RE: APPLICATION TO LEASE WATER RIGHTS 21-12897, 21-12908, 21-12910, 21-12912, 21-12921, 21-12922, 21-12928, 21-12934, 21-12961, and 21-12962 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 rights 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 rights will automatically be released from the Bank on **December 31, 2020**, unless the rights are released earlier by the Board, or upon your request. To release the 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. 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 287-4918.

Sincerely,

 Remington Buyer
Water Supply Bank Program Coordinator

Enclosures: Proposed Lease Contracts
Receipt # C101231

MEMORANDUM

To: Water Right No(s). 21-12897, 21-12912, 21-12934, 21-12908, 21-12921, 21-12922, 21-12910, 21-12928, 21-12961, and 21-12962

From: Remington Buyer

Date: June 1, 2016

Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: On November 18, 2015, Dale Swenson submitted ten lease applications and one rental application for the above listed water rights. The ten water rights are the combined portfolio of rights for the Egin Bench Canals. Egin Bench Canals, Inc ("Egin Bench") originally sought to deposit into the Bank 2,639 acres from their water rights, so that the volume of water associated with the irrigation of those acres might be rented out to undertake ground water recharge activities within the Egin Bench service area. Fremont Madison Irrigation District ("FMID") was the entity that sought to rent the Egin Bench water rights.

AUTHORITY TO FILE: Dale Swenson signed all the lease applications and he is recognized as the secretary/treasurer for Egin Bench Canals, Inc. No concerns about authority to file.

WATER RIGHT VALIDITY: All of the Egin Bench water rights were decreed in 2011-2012. Forfeiture is not a concern.

INJURY TO OTHER WATER RIGHTS: The applicant did not ask for a conveyance loss holdback. Because the applicant is the canal company we will move forward without reserving conveyance losses. No other injury issues exist at this time.

ENLARGEMENT OF USE: Within Egin Bench's 36,689 acre large, permissible place of use, Egin Bench has identified the 30,102 acres that may be irrigated by the canal company. Within the 30,102 irrigable acres, 2,466.1 acres have been identified as the acres that will be leased to the Bank. Standard Water Supply Bank procedures hold that the lease and non irrigation of the 8.2% (2466.1 / 30,102) of Egin's irrigable acres is sufficient to avoid enlargement. An overlap analysis of the idled acres however revealed many overlapping ground water rights. Most overlapping rights are ground water rights that are not supplemental in nature (no overlapping or supplemental conditions on the decreed water rights), however one water right (21-7173) featured a condition indicating it is used "in conjunction" with the Egin Bench rights, thus a proportionate amount of water right 21-7173, corresponding to the overlapping acres, has also been leased to the Water Supply Bank.

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The lease appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The leased right(s) are located within Water District # 1 and the IDWR Eastern Region. IDWR Eastern staff members Lyle Swank (Water District 01 watermaster) and Tony Olenichak (WD 01 Program Manager) were notified of the lease, as well as the subsequent rental. Following discussions with WD 01 staff, it was determined that the following information would be requested from Egin Bench:

- A summary of the maximum diversion rates (for a minimum of the past five years) for each of the water rights proposed to be leased, inclusive of the beginning and end dates for water diversions, and the total volume of water diverted for each water right.
- Confirmation of the specific acres that would continue to be irrigated by and within the Egin Bench system, during the course of the Bank lease, separate from the acres proposed to be idled.

The Department also evaluated recent cropping patterns within the Egin Bench system so that a historic field headgate diversion volume could be attributed to the acres proposed to be leased. IDWR Technical Hydrologist Matt Anders provided the Bank with such data, by compiling USDA Cropland Data Layer (CDL) information for the Egin Bench system, as well as US Bureau of Reclamation AgriMet evapotranspiration data for crops in the Rexburg area. The historic field headgate diversion volume information is utilized to establish a maximum rental diversion volume.

Basin	Sequence	Suf	Priority	Dai	Diversion	R	Source	List	Water Use	List	Current Owner	Acres	Acre Limit	Volume
21	4088		4/1/1951				0.080	GROUND WATER	DOMESTIC, IRRIGATION		CORP OF THE PRESIDING BISHOP	2.0		9.0
21	7106 A		3/1/1977				0.060	GROUND WATER	IRRIGATION		CITY OF REXBURG	4.0		
21	7106 B		3/1/1977				4.730	GROUND WATER	IRRIGATION		WILCOX BROTHERS LLC	323.0		1,144.5
21	7138		9/9/1977				2.400	GROUND WATER	IRRIGATION		MILLER, DELL; MILLER, PATRICIA	178.0	120.0	420.0
21	7173		6/1/1979				3.210	GROUND WATER	IRRIGATION		DJ&J FARMS	1,121.0		1,362.6
21	7305		3/26/1987				1.260	GROUND WATER	IRRIGATION		MILLER, DELL; MILLER, PATRICIA	178.0	63.0	220.5
21	11264		10/1/1951				0.130	GROUND WATER	DOMESTIC, IRRIGATION		CORP OF THE PRESIDING BISHOP	3.0		12.9

Overlap Analysis Conclusion: All water rights except 21-7173 do not have supplemental or overlapping conditions with Egin Bench rights. Because the ground water rights can be used independent of the canal co. water rights, it will not be an enlargement to accept the canal co. water rights into the bank. DJ&J has been contacted and has submitted a lease for the water right.