

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED

JUN 06 2016

DEPARTMENT OF
WATER RESOURCES

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

LESSOR: DJ & J FARMS
301 N 1500 E
ST ANTHONY ID 83445
(208) 351-2338

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 March 17, 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 RIGHTS:** 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
21-7173	06/11/1979	Ground Water	N/A	0.18 cfs	77.7 af	63.9 ac

Lease Totals 0.18 cfs 77.7 af 63.9 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:** This Lease shall take effect when both parties have signed it and shall continue in effect from January 1, 2016 to December 31, 2020.
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.

DJ & J FARMS

301 N 1500 E
ST ANTHONY ID 83445
(208) 351-2338

By [Signature]

Date 5-19-16

Printed Name Jeff Raybould

Title Partner

IDAHO WATER RESOURCE BOARD

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

By [Signature]

Date 6/7/2016

Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR [Signature]

Date 6-7-2016

ATTACHMENT A

WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

WATER RIGHT NO. 21-7173

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

Lessor: DJ & J FARMS
301 N 1500 E
ST ANTHONY ID 83445
(208) 351-2338

Location of Point(s) of Diversion for Water Right 21-7173

GROUND WATER NWSE Sec. 8, Twp 07N, Rge 39E, FREMONT County

<u>Water Right</u>	<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
21-7173	IRRIGATION	04/01	to 11/01	0.18 cfs	77.7 af
		Total:		0.18 cfs	77.7 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	
07N	39E	03											7.5	0.5					8.0
07N	39E	04									0.1		1.0	2.8			1.4	2.2	7.5
07N	39E	05												0.3	0.7			3.9	4.9
07N	39E	08	3.9		0.3	5.3	4.8	0.2		2.8			1.0	2.9	0.2	1.3	4.2	0.1	27.0
07N	39E	09	4.4	1.5	1.9	3.5	1.7	0.3	0.8	2.4									16.5

Total Acres: 63.9

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 right leased to the bank is subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Use of water under this right is regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 100.
13. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the lands above.
14. Use of this right is combined with water from Egin Bench Canals Inc.

Idaho Water Resource Board
Water Supply Bank Lease

21-7173

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.



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



0 0.25 0.5 Miles



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 8, 2016

DJ & J FARMS
301 N 1500 E
ST ANTHONY ID 83445

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 21-7173

Dear Lessor:

Water right 21-7173 was leased into the Water Supply Bank (Bank) as of March 17, 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 me at 287-4918.

Sincerely,

 Remington Buyer
Water Supply Bank Program Coordinator

Enclosure: Executed Lease Contract

c: Jerry R Rigby – Rigby, Andrus & Rigby
James Cefalo - IDWR Eastern Region / Water District 100

MEMORANDUM

To: Water Rights: 21-7173

From: Remington Buyer

Date: May 26, 2016

Re: Review & Analysis of Water Supply Bank Lease Contract for Water Right 21-7173

On April 14, 2016, portions of irrigation water right 21-7173 were leased to the Water Supply Bank. The lease of water right 21-7173 was undertaken to support the lease of Egin Bench canal company water rights (21-12897, 21-12912, 21-12934, 21-12908, 21-12921, 21-12922, 21-12910, 21-12928, 21-12961, 21-12962). Egin Bench had sought to lease into the Bank 2,639 acres, of which, 70.8 acres overlapped with water right 21-7173. In order to fully accept portions of the Egin Bench water rights into the Bank, the overlapping portions of water right 21-7173 were also required to be leased.

During IDWR's review of Egin Bench's proposed lease application, Egin Bench requested to reduce the number of acres proposed for lease, from 2,639 acres, to 2466.1 acres. The reduction in Egin Bench acres corresponded with a reduction in the number of acres that overlapped with water right 21-7173. Accordingly, the number of acres wherein Egin Bench water rights overlapped with water right 21-7173 was reduced from 70.8 acres, down to 63.9 acres. The right holder alerted the Water Supply Bank to the change in acres and this memo documents the superseding of the original lease contract, with a newer lease of water right 21-7173 for 63.9 acres.

Palmer, Cherie

From: Buyer, Remington
Sent: Wednesday, June 01, 2016 2:00 PM
To: Palmer, Cherie
Subject: RE: DJ&J Farms

Cherie,

Jeff Raybould (of DJ&J Farms) requested the amendment of the lease contract, however he brought it to my attention in person, not in writing. Jeff assisted Egin Bench with their lease application. His lease of DJ&J acres was submitted to accommodate the lease of Egin Bench's water rights. During the final processing of the Egin Bench application, it was identified that the number of acres where DJ&J and Egin Bench water rights overlap was less than originally identified through Egin Bench's application, hence a reduction in the DJ&J lease proposal was requested by Mr. Raybould. As I reviewed the Egin Bench lease acres, I was able to confirm the reduction in the DJ&J acres. Since Jeff was on site here at IDWR, I was able to obtain his signature on copies of the amended lease contract. I drafted a review memo to go with the lease contracts in which I outlined the above, though perhaps the review memo was less than clear.

Thank you for the process update and confirmation of the current procedures.

Remington
287-4918

From: Palmer, Cherie
Sent: Wednesday, June 01, 2016 1:36 PM
To: Buyer, Remington
Subject: DJ&J Farms

Hi Remington,

I am in the process of approving this lease. I'll need all the documents associated with the amended lease. For example, is there an amended lease application or any correspondence between DJ&J Farms authorizing this amendment?

Also, since this is considered "amended" we typically type in the words "amended" at the top of the lease contract. Like this:

Amended **WATER SUPPLY BANK LEASE CONTRACT** Amended

We do have an Amended stamp so I'll use that instead in this case. I'll work with Christine to re-profile the superseded lease.

Cherie

APR 14 2016

DEPARTMENT OF
WATER RESOURCES**WATER SUPPLY BANK LEASE CONTRACT**

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

LESSOR: DJ & J FARMS
301 N 1500 E
ST ANTHONY ID 83445
(208) 351-2338

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 March 17, 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 RIGHTS:** 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
21-7173	06/11/1979	Ground Water	N/A	0.2 cfs	86.1 af	70.8 ac

Lease Totals 0.2 cfs 86.1 af 70.8 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:** This Lease shall take effect when both parties have signed it and shall continue in effect from January 1, 2016 to December 31, 2020.
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.

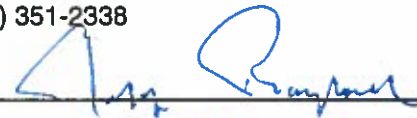
SCANNED
APR 15 2016

WATER SUPPLY BANK LEASE CONTRACT

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

DJ & J FARMS

301 N 1500 E
ST ANTHONY ID 83445
(208) 351-2338

By 

Date 4-5-16

Printed Name Jeff Raymond

Title Partner

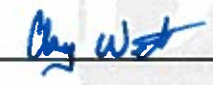
IDAHO WATER RESOURCE BOARD

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

By 

Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 4/14/2016

Lease approved by IDWR 

Date 4-14-2016

ATTACHMENT A

WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

WATER RIGHT NO. 21-7173

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

Lessor: DJ & J FARMS
301 N 1500 E
ST ANTHONY ID 83445
(208) 351-2338

Location of Point(s) of Diversion for Water Right 21-7173

GROUND WATER NWSE Sec. 8, Twp 07N, Rge 39E, FREMONT County

<u>Water Right</u>	<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
21-7173	IRRIGATION	04/01	to 11/01	0.20 cfs	86.1 af
		Total:		0.20 cfs	86.1 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	
07N	39E	03											9.2						9.2
07N	39E	04									0.1		1.3	3.1			1.8	2.7	9.0
07N	39E	05													0.4			3.9	4.3
07N	39E	08	4.3		0.2	7	5.7			3			2.7	4.6		1.4			28.9
07N	39E	09	4.6	1.6	1.9	4.1	2.6	0.5	1.6	2.5									19.4

Total Acres: 70.8

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 right leased to the bank is subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Use of water under this right is regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 100.
13. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the lands above.
14. Use of this right is combined with water from Egin Bench Canals Inc.

Idaho Water Resource Board
Water Supply Bank Lease

21-7173

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.



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



 Miles
0 0.25 0.5

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

MAR 17 2016

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant DJ&J Farms

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

Water Right No. 21-7173

(One water right per application)

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

Yes ☐ No ☒

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

MINIMUM REQUIREMENT CHECKLIST

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

Yes

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

Attachment N/A Yes

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

Department Use Only

Fee Amount \$ 250.00Received By: diDate Received: 3-17-16Receipt # C101680W-9 received? Yes ☐ No ☐

(Route W-9 to Fiscal)

Name on W-9:

DJ&J Farms an Idaho General Partnership
301 N 1500 E
St Anthony ID 83445

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 DJ&J Farms An Idaho General Partnership

Mailing Address 301 N 1500 E St. Anthony ID 83445
Street City State Zip Code

Email Address jeff@raybouldbros.com Phone Number 208-351-2338

☒ 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 - Supplied by IDWR per Sheri Palmer.

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.
125 H.P. Turbine Pump in a 100' well to mainline/sprinklers.

- 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 rights in the name of Egin Bench Canals, Inc.

- 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. The land will continue to be irrigated with the Egin Bench Canals, Inc. water rights except for the dried up acres which will not be irrigated from any source.

- 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. 2010: 329.77 ac-ft; 2011: 415.35 ac-ft; 2012: 448.68 ac-ft; 2013: 304.52 ac-ft; 2014: 332.2 ac-ft;
Average Use: 366.112 ac-ft.

- 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 ☒.

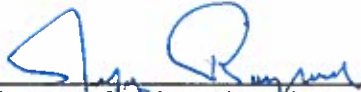
If lease, specify the years when the use of water will be suspended: 2016 to 2021 (maximum lease period 5 calendar years).
(Year) (Year)

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

Jeff Raybould

Printed Name

3-16-16

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 1A

Additional Water Right Holders Party to the Lease Application

For the water right on this application, list all owners (individuals or business entities) of the right or the property to which it is appurtenant. All water right holders must sign a Water Supply Bank Lease Application. However, only the Designated Applicant needs to provide a completed IRS Form W-9 (Attachment 1B). All correspondence and any financial payment associated with the rental of this water right will be directed to the Designated Applicant. If additional space is needed to list any other water right holders, attach a second copy of Attachment 1A.

If submitting multiple applications, it is only necessary to complete one Attachment 1A for the group of applications. List each water right below.

Water Right No(s). _____

	Designated Applicant	Applicant #2	Applicant #3
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

**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

- | 1. <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) |
|------------------------------|----------------------|-----------------------------|------------------------------|-----------------------------|
| 21-7173 | Irrigation | | | 70.8
72 |
| | | | | |
| | | | | |
| | | | | |
| | Total Amounts: | | | 70.8 |
2. Source of water Ground Water tributary to _____
3. Point(s) of diversion: _____

[illegible]

FILED EFFECTIVE

2016 FEB -2 AM 9:07

File Number: K939

SECRETARY OF STATE
STATE OF IDAHO
STATEMENT OF CHANGE OF BUSINESS MAILING ADDRESS
(see reverse for instructions)

The entity identified below submits to the Secretary of State the following statement for the purpose of changing its business mailing address.

1. The name of the business entity is: DJ & J Farms
2. The business mailing address is currently on file as:
345 N 1000 W, Rexburg, ID 83440
3. The business mailing address is to be changed to:
301 N 1500 E, St. Anthony, ID 83445
4. Change of address is effective:

☒ Upon Receipt OR ☐ _____
(Date)

Signed: Jeffery D Raybould
Printed Name: Jeffery D Raybould
Capacity: General Partner
Dated: 1-28-16



STATEMENT OF PARTNERSHIP AUTHORITY

(Instructions on back of application)

11 MAY 20 AM 9:50

SECRETARY OF STATE
STATE OF IDAHO

The undersigned partnership hereby files a statement of partnership authority, and submits the following information to the Secretary of State pursuant to Idaho Code § 53-3-303.

- The name of the partnership is: DJ&J Farms
- The street address of its chief executive office is: 3215 N. 2000 W., Rexburg, ID 83440
- The street address of one (1) office in Idaho: 3215 N. 2000 W., Rexburg, ID 83440
- The names and mailing addresses of all partners (attached sheets may be added):

Name	Address
<u>Delmar H. Raybould</u>	<u>3215 N. 2000 W., Rexburg, ID 83440</u>
<u>Jeffery D. Raybould</u>	<u>301 N. 1500 E., St. Anthony, ID 83445</u>
<u>Raybould Farm Management</u>	<u>301 N. 1500 E., St. Anthony, ID 83445</u>

OR the name and address of the agent in Idaho who maintains a list of all partners:

- The names of the partners authorized to execute an instrument transferring real property held in the name of the partnership:

<u>Delmar H. Raybould</u>	_____	_____
<u>Jeffery D. Raybould</u>	_____	_____
_____	_____	_____

- Signature of at least 2 partners:

- Delmar H. Raybould
Typed Name Delmar H. Raybould
- Jeffery D. Raybould
Typed Name Jeffery D. Raybould
- _____
Typed Name _____

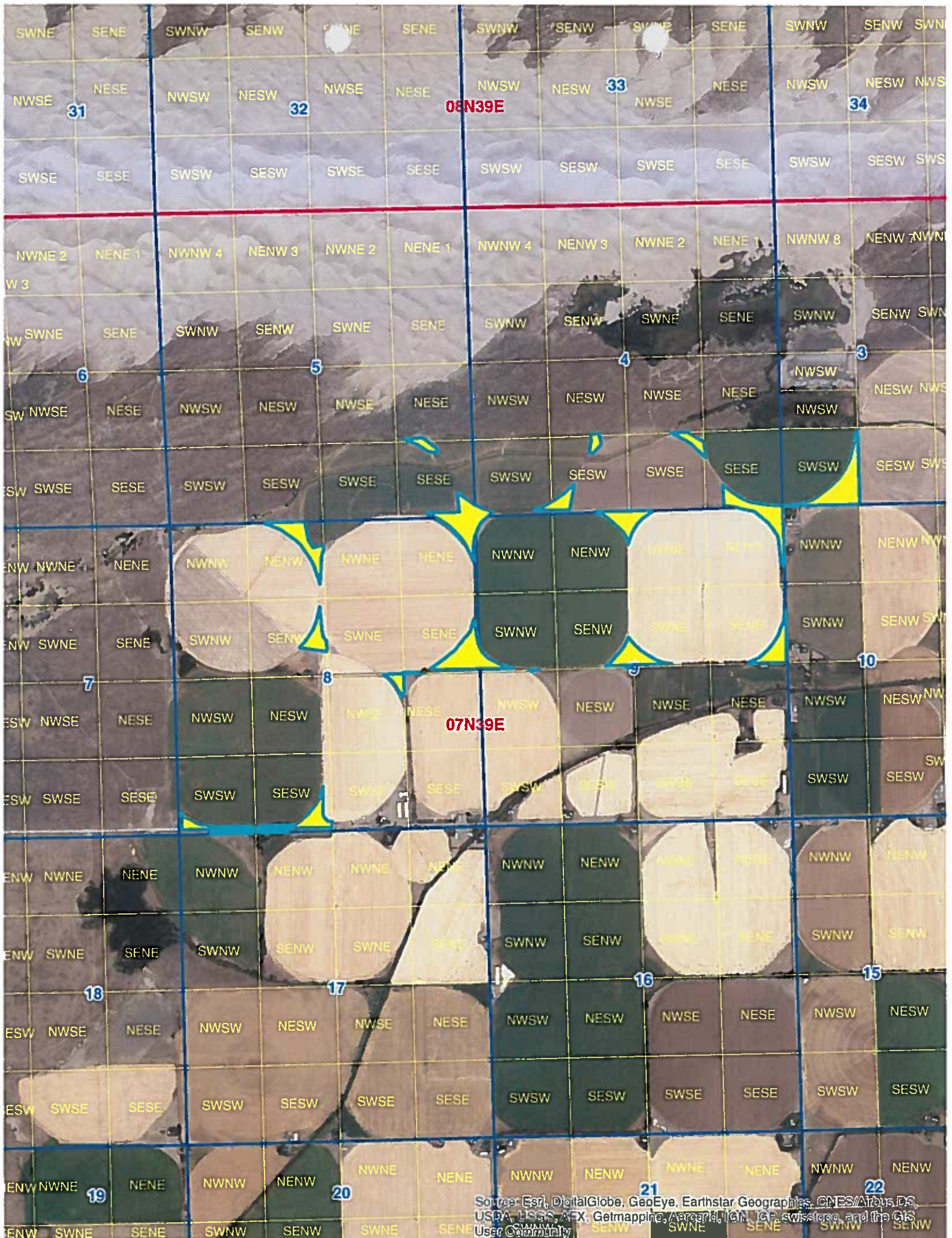
Secretary of State use only

5:\scap\forms\app\forms\partnership\out.pdf
Revised 08/2002

IDAHO SECRETARY OF STATE
05/20/2011 05:00
CK: 38481 CT: 84469 BH: 1274623
1 @ 100.00 = 100.00 PARTN AUT # 2

Web Form

K939





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

April 18, 2016

DJ & J FARMS
301 N 1500 E
ST ANTHONY ID 83445

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 21-7173

Dear Lessor:

Water right 21-7173 was leased into the Water Supply Bank (Bank) as of March 17, 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 me at 287-4910.

Sincerely,

Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: Jerry R Rigby – Rigby Andrus & Moeller
James Cefalo - IDWR Eastern Region / Water District 100



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

April 7, 2016

DJ & J FARMS
301 N 1500 E
ST ANTHONY ID 83445

**RE: REQUEST FOR RETURN OF SIGNED WATER SUPPLY BANK LEASE CONTRACTS FOR
WATER RIGHT(S) 21-7173**

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

Dear Applicant,

The Department of Water Resources (Department) mailed **two original Water Supply Bank Lease Contracts for your review and signature** on March 22, 2016. The signed contracts have not been returned to the Department.

Please sign both original Lease Contracts and return them to the Department within ten (10) days of this letter to complete processing. The Lease Contract is not considered final until both you and the Department have signed.

If the signed lease contracts are not received by the Department within the 10-day period, the lease application(s) will be returned, and the application fee will not be refunded. You can reapply to lease the water right(s) in the future by submitting new application form(s) along with applicable fees.

Please note the forfeiture period is not tolled unless a right is accepted into the Bank, or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. If forfeiture is a concern, you may consider filing an Application for Extension of Time to Avoid Forfeiture of a Water Right form. This and other water right forms are available from the Department's web site at www.idwr.idaho.gov.

If you have questions regarding this matter, please contact me at 287-4910.

Sincerely,

 Clay Webster
Water Resource Agent
WSB Process Point of Contact

Hersley, Jean

From: Cefalo, James
Sent: Tuesday, March 22, 2016 3:15 PM
To: Hersley, Jean
Subject: RE: WSB Lease Application for DJ & J Farms 21-7173

Jean,

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

James

From: Hersley, Jean
Sent: Tuesday, March 22, 2016 2:52 PM
To: Cefalo, James
Subject: WSB Lease Application for DJ & J Farms 21-7173

Attached is the review memo, draft contract and map. Please let me know within 7 days if you have any comments or concerns.

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



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

March 22, 2016

DJ & J FARMS
301 N 1500 E
ST ANTHONY ID 83445

RE: APPLICATIONS TO LEASE WATER RIGHT 21-7173 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.

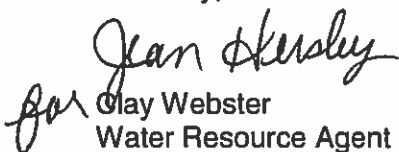
The right will automatically be released from the Bank on **December 31, 2020**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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 me at 287-4910.

Sincerely,


Clay Webster
Water Resource Agent
Water Supply Bank Point of Contact

Enclosure: Proposed Lease Contracts

Hersley, Jean

From: Cefalo, James
Sent: Tuesday, March 22, 2016 3:15 PM
To: Hersley, Jean
Subject: RE: WSB Lease Application for DJ & J Farms 21-7173

Jean,

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

James

From: Hersley, Jean
Sent: Tuesday, March 22, 2016 2:52 PM
To: Cefalo, James
Subject: WSB Lease Application for DJ & J Farms 21-7173

Attached is the review memo, draft contract and map. Please let me know within 7 days if you have any comments or concerns.

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

Agent Lease Review Checklist

Memo Date: March 22, 2016

Water Right Number(s): 21-7173

Reviewers Name: Jean

3creed

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	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	

Narrative: The applicant wishes to place 70.8 acres, 0.2 cfs and 86.1 af of this groundwater water right in the Bank. The portions are the pivot corners. This right overlaps with surface water rights owned by Egin Bench Canals that are being placed in the Bank. The rental of this right must be used in combination with surface water rights from Egin Bench Canals, Inc. This right was decreed in 2011 so forfeiture is not an issue. This right is currently within WD 100.