



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

April 20, 2015

NORTHERN AGRICULTURE II LLC
301 E MAIN ST
TURLOCK CA 95380

RE: WATER SUPPLY BANK LEASE STATUS FOR WATER RIGHT NO(S). 35-7789, 35-14056, AND 35-14058

Dear Lessor:

On March 8, 2013, at your request the Department of Water Resources ("Department") executed lease contracts that accepted water rights 35-7789, 35-14056, and 35-14058 into the Water Supply Bank ("Bank"). The lease contracts contained terms such as:

- The lease contracts would expire on 12/31/2016
- Rights were accepted into the Bank in their entirety
- The Lessor may not use the right without approval of the Department even if the right is not rented from the bank.
- Failure of the Lessor to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

In accordance with your lease contract, the place of use for the leased water rights should be completely idled until the lease expires or the water rights are released from the Bank.

A map that illustrates the place of use for the above referenced water rights has been enclosed for your reference. The map depicts LandSat Infrared Imagery for 2014. The map indicates the place of use of the leased acres was irrigated during the 2014 irrigation season.

Please explain how you were able to irrigate the place of use for your leased water rights in 2014. Also, note that your leases don't expire until the end of 2016 and any irrigation activity at the leased water rights place of use is not authorized unless the leases are released from the Bank. Please provide a response within ten (10) days. If an acceptable explanation for your activity in 2014 or if a response isn't received within 10 days, this potential enlargement of your water rights will be referred to the Compliance Bureau for further investigation and your lease contract(s) may be rescinded.

If you have any questions, please contact me at (208) 287-4944.

Sincerely,

Cherie Palmer
Water Rights Supervisor

Enclosure: Lease Application(s)

SUPPORT DATA

IN FILE # 35-7789

C: Greg Sullivan-Brockway Engineering PLLC
Rob Whitney-IDWR, Compliance Bureau