

RECEIVED

MAR 04 2015

DEPARTMENT OF
WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("Lease") is effective January 1, 2015, between the Idaho Water Resource Board ("Board"), and

Lessor: 2+ RANCH LLC
3751 S 2400 E
JEROME ID 83338

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. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources.
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 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

<u>Water Right</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
36-16158	0.13 CFS	45.2 AF	11.3 AC	11.3 AC
36-16161	0.08 CFS	45.2 AF	11.3 AC	11.3 AC
Combined Lease Limits:	0.20 CFS	45.2 AF	11.3 AC	11.3 AC

The water rights described herein shall be available for rental from the Bank as follows:
Authorized Period of Use under Lease: 03/15 to 11/15

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.

IN FILE # 36-16158

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

2+ RANCH LLC
3751 S 2400 E
JEROME ID 83338

By 
Printed Name Ken Boer

Date 3-2-15
Title partner

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-9098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date March 5, 2015

Lease approved by IDWR 

Date 3/5/2015

ATTACHMENT A
WATER RIGHT NO. 36-16158
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: 2+ RANCH LLC
3751 S 2400 E
JEROME ID 83338

Priority Date: 1/24/1972

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	0.13 CFS	45.2 AF
	Total:		0.13 CFS	45.2 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NWSE	Sec. 2, Twp 09S, Rge 15E, GOODING County
GROUND WATER	L4(NWNW)	Sec. 1, Twp 09S, Rge 15E, GOODING County
GROUND WATER	NWSW	Sec. 1, Twp 09S, Rge 15E, GOODING County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
09S	15E	1									1.3	2.6	7.1						11.0
09S	15E	2																0.2 L6	0.2
09S	15E	12						0.1 L4											0.1

Total Acres: 11.3

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
36-16158 and 36-16161,	0.20 CFS	45.2 AF	11.3 AC	11.3 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

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, the lease term expires, or upon request from the lessor to change the term of the lease, 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.
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, 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.
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.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank 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. Rights 36-16158 and 36-16161 are used for mitigation purposes for rights 36-15672, 36-15674, 36-15676, 36-16159 and 36-16162 under Transfer approval 69200. The irrigation and mitigation uses described under these mitigation rights when combined are limited to the following schedule of allowed use which begins on the date of approval of the transfer. The right holder shall file a notice of intent with the Department prior to the increased use of water under the mitigation rights each time an increase according to the schedule is sought.

Years 2003 through 2013 the diversion and use of the rights combined is limited to 6.85 cfs, 1568 afa and 392 acres (3.5 acres left unirrigated).

Years 2014 through 2029 the diversion and use of the rights combined is limited to 6.90 cfs, 1578 afa and 394.5 acres (1.0 acres left unirrigated).

Years 2030 through 2049 the diversion and use of the rights combined is limited to 6.91 cfs, 1580 afa and 395 acres (0.5 acres left unirrigated).
13. Un-leased portions of rights 36-16158 and 36-16161 when combined shall not exceed a total diversion rate of 6.70 cfs, a total annual maximum diversion volume of 1532.8 af at the field headgate, and the irrigation of 383.2 acres for the period of this lease.
14. Rights 36-16158, 36-16161, 36-16160, 36-16163 and 36-2412C are diverted through or associated with the point(s) of diversion described above.
15. Use of water under this right 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.130.

ATTACHMENT A
WATER RIGHT NO. 36-16161
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: 2+ RANCH LLC
3751 S 2400 E
JEROME ID 83338

Priority Date: 8/9/1975

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	11/15	0.08 CFS	45.2 AF
	Total:		0.08 CFS	45.2 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NWSE	Sec. 2, Twp 09S, Rge 15E, GOODING County
GROUND WATER	L4(NWNW)	Sec. 1, Twp 09S, Rge 15E, GOODING County
GROUND WATER	NWSW	Sec. 1, Twp 09S, Rge 15E, GOODING County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
09S	15E	1									1.3	2.6	7.1						11.0
09S	15E	2																0.2	0.2
																		L6	
09S	15E	12						0.1											0.1
								L4											

Total Acres: 11.3

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
36-16158 and 36-16161,	0.20 CFS	45.2 AF	11.3 AC	11.3 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

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, the lease term expires, or upon request from the lessor to change the term of the lease, 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.
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, 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.
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.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank 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. Rights 36-16158 and 36-16161 are used for mitigation purposes for rights 36-15672, 36-15674, 36-15676, 36-16159 and 36-16162 under Transfer approval 69200. The irrigation and mitigation uses described under these mitigation rights when combined are limited to the following schedule of allowed use which begins on the date of approval of the transfer. The right holder shall file a notice of intent with the Department prior to the increased use of water under the mitigation rights each time an increase according to the schedule is sought.

Years 2003 through 2013 the diversion and use of the rights combined is limited to 6.85 cfs, 1568 afa and 392 acres (3.5 acres left unirrigated).

Years 2014 through 2029 the diversion and use of the rights combined is limited to 6.90 cfs, 1578 afa and 394.5 acres (1.0 acres left unirrigated).

Years 2030 through 2049 the diversion and use of the rights combined is limited to 6.91 cfs, 1580 afa and 395 acres (0.5 acres left unirrigated).
13. Un-leased portions of rights 36-16158 and 36-16161 when combined shall not exceed a total diversion rate of 6.70 cfs, a total annual maximum diversion volume of 1532.8 af at the field headgate, and the irrigation of 383.2 acres for the period of this lease.
14. Rights 36-16158, 36-16161, 36-16160, 36-16163 and 36-2412C are diverted through or associated with the point(s) of diversion described above.
15. Use of water under this right 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.130.

STATE OF IDAHO
WATER RESOURCE BOARDWATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLISTRECEIVED
DEC 05 2014
DEPARTMENT OF
WATER RESOURCES

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 2+ Ranch LLCWater Right No. 36-216161
One water right per applicationAll 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. If you are submitting more than one lease application and the water rights have a common place of use, or common diversion rate, or common diversion volume, the combined maximum fee is \$500.00.

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 Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.
- 1C ☒ ☐ *Notice of Change in Water Right Ownership* 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.
- 3D ☐ ☒ Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.
- 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. If you don't already have a detailed map, you can create one using IDWR's online General Mapping Tool (<http://maps.idwr.idaho.gov/mapall/>) to locate a water right place of use or point of diversion.

Department Use Only

Fee Amount \$ 750⁰⁰Received By: CADate Received: 12/05/14Receipt # C099667W-9 received? Yes ☒ No ☐

(Route W-9 to Fiscal)

Name on W-9: 2+ Ranch LLC

**STATE OF IDAHO
WATER RESOURCE BOARD**

**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 2+ Ranch LLC Email Address _____

Mailing Address 3751 S 2400 E JEROME ID 83338 Phone Number _____

☐ 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 Greg Sullivan Organization Brockway Engineering, PLLC

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

Mailing Address 2016 North Washington St. Suite 4 Twin Falls Id 83301 Phone Number 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 36-216161 ☐ 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.
Ground water wells, pump and piping 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.
36-16161 & 36-16158 SAME POU, Combined limits; 395.5 acres, 1582 AFA, 6.92 CFS

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

If yes, describe. _____

D. 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. _____

E. 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. 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, for a period from 11/17/14 to 11/17/19 (maximum lease period 5 years).
(Month / Day / Year) (Month / Day / 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

Ken Boer
Printed Name

11-24-14
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.

Water Right No. 36-216161

	Designated Applicant	Applicant #2	Applicant #3
Name	2+ Ranch LLC		
Mailing Address	3751 S 2400 E JEROME ID 83338		
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			

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 2

DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

- | 1. <u>Water Right Number</u> | <u>Amount (cfs/ac-ft)</u> | <u>Nature of Use</u> | <u>Period of Use</u> |
|------------------------------|---------------------------|----------------------|----------------------|
| 36-216161 | 0.09/19.45 | Irrigation | 3/15 to 11/15 |
| | | | to |
| | | | to |
| | | | to |
| | | | to |
| | | | to |
| Total Amount: | | | |

2. Source of water GROUND WATER tributary to _____

- 3. Point(s) of Diversion:**

Twp	Rge	Sec	Lot	¼	¼	¼	County
09S	15E	01	4		NW	NW	GOODING
09S	15E	01			NW	SW	GOODING
09S	15E	02			NW	SE	GOODING

4. Lands irrigated or place of use:

[illegible]

If the water right is for irrigation, show total number of acres offered to the Bank. Total Acres 11.3

Legend

-  WSB lease 2+ 2+ _WR_POU  twtnshp
-  2+ _WR_POD  36-16161  Sections
-  Parcels  36-2412C  ladeso

2 + RANCH LLC

**W.S.B. LEASE 2014
NAIP 2013 AERIAL**

BROCKWAY ENGINEERING, PLLC.
ALR - Date: 1/15/2015

DEPARTMENT OF
WATER RESOURCES