

RECEIVED

NOV 12 2015

DEPARTMENT OF  
WATER RESOURCES

# WATER SUPPLY BANK LEASE CONTRACT

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

**LESSOR: LYNN BONTRAGER LLC**  
PO BOX 2092  
KETCHUM ID 83340  
(208) 788-3690

## 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 August 27, 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 |
|-------------|---------------|----------------|-------------|-------------|----------------------|--------------------|
| 37-21423    | 11/26/1886    | BIG WOOD RIVER | MALAD RIVER | 0.12 cfs    | Not Stated           | 2.3 ac             |

**Annual Combined Lease Totals**

**0.12cfs Not Stated**

**2.3 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, 2019.
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.

LYNN BONTRAGER LLC  
PO BOX 2092  
KETCHUM ID 83340



By Kathleen Lynn  
Printed Name KATHLEEN LYNN

Date Nov 6, 2015  
Title MEMBER

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

By Brian Patton  
Brian Patton, Acting Administrator  
Idaho Water Resource Board

Date November 12, 2015

Lease approved by IDWR Cherie Palmer

Date 11/12/2015

**ATTACHMENT A**  
**WATER RIGHT NO. 37-21423**  
**WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE**

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

**Lessor:** LYNN BONTRAGER LLC  
 PO BOX 2092  
 KETCHUM ID 83340  
 (208) 788-3690

**Location of Point of Diversion**

BIG WOOD RIVER

SWNW

Sec. 20, Twp 03N, Rge 18E, BLAINE County

| <u>Water Right</u> | <u>Beneficial Use</u> | <u>From</u> | <u>To</u> | <u>Diversion Rate</u> | <u>Volume</u> |
|--------------------|-----------------------|-------------|-----------|-----------------------|---------------|
| 37-21423           | IRRIGATION            | 04/15 to    | 10/31     | 0.12 cfs              | Not Stated    |

**Total:                      0.12 cfs                      Not Stated**

**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 |        |
| 03N | 18E | 33  |    |    |    |    |    | 2.3 |    |    |    |    |    |    |    |    |    |    | 2.3    |

Total Acres:    2.3

**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. 37.
13. A portion of this right provides conveyance for other right holders in the shared delivery of water through the Hiawatha Canal. To prevent injury to other water right holders, the watermaster shall deliver 20% or 0.02 cfs of the leased portion of this right into the Hiawatha Canal whether it is rented or not.
14. Property is also known as Lot 1, Block 1, Sagebrush Subdivision.
15. Water diverted from Headgate #22 delivered through Hiawatha Canal.

# Idaho Water Resource Board Water Supply Bank Lease

37-21423

Effective until December 31, 2019

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 0.5 1 Miles

RECEIVED

AUG 27 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 LYNN BONTRAGER, LLC  
(Select one owner – see item 1A on the application)

Water Right No. 37-21423  
(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 | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Contact information for <i>all owners</i> of the water right that is being leased or sold on this application.                                                                                                                                                                                                                                         |
| 1B | <input checked="" type="checkbox"/> | <input 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 type="checkbox"/>            | <input checked="" type="checkbox"/> | Written consent from irrigation district or water delivery company.                                                                                                                                                                                                                                                                                    |
| 1E | <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.                                                                                                                                                                                                                                                                                 |
| 3E | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to <a href="#">Section 42-222(2), Idaho Code</a> .                                                                                                                                                                                              |
| 4  | <input checked="" type="checkbox"/> | <input 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> .                                                            |

#### Department Use Only

|                                                                                                         |                        |                                        |                          |
|---------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------|--------------------------|
| Fee Amount \$ <u>250.00</u>                                                                             | Received By: <u>di</u> | Date Received: <u>8-27-15</u>          | Receipt # <u>C100934</u> |
| W-9 received? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> (Route W-9 to Fiscal) |                        | Name on W-9: <u>Lynn Bontrager LLC</u> |                          |

PO Box 2092  
Ketchum ID 83340

## 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 LYNN BONTRAGER, LLC Email Address \_\_\_\_\_

Mailing Address PO BOX 2092, KETCHUM, ID 83340 Phone Number 208-788-3690

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

OR

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

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

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

D. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☒ No ☐  
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 1D).

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

Name of Representative PAUL ARRINGTON Organization BARKER, ROSHOLT & SIMPSON, LLP

Professional Title ATTORNEY Email Address PLA@IDAHOWATERS.COM

Mailing Address 195 RIVER VISTA PLACE, SUITE 204 Phone Number 208-733-0700

☐ 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 37-21423 ☒ 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.

WATER PUMPED FROM HIAWATHA CANAL TO HANDLINES ON PROPERTY

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.  
NONE

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

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

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

If yes, describe \_\_\_\_\_

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 2019 (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

KATHLEEN LYNN, MEMBER  
Printed Name LYNN BONTRAGER, LLC

AUG 10, 2015  
Date

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

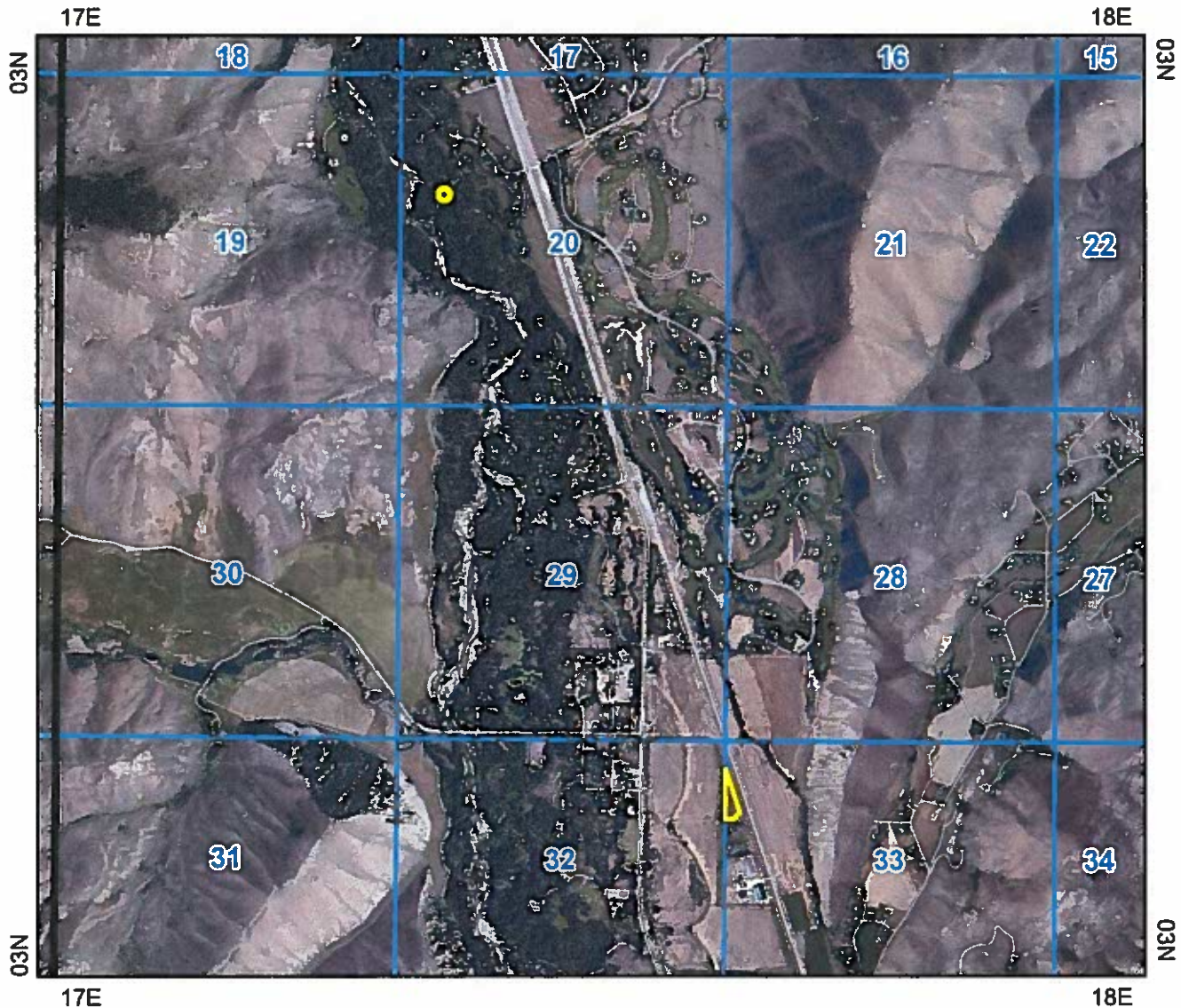
Mail to:  
Idaho Department of Water Resources  
P.O. Box 83720  
Boise, ID 83720-0098

State of Idaho  
Department of Water Resources

# Water Right 37-21423

## IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



0 0.325 0.65 1.3 Miles

- Point of Diversion
- Place Of Use Boundary
- Townships
- PLS Sections





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

November 17, 2015

LYNN BONTRAGER LLC

PO BOX 2092

KETCHUM ID 83340

**RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHT 37-21423**

Dear Lessor:

Water Right **37-21423** was leased into the Water Supply Bank on August 27, 2015 in accordance with the executed original Lease Contract enclosed. **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.**

The right will automatically be released from the Bank on **December 31, 2019**, unless the right is released earlier by the Board, or upon your request. **Please note your right may not be available for immediate release if it has been rented.** 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. This form is available from our public website at [www.idwr.idaho.gov](http://www.idwr.idaho.gov).

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  
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: Paul Arrington – Barker, Rosholt & Simpson LLP  
Allen Merritt - IDWR Southern Region  
Kevin Lakey – Water District 37

RECEIVED  
NOV 12 2015  
DEPARTMENT OF  
WATER RESOURCES

November 6, 2015

Department of Water Resources  
322 East Front Street  
P O Box 83720  
Boise, Idaho 83720-0098

Attention: Clay Webster, Water Resource Agent

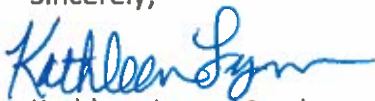
Please find enclosed two copies of the Water Supply Bank Lease Contract for  
Lynn-Bontrager, LLC, Water Right # 37-21423.

These documents have been executed by us with the required signature and date for you.  
When Brian Patton has executed these documents, could you please send us a copy  
for our file to the address below.

Also, please note (as enclosed) that your address on the envelope to us had the incorrect  
box number on the label. Luckily, the person who has box 2093 called us and had the post  
office deliver it to our box 2092.

Thank you for your help on this. If you have any questions, please call me at 208 481 0990.

Sincerely,



Kathleen Lynn, Member  
Lynn-Bontrager, LLC  
P O Box 2092  
Ketchum, Idaho 83340



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

October 30, 2015

LYNN BONTRAGER LLC  
PO BOX 2092  
KETCHUM ID 83340

**RE: APPLICATION TO LEASE WATER RIGHT 37-21423 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, 2019**, 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

Enclosures: Proposed Lease Contracts  
Receipt # C100934

c. Paul Arrington – Barker, Rosholt & Simpson LLP

**WATER SUPPLY BANK**
**Agent Lease Review Checklist**
**Applicant(s) Name:** Lynne Bontrager LLC

**Memo Date:** 10/28/2015

**Water Right Number(s):** 37-21423

**Reviewers Name:** Clay Webster

**Quick Tools**

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

|                                                                                                                                                                 | Check box                           |                                     | COMMENTS/CONCERNS:               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| 1                                                                                                                                                               | <input checked="" type="checkbox"/> |                                     |                                  |
| <b>Fill out WSB Data Entry Checklist for Leases</b>                                                                                                             |                                     |                                     |                                  |
| 2                                                                                                                                                               |                                     |                                     |                                  |
| <b>Reason for lease of water rights (Brief description of lease proposal in narrative)</b>                                                                      |                                     |                                     |                                  |
| Portion of right                                                                                                                                                |                                     |                                     | Protection from forfeiture       |
| All of right                                                                                                                                                    | <input checked="" type="checkbox"/> |                                     |                                  |
| 3                                                                                                                                                               |                                     |                                     |                                  |
| <b>Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)</b>                                                                                |                                     |                                     |                                  |
|                                                                                                                                                                 | <b>Yes</b>                          | <b>No</b>                           | Water district 37 Big Wood River |
| 4                                                                                                                                                               | <input checked="" type="checkbox"/> |                                     |                                  |
| <b>Rentable? If no explain in comments</b>                                                                                                                      |                                     |                                     |                                  |
| 5                                                                                                                                                               |                                     |                                     |                                  |
| <b>Authority to file</b>                                                                                                                                        |                                     |                                     |                                  |
| Current owner or designated applicant                                                                                                                           | <input checked="" type="checkbox"/> |                                     |                                  |
| SOS Web site checked for business entity                                                                                                                        | <input checked="" type="checkbox"/> |                                     |                                  |
| Other (explain in comments)                                                                                                                                     |                                     | <input checked="" type="checkbox"/> |                                  |
| 6                                                                                                                                                               |                                     |                                     |                                  |
| <b>Water Right validity</b>                                                                                                                                     |                                     |                                     |                                  |
| Decreed/Licensed/Statutory claim date (write in comments section)                                                                                               |                                     |                                     | 6/17/2009                        |
| 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?                                                                                                   |                                     | <input checked="" type="checkbox"/> |                                  |
| 7                                                                                                                                                               |                                     |                                     |                                  |
| <b>Injury to other water rights</b>                                                                                                                             |                                     |                                     |                                  |
| If the POD is through a delivery entity, was consent provided?                                                                                                  | <input checked="" type="checkbox"/> |                                     | Hiawatha Canal Company           |
| If the POD is through a delivery entity, was holdback required? (percentage in comments)                                                                        | <input checked="" type="checkbox"/> |                                     | 20%                              |
| 8                                                                                                                                                               |                                     |                                     |                                  |
| <b>Enlargement concerns</b>                                                                                                                                     |                                     |                                     |                                  |
| Complete a POU comparison overlap analysis                                                                                                                      | <input checked="" type="checkbox"/> |                                     |                                  |
| Complete a combined limits review                                                                                                                               | <input checked="" type="checkbox"/> |                                     |                                  |
| Complete POD overlap analysis (if there is an overlap add condition to lease)                                                                                   | <input checked="" type="checkbox"/> |                                     | Need condition                   |
|                                                                                                                                                                 | <b>Yes</b>                          | <b>No</b>                           |                                  |
| Are there overlapping rights that need to be placed in the bank also?                                                                                           |                                     | <input checked="" type="checkbox"/> |                                  |
| Will the place of use continue to receive water?                                                                                                                |                                     | <input checked="" type="checkbox"/> |                                  |
| 9                                                                                                                                                               |                                     |                                     |                                  |
| <b>Local Public Interest</b>                                                                                                                                    |                                     |                                     |                                  |
| Does the processor know of any problems this action will cause for the local public?                                                                            |                                     | <input checked="" type="checkbox"/> |                                  |
| 10                                                                                                                                                              |                                     |                                     |                                  |
| <b>Have you contacted regional office and watermaster for comment/concerns?</b>                                                                                 |                                     |                                     |                                  |
| Send the watermaster comment request form or e-mail request                                                                                                     | <input checked="" type="checkbox"/> |                                     | e-mail dated 10/28/2015          |
| 11                                                                                                                                                              |                                     |                                     |                                  |
| <b>Is water right involved in any other department action? Pull file and check database</b>                                                                     |                                     |                                     |                                  |
| ( ) Ownership Change ( ) Transfer ( ) Mitigation ( ) Other - Explain in comments                                                                                |                                     |                                     |                                  |

**12 Narrative**

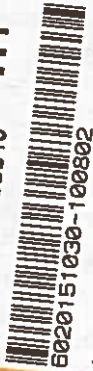
The application received on 8/27/2015 for this lease requested the entire right be placed in the WSB from 2016 through 2019. However, this right was decreed in 2009. I was unable to find evidence of beneficial use. According to multiple programs memo No 2 this lease will have to take effect in 2015 to protect this right from forfeiture. The application came in without the consent of the Hiawatha Canal Company. This was requested and received on 10/22/2015. We will need to holdback a 20% conveyance of this right to protect the other users of the Hiawatha Canal from injury. The overlap analysis shows that no other water rights cover the POU. The POD condition will need to be added to the contract to identify other water rights diverting from the POD.

822 E. FRONT ST.  
P. O. BOX 83720  
BOISE, ID 83720-0088

ADDRESS SERVICE  
REQUESTED

PO SERVICE  
REQUESTED

836 833 83340 A1-19



8020151030-100802

4

PSRT FIRST-CLASS  
US POSTAGE PAID  
Boise, ID  
PERMIT # 1

RETURN SERVICE REQUESTED

83340



LYNN BONTRAGER LLC  
PO BOX 2093  
KETCHUM ID 83340

Box 2092

2092

Incorrect

|                                                                                                                                                        |                                                                                                                                      |                                                                                                                                                 |                                                              |       |         |             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-------|---------|-------------|
| No. <b>W 9095</b>                                                                                                                                      | Due no later than Jun 30, 2015<br><b>Annual Report Form</b>                                                                          |                                                                                                                                                 | 2. Registered Agent and Address<br><b>(NO PO BOX)</b>        |       |         |             |
| Return to:<br>SECRETARY OF STATE<br>700 WEST JEFFERSON<br>PO BOX 83720<br>BOISE, ID 83720-0080<br><br><b>NO FILING FEE IF<br/>RECEIVED BY DUE DATE</b> | 1. Mailing Address: Correct in this box if needed.<br>LYNN-BONTRAGER, LLC<br>KATHLEEN K LYNN<br>PO BOX 2092<br>KETCHUM ID 83340-2092 |                                                                                                                                                 | KATHLEEN K LYNN<br>102 HYNDMAN VIEW DRIVE<br>HAILEY ID 83333 |       |         |             |
|                                                                                                                                                        |                                                                                                                                      |                                                                                                                                                 | 3. <u>New</u> 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                                                                                                                                                 | KATHLEEN K LYNN                                                                                                                      | PO BOX 2092                                                                                                                                     | KETCHUM                                                      | ID    |         | 83340       |
| MEMBER                                                                                                                                                 | CARL G. BONTRAGER                                                                                                                    | PO BOX 2092                                                                                                                                     | KETCHUM                                                      | ID    |         | 83340       |
| 5. Organized Under the Laws of:<br><br><b>ID<br/>W 9095</b>                                                                                            |                                                                                                                                      | 6. Annual Report must be signed.*<br>Signature: Kathleen K. Lynn<br>Name (type or print): Kathleen K. Lynn<br>Date: 05/22/2015<br>Title: Member |                                                              |       |         |             |
| Processed 05/22/2015                                                                                                                                   |                                                                                                                                      | * Electronically provided signatures are accepted as original signatures.                                                                       |                                                              |       |         |             |

OCT 22 2015

DEPARTMENT OF  
WATER RESOURCES

# HIAWATHA CANAL

---

P.O. Box 1604 • Hailey, ID 83333

---

October 20, 2015

Idaho Department of Water Resources  
Attn: Water Leases  
P.O. Box 83720  
Boise, ID 83720-0098

*Re: Lynn Bontrager, LLC (Water Right 37-21423)*

Dear Water Lease Agent:

On behalf of the Hiawatha Canal ("Canal") a.k.a. The Hiawatha Canal Water Users Association of Lateral or Laterals ("Canal Company"), the Canal does not object to water right 37-21423 being leased to the Water Bank, under the conditions specified in this letter.

Generally, the Canal Company does not object to water rights conveyed in the Hiawatha Canal being placed in the Water Bank; provided that if the water rights are moved outside of the Canal, then the Water Bank should require twenty-percent (20%) of the right to be left in the Canal as conveyance loss.

Providing you some historical perspective, the Canal Company filed for mitigation (conveyance loss) rights in the adjudication for rights that had been forfeited or abandoned out of the Canal. The Department agreed that the conveyance loss in the Canal was twenty-percent (20%), and therefore, entered recommendations accordingly. See e.g., water rights 37-22630, 37-22631, 37-22632 and 37-22633. This conveyance has been recognized by the Idaho Department of Water Resources in similar transfers. Leaving twenty-percent (20%) of the leased rights in the Canal will insure that all rights in the Canal continue to be delivered without injury to water right holders in the Canal.

As a condition of being leased, the Canal Company requires:

1. The Canal Company does not presently object to the water rights being placed in the Water Bank by Lynn Bontrager, LLC, under water right 37-21423, provided that twenty-percent (20%) of the right is left in the Canal as conveyance loss.

Idaho Department of Water Resources

Attn: Water Leases.

Page 2

October 20, 2015

2. Finally, the Canal Company would like to be notified if the water rights are eventually released from the Water Bank, or if the Water Rights are being leased again to the Water Bank after the expiration of the five-year lease period.

Thank you in advance for responding to this letter and addressing our concerns. If you have any questions, please do not hesitate to call me.

Sincerely,

HIAWATHA CANAL COMPANY

A handwritten signature in blue ink, appearing to read "D. Cropper", with a stylized flourish at the end.

David Cropper, President

FXH: fxh

cc: client

**Palmer, Cherie**

---

**From:** Palmer, Cherie  
**Sent:** Thursday, October 08, 2015 1:24 PM  
**To:** 'Paul Arrington'  
**Subject:** RE: Water Supply Bank Lease Applications-DEFICIENCY LETTER, PLEASE RESPOND

Dear Mr. Arrington,

The Department of Water Resources received a lease applications for water right 37-21423. You are receiving this email because you are listed as the applicant's, Lynn Bontrager, LLC, representative.

This letter is to notify you that the application is not complete in accordance with the Minimum Requirement Checklist (page 1 of the application). Applications that do not meet the requirements as listed on the application will be returned without being processed.

Within the next 30 days please submit the following information to complete your application:

Attachment 1D: The water right proposed to be leased in the Bank is delivered through the Hiawatha Canal. Consent from the Hiawatha must be collected by the applicant in accordance with 42-108 and IDAPA Bank Rules 37.02.03.25.02.e.

If the information is not submitted within 30 days your application will be returned.

Please let me know if you have any questions regarding this matter.

*Cherie Palmer, Water Rights Supervisor  
Idaho Dept of Water Resources  
Water Allocation Bureau  
322 E. Front Street (Front St. & Broadway Ave)  
Mail: PO BOX 83720 Boise, ID 83720-0098  
email: [cherie.palmer@idwr.idaho.gov](mailto:cherie.palmer@idwr.idaho.gov)  
phone: (208) 287-4944  
fax: (208) 287-6700*

Albert P. Barker  
John A. Rosholt  
John K. Simpson  
Travis L. Thompson  
Shelley M. Davis  
Paul L. Arrington  
Scott A. Magnuson



195 River Vista Place, Suite 204  
Twin Falls, Idaho 83301-3029  
(208) 733-0700 telephone  
(208) 735-2444 facsimile

1010 W. Jefferson St., Suite 102  
Post Office Box 2139  
Boise, Idaho 83701-2139  
(208) 336-0700 telephone  
(208) 344-6034 facsimile  
brs@idahowaters.com

RECEIVED

AUG 27 2015

DEPARTMENT OF  
WATER RESOURCES

August 25, 2015

Idaho Department of Water Resources  
P.O. Box 83720  
322 E. Front Street  
Boise, ID 83720-0098

RE: *Application to Sell or Lease a Water Right to the Water Supply Bank  
(Lynn Bontrager, LLC Water Right No. 37-21423)*

To Whom It May Concern:

Enclosed, please find the original *Application to Sell or Lease a Water Right to the Water Supply Bank* regarding Lynn Bontrager, LLC water right number 37-21423.

Also, enclosed you will find check number 1815 from Lynn-Bontrager, LLC in the amount of \$250.00 for the filing fee.

Should you have any questions, please contact Paul L. Arrington at (208) 733-0700.

Thank you,

Jessica Nielsen  
Assistant for Paul L. Arrington

Enclosures  
PLA/jn