

State of Idaho
Department of Water Resources
Permit to Appropriate Water

NO. 63-34176

Priority: December 11, 2015

Maximum Diversion Rate: 1.60 CFS

This is to certify, that STATE OF IDAHO
DEPT OF LANDS
300 N 6TH ST STE 103
PO BOX 83720
BOISE ID 83720-0050

has applied for a permit to appropriate water from:

Source: GROUND WATER

and a permit is APPROVED for development of water as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>RATE OF DIVERSION</u>
IRRIGATION	03/01 to 11/15	1.60 CFS

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER L3 (NW¼SW¼) Sec. 31, Twp 03N, Rge 02E, B.M. ADA County

PLACE OF USE: 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	
03N	02E	31									40.0				40.0				80.0

Total Acres: 80

CONDITIONS OF APPROVAL

1. Proof of application of water to beneficial use shall be submitted on or before **June 01, 2017**.
2. Subject to all prior water rights.
3. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.5 afa per acre at the field headgate for irrigation of the place of use.
4. After specific notification by the Department, the right holder shall install a suitable measuring device or shall enter into an agreement with the Department to use power records to determine the amount of water diverted and shall annually report the information to the Department.
5. This right does not grant any right-of-way or easement across the land of another.
6. Right holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code and applicable Well Construction Rules of the Department.
7. The Director retains jurisdiction to require the right holder to provide purchased or leased natural flow or stored water to offset depletion of Lower Snake River flows if needed for salmon migration purposes. The amount of water required to be released into the Snake River or a tributary, if needed for this purpose, will be determined by the Director based upon the reduction in flow caused by the use of water pursuant to this permit.

This permit is issued pursuant to the provisions of Section 42-204, Idaho Code.

Signed this 9th day of May, 2016.

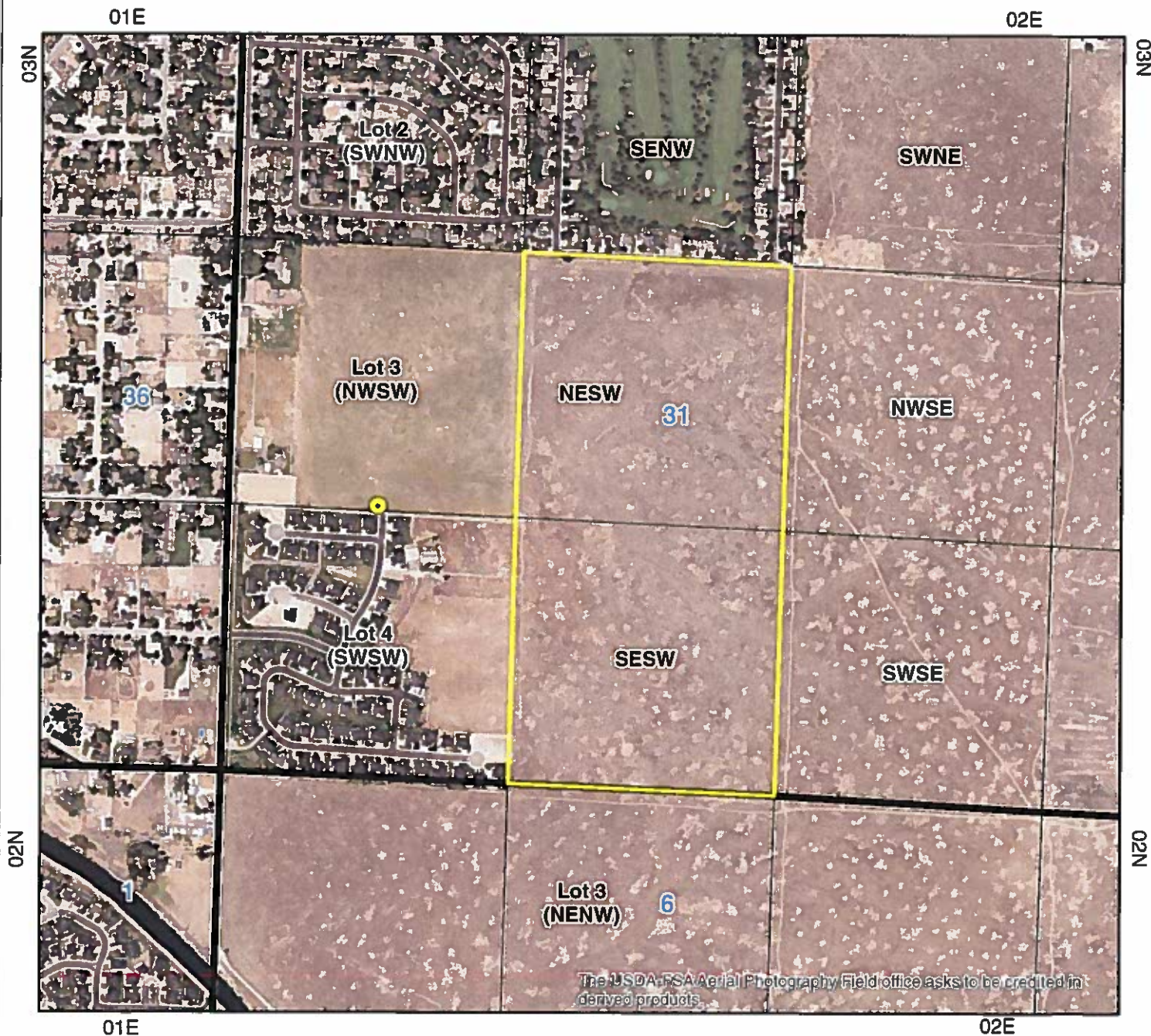

Nick Miller
Manager, IDWR Western Region

State of Idaho
Department of Water Resources

Attachment to Permit to Appropriate Water

63-34176

This map depicts the IRRIGATION place of use boundary for this water right at the time of this approval and is attached to the approval document solely for illustrative purposes.



● Point of Diversion

□ Place Of Use Boundary

□ Townships

□ PLS Sections

0 0.075 0.15 0.3 Miles





State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way • Boise, Idaho 83705-5082

Phone: (208) 334-2190 • Fax: (208) 334-2348 • Web Site: www.idwr.idaho.gov

May 11, 2016

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

STATE OF IDAHO
DEPT OF LANDS
300 N 6TH ST STE 103
PO BOX 83720
BOISE ID 83720-0050

RE: Permit No.63-34176

Permit Approval Notice

Dear Permit Holder:

The Department of Water Resources has issued the enclosed permit authorizing you to establish a new water right. Please be sure to thoroughly review the conditions of approval and remarks listed on your permit.

The permit is a PRELIMINARY ORDER issued by the Department pursuant to Section 67-5243, Idaho Code. It can and will become a final order without further action by the Department unless a party petitions for reconsideration or files an exception and/or brief within fourteen (14) days of the service date as described in the enclosed information sheet.

Enclosed is a form entitled 'Instructions for Proof of Beneficial Use.' Please read the instructions carefully since you must take further action to develop this permit into a licensed water right. Also enclosed is a form entitled 'Proof of Beneficial Use.' If your project is already completed, you should complete and submit this form immediately.

The right to drill a well is not a part of this permit to appropriate water. Beginning in July of 1987, a statute was enacted which requires a drilling permit for new well construction and deepening of existing wells. If the well(s) proposed for use under this water right permit were drilled or deepened after July 1, 1987, a separate drilling permit must be obtained from this Department. Please contact the Ground Water Protection Section located here at this office or our regional office nearest you.

Also, please note that water right owners are required to report any change of water right ownership and/or mailing address to the Department within 120 days of the change. Failure to report these changes could result in a \$100 late filing fee. Contact any office of the Department or visit the Department's homepage on the Internet to obtain the proper forms and instructions.

If you have any questions, please contact me at (208)334-2190.

Sincerely,

 Radul Neely for:

Nick Miller
Western Regional Manager

CC:

Sage Meadow Ranch Inc.

Enclosure(s)

CERTIFICATE OF SERVICE

I hereby certify that on May 11, 2016 I mailed a true and correct copy, postage prepaid, of the foregoing PRELIMINARY ORDER(Approved Permit) to the person(s) listed below:

RE: WATER RIGHT NO.

63-34176

**STATE OF IDAHO
DEPT OF LANDS
300 N 6TH ST STE 103
PO BOX 83720
BOISE ID 83720-0050**

**SAGE MEADOWS RANCH INC
JAMES AND VICKI RISCH
5400 S COLE RD
BOISE ID 83709**



**Rachel Neely
Administrative Assistant**

EXPLANATORY INFORMATION TO ACCOMPANY A PRELIMINARY ORDER

(To be used in connection with actions when a hearing was not held)

(Required by Rule of Procedure 730.02)

The accompanying order or approved document is a "Preliminary Order" issued by the department pursuant to section 67-5243, Idaho Code. It can and will become a final order without further action of the Department of Water Resources ("department") unless a party petitions for reconsideration, files an exception and brief, or requests a hearing as further described below:

PETITION FOR RECONSIDERATION

Any party may file a petition for reconsideration of a preliminary order with the department within fourteen (14) days of the service date of this order. **Note: the petition must be received by the department within this fourteen (14) day period.** The department will act on a petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. See Section 67-5243(3) Idaho Code.

EXCEPTIONS AND BRIEFS

Within fourteen (14) days after: (a) the service date of a preliminary order, (b) the service date of a denial of a petition for reconsideration from this preliminary order, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration from this preliminary order, any party may in writing support or take exceptions to any part of a preliminary order and may file briefs in support of the party's position on any issue in the proceeding with the Director. Otherwise, this preliminary order will become a final order of the agency.

REQUEST FOR HEARING

Unless a right to a hearing before the Department or the Water Resource Board is otherwise provided by statute, any person aggrieved by any final decision, determination, order or action of the Director of the Department and who has not previously been afforded an opportunity for a hearing on the matter may request a hearing pursuant to section 42-1701A(3), Idaho Code. A written petition contesting the action of the Director and requesting a hearing shall be filed within fifteen (15) days after receipt of the denial or conditional approval.

ORAL ARGUMENT

If the Director grants a petition to review the preliminary order, the Director shall allow all parties an opportunity to file briefs in support of or taking exceptions to the preliminary order and may schedule oral argument in the matter before issuing a final order. If oral arguments are to be heard, the Director will within a reasonable time period notify each party of the place, date and hour for the argument of the case. Unless the Director orders otherwise, all oral arguments will be heard in Boise, Idaho.

CERTIFICATE OF SERVICE

All exceptions, briefs, requests for oral argument and any other matters filed with the Director in connection with the preliminary order shall be served on all other parties to the proceedings in accordance with IDAPA Rules 37.01.01302 and 37.01.01303 (Rules of Procedure 302 and 303).

FINAL ORDER

The Director will issue a final order within fifty-six (56) days of receipt of the written briefs, oral argument or response to briefs, whichever is later, unless waived by the parties or for good cause shown. The Director may remand the matter for further evidentiary hearings if further factual development of the record is necessary before issuing a final order. The department will serve a copy of the final order on all parties of record.

Section 67-5246(5), Idaho Code, provides as follows:

Unless a different date is stated in a final order, the order is effective fourteen (14) days after its service date if a party has not filed a petition for reconsideration. If a party has filed a petition for reconsideration with the agency head, the final order becomes effective when:

- (a) The petition for reconsideration is disposed of; or
- (b) The petition is deemed denied because the agency head did not dispose of the petition within twenty-one (21) days.

APPEAL OF FINAL ORDER TO DISTRICT COURT

Pursuant to sections 67-5270 and 67-5272, Idaho Code, if this preliminary order becomes final, any party aggrieved by the final order or orders previously issued in this case may appeal the final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or
- iv. The real property or personal property that was the subject of the agency action is located.

The appeal must be filed within twenty-eight (28) days of this preliminary order becoming final. See section 67-5273, Idaho Code. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

Merriman, Danielle

From: Jason Risch [jrisch@rischpisca.com]
Sent: Monday, April 18, 2016 11:13 AM
To: Merriman, Danielle
Subject: RE: Lease Number C600005

Danie –

I have obtained it and will drop it off at the office on Airport Way this afternoon.

Thanks for the help.

Jason

Jason S. Risch
Attorney at Law
RISCH PISCA PLLC
LAW AND POLICY
407 W. Jefferson
Boise, Idaho 83702
Telephone: (208) 345-9929
Facsimile: (208) 345-9928
E-mail: jrisch@rischpisca.com
Web: www.rischpisca.com

From: Merriman, Danielle [mailto:Danielle.Merriman@idwr.idaho.gov]
Sent: Monday, April 11, 2016 12:02 PM
To: Jason Risch <jrisch@rischpisca.com>
Subject: RE: Lease Number C600005

Hi Jason,

Your application made it through advertising and was not protested. I have drafted an approval document and wanted to follow up regarding the Assignment of Application for Permit form. Have you had a chance to locate the original?

Thanks!
-Danie

From: Jason Risch [mailto:jrisch@rischpisca.com]
Sent: Monday, March 21, 2016 12:55 PM
To: Merriman, Danielle
Subject: RE: Lease Number C600005

Will do some of the folks who signed it are traveling for spring break so it may be next week by the time I run the original down.

Please let me know if that is a problem.

Thanks.

Jason

Jason S. Risch
Attorney at Law
RISCH PISCA PLLC
LAW AND POLICY
407 W. Jefferson
Boise, Idaho 83702
Telephone: (208) 345-9929
Facsimile: (208) 345-9928
E-mail: jrisch@rischpisca.com
Web: www.rischpisca.com

From: Merriman, Danielle [<mailto:Danielle.Merriman@idwr.idaho.gov>]
Sent: Monday, March 21, 2016 12:53 PM
To: Jason Risch <jrisch@rischpisca.com>
Subject: RE: Lease Number C600005

Hi Mr. Risch,

This assignment looks great. Thank you for including such a complete arrangement description on the form. If you could please send the original to the Western Region office, I will process the assignment.

Thanks!

Danie Merriman
Water Resource Agent
Idaho Department of Water Resources
Phone: (208) 334-2190
Fax: (208) 334-2348
Email: danie.merriman@idwr.idaho.gov

From: Jason Risch [<mailto:jrisch@rischpisca.com>]
Sent: Friday, March 18, 2016 11:40 AM
To: Merriman, Danielle
Cc: Ruth Luke
Subject: RE: Lease Number C600005

Danielle –

Please review the attached and let me know if it satisfies what you are looking for re: assignment. As we all discussed this is a little tricky given that the POU and POD are owned by two separate entities. But the entities are all in agreement that the POU and the POD may be used together for the life of the Farm Lease.

Jason

Jason S. Risch
Attorney at Law
RISCH PISCA PLLC
LAW AND POLICY
407 W. Jefferson
Boise, Idaho 83702
Telephone: (208) 345-9929
Facsimile: (208) 345-9928

Merriman, Danielle

From: Ruth Luke [rluke@idl.idaho.gov]
Sent: Monday, March 28, 2016 3:48 PM
To: Jason Risch; Merriman, Danielle
Subject: RE: Lease Number C600005

Danielle and Jason,

After reviewing the attachment and discussion with my supervisor the Assignment of Application for Permit satisfies our requirements.

Ruth Luke
Lands Resource Specialist, Senior
Idaho Department of Lands, Southwest Area Office
Office 208.334.3488

From: Jason Risch [<mailto:jrisch@rischpisca.com>]
Sent: Friday, March 18, 2016 11:40 AM
To: danielle.merriman@idwr.idaho.gov
Cc: Ruth Luke
Subject: RE: Lease Number C600005

Danielle –

Please review the attached and let me know if it satisfies what you are looking for re: assignment. As we all discussed this is a little tricky given that the POU and POD are owned by two separate entities. But the entities are all in agreement that the POU and the POD may be used together for the life of the Farm Lease.

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E-mail: jrisch@rischpisca.com
Web: www.rischpisca.com

From: Ruth Luke [<mailto:rluke@idl.idaho.gov>]
Sent: Thursday, March 10, 2016 9:09 AM
To: Jason Risch
Cc: danielle.merriman@idwr.idaho.gov
Subject: RE: Lease Number C600005

Jason,

After further review of the stipulations in Crop Lease C600005 (pg 5 section 8 Water Right and Use) water right 63-34176 needs to be in the State of Idaho's name. Conversation with Danielle Merriman from IDWR an assignment of water right needs to be completed. She previously has provided the link to obtain the assignment forms to you.

Ruth Luke
Lands Resource Specialist, Senior
Idaho Department of Lands, Southwest Area Office
Office 208.334.3488

From: Jason Risch [<mailto:jrisch@rischpisca.com>]
Sent: Thursday, March 03, 2016 1:04 PM
To: Ruth Luke
Subject: Lease Number C600005

Ruth, the agent assigned to my application indicated the language below would suffice. If this language is also acceptable to you please place it in a letter over your signature and mail it directly to: Idaho Department of Water Resources 2735 Airport Way, Boise, Idaho 83705. Please cc me on the letter.

Thanks again.

In reference to State of Idaho Water Permit number 63-34176 and State the Idaho Lease Number C600005; the Idaho Department of Lands, lessor, is aware that Sage Meadows Ranch Inc., the lessee, together with James and Vicki Risch, personally, have applied for a water permit which involves applying water from a point of diversion on land owned by Sage Meadows Ranch Inc. to be applied and used on the leased premises. The Department of Lands consents to this process and to the issue of the water right in the applicants' names.

Jason

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If you are not the addressee please do not read, use, disclose, copy or distribute this message and do not take any action in reliance upon it. If you have received this message in error, please notify us immediately by telephone to arrange for its return.

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Web: www.rischpisca.com

From: Ruth Luke [<mailto:rluke@idl.idaho.gov>]
Sent: Thursday, March 10, 2016 9:09 AM
To: Jason Risch
Cc: danielle.merriman@idwr.idaho.gov
Subject: RE: Lease Number C600005

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
ASSIGNMENT OF APPLICATION FOR PERMIT

To change the ownership of an application for permit

I, Sage Meadows Ranch & Jim & Vicki Risch, hereby assign to the State of Idaho *needs to say IDL?*
 of, P.O. Box 83720, Boise, Idaho 83720-0050 ☒ New applicant(s)
(208) 334-0200 ☒
 New owner's address including city, state and ZIP Phone

All my right, title, and interest in and to Application for Permit No(s): _____
 to appropriate the public waters of the State of Idaho.

OR (for partial assignments)

The following described portion of my right, title, and interest in and to Application for Permit No(s):
63-34176 ☒, to appropriate the public waters of the State of Idaho.

Describe in detail the portion of the application for permit assigned, listing the number of acres in each 40 acre
 subdivision, point of diversion location, and amount of the water in cubic feet per second.

Current applicants assign all right, title and interest in said application and resulting permit to the State of Idaho,
 except for access to the point of diversion which is located on current applicants' adjoining private property.

See below for further details.

Does the new applicant own the property at the:

Point of diversion? ☐ Yes ☒ No
 Place of use? ☒ Yes ☐ No

If no, describe the arrangement enabling the new applicant to access the point of diversion and/or the place of use:
 The arrangement enabling the State of Idaho's access is governed by the ownership interest of the State of Idaho
 and the lease between the parties.

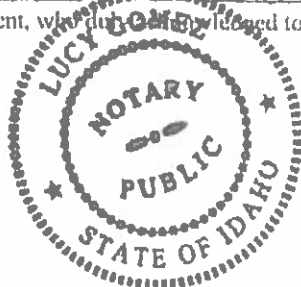
Dated this 15th day of March, 2016.

[Signature] [Signature] [Signature] [Signature]
 Signature of current applicant Title (if applicable) Signature of current applicant President
 Title (if applicable)

State of Idaho)
 County of Ada)ss

On this 18 day of March, 2016, personally appeared before me the signer(s) of the above
 instrument, who did acknowledge to me that he/she/they executed the same.

SEAL



[Signature]
 Notary Public
 My commission expires 11/19/2018

Merriman, Danielle

From: Jason Risch [jrisch@rischpisca.com]
Sent: Thursday, March 10, 2016 11:48 AM
To: Ruth Luke
Cc: Merriman, Danielle
Subject: RE: Lease Number C600005

Happy to do that, based upon our previous conversation I thought this was a less complicated way to go because we didn't have to address the place of use being on a different parcel than the point of diversion.

I will review the assignment form and get it back to you both.

Thank you.

Jason

Jason S. Risch
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