

# WATER SUPPLY BANK LEASE CONTRACT

RECEIVED

FEB 22 2016

DEPARTMENT OF  
WATER RESOURCES

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

**LESSOR: BAR G FARMS ENTERPRISES**  
PO BOX 175  
MAY ID 83253  
208-876-4215

## 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 December 21, 2015, the Lessor filed an application to lease the water right described below into the Water Supply Bank.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to the conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHT:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water right described as follows:

### Summary of Water Right or Portion Leased to the Bank

| Water Right | Priority Date | Source           | Tributary    | Leased Rate | Annual Leased Volume | Total Leased Acres |
|-------------|---------------|------------------|--------------|-------------|----------------------|--------------------|
| 73-11992    | 2/18/1926     | PAHSIMEROI RIVER | SALMON RIVER | 1.68 cfs    | 147.0 af             | 42.0 ac            |

**Lease Totals** 1.68 cfs 147.0 af 42.0 ac

2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

**Minimum Payment Acceptable:** Private Agreement

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2016 to December 31, 2018. This Lease shall bind the parties and take effect when both parties have signed it.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

# WATER SUPPLY BANK LEASE CONTRACT

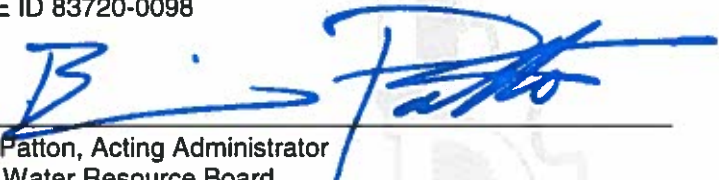
IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

**BAR G FARMS ENTERPRISES**  
PO BOX 175  
MAY ID 83253

By   
Printed Name Billy Gydese

Date January 26, 2016  
Title Manager

**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 3/30/2016

Lease approved by IDWR 

Date 3/30/2016

**ATTACHMENT A**  
**WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE**  
WATER RIGHT NO. 73-11992

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

**Lessor:** BAR G FARMS ENTERPRISES  
PO BOX 175  
MAY ID 83253  
208-876-4215

**Location of Point(s) of Diversion for Water Right 73-11992**

PAHSIMEROI RIVER                      SWNW                      Sec. 35, Twp 15N, Rge 21E, CUSTER County

| <u>Water Right</u> | <u>Beneficial Use</u> | <u>From</u> | <u>To</u> | <u>Diversion Rate</u> | <u>Volume</u>   |
|--------------------|-----------------------|-------------|-----------|-----------------------|-----------------|
| 73-11992           | IRRIGATION            | 04/01       | to 10/31  | 1.68 cfs              | 147.0 af        |
| <b>Total:</b>      |                       |             |           | <b>1.68 cfs</b>       | <b>147.0 af</b> |

**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 |        |
| 15N | 21E | 34  | 20.0 |    |    |    |    |      |    |    |    |    |    |    |    |    |    |    | 20.0   |
| 15N | 21E | 35  |      |    |    |    |    | 22.0 |    |    |    |    |    |    |    |    |    |    | 22.0   |

Total Acres:    42.0

**Conditions Applicable to Leased Water Right**

1. The water right referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department, even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, or the lease term expires. A right may be released from the bank upon request, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, nor does it improve the status of the right or accomplish the resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.

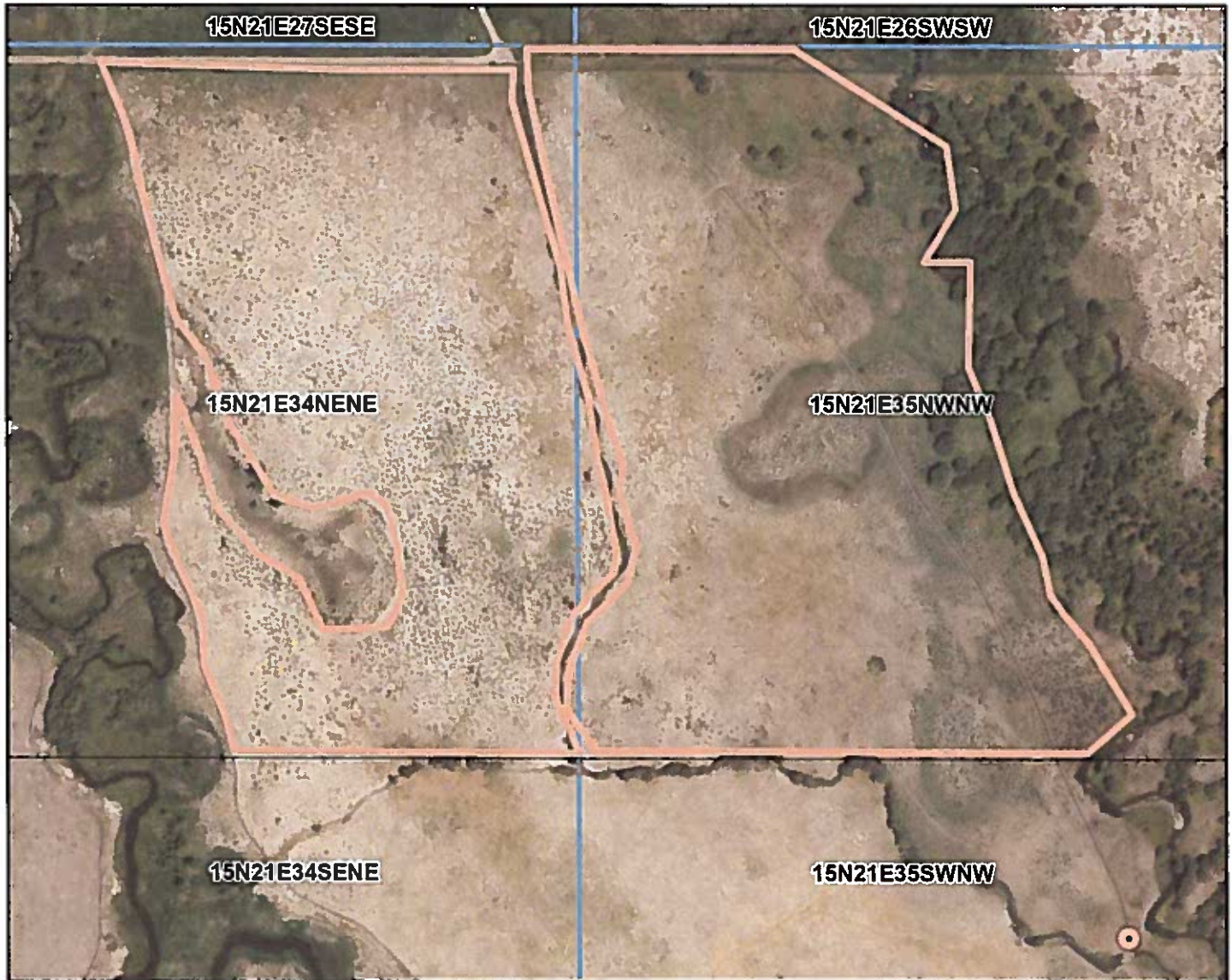
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
  - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
  - b. New lessor(s) of record will receive payment after the following rental season.
11. The water right leased to the bank is subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
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. 73.

Idaho Water Resource Board  
Water Supply Bank Lease

73-11992

Effective until December 31, 2018

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.



2013 USDA-FSA Aerial Photography

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



0 500 1,000 Feet

STATE OF IDAHO  
WATER RESOURCE BOARD

RECEIVED

DEC 21 2015

DEPARTMENT OF  
WATER RESOURCES

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

Designated Applicant BAR G FARMS ENTERPRISES

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

Water Right No. 73-11992

(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 | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Signatures and contact information for <i>all owners</i> of the water right to be leased or sold on this application.                                                                                                                                                                                                                                  |
| 1B | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | An <a href="#">Internal Revenue Service (IRS) Form W-9</a> for the Designated Applicant.                                                                                                                                                                                                                                                               |
| 1C | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <i>Notice of Change in Water Right Ownership</i> form (accessible from <a href="http://www.idwr.idaho.gov">www.idwr.idaho.gov</a> ).                                                                                                                                                                                                                   |
| 1D | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | 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  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Description of a water right portion offered to the Water Supply Bank.                                                                                                                                                                                                                                                                                 |
| 3  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | 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: <a href="http://www.idwr.idaho.gov">www.idwr.idaho.gov</a> .                                                            |
| 4A | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Written consent from irrigation district or water delivery company.                                                                                                                                                                                                                                                                                    |
| 4G | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Evidence demonstrating the water right has not been forfeited pursuant to <a href="#">Section 42-222(2), Idaho Code</a> .                                                                                                                                                                                                                              |

#### Department Use Only

Fee Amount \$ 250Received By: diDate Received: 12/21/2015 Receipt # C101366W-9 received? Yes ☒ No ☐

(Route W-9 to Fiscal)

Name on W-9: Bar G farms

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 BAR G FARMS ENTERPRISES

Mailing Address PO Box 175 May, ID 83253

Street City State Zip Code

Email Address bargfarms@gmail.com

Phone Number (208) 876-4215

☒ The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Applicant is representing additional water right holders who have completed Attachment 1A.

- B. Has the Designated Applicant submitted an IRS Form W-9 to this Department within the last 2 years? Yes ☐ No ☒  
If no, complete the form and attach to this application (Attachment 1B).

- C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐  
If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

- D. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☐ No ☒  
If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1D).

Name of Representative \_\_\_\_\_ Organization \_\_\_\_\_

Professional Title \_\_\_\_\_ Email Address \_\_\_\_\_

Mailing Address \_\_\_\_\_ Phone Number \_\_\_\_\_

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

OR

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

**2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK**

☒ The full water right is being offered to the Bank.

OR

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

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

**3. MAP**

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

STATE OF IDAHO  
WATER RESOURCE BOARD

**APPLICATION TO SELL OR LEASE A WATER RIGHT**  
(Continued)

**4. GENERAL INFORMATION**

- A. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☒  
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 4A).  
*If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to [Section 42-108, Idaho Code](#) and [IDAPA WSB Rule 37.02.03.25.02e](#).*
- B. Please provide a description of the current water diversion and delivery system.  
Water is ??  
\_\_\_\_\_  
\_\_\_\_\_
- 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. NA  
\_\_\_\_\_  
\_\_\_\_\_
- D. Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes ☐ No ☐  
*Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of \$500.*
- E. Will the present place of use continue to receive water from any other source? Yes ☐ No ☒  
If yes, explain the relationship between the different water sources and how enlargement of the authorized use will not occur if this water right is leased. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- F. Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. 1.68 cfs  
\_\_\_\_\_  
\_\_\_\_\_
- 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 2018 (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.  
36.97 per acre not including the rental fee

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

Billy Gydesen  
Printed Name

12-11-15  
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**

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><br>(cfs) | <u>Leased Volume</u><br>(af) | <u>Leased Acres</u><br>(ac) |
|------------------------------|----------------------|-----------------------------|------------------------------|-----------------------------|
| _____                        | _____                | _____                       | _____                        | _____                       |
|                              | _____                | _____                       | _____                        | _____                       |
|                              | _____                | _____                       | _____                        | _____                       |
|                              | _____                | _____                       | _____                        | _____                       |
|                              | Total Amounts:       | _____                       | _____                        | _____                       |

2. Source of water \_\_\_\_\_ tributary to \_\_\_\_\_

3. Point(s) of diversion:

| Twp | Rge | Sec | Lot | ¼ | ¼ | ¼ | County |
|-----|-----|-----|-----|---|---|---|--------|
|     |     |     |     |   |   |   |        |
|     |     |     |     |   |   |   |        |
|     |     |     |     |   |   |   |        |
|     |     |     |     |   |   |   |        |
|     |     |     |     |   |   |   |        |
|     |     |     |     |   |   |   |        |
|     |     |     |     |   |   |   |        |

ATTACHMENT 3  
BAR G FARMS 73-11992





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](http://www.idwr.idaho.gov)

C.L. "BUTCH" OTTER  
Governor

GARY SPACKMAN  
Director

April 1, 2016

BAR G FARMS ENTERPRISES  
PO BOX 175  
MAY ID 83253

### RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 73-11992

Dear Lessor:

Water right 73-11992 was leased into the Water Supply Bank (Bank) as of December 21, 2015, 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, 2018**, 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](http://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: James Cefalo - IDWR Eastern Region  
Ted O'Neal - Water District 73  
Amy Cassel - IDWR



State of Idaho

## DEPARTMENT OF WATER RESOURCES

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GARY SPACKMAN  
Director

C.L. "BUTCH" OTTER  
Governor

January 28, 2016

BAR G FARMS ENTERPRISES  
PO BOX 175  
MAY ID 83253

**RE: REQUEST FOR RETURN OF SIGNED WATER SUPPLY BANK LEASE CONTRACTS FOR  
WATER RIGHT(S) 73-11988 and 73-11992**

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

Dear Applicant,

The Department of Water Resources (Department) mailed **two of each original Water Supply Bank Lease Contracts for your review and signature** on January 12, 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](http://www.idwr.idaho.gov).

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

Sincerely,

  
for Clay Webster  
Water Resource Agent  
WSB Process Point of Contact



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](http://www.idwr.idaho.gov)

GARY SPACKMAN  
Director

C.L. "BUTCH" OTTER  
Governor

January 12, 2016

BAR G FARMS ENTERPRISES  
PO BOX 175  
MAY ID 83253

**RE: APPLICATIONS TO LEASE WATER RIGHT 73-11988 and 73-11992 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 of each 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, 2018**, 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."

Item #5 on the applications you submitted with the Department state you would like a rental rate of \$36.97 per acre not including the rental fee. Unfortunately, we are unable to accommodate any variance to the current rental rate unless there is an agreement made between a lessor and renter. I have enclosed the Idaho Water Resource Board Resolution that establishes the rental rates.

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



State of Idaho

## DEPARTMENT OF WATER RESOURCES

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

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GARY SPACKMAN  
Director

C.L. "BUTCH" OTTER  
Governor

December 13, 2015 *le*

TED O NEAL  
WATER DISTRICT No. 73  
81 FUREY LN  
MAY ID 83253

RE: Water Supply Bank Lease Application for Water Rights: 73-11988 and 73-11992 in the name of Bar G Farms Enterprises

Dear Watermaster:

The Department of Water Resources is soliciting your comments or concerns on the proposed lease submitted by Bar G Farms Enterprises. A copy of the review memo and draft contract is enclosed.

Please review the information, then complete the enclosed recommendation form and return it to this office within 7 days of the date of this letter. You may return the form via postal mail or you may fax it to me at (208) 287-6700, Attn: Jean or email to [jean.hersley@idwr.idaho.gov](mailto:jean.hersley@idwr.idaho.gov).

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,

A handwritten signature in cursive script that reads "Jean Hersley".

Jean Hersley  
Technical Records Specialist

Enclosure(s)



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](http://www.idwr.idaho.gov)

GARY SPACKMAN  
Director

C.L. "BUTCH" OTTER  
Governor

January 12, 2016

BAR G FARMS ENTERPRISES  
PO BOX 175  
MAY ID 83253

### RE: APPLICATIONS TO LEASE WATER RIGHT 73-11988 and 73-11992 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 of each 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, 2018**, 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.

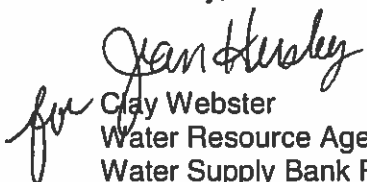
Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"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."

Item #5 on the applications you submitted with the Department state you would like a rental rate of \$36.97 per acre not including the rental fee. Unfortunately, we are unable to accommodate any variance to the current rental rate unless there is an agreement made between a lessor and renter. I have enclosed the Idaho Water Resource Board Resolution that establishes the rental rates.

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

**WATER SUPPLY BANK**
**Agent Lease Review Checklist**
**Applicant(s) Name:** Bar G Farms Enterprises

**Memo Date:** January 12, 2016

**Water Right Number(s):**73-11992

**Reviewers Name:** Jean

**Quick Tools**

| Decreed Year | No Forfeiture Concerns Thru: |
|--------------|------------------------------|
| 2009         | 2015                         |
| 2010         | 2016                         |
| 2011         | 2017                         |
| 2012         | 2018                         |
| 2013         | 2019                         |

|    |                                                                                                                                                                                                                                                                                                         | Check box |    | COMMENTS/CONCERNS: |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----|--------------------|
| 1  | Fill out WSB Data Entry Checklist for Leases                                                                                                                                                                                                                                                            | X         |    |                    |
| 2  | Reason for lease of water rights (Brief description of lease proposal in narrative)                                                                                                                                                                                                                     |           |    |                    |
|    | Portion of right                                                                                                                                                                                                                                                                                        |           |    |                    |
|    | All of right                                                                                                                                                                                                                                                                                            | X         |    |                    |
| 3  | Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)                                                                                                                                                                                                                               |           |    |                    |
|    |                                                                                                                                                                                                                                                                                                         | Yes       | No |                    |
| 4  | Rentable? If no explain in comments                                                                                                                                                                                                                                                                     | X         |    |                    |
| 5  | Authority to file                                                                                                                                                                                                                                                                                       |           |    |                    |
|    | Current owner or designated applicant                                                                                                                                                                                                                                                                   | X         |    |                    |
|    | SOS Web site checked for business entity                                                                                                                                                                                                                                                                |           | X  |                    |
|    | Other (explain in comments)                                                                                                                                                                                                                                                                             |           |    |                    |
| 6  | Water Right validity                                                                                                                                                                                                                                                                                    |           |    |                    |
|    | Decreed/Licensed/Statutory claim date (write in comments section)                                                                                                                                                                                                                                       |           |    |                    |
|    | Past irrigation to ensure forfeiture is not an issue if decreed or licensed over 7 years ago (consider transfers that changed the POU, rentals to the POU etc.)                                                                                                                                         |           |    |                    |
|    | Has this right previously been leased to the bank or in CREP?                                                                                                                                                                                                                                           |           | X  |                    |
| 7  | Injury to other water rights                                                                                                                                                                                                                                                                            |           |    |                    |
|    | If the POD is through a delivery entity, was consent provided?                                                                                                                                                                                                                                          |           | X  |                    |
|    | If the POD is through a delivery entity, was holdback required? (percentage in comments)                                                                                                                                                                                                                |           |    | %                  |
| 8  | Enlargement concerns                                                                                                                                                                                                                                                                                    | Check box |    |                    |
|    | Complete a POU comparison overlap analysis                                                                                                                                                                                                                                                              | X         |    |                    |
|    | Complete a combined limits review                                                                                                                                                                                                                                                                       | X         |    |                    |
|    | Complete POD overlap analysis (if there is an overlap add condition to lease)                                                                                                                                                                                                                           | X         |    |                    |
|    |                                                                                                                                                                                                                                                                                                         | Yes       | No |                    |
|    | Are there overlapping rights that need to be placed in the bank also?                                                                                                                                                                                                                                   |           | X  |                    |
|    | Will the place of use continue to receive water?                                                                                                                                                                                                                                                        |           | X  |                    |
| 9  | Local Public Interest                                                                                                                                                                                                                                                                                   |           |    |                    |
|    | Does the processor know of any problems this action will cause for the local public?                                                                                                                                                                                                                    |           | X  |                    |
| 10 | Have you contacted regional office and watermaster for comment/concerns?                                                                                                                                                                                                                                | X         |    |                    |
|    | Send the watermaster comment request form or e-mail request                                                                                                                                                                                                                                             | X         |    |                    |
| 11 | Area Headgate requirement                                                                                                                                                                                                                                                                               |           |    | 3.5                |
| 12 | Is water right involved in any other department action? Pull file and check database<br>( ) Ownership Change ( ) Transfer ( ) Mitigation ( ) Other - Explain in comments                                                                                                                                |           | X  |                    |
| 13 | <b>Narrative:</b> The applicant wishes to place the entire right in the Bank. This right was decreed in 2010 so forfeiture is not an issue. Couldn't find Bar G Farms on the IDSOS page, however the right was decreed to Bar G. There are no overlapping rights. This right is currently within WD 73. |           |    |                    |

**Webster, Clay**

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**Subject:** FW: WSB Fees for Bar G Farms Lease Applications

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**From:** Webster, Clay  
**Sent:** Tuesday, December 22, 2015 3:41 PM  
**To:** Cassel, Amy  
**Cc:** Judd, Debbi  
**Subject:** WSB Fees for Bar G Farms Lease Applications

Amy,

Here is a breakdown of the fees needed for the WSB leases for the Bar G Farms Enterprises.

73-90, 73-11983 and 73-11978 are stacked for \$500

73-91, 73-11980 are stacked for \$500

73-10005, 73-11981, 73-11982, 73-11993 and 73-11987 are stacked for \$500

73-11988 for \$250

73-11992 for \$250

That will bring the total to \$2,000.00

Debbi,

If a check comes in from these folks for \$500.00, it should be receipted for the highlighted ones above.

Thanks

Sincerely,  
Clay Webster  
Water Resource Agent  
[clay.webster@idwr.idaho.gov](mailto:clay.webster@idwr.idaho.gov)  
208-287-4910