

RECEIVED**JUL 17 2015****DEPARTMENT OF
WATER RESOURCES**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**WATER SUPPLY BANK RENTAL AGREEMENT**

This is to certify that: **FLYING H FARMS, PARTNERSHIP**
518 OLD HIGHWAY 30
MOUNTAIN HOME ID 83647-6289
(208) 587-8716

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right	Priority Date	Source	Tributary	Rented Rate	Annual Rented Volume	Acre Limit	Total Rented Acres
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2-2262	12/6/1963	SNAKE RIVER	COLUMBIA RIVER	0.64 cfs	189.6 af	NA	47.4 ac
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Annual Combined Rental Totals**0.64 cfs 189.6 af* NA 47.4* ac**

*This rental is limited to the irrigation of 40 acres and the annual diversion volume of 160.0 af.

Term of Rental: July 1, 2015 to December 31, 2015**Rental Fee: \$3,223.20**

The fee for rental of the above-described water is \$3,223.20 per year. Ten percent (\$322.32) will go to the Department for administrative costs, and the remainder will be paid to the lessor(s). No rental fees will be refunded once the fee is collected and the start date for a Rental Agreement has passed.

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

JUL 17 2015

DEPARTMENT OF
WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

Jeff Harper Jeff Harper, President 7-14-15
Signature of Renter Printed Name and Title* Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

Brian Patton Date July 17, 2015
By BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

SNAKE RIVER NW¼NW¼ Sec. 06 Twp 06S Rge 07E OWYHEE County

BENEFIAL USE

IRRIGATION

SEASON OF USE

03/15 TO 11/15

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S	07E	12													32.0	8.0			40.0

Total Acres: 40.0

CONDITIONS APPLICABLE TO ALL RENTED WATER RIGHTS

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
6. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
7. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
8. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
9. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
10. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
11. Use of water under this agreement will be 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. 02.

STATE OF IDAHO
WATER RESOURCE BOARD

**APPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK**

RECEIVED

JUN 18 2014

**DEPARTMENT OF
WATER RESOURCES**

This application must be prepared in accordance with the minimum requirements listed to be acceptable for processing by the Department. Incomplete applications will be returned.

Name of Renter(s) Flying H Farms Partnership

Mailing Address 518 Old Highway 30, Mountain Home, ID 83647

Phone 208-587-8716

Email steve@flyinghfarms.net

A. DESCRIPTION OF WATER SOUGHT FOR RENT

1. <u>Maximum Flow Rate (cfs)</u>	<u>Maximum Volume (ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
<u>0.64</u>	<u>189.6</u>	<u>Irrigation</u>	<u>March 15</u> to <u>Nov. 15</u>
_____	_____	_____	_____ to _____
_____	_____	_____	_____ to _____
Total: <u>0.64</u>	<u>189.6</u>		

2. Source of water Snake River tributary to Columbia River

3. Point(s) of Diversion:

TWP	RGE	SEC	GOVT LOT	1/4	1/4	1/4	County
06S	08E	6		NW			Owyhee

4. Lands to be irrigated or place of use:

TWP	RGE	SEC	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S	07E	12													32	8			40

If the use is for irrigation, show total number of acres proposed through rental.

Total Acres 40

B. OWNERSHIP

1. Do you own the land at the proposed point of diversion?

Yes ☐ No ☒

If no, list owner, contact information, and attach a copy of the agreement or other written authority to use the proposed point of diversion. B&K Land Co, 518 Old Highway 30, Mountain Home, ID 83647 (This is an entity of the Flying H owners)

2. Do you own the land at the proposed place of use?

Yes ☐ No ☒

If no, list owner, contact information, and attach a copy of the agreement or other written authority to use the proposed place of use. Wilson & Wilson Co., 791 Lucille Road, Hammett, ID 83627

C. MAP

Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described by this application in section A. Include legal description labels.

D. GENERAL INFORMATION

1. Please provide a description of the proposed diversion system.

There are three 250 hp pumps that pump water to the acres

2. Describe any other water rights diverted through the same point(s) of diversion or used for the same purpose(s) as described above. 02-7369, 02-7065C & 02-10450, For the 2014 farm year, we rented water right 2-2262. We are applying for the same water rights with this application.

3. Will the proposed place of use receive water from any other source?

Yes ☐ No ☒

If yes, describe.

4. If the proposed use is not for irrigation, please provide a detailed description of the proposed use and how you determined the amount of water required. Attach additional sheets if needed.

5. Are there any other applications pending before the Department, such as an application for permit or transfer, for the same use(s) proposed by this rental?

Yes ☐ No ☒

If yes, describe.

6. Was this rental application submitted in response to a Notice of Violation or a pending Notice of Violation?

Yes ☐ No ☒

If yes, describe.

E. RENTAL TERM

- Do you wish to rent water from the Board's bank for more than one (1) year?

Yes ☒ No ☐

If yes, please specify the number of years desired through proposed rental. 5

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval.

If this application is approved, the applicant agrees to the following:

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Renter shall comply with all applicable state and federal laws while using water under this agreement.
3. Renter shall hold the Board, the Director, and the state of Idaho harmless from all liability on account of negligent acts of the renter.
4. The Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
5. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
6. Renter is not authorized to use water proposed by this application until the rental fees are paid in full and the renter receives an executed copy of the agreement signed by the Director.

Signature of Applicant

Jeff Harper

Printed Name and Title*

6/16/2014

Date

Signature of Applicant

Printed Name and Title*

Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

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

MEMORANDUM OF FARM LEASE

BE IT REMEMBERED that Wilson & Wilson Co., an Idaho Corporation, and Ann T. Wilson, (collectively with Wilson & Wilson Co., the "Landlord"), and Flying H Farms Partnership (the "Tenant"), have entered into a Farm Lease (the "Lease") regarding certain real property located in the County of Owyhee, State of Idaho, legally described as follows (the "Property"):

The Northeast Quarter of Section Eleven, The South Half of Section Twelve and all of Section Thirteen in Township Six South, Range Seven East, Boise Meridian;

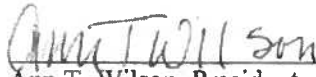
The Southwest Quarter of the Northwest Quarter of Section Seventeen and all of Section Eighteen, in Township Six South, Range Eight East, Boise Meridian.

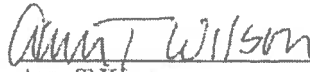
The Lease for the above-described real property will end at 11:59 p.m. on December 31, 2018.

FURTHER BE IT REMEMBERED that, pursuant to the Lease, the Tenant has a Right of First Refusal on the Property.

LANDLORD

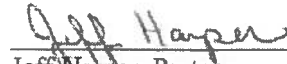
WILSON & WILSON CO.


Ann T. Wilson, President


ANN T WILSON

TENANT

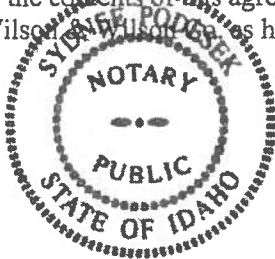
FLYING H FARMS PARTNERSHIP


Jeff Harper, Partner

Instrument # 426537 # Pages: 2
ELMORE COUNTY, Idaho
Mar 26, 2012 11:56:18 am Fee: \$ 13.00
For: FLYING H FARMS
BARBARA STEELE Recorder
DELLIS Deputy

STATE OF IDAHO)
 : ss.
County of Elmore)

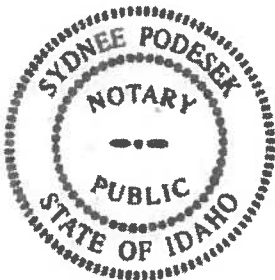
On this 7 day of March, in the year 2012, before me, a notary public for the State of Idaho, personally appeared Ann T. Wilson individually, and also known or identified to me to be the President of Wilson & Wilson Co. and whose name is subscribed to the within and foregoing instrument, and acknowledged to me on this day under oath, that, being informed of the contents of this agreement, she executed the same on behalf of herself individually and Wilson & Wilson as her free and voluntary act and deed.



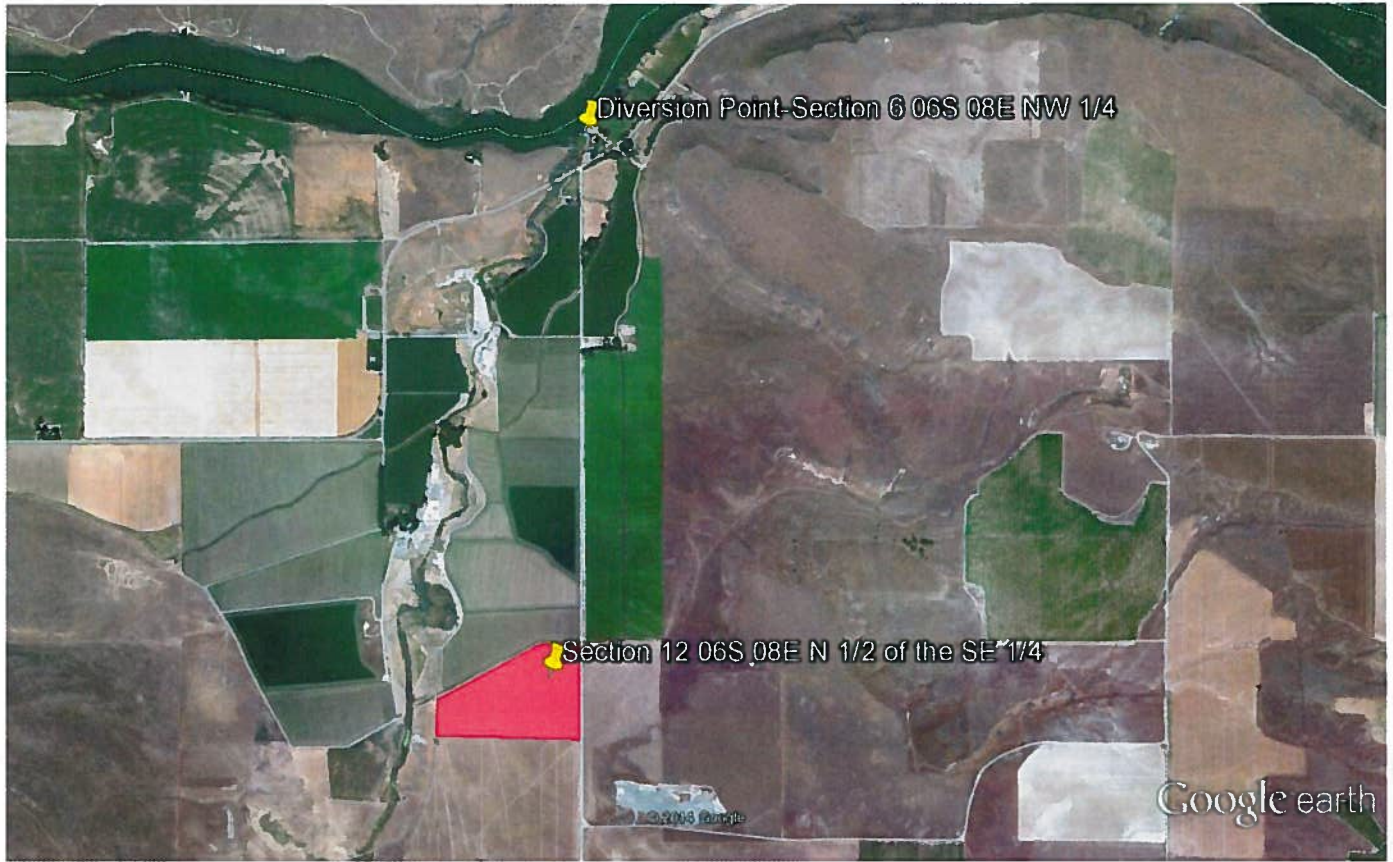
Sydnee Podeseck
Notary Public for the State of Idaho
Residing at: Mountain Home, Id
My Commission Expires: 11/25, 2017

STATE OF IDAHO)
 : ss.
County of Elmore)

On this 23 day of February, in the year 2012, before me, a notary public for the State of Idaho, personally appeared Jeff Harper, known or identified to me to be a partner of Flying H Farms Partnership and whose name is subscribed to the within and foregoing instrument, and acknowledged to me on this day under oath, that, being informed of the contents of this agreement, he executed the same on behalf of Flying H Farms Partnership as his free and voluntary act and deed.



Sydnee Podeseck
Notary Public for the State of Idaho
Residing at: Mountain Home
My Commission Expires: November 25, 2017



Google earth

miles 1
km 2



MEMORANDUM

DATE: September 17, 2015
TO: Water Right File 02-2262
FROM: Clay Webster

RE: Flying H Farms Partnership WSB Rental POD Error

During creation of shapes for the Flying H Farms Partnership rental of this right, the department found that the POD was identified in the wrong location on the rental agreement. This shape was incorrectly identified as NWNW of Township 06S Range 07E Section 06. The correct location is NWNW of 06S Range 08E Section 06.



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

July 20, 2015

FLYING H FARMS PARTNERSHIP
518 OLD HIGHWAY 30
MOUNTAIN HOME ID 83647-6289

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 2-2262**

Dear Renter:

Please find enclosed a receipt in the amount of **\$3,223.20** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 189.6 acre-feet of water for irrigation of 47.4 acres during 2015. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$2,900.88 of the rental fee will be paid to the lessor(s) and 10% or \$322.32 will be retained by the Department to offset administrative costs.

If you have any questions, please contact me at (208) 287-4910.

Sincerely,

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

Enclosure(s): Receipt No. C100779
Rental Agreement (copy)

c: Sascha Marston – Fiscal
Angela Grimm – IDWR Western Regional Office
Corbin Knowles – State Water District No. 02



State of Idaho

DEPARTMENT OF WATER RESOURCES

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C.L. "BUTCH" OTTER

Governor

GARY SPACKMAN

Director

July 9, 2015

FLYING H FARMS PARTNERSHIP
518 OLD HWY 30
MOUNTAIN HOME ID 83647

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO. 02-2262**

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

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of \$3,223.20 was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 189.6 acre-feet.

Please send a check for \$3,223.20 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing. Pursuant to the Water Supply Bank Rules, 90% or \$2,900.88 of the rental fee will be paid to the lessor(s) and 10% or \$322.32 will be retained by the Department to offset administrative costs.

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)

c: IDWR Front Desk

MEMORANDUM

To: Water Right 02-2262
From: Clay Webster
Date: 6/8/2015
Re: Review & Analysis of Application to Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: The department received an application from Flying H Farms Partnership to rent 0.64 cfs and 189.6 af to cover 40 acres of irrigation on June 18 2014, for 2015 through 2019.

The lease that we received for this right is only for the 2015 season. Therefore this rental can only be approved for the 2015 season.

Flying H Farms has an existing rental, but that rental covers different acres. There is also a water right that covers adjacent land. This is a summary of their portfolio.

2-2262 rental of 40 acres (thru 2015)
2-10450 rental of 354 acres (thru 2016)
2-7369 appurtenant to 385 acres
2-7065C appurtenant to 431 acres
1210 acres can be irrigated at Flying H Farms in 2015

Note the applicant asked for a higher diversion rate of 0.016 cfs/ acre. To attain this diversion rate under 2-2262, more acres will be rented (water right 2-2262 provides 0.0135 cfs/acre). The rental will be limited to 40 acres and 160 af.

AUTHORITY TO FILE: This application was signed by Jeff Harper. He is listed on the Idaho SOS web site as a partner of Flying H Farms Partnership. He has provided a land lease agreement with Wilson & Wilson Co. This agreement was signed by Ann Wilson. She is listed as the President of Wilson & Wilson Co. on the Idaho SOS web site. They are identified as the property owners according to the taxlot data.

WATER RIGHT VALIDITY: 2-2262 was decreed in 2008. Portions of this right were leased last year for the same rental. Forfeiture is not an issue at this time.

INJURY TO OTHER WATER RIGHTS: Water right 2-2262 is directly upstream of the proposed POD. No injury is anticipated.

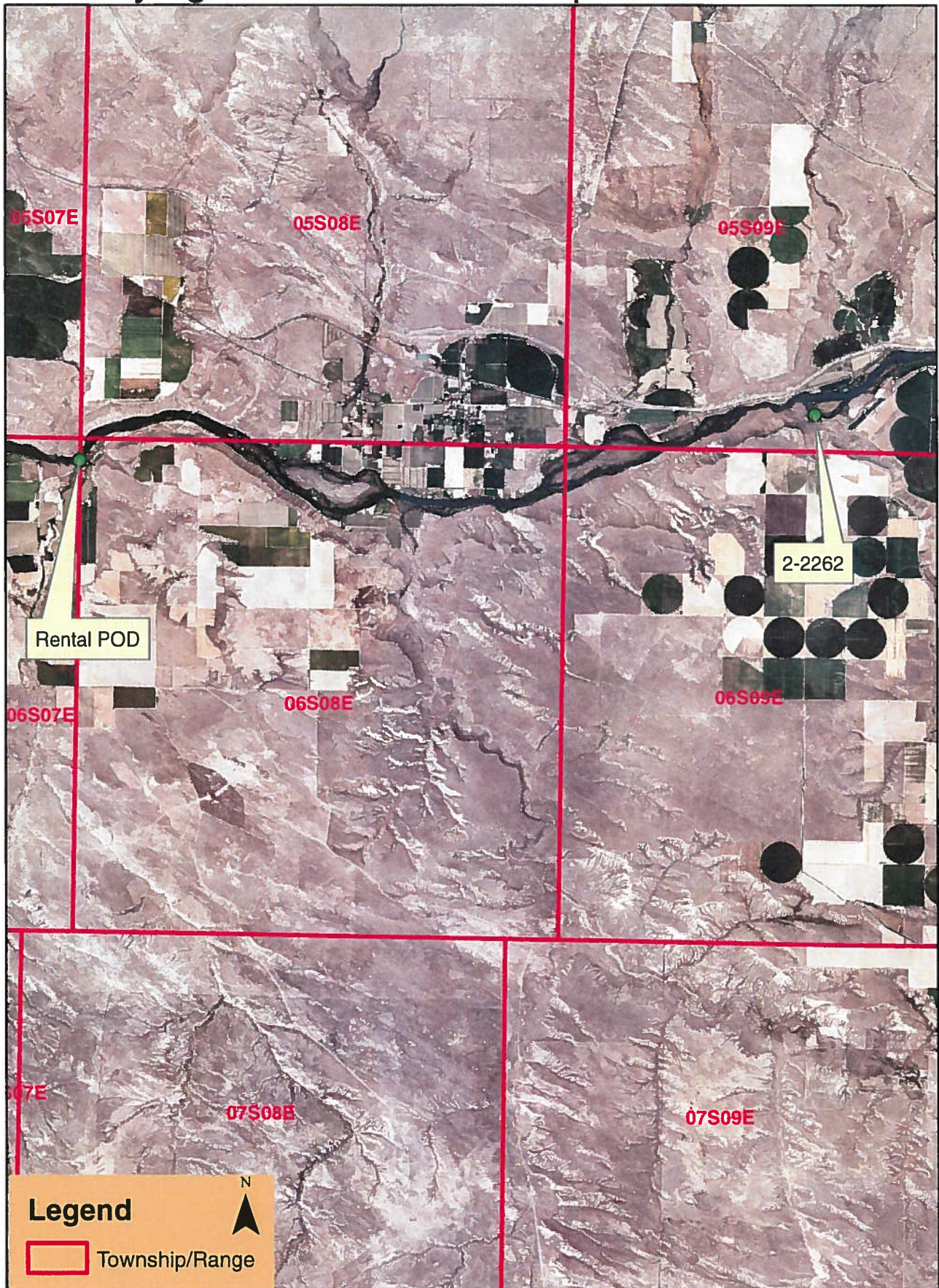
ENLARGEMENT OF USE: 02-2010A is an irrigation right appurtenant to this land. However, that right is limited to 130.7 acres within a 235.3 acre POU. This rentals acreage will not be irrigated under that right. There are no other enlargement concerns at this time.

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The rental appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The rented right is subject to Water District # 02. The watermaster had no issues with this rental. Regional comments will be requested.

Flying H Farms Partnership Rental 2015



No. C 38208	Due no later than Mar 31, 2015 Annual Report Form		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. WILSON AND WILSON CO. ANN T WILSON P. O. BOX 33 HAMMETT ID 83627 USA		ANN T WILSON 791 S LUCILLE LN HAMMETT 83627			
			3. <u>New</u> Registered Agent Signature:*			
4. Corporations: Enter Names and Business Addresses of President, Secretary, and Directors. Treasurer (optional).						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
SECRETARY	ANN T WILSON	PO BOX 33	HAMMETT	ID	USA	83627
PRESIDENT	ANN T WILSON	PO BOX 33	HAMMETT	ID	USA	83627
5. Organized Under the Laws of: ID C 38208		6. Annual Report must be signed.* Signature: Ann T. Wilson Name (type or print): Ann T. Wilson Date: 01/19/2015 Title: Owner				
Processed 01/19/2015		* Electronically provided signatures are accepted as original signatures.				

Palmer, Cherie

From: Steven Tarbet [steve@flyinghfarms.net]
Sent: Wednesday, May 13, 2015 7:34 AM
To: Palmer, Cherie
Subject: RE: Water Supply Bank Rental

We will wait until August 1. I will send you another application for next year.

Thanks,



Steven Tarbet
Flying H Farms Partnership
518 Old Highway 30
Mountain Home, ID 83647
Office: (208) 587-8716
Fax: (208) 587-5455

From: Palmer, Cherie [mailto:Cherie.Palmer@idwr.idaho.gov]
Sent: Monday, May 11, 2015 2:40 PM
To: Steven Tarbet
Subject: Water Supply Bank Rental

Steve,

I apologize we've been playing phone tag. I wanted to touch bases with you about Flying H Farm rental application. Per our conversation over a week ago, there is no water to fulfill your rental request. If you still need that water please answer this question:

- What is the latest possible start date that you would still be willing to pay for a rental?

We will hold your application until that date but, there is no guarantee that water will become available for you to rent.

Please provide the "worst case scenario" date to me by the end of the week. If you don't submit a date, or if the date is in the past, I will be returning your rental application. Be aware that if your date comes and goes, without there being a water right to rent, we will be returning your application.

Please let me know if you have any questions.

Sincerely,

*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
phone: (208) 287-4944
fax: (208) 287-6700*



State of Idaho

DEPARTMENT OF WATER RESOURCES

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C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

September 8, 2014

FLYING H FARMS PARTNERSHIP
518 OLD HIGHWAY 30
MOUNTAIN HOME ID 83647

RE: APPLICATION(S) TO RENT WATER FROM THE WATER SUPPLY BANK

Dear Applicant:

The Idaho Department of Water Resources (Department) acknowledges receipt of your application(s) to rent water from the Water Supply Bank (Bank).

The Department will accept applications proposed for the next calendar season on November 1 of the prior year. Your application is proposing water use during the 2015 season; therefore, the Department will begin processing your application after November 1, 2014.

Applications received after November 1, 2014, will be processed in the order received at the Department. The likelihood of successfully acquiring a rental through the Bank is greatly improved by applying early during the processing period before the proposed season of use begins.

Note that filing a rental application does not authorize diversion and use of water. It is unlawful to use water without a valid water right or an approved Water Supply Bank rental agreement. **You are not authorized to divert any water for the purposes described in your application until you have paid the rental fee and you and the Department have both signed and executed a rental agreement.**

You can check the status of your rental application by reviewing the Department's processing spreadsheet, accessible from the Water Supply Bank's website at:
http://www.idwr.idaho.gov/WaterManagement/WaterRights/WaterSupply/ws_default.htm

Sincerely,

for Cherie Palmer, Water Rights Supervisor
WSB Process Point of Contact