

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED

DEC 11 2015

DEPARTMENT OF
WATER RESOURCES

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

LESSOR: NOTCH BUTTE FARMS
C/O JOHN T LEZAMIZ
136 BRIDON WAY
TWIN FALLS ID 83303-0389
(208)734-7510

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

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

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

Summary of Water Rights or Portions Leased to the Bank

Water Right	Priority Date	Source	Tributary	Leased Rate	Annual Leased Volume	Total Leased Acres
36-16148	6/23/1952	Ground Water	NA	0.05 cfs	14.4 af	3.6 ac

Annual Combined Lease Totals

0.05 cfs 14.4 af 3.6 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.

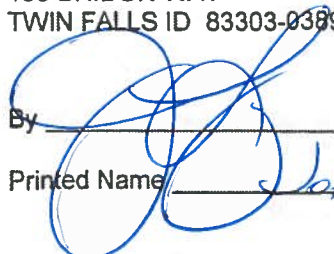
Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until 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.

NOTCH BUTTE FARMS
C/O JOHN T LEZAMIZ
136 BRIDON WAY
TWIN FALLS ID 83303-0389

By  _____

Date 12/10/2015

Printed Name John Lezamiz

Title Member

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 12/14/2015

Lease approved by IDWR 

Date 12-14-2015

ATTACHMENT A

WATER RIGHT NO. 36-16148 WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: NOTCH BUTTE FARMS
C/O JOHN T LEZAMIZ
136 BRIDON WAY
TWIN FALLS ID 83303-0389
(208)734-7510

Location of Point of Diversion

GROUND WATER

NWNESW

Sec. 4, Twp 07S, Rge 17E, JEROME County

<u>Water Right</u>	<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
36-16148	Irrigation	03/15	to 11/15	0.05 cfs	14.4 af
Total:				0.05 cfs	14.4 af

Place of Use to be Idled Under This Lease: IRRIGATION

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07S	17E	9							3.6										3.6

Total Acres: 3.6

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.

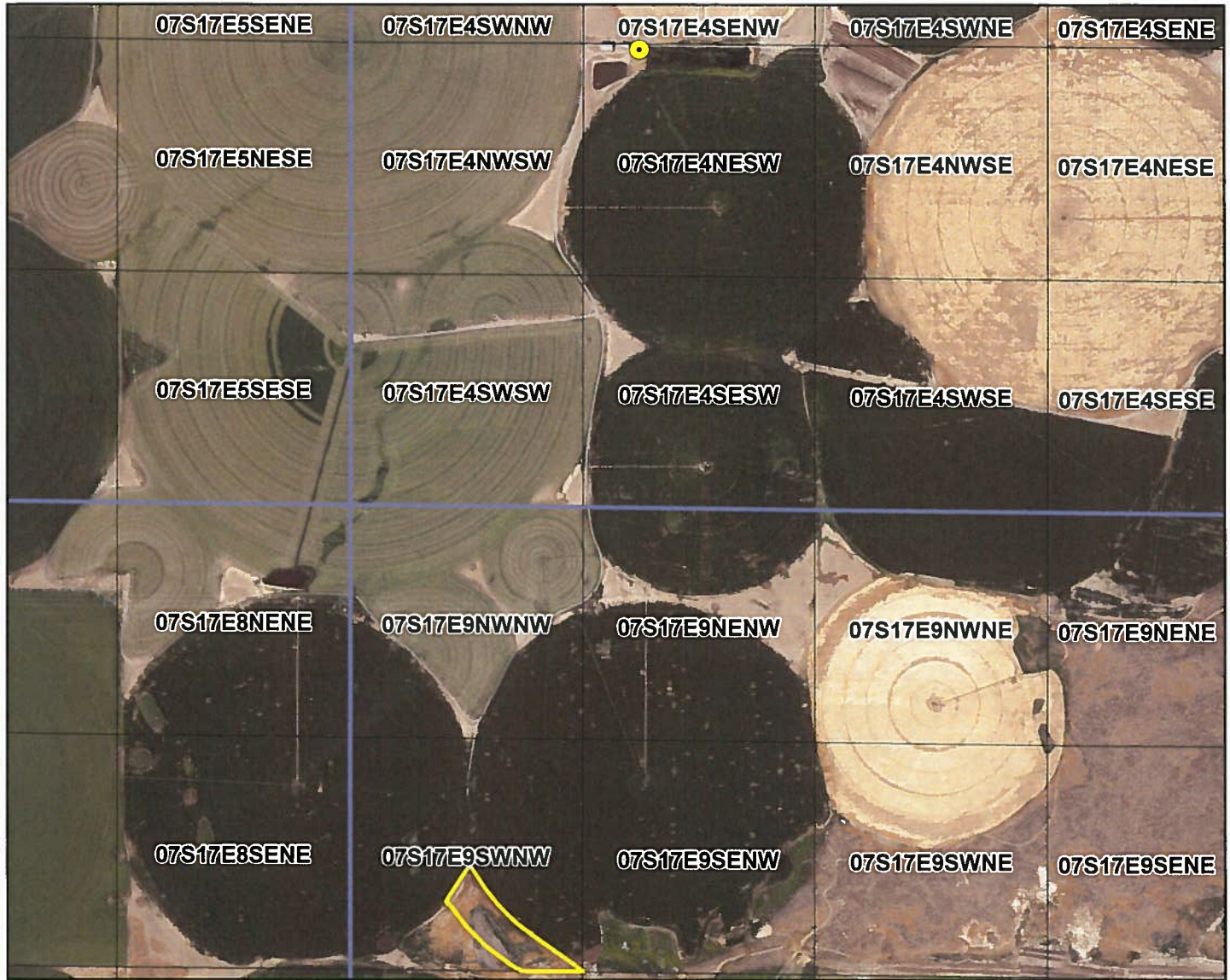
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into 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. 130.
13. Unleased portions of right 36-16148 is limited to the irrigation of 137 acres in a single irrigation season, a total combined diversion rate of 4.81 cfs, and a total combined annual diversion volume of 1,409.6 af.

Idaho Water Resource Board Water Supply Bank Lease

36-16148

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.



2013 USDA-FSA Aerial Photography

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



0 500 1,000 Yards

RECEIVED
OCT 21 2015
DEPARTMENT OF
WATER RESOURCES

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

An application to lease or sell a water right into the Water Supply Bank must be prepared in accordance with the minimum requirements listed below to be acceptable for processing by the Department. Use this checklist to ensure all necessary documentation has been provided. This checklist is part of the lease application and must be included with the lease application. **Incomplete applications will be returned to applicants for completion.**

Designated Applicant Notch Butte Farms C/O John Lezamiz
(Select one owner – see item 1A on the application)

Water Right No. 36-16148
(One water right per application)

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

YES

- ☒ Completed *Water Supply Bank Lease or Sale Application Checklist* (this form).
- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank* (pages 2-3).
- ☐ Application filing fee of \$250.00 per water right. If you are submitting more than one lease application and the water rights have an overlapping, common place of use, or a common diversion rate or volume, the total fee for all water rights is \$500.00. For places of use, multiple water rights must be used to irrigate the same lands in order to qualify for the joint filing fee. Individual filing fees are required for water rights that share a common permissible place of use but which cover separate acres within the permissible place of use.

Attachment N/A YES

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

Department Use Only

Fee Amount \$ <u>250.00</u>	Received By: <u>dh</u>	Date Received: <u>10-21-15</u>	Receipt # <u>C101119</u>
W-9 received? Yes ☒ No ☒ (Route W-9 to Fiscal)		Name on W-9: <u>Notch Butte Farms LLC</u> <u>126 Bridon Way</u> <u>Jerome Id 83338</u>	

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

1. CONTACT INFORMATION

- A. An application to sell or lease a water right to the Water Supply Bank must be completed by a Designated Applicant who is a recognized owner of the water right being sold or leased to the Water Supply Bank. If there are additional owners recorded for the property to which the water right is appurtenant, those individuals must authorize the Designated Applicant to represent them on this application by completing and signing Attachment 1A of this application package.

Designated Applicant Notch Butte Farms C/O John Lezam Email Address _____

Mailing Address 136 Bridon Way Jerome, ID 83338 Phone Number 208-308-5710

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

OR

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

- B. Has the designated applicant completed an IRS Form W-9 (Attachment 1B)? W-9 From previously submitted Yes ☐ No ☒

- C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐

If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

- D. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☒

If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 1D).

- E. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☒ No ☐

If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1E).

Name of Representative Greg Sullivan Organization Brockway Engineering

Professional Title Engineer Email Address greg.sullivan@brockwayeng.com

Mailing Address 2016 N. Washington St Ste 4 Twin Falls, Idaho 83301 Phone Number 208-736-8543

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

OR

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

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

Water Right Number 36-16148 ☐ The full water right is being offered to the Bank.

OR

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

(If a portion of a water right is being offered, complete Attachment 2)

3. GENERAL INFORMATION

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

Existing wells, mainlines and delivery system.

- B. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank.

N/A

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

Stacked water rights are water rights that are utilized together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of \$500.

**STATE OF IDAHO
WATER RESOURCE BOARD**

RECEIVED

OCT 30 2015

DEPARTMENT OF
WATER RESOURCES**ATTACHMENT 1A****Additional Water Right Holders Party to the Lease Application**

List all individuals or business entities that are owners of the property to which the water right on this application is appurtenant. All water right holders must be signatories to 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). 36-16148

	Designated Applicant	Applicant #2	Applicant #3
Name	Robert Shillington		John L. Lammie
Mailing Address	PO Box 486 Jerome ID 83338		847 Canyon Spry Ln Twin Falls, ID 83301
Phone Number	208 231 2235		208-308-5710
Email Address			blammie@port.org
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			

D. Will the present place of use continue to receive water from any other source?

Yes ☐ No ☒

If yes, describe. _____

E. Has any portion of this water right undergone a period of five or more consecutive years of non-use?

Yes ☐ No ☒

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

F. Is this water right involved in any other IDWR process such as an application for transfer or a mitigation plan? Yes ☐ No ☒

If yes, describe. _____

4. MAP

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

5. SALE/LEASE AGREEMENT

A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☒?

If lease, specify the years when the use of water will be suspended: 2016 to 2020 (maximum lease period 5 years).
(Year) (Year)

B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.

Current Rental Rate _____

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture provisions are stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any elements of the water right.

Signature of Designated Applicant

Printed Name

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

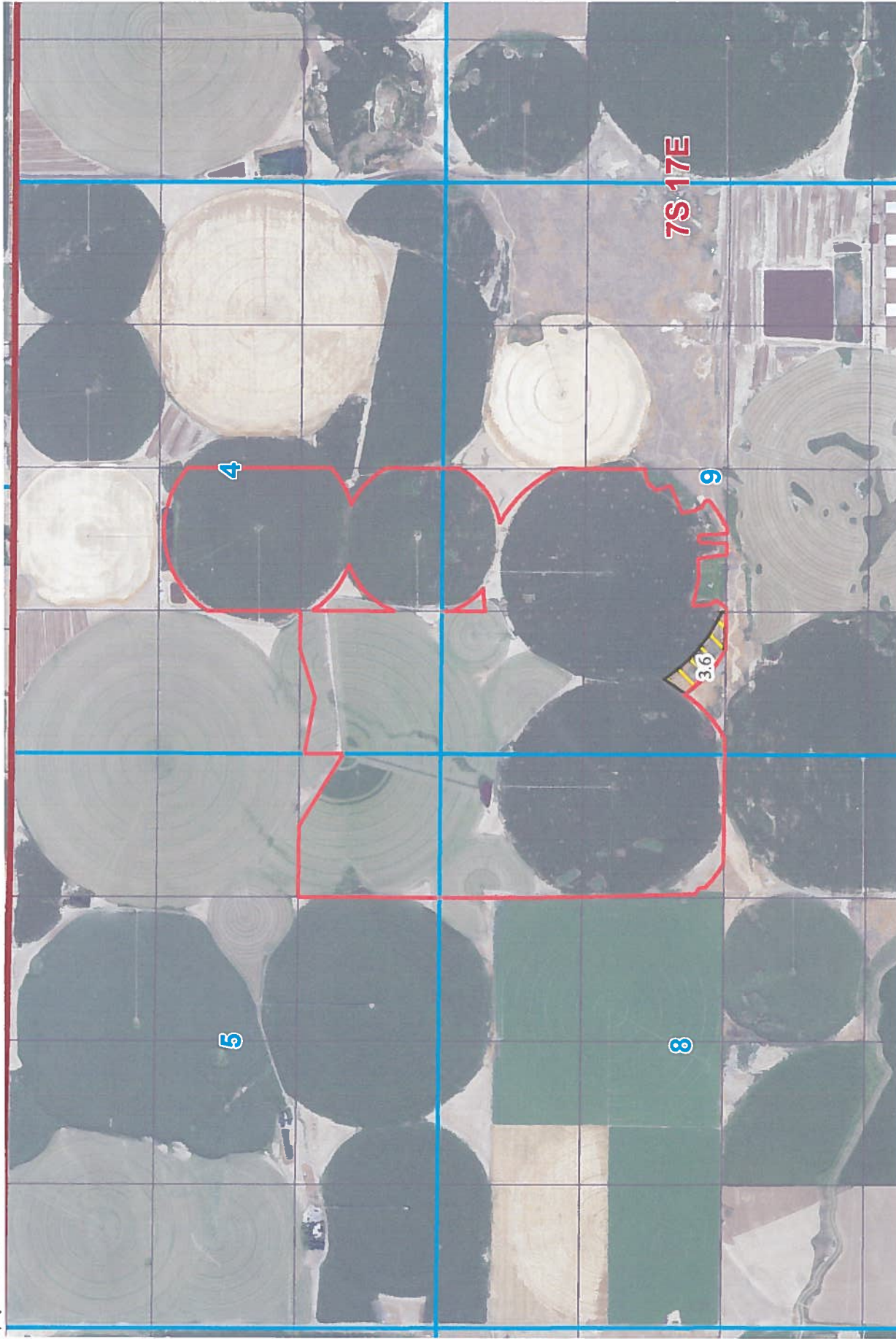
List all individuals or business entities that are owners of the property to which the water right on this application is appurtenant. All water right holders must be signatories to a Water Supply Bank Lease Application however only the Designated Applicant needs to provide a completed IRS Form W-9 (Attachment 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). 36-16148

	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			



- Legend
- WR_POU_38-16148
 - WSB LEASE 2016
 - twntwp
 - Sections
 - QQ lines

LEZAMIZ, J - NOTCH BUTTE FARMS LLC
WATER BANK LEASE 2016-2020
2013 NAIP AERIAL



No. W 10629		Due no later than Dec 31, 2014		2. Registered Agent and Address (NO PO BOX)	
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE		1. Mailing Address: Correct in this box if needed. NOTCH BUTTE FARMS, LLC ROBERT SHILLING PO BOX 486 JEROME ID 83338		ROBERT SHILLINGTON 136 BRIDON WAY JEROME 83338	
				3. New Registered Agent Signature:*	
4. Limited Liability Companies: Enter Names and Addresses of at least one Member or Manager.					
Office Held	Name	Street or PO Address	City	State	Country Postal Code
MEMBER	JOHN LEZAMIZ	PO BOX 389	TWIN FALLS	ID	83303-0389
MEMBER	ROBERT SHILLINGTON	136 BRIDON WAY	JEROME	ID	83338
5. Organized Under the Laws of: ID W 10629		6. Annual Report must be signed.* Signature: Robert Shillington Name (type or print): Robert Shillington Date: 01/13/2015 Title: member			
Processed 01/13/2015		* Electronically provided signatures are accepted as original signatures.			



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

December 15, 2015

NOTCH BUTTE FARMS
C/O JOHN T LEZAMIZ
136 BRIDON WAY
TWIN FALLS ID 83303-0389

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 36-16148

Dear Lessor:

Water right **36-16148** was leased into the Water Supply Bank (Bank) as of October 21, 2015, in accordance with the enclosed executed lease contracts. **Your water rights, as described on the lease contracts, 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 rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The rights will automatically be released from the Bank on **December 31, 2020**, unless the 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: Greg Sullivan – Brockway Engineering PLLC
Allen Merritt - IDWR Southern Region
Nathan Erickson – Water District 130



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

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DEC 11 2015

DEPARTMENT OF
WATER RESOURCES

December 10, 2015

Clay Webster
Idaho Water Supply Bank
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Re: Notch Butte Farms 36-16148

Dear Mr. Webster:

Attached to this letter is two signed lease contracts for water right 36-16148 as requested by the Idaho Water Supply Bank.

Please let me know if there are any additional information that you me need to finalize the lease contract.

Sincerely,

Greg Sullivan, M.S., Engineer

Cc: John Lezamiz
Enc: Two Signed Lease Contracts

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506



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

November 27, 2015

GARY SPACKMAN

Director

NOTCH BUTTE FARMS
C/O JOHN LEZAMIZ
136 BRIDON WAY
TWIN FALLS ID 83303-0389

**RE: REQUEST FOR RETURN OF SIGNED WATER SUPPLY BANK LEASE CONTRACTS FOR
WATER RIGHT(S) 36-16148**

*****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 November 10, 2015. 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,

For - Clay Webster
Water Resource Agent
WSB Process Point of Contact

c: Greg Sullivan – Brockway Engineering



State of Idaho

DEPARTMENT OF WATER RESOURCES

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C.L. "BUTCH" OTTER
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GARY SPACKMAN
Director

November 10, 2015

NOTCH BUTTE FARMS
C/O JOHN LEZAMIZ
136 BRIDON WAY
TWIN FALLS ID 83303-0389

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 36-16148 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(s) to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The rights will automatically be released from the Bank on **December 31, 2020**, unless the rights are released earlier by the Board, or upon your request. To release the 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,

For Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts
Receipt # C101119

c. Greg Sullivan – Brockway Engineering

Webster, Clay

From: Merritt, Allen
Sent: Tuesday, November 10, 2015 2:58 PM
To: Webster, Clay
Subject: RE: Regional and Watermaster comments on WSB Lease Application for Notch Butte Farms LLC 36-16148

No issue.

From: Webster, Clay
Sent: Monday, November 02, 2015 3:24 PM
To: Merritt, Allen; Erickson, Nathan
Subject: Regional and Watermaster comments on WSB Lease Application for Notch Butte Farms LLC 36-16148

Allen and Nathan,

We are currently processing this application to lease a portion of this right back into the bank. This portion has been in the bank since 2009. Do you have any concerns?

Sincerely,

Clay Webster

Water Resource Agent
clay.webster@idwr.idaho.gov

208-287-4910

Idaho Department of Water Resources (IDWR)

322 E. Front Street

P.O. Box 83720

Boise, ID 83720-0098

208-287-4800

www.idwr.idaho.gov

Webster, Clay

From: Webster, Clay
Sent: Monday, November 09, 2015 7:57 AM
To: 'Greg Sullivan'
Subject: RE: WSB Lease Application for 36-16148 Notch Butte Farms

Greg,

Either e-mailed or physical will work for us. Thanks.

Sincerely,

Clay Webster

Water Resource Agent
clay.webster@idwr.idaho.gov

208-287-4910

Idaho Department of Water Resources (IDWR)

322 E. Front Street

P.O. Box 83720

Boise, ID 83720-0098

208-287-4800

www.idwr.idaho.gov

From: Greg Sullivan [mailto:greg.sullivan@brockwayeng.com]
Sent: Friday, November 06, 2015 1:58 PM
To: Webster, Clay
Subject: RE: WSB Lease Application for 36-16148 Notch Butte Farms

Clay,

I have sent an email to Notch Butte with an attached W-9 form. As soon as I receive a signed copy of it I will forward it to you. Would you prefer an emailed copy or a paper copy mailed to you?

Regarding the State Comptroller program: It seems really odd that the WSB requests a W-9 form that is not filed and stored for the duration of a lease contract.

Greg Sullivan
Brockway Engineering
2016 North Washington Street, Suite 4
Twin Falls, Idaho 83301
208-736-8543

From: Webster, Clay [mailto:Clay.Webster@idwr.idaho.gov]
Sent: Friday, November 06, 2015 12:33 PM
To: Greg Sullivan <greg.sullivan@brockwayeng.com>
Subject: RE: WSB Lease Application for 36-16148 Notch Butte Farms

Greg,

We will have to request a new W-9 form in that instance. However, this is not an IDWR Policy. The W-9 is processed into a State Comptrollers program for paying out. After two years of inactivity on any account they are dropped from their program. On the Notch Butte lease application in question that was submitted the box on the Minimum Requirement Checklist for the W-9 was not checked, and no W-9 was supplied. See attached. You will notice that the map box was not checked either. However, one was received. I do appreciate the assistance in getting the W-9.

Sincerely,

Clay Webster

Water Resource Agent

clay.webster@idwr.idaho.gov

208-287-4910

Idaho Department of Water Resources (IDWR)

322 E. Front Street

P.O. Box 83720

Boise, ID 83720-0098

208-287-4800

www.idwr.idaho.gov

From: Greg Sullivan [mailto:greg.sullivan@brockwayeng.com]
Sent: Wednesday, November 04, 2015 2:42 PM
To: Webster, Clay
Subject: RE: WSB Lease Application for 36-16148 Notch Butte Farms

Clay,

Devil's Advocate Here:

So if a water right is leased into the Water Supply Bank for 5 years. It is rented out the 1st year and not rented out year 2, 3 or 4. The W-9 form for that lease is thrown away after year 3 ends per IDWR policy. Then the water right is rented in year 5. Will the Water Supply Bank request the owner to submit another W-9 form before getting paid for the rental in year 5?

Greg Sullivan
Brockway Engineering
2016 North Washington Street, Suite 4
Twin Falls, Idaho 83301
208-736-8543

From: Webster, Clay [mailto:Clay.Webster@idwr.idaho.gov]
Sent: Wednesday, November 04, 2015 2:11 PM
To: Greg Sullivan <greg.sullivan@brockwayeng.com>
Subject: RE: WSB Lease Application for 36-16148 Notch Butte Farms

Greg,

The issue that we run into is that the state does not keep the W-9 on file if two years go by without a payment being made on it. I had our fiscal folks look to see if we had one on file for either of the addresses provided and they did not. Thanks.

Clay

From: Greg Sullivan [mailto:greg.sullivan@brockwayeng.com]
Sent: Wednesday, November 04, 2015 1:18 PM

To: Webster, Clay

Subject: RE: WSB Lease Application for 36-16148 Notch Butte Farms

Clay,

I believe that water right 36-16148 was rented a few years ago and a W-9 form was provided to the Water Supply Bank then. Can you use the one you have on file?

Greg Sullivan

Brockway Engineering

2016 North Washington Street, Suite 4

Twin Falls, Idaho 83301

208-736-8543

From: Webster, Clay [mailto:Clay.Webster@idwr.idaho.gov]

Sent: Wednesday, November 04, 2015 12:55 PM

To: Greg Sullivan <greg.sullivan@brockwayeng.com>

Cc: jlezamiz@pmt.org

Subject: WSB Lease Application for 36-16148 Notch Butte Farms

Greg,

We did not receive a W9 for this lease application. We will need that to proceed with processing so that a payment can be processed in the event of a rental. Thanks for your assistance.

Sincerely,

Clay Webster

Water Resource Agent

clay.webster@idwr.idaho.gov

208-287-4910

Idaho Department of Water Resources (IDWR)

322 E. Front Street

P. O. Box 83720

Boise, ID 83720-0098

208-287-4800

www.idwr.idaho.gov

Webster, Clay

From: Webster, Clay
Sent: Wednesday, November 04, 2015 2:14 PM
To: 'Greg Sullivan'
Subject: RE: WSB Lease Application for 36-16148 Notch Butte Farms

Greg,

The issue that we run into is that the state does not keep the W-9 on file if two years go by without a payment being made on it.

I had our fiscal folks look to see if we had one on file for either of the addresses provided and they did not. Thanks.

Clay

From: Greg Sullivan [<mailto:greg.sullivan@brockwayeng.com>]
Sent: Wednesday, November 04, 2015 1:18 PM
To: Webster, Clay
Subject: RE: WSB Lease Application for 36-16148 Notch Butte Farms

Clay,

I believe that water right 36-16148 was rented a few years ago and a W-9 form was provided to the Water Supply Bank then. Can you use the one you have on file?

Greg Sullivan
Brockway Engineering
2016 North Washington Street, Suite 4
Twin Falls, Idaho 83301
208-736-8543

From: Webster, Clay [<mailto:Clay.Webster@idwr.idaho.gov>]
Sent: Wednesday, November 04, 2015 12:55 PM
To: Greg Sullivan <greg.sullivan@brockwayeng.com>
Cc: jlezamiz@pmt.org
Subject: WSB Lease Application for 36-16148 Notch Butte Farms

Greg,

We did not receive a W9 for this lease application. We will need that to proceed with processing so that a payment can be processed in the event of a rental. Thanks for your assistance.

Sincerely,

Clay Webster

Water Resource Agent
clay.webster@idwr.idaho.gov

208-287-4910

Idaho Department of Water Resources (IDWR)

322 E. Front Street

P.O. Box 83720

Boise, ID 83720-0098

208-287-4800

www.idwr.idaho.gov

No virus found in this message.

Checked by AVG - www.avg.com

Version: 2015.0.6173 / Virus Database: 4455/10892 - Release Date: 10/26/15

Internal Virus Database is out of date.

RECEIVED

NOV 03 2015

DEPARTMENT OF
WATER RESOURCES

State of Idaho
Department of Water Resources

RECOMMENDATION OF WATERMASTER

Application No: WSB lease
Water Right No: 36-16148
Applicant Name: Notch Butte Farms C/O John Lezamiz

Watermaster's Recommendation:

- a) ☒ I do not oppose approval of this application
- b) ☐ I do not oppose approval of this application if it is conditioned as follows:
- c) ☐ I oppose approval of this application(s) for the following reasons:
- d) ☐ Additional comment:

Dated: November 3, 2015

Water District 130

sent electronically
Nathan Erickson, Assistant Watermaster

Webster, Clay

From: Erickson, Nathan
Sent: Tuesday, November 03, 2015 8:38 AM
To: Webster, Clay
Subject: RE: Regional and Watermaster comments on WSB Lease Application for Notch Butte Farms LLC 36-16148
Attachments: Watermaster comment_electronic.pdf

Clay,
I reviewed the application and see no problems with the approval (see attached).
Thanks,
Nathan

From: Webster, Clay
Sent: Monday, November 02, 2015 3:24 PM
To: Merritt, Allen; Erickson, Nathan
Subject: Regional and Watermaster comments on WSB Lease Application for Notch Butte Farms LLC 36-16148

Allen and Nathan,

We are currently processing this application to Lease a portion of this right back into the bank. This portion has been in the bank since 2009. Do you have any concerns?

Sincerely,

Clay Webster

Water Resource Agent
clay.webster@idwr.idaho.gov

208-287-4910

Idaho Department of Water Resources (IDWR)

322 E. Front Street

P.O. Box 83720

Boise, ID 83720-0098

208-287-4800

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WATER SUPPLY BANK
Agent Lease Review Checklist
Applicant(s) Name: Notch Butte Farms

Memo Date: 11/2/2015

Water Right Number: 36-16148

Reviewers Name: Clay Webster

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			
2	☒		
Reason for lease of water rights (Brief description of lease proposal in narrative)			
Portion of right			3.6 acres
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			
5	☒		
Authority to file			
Current owner or designated applicant		☒	
SOS Web site checked for business entity		☒	
Other (explain in comments)		☒	
6	☒		
Water Right validity			
Decreed/Licensed/Statutory claim date (write in comments section)			12/3/2001
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.)			N/A
Has this right previously been leased to the bank or in CREP?		☒	Leased POU leased 2009 - 2015
7	☒		
Injury to other water rights			
If the POD is through a delivery entity, was consent provided?		☒	NA
If the POD is through a delivery entity, was holdback required? (percentage in comments)		☒	NA
8	☒		
Enlargement concerns			
Complete a POU comparison overlap analysis		☒	
Complete a combined limits review		☒	
Complete POD overlap analysis (if there is an overlap add condition to lease)			
		Yes	No
Are there overlapping rights that need to be placed in the bank also?		☒	
Will the place of use continue to receive water?		☒	
9	☒		
Local Public Interest			
Does the processor know of any problems this action will cause for the local public?		☒	
10	☒		
Have you contacted regional office and watermaster for comment/concerns?			
Send the watermaster comment request form or e-mail request		☒	e-mail request sent 11/2/2015
11	☒		
Is water right involved in any other department action? Pull file and check database			
() Ownership Change () Transfer () Mitigation () Other - Explain in comments		☒	

12 Narrative

The department received this application to place 3.6 acres worth of this right back in the bank from 2016 through 2020. This is the same portion that was previously leased from 2009 through 2015.

RECEIVED

OCT 30 2015

DEPARTMENT OF
WATER RESOURCES



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

October 28, 2015

Cherie Palmer
Idaho Water Supply Bank
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Re: Notch Butte Farms 36-16148

Dear Mrs. Palmer:

It was requested by the Idaho Water Supply Bank that Attachment 1A be filled out and signed. Robert Shillington and John Lezamiz are current managing members of Notch Butte Farms LLC. Kelley Shillington is deceased since August 5, 2011.

Sincerely,

Greg Sullivan, M.S., Engineer

Cc: John Lezamiz
Enc: Attachment 1A

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506



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

October 22, 2015

NOTCH BUTTE FARMS
C/O JOHN LEZAMIZ
136 BRIDON WAY
JEROME ID 83338

**RE: ADDITIONAL INFORMATION REQUEST FOR PROCESSING APPLICATION TO LEASE
WATER RIGHT NO(S) 36-16148 TO THE WATER SUPPLY BANK**

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

Dear Applicant:

The Idaho Department of Water Resources (Department) acknowledges receipt of the application to lease the above referenced water right to the Idaho Water Resource Board's Water Supply Bank (Bank). The Department will review your application as resources allow.

If the right is determined to be eligible for acceptance into the Bank, the right will be entered as of the date of receipt of the application. The acceptance date may be adjusted when additional information is required. A preliminary review of your application has been completed and it has been determined that additional information is required to continue processing.

Please provide the following information within 30 days of the date of this letter or the application will be denied:

- **Have John T Lezamiz, Kelley Shillington and Robert Shillington Sign the Attachment 1A Form (attached)**

The department will continue processing your application once you have submitted the requested information. Water right forms are available from the Department's website at www.idwr.idaho.gov. If you have any questions, please contact me at (208) 287-4910.

Sincerely,

Clay Webster

 Water Resource Agent
WSB Process Point of Contact

Enclosure(s): Attachment 1A

C: Greg Sullivan – Brockway Engineering



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED

OCT 21 2015

DEPARTMENT OF
WATER RESOURCES

October 19, 2015

Cherie Palmer
Idaho Water Supply Bank
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Re: Notch Butte Farms 36-16148

Dear Mrs. Palmer:

Notch Butte Farms desires to lease 3.6 acres of 36-16148 to the Idaho Water Supply Bank for the years 2016, 2017, 2018, 2019 and 2020. This portion of 36-16148 has been previously leased to the Water Bank from 2009 through 2015.

The W-9 Form for Notch Butte Farms has previously been submitted to the Water Supply Bank.

Please copy our office on all correspondence regarding this application. Thank you for your assistance and if you have questions or comments, please don't hesitate to call.

Sincerely,

Greg Sullivan, M.S., Engineer

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

Cc: John Lezamiz
Enc: Water Bank Lease Application, Aerial Map, Annual Report, Brockway Engineering
Check # 12950 for \$250.00

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506