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JAN 30 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: DOT LLP
581 E PROVIDENT DR
BOISE ID 83706
(208) 584-3237
JustusSteve@yahoo.com

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>
71-2091D	0.36 CFS	54.3 AF	NA	18.1 AC
71-7009	0.75 CFS	111.9 AF	NA	37.3 AC
71-10665B	1.31 CFS	32.4 AF	NA	10.8 AC
Lease Subtotals:	2.49 CFS	202.6 AF	NA	66.2 AC
71-2091C	0.70 CFS	105.6 AF	35.2	212.0 AC
71-7008	2.92 CFS	438 AF	146.0	212.0 AC
71-7083	3.48 CFS	600 AF	200.0	212.0 AC
71-10665A	3.48 CFS	92.4 AF	30.8	212.0 AC
Combined Limit:	3.48 CFS	636.0 AF	NA	212.0 AC
Combined Lease Totals:	5.90 CFS	834.6 AF	NA	278.2 AC

The water rights described herein shall be available for rental from the Bank as follows:
Authorized Period of Use under Lease: See the individual water right.

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: Negotiated Rental Rate: See rental agreement on file with the Department.

SUPPORT DATA

IN FILE #

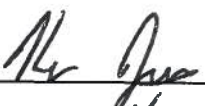
71-2091C

3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31, 2034.
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 WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

DOT LLP

581 E PROVIDENT DR
BOISE ID 83706

By 
Printed Name Kevin Justus

Date 1/28/2015
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 January 30, 2015

Lease approved by IDWR 

Date 1/30/2015

ATTACHMENT A
WATER RIGHT NO. 71-2091C
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: DOT LLP
581 E PROVIDENT DR
BOISE ID 83706
(208) 584-3237

Priority Date: 01/31/1964

Source: BEAVER CREEK

Tributary to: SALMON RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	to 10/15	0.70 CFS	105.6 AF
	Total:		0.70 CFS	105.6 AF

LOCATION OF POINT(S) OF DIVERSION:

BEAVER CREEK NW¼SE¼SE¼ Sec. 21 Twp 07N Rge 14E BLAINE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: 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	
07N	14E	21		20.2	33.4	18.0									28.2	39.8	38.9	27.1	205.6
07N	14E	22									1.5	4.9							6.4

Total Acres: 212.0

Limited to acres within place of use described above: 35.2

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>
71-2091C, 71-7008, 71-8083 and 71-10665A	3.48 CFS	636.0 AF	NA	212.0 AC

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, and 71-10665B	5.90 CFS	834.6 AF	NA	278.2 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water right(s) referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter. The right will be rented from the bank at \$20/AFA.
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.

ATTACHMENT A
WATER RIGHT NO. 71-2091D
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: DOT LLP
581 E PROVIDENT DR
BOISE ID 83706
(208) 584-3237

Priority Date: 01/31/1964

Source: BEAVER CREEK

Tributary to: SALMON RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	to 10/15	0.36 CFS	54.3 AF
	Total:		0.36 CFS	54.3 AF

LOCATION OF POINT(S) OF DIVERSION:

BEAVER CREEK NW¼NW¼SW¼ Sec. 22 Twp 07N Rge 14E BLAINE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: 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	
07N	14E	21				17.5									0.6				18.1

Total Acres: 18.1

Limited to acres within place of use described above: NA

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>
71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, and 71-10665B	5.90 CFS	834.6 AF	NA	278.2 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water right(s) referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter. The right will be rented from the bank at \$20/AFA.
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.
12. 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.

ATTACHMENT A
WATER RIGHT NO. 71-7008
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: DOT LLP
581 E PROVIDENT DR
BOISE ID 83706
(208) 584-3237

Priority Date: 05/04/1970

Source: BEAVER CREEK

Tributary to: SALMON RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	05/01	to 09/30	2.92 CFS	438.0 AF
	Total:		2.92 CFS	438.0 AF

LOCATION OF POINT(S) OF DIVERSION:

BEAVER CREEK NW¼SE¼SE¼ Sec. 21 Twp 07N Rge 14E BLAINE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: 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	
07N	14E	21		20.2	33.4	18.0									28.2	39.8	38.9	27.1	205.6
07N	14E	22										1.5	4.9						6.4

Total Acres: 212.0

Limited to acres within place of use described above: 146.0

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>
71-2091C, 71-7008, 71-8083 and 71-10665A	3.48 CFS	636.0 AF	NA	212.0 AC

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, and 71-10665B	5.90 CFS	834.6 AF	NA	278.2 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water right(s) referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter. The right will be rented from the bank at \$20/AFA.
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.
12. 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.

ATTACHMENT A
WATER RIGHT NO. 71-7009
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: DOT LLP
581 E PROVIDENT DR
BOISE ID 83706
(208) 584-3237

Priority Date: 05/04/1970

Source: SALMON RIVER

Tributary to: SNAKE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	05/15	to 09/30	0.75 CFS	111.9 AF
STOCKWATER	05/15	to 09/30	0.07 CFS	4.0 AF
Total:			0.82 CFS	115.9 AF

LOCATION OF POINT(S) OF DIVERSION:

SALMON RIVER SW¼NW¼SE¼ Sec. 22 Twp 07N Rge 14E BLAINE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: 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	
07N	14E	22											5.1	32.2					37.3

Total Acres: 37.3

Limited to acres within place of use described above: NA

PLACE OF USE TO BE IDLED UNDER THIS LEASE: STOCKWATER

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07N	14E	22											X	X		X			

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>
71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, and 71-10665B	5.90 CFS	834.6 AF	NA	278.2 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water right(s) referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter. The right will be rented from the bank at \$20/AFA.
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.
12. 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.

ATTACHMENT A
WATER RIGHT NO. 71-7083
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: DOT LLP
581 E PROVIDENT DR
BOISE ID 83706
(208) 584-3237

Priority Date: 07/13/1982

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	05/01	to 09/30	3.48 CFS	600.0 AF
Total:			3.48 CFS	600.0 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER NW¼SE¼SE¼ Sec. 21 Twp 07N Rge 14E BLAINE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: 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	
07N	14E	21		20.2	33.4	18.0									28.2	39.8	38.9	27.1	205.6
07N	14E	22										1.5	4.9						6.4

Total Acres: 212.0

Limited to acres within place of use described above: 200.0

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>
71-2091C, 71-7008, 71-8083 and 71-10665A	3.48 CFS	636.0 AF	NA	212.0 AC

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, and 71-10665B	5.90 CFS	834.6 AF	NA	278.2 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water right(s) referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter. The right will be rented from the bank at \$20/AFA.
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.
12. 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

ATTACHMENT A
WATER RIGHT NO. 71-10665A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: DOT LLP
581 E PROVIDENT DR
BOISE ID 83706
(208) 584-3237

Priority Date: 05/01/1954

Source: BEAVER CREEK

Tributary to: SALMON RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	05/01	to 10/31	3.48 CFS	NOT STATED
	Total:		3.48 CFS	NOT STATED

LOCATION OF POINT(S) OF DIVERSION:

BEAVER CREEK	NE¼NE¼NE¼	Sec. 28	Twp 07N	Rge 14E	BLAINE County
BEAVER CREEK	NW¼SE¼SE¼	Sec. 21	Twp 07N	Rge 14E	BLAINE County
BEAVER CREEK	NE¼NE¼NE¼	Sec. 28	Twp 07N	Rge 14E	BLAINE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: 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	
07N	14E	21		20.2	33.4	18.0									28.2	39.8	38.9	27.1	205.6
07N	14E	22										1.5	4.9						6.4

Total Acres: 212.0

Limited to acres within place of use described above: 30.8

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>
71-4023, 71-10665A, 71-10665B	5.09 CFS	NA	NA	NA
<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
71-2091C, 71-7008, 71-8083 and 71-10665A	3.48 CFS	636.0 AF	NA	212.0 AC
<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, and 71-10665B	5.90 CFS	834.6 AF	NA	278.2 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water right(s) referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter. The right will be rented from the bank at \$20/AFA.
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. Un-leased right 71-4023 is limited to total a diversion rate of 0.3 cfs.
7. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
8. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
9. 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.
10. 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.
11. 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.
12. 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.

ATTACHMENT A
WATER RIGHT NO. 71-10665B
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: DOT LLP
581 E PROVIDENT DR
BOISE ID 83706
(208) 584-3237

Priority Date: 05/01/1954

Source: BEAVER CREEK

Tributary to: SALMON RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	05/01	to 10/31	1.31 CFS	NOT STATED
STOCKWATER	05/01	to 09/30	0.02 CFS	
	Total:		1.31 CFS	NOT STATED

LOCATION OF POINT(S) OF DIVERSION:

BEAVER CREEK	NE¼NE¼NE¼	Sec. 28	Twp 07N	Rge 14E	BLAINE County
BEAVER CREEK	NE¼NE¼NE¼	Sec. 28	Twp 07N	Rge 14E	BLAINE County
BEAVER CREEK	NW¼NW¼SW¼	Sec. 22	Twp 07N	Rge 14E	BLAINE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION and STOCKWATE

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07N	14E	21													0.2				0.2
07N	14E	22										10.6							10.6

Total Acres: 10.8

Limited to acres within place of use described above: NA

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>
71-4023, 71-10665A, 71-10665B	5.09 CFS	NA	NA	NA

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, and 71-10665B	5.90 CFS	834.6 AF	NA	278.2 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water right(s) referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter. The right will be rented from the bank at \$20/AFA.
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. Un-leased right 71-4023 is limited to total a diversion rate of 0.3 cfs.
7. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
8. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
9. 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.
10. 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.
11. 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.
12. 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.

STATE OF IDAHO
WATER RESOURCE BOARDWATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLISTRECEIVED
NOV 03 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 DOT LLPWater Right No. 71-2091C

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. 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 _____ for the Designated Applicant.
- 1C ☒ ☐ *Notice of Change in Water Right Ownership* form (accessible from _____).
- 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 (_____) to locate a water right place of use or point of diversion.

Department Use Only

Fee Amount \$ 500⁰⁰Received By: QJDate Received: 11/03/14

Receipt # _____

W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)Name on W-9: Dot LLP

**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 DOT LLP Email Address JustusSteve@yahoo.com
Mailing Address 581 E PROVIDENT DR BOISE, ID 83706 Phone Number 208.584.3237

☒ 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 Kevin Justus Organization DOT LLP
Professional Title Owner Email Address asplait4u@aol.com
Mailing Address 6400 Riverview Rd. Sweet IP 83670 Phone Number 208-584-3237

☐ 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 71-2091C ☒ 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.

The water right has been leased into the water supply bank for 10 years for instream flow purposes. The diversion system is an inactive pump station.

- 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.
Water Right Nos. 71-7008, 71-7083, and 71-10665A are all used for the same purpose at the same place of use and will also be leases into the Bank.

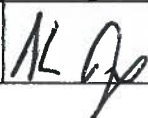
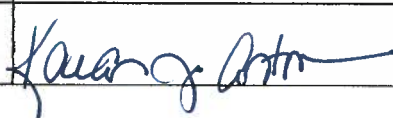
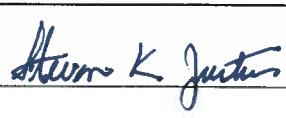
**STATE OF IDAHO
WATER RESOURCE BOARD**

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. 71-2091C

	Designated Applicant	Applicant #2	Applicant #3
Name	Kevin Justus	Karan J. Anton	Steven K. Justus
Mailing Address	6400 Butte Rd Sawert, ID 83670	1333 E. Holly St Boise, ID 83712	581 E. President Boise, ID 83706
Phone Number	208-584-3239	208/890-2948	208-908-8908
Email Address	asphalt4u@aol.com	karan.anton-family.com	justus-stev@yahoo.com
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			

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. The water right has been leased into the Water Supply Bank for the past 10 years through a transaction with the IWRB.

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 04/15/2015 to 10/15/2034 (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.

The water rights will be leased at the rental rate of \$20/acre by the IWRB as part of a long-term water transaction, plus the standard rental admin fee. The 20-year rental term was approved at the November 5, 2014 IWRB meeting.

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]
Signature of Designated Applicant

Kevin Justus
Printed Name

10/30/2014
Date

[Signature]
Signature of Authorized Representative

Karan J. Anton
Printed Name

10/30/2014
Date

Mail to:

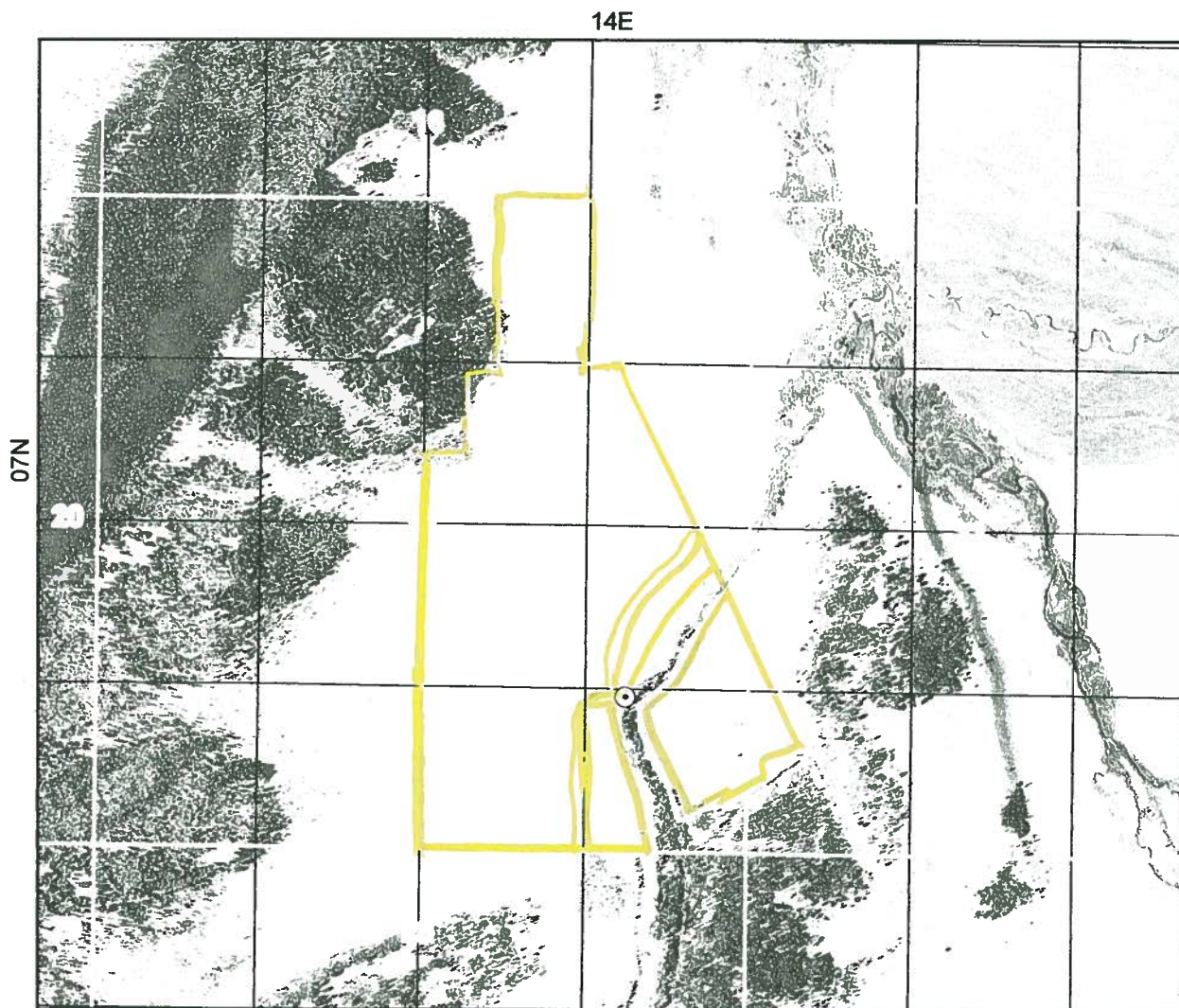
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

State of Idaho
Department of Water Resources

Water Right
71-2091C

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.



- Point of Diversion
- Place Of Use Boundary
-  Townships
- PLS Sections
-  Quarter Quarters
- Taxlots

0 0.175 0.35 0.7 Miles





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

February 2, 2015

DOT LLP
581 E PROVIDENT DR
BOISE ID 83706

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, 71-10665B and 71-10665C

Dear Lessor:

Water Rights **71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, 71-10665B and 71-10665C** were leased into the Water Supply Bank on January 1, 2015 in accordance with the executed original Lease Contract enclosed. **Your water rights as described on the Lease Contract are considered leased into the Bank and should remain unused until they are formally released from the Bank.**

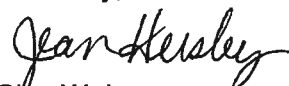
The rights will automatically be released from the Bank on **December 31, 2034**, unless the rights are released earlier by the Board, or upon your request. **Please note your rights may not be available for immediate release if they have been rented.** To release the right from the Bank prior to the 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.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

If you have questions regarding this matter, please contact me at 287-4910.

Sincerely,

for 
Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: IDWR Southern Region
Jan Skrukrud- Water District No. 71



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

January 20, 2015

DOT LLP
581 E PROVIDENT DR
BOISE ID 83706

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 71-2091C, 71-2092D, 71-7008, 71-7009, 71-7083, 71-10665A and 71-10665B 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 BOTH 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, 2034**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your rights may not be available for immediate release if they have been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

If you have questions regarding this matter, please contact me at 287-4910.

Sincerely,

for Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

Edl, Michele

From: Merritt, Allen
Sent: Thursday, January 15, 2015 8:19 AM
To: Edl, Michele
Subject: RE: request for comment on Water Supply Bank lease

I do not have any issues.

From: Edl, Michele
Sent: Wednesday, January 14, 2015 6:11 PM
To: GOODONYA_19@YAHOO.COM
Cc: Merritt, Allen
Subject: request for comment on Water Supply Bank lease

Watermaster Skrukrud, Mr. Merritt,

I have completed my review of the lease applications, submitted by DOT LLP to lease 8 of their water rights to the Water Supply Bank.

In essence, this is re-up of leases that expired on December 31, 2014.

The Idaho Water Resources Board rents these rights and leaves the water that would be diverted through them, in the streams to help fill the minimum streamflow for 72-16668.

Please let me know as soon as possible if you have any feed back or concerns about these applications. If I don't hear from you within 2 weeks, I will assume that you have no issues associated with these rights.

I have attached my review memo and a jpg showing the place of use locations for these leases.

Thank you.
Michele Edl

208-287-4946

MEMORANDUM

To: Water Right No(s). 71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, 71-10665B, and 71-10665C.

From: Michele Edl

Date: 1/13/2014

Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: On November 3, 2014, IDWR received applications to lease the entirety of the above rights to the WSB for 2015 through 2034.

All but 71-10665C had been leased to the WSB for an indefinite period beginning in 2004. On April 21, 2005 a revised lease agreement added 71-10665C to the group of rights and gave December 31, 2014 as the expiration for all eight rights.

The longer lease term conforms to the term of an agreement between the IWRB and DOT. The IWRB has rented the consumptive portion of the rights to fill the minimum instream flow for right 72-16668.

The applications acting on 71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, 71-10665B, and 71-10665C are in essence reinstating a lease agreement. The 20-year term requested by the applicant matches the term for the new water transaction agreement. On November 5, 2015 the IWRB resolved to fund the rental of these rights through 2034.

AUTHORITY TO FILE: DOT LLP is listed with ISOS as J920. Steven Justus and Karen J Anton are listed as partners. Kevin Justus and Karen J. Anton signed the applications.

WATER RIGHT VALIDITY: Water rights 71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, and 71-10665B were decreed in the SRBA on 3/16/1999. They have been leased to the WSB since 2004. Forfeiture is not an issue.

Water right 71-10665C was decreed in the SRBA on 3/2/1998. File evidence indicates that the right was leased to the WSB since 2005. Forfeiture is not an issue.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: No enlargement is evident through the leases alone. Stockwater use is considered non-consumptive and therefore water right 71-10665C could not be rented. Only the consumptive portions of the other eight rights

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

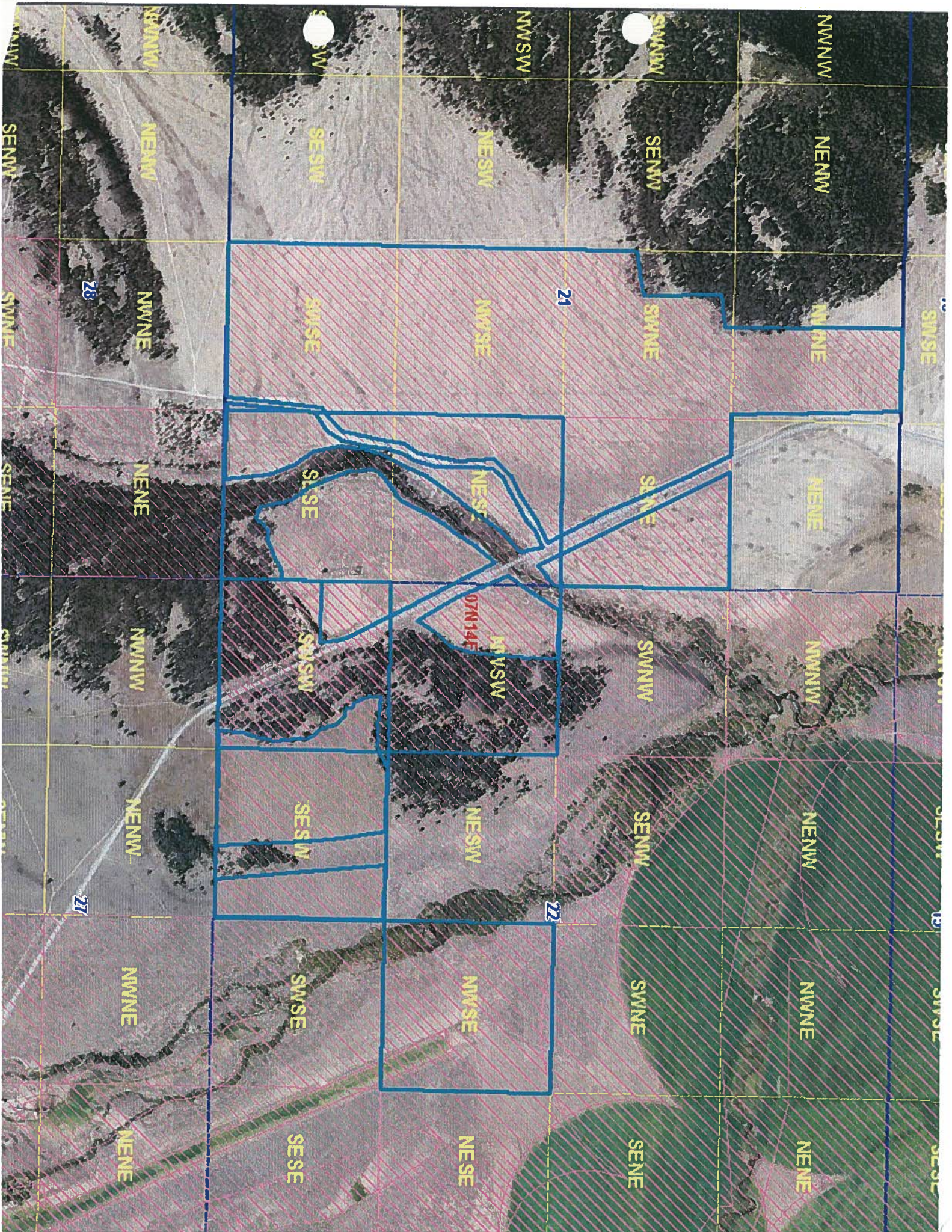
BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The leases appear consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The surface water rights are subject to Water District 71. The ground water rights are subject to Water District 170.

See the attached table for combined use limits.

For consistency, the leases will be conditioned similar to leases acting on 71-2014 and 71-10762 which are also dedicated to long-term water transaction agreements.

Right No.	Acres (ac)	Diversion Rate (cfs)	Volume (afa)	Source	Beneficial Use
71-2091C	35.2	0.70	105.6	BEAVER CREEK	IRRIGATION
71-2091D	18.1	0.36	54.3	BEAVER CREEK	IRRIGATION
71-7008	146.0	2.92	438	BEAVER CREEK	IRRIGATION
71-7009	37.3	0.75	111.9	SALMON RIVER	IRRIGATION
		0.07	4		STOCKWATER
71-7083	200.0	3.48	600	GROUND WATER	IRRIGATION
71-10665A	30.8	3.48	92.4	BEAVER CREEK	IRRIGATION
71-10665B	10.8	1.31	32.4	BEAVER CREEK	IRRIGATION
	N/A	0.02	N/A		STOCKWATER
71-10665C	N/A	0.33	N/A	BEAVER CREEK	STOCKWATER
71-2091D	18.1	0.36	54.3	BEAVER CREEK	IRRIGATION
71-7009	37.3	0.75	111.9	SALMON RIVER	IRRIGATION
		0.07	4	SALMON RIVER	STOCKWATER
71-10665B	10.8	1.31	32.4	BEAVER CREEK	IRRIGATION
simple sum	66.2	2.49	202.6		
71-2091C	35.2	0.70	105.6	BEAVER CREEK	IRRIGATION
71-7008	146.0	2.92	438	BEAVER CREEK	IRRIGATION
71-7083	200.0	3.48	600	GROUND WATER	IRRIGATION
71-10665A	30.8	3.48	92.4	BEAVER CREEK	IRRIGATION
use limits	212.0	3.48	636		
Rental availabililty for DOT LLP rights (excludes stockwater)	278.2	5.90	834.6		
71-4023	1.7	0.30		limits for this associated right	
created by Michele Edl 1/13/2015					



Edl, Michele

From: Edl, Michele
Sent: Tuesday, January 13, 2015 3:51 PM
To: Case, Morgan
Subject: RE: DOT water rights in Salmon R transaction

Thank you for the quick response.

You have already given me all the confirmation I needed.

71-10665C doesn't add any volume. And you are right that it can't be rented. It makes good sense to have 71-10665C in the 20-year group for ease of tracking and processing and we do expect that it will not be used for the 20 year duration.

I will move forward with processing the 8 agreements.

Michele

From: Case, Morgan
Sent: Tuesday, January 13, 2015 3:33 PM
To: Edl, Michele
Subject: RE: DOT water rights in Salmon R transaction

Michele,

Thanks for catching that! I think that I must have inadvertently left that right out – probably because I was thinking that it couldn't be rented since it was a non-consumptive right. Is that right? Could it be included in the rental, but not add any volume? We did want them to put it in the bank for 20 year to make sure it wasn't diverted though. Will you need additional documentation from the Board to accept it as a lease for 20 years?

Let me know what I need to do.

Thanks,

Morgan

From: Edl, Michele
Sent: Tuesday, January 13, 2015 2:13 PM
To: Case, Morgan
Subject: DOT water rights in Salmon R transaction

Morgan,

I am reviewing the applications submitted by DOT LLP to the Water Supply Bank. They have submitted 8 applications. Each of those 8 applications has the statements "The water rights will be leased at the rental rate of \$20/acre by the IWRB as part of a long-term water transaction, plus the standard rental admin fee. The 20-year rental term was approved at the November 5, 2014 IWRB meeting."

I queried our website for the meeting minutes. I found the resolution to make a funding commitment in the matter of Beaver Creek Rental. And I found the paragraph which listed **all but one** of the DOT rights. The right that was not listed is 71-10665C.

We can accept all 8 rights into the bank. However, it's not clear that all 8 rights are involved in the 20-year term of the transaction. 71-10665C is for stockwater use (non-consumptive) and for a very short season of use, 10/1-11/1. It does not provide any additional volume to the group of 7, DOT LLP water rights.

Here are my questions:

In your discussions with DOT LLP, did you promise to include 71-10665C in the 20-year transaction group? And therefore, just missed putting it on the list you typed for the resolution?

Or

Is 71-10665C to be leased to the WSB for the standard 5 years in spite of the statements on the application?

From file documents of the previous lease agreement with DOT LLP, it's not clear if 71-10556C is in or out of the long term agreement that ended 2014. I think we just missed seeing the issue.

Thanks

Michele

287-4946



IDAHO SECRETARY OF STATE

Viewing Business Entity

Lawrence Denney, Secretary of State

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DOT, LLP

581 E PROVIDENT DR
BOISE, ID 83706

Type of Business: LIMITED LIABILITY PARTNERSHIP (LLP)

Status: EXISTING, ANREPT SENT 07 Jul 2014

State of Origin: IDAHO

Date of 18 Sep 2002

Origination/Authorization:

Current Registered Agent: STEVE JUSTUS
581 E PROVIDENT DR
BOISE, ID 83706

File Number: J920

Date of Last Annual Report: 25 Jul 2014

Original Filing:

Filed 18 Sep 2002 APPL. FOR
REGISTR.
(LLP)

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Report for year 2003	

No. J 920	Due no later than Sep 30, 2014 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. DOT, LLP STEVEN K JUSTUS 581 E PROVIDENT DR BOISE ID 83706 USA	STEVE JUSTUS 581 E PROVIDENT DR BOISE ID 83706		
		3. <u>New</u> Registered Agent Signature:*		
4. Limited Liability Partnerships: Enter Names and Business Addresses of two (2) or more partners.				
Office Held	Name	Street or PO Address	City	State Country Postal Code
PARTNER	STEVE JUSTUS	581 E PROVIDENT DR	BOISE	ID USA 83706
PARTNER	KARAN J ANTON	1333 EAST HOLLY STREET	BOISE	ID USA 83712
5. Organized Under the Laws of: ID J 920		6. Annual Report must be signed.* Signature: Steven Justus Name (type or print): Steven Justus Date: 07/25/2014 Title: Partner		
Processed 07/25/2014		* Electronically provided signatures are accepted as original signatures.		

Webster, Clay

From: Webster, Clay
Sent: Monday, January 12, 2015 2:29 PM
To: Marston, Sascha
Cc: Palmer, Cherie; Case, Morgan
Subject: Refund for Receipt #C099574

Sascha,

I need to request a refund of \$500.00 be requested for:

JUSTUS PROPERTIES, L.L.C.
KEVIN & SHARON JUSTUS
6400 BUTTE RD
SWEET ID 83670

The IWRB will be supplying payment for the lease of water rights 71-7009, 71-7008, 71-7083, 71-2091C, 71-10665A, 71-10665B and 71-10665C.

Thanks

Clay

Inone1

Webster, Clay

From: Palmer, Cherie
Sent: Friday, January 09, 2015 3:23 PM
To: Webster, Clay
Cc: Case, Morgan
Subject: FW: DOT LLP Beaver Creek Lease applications

Clay,

Can you please ask Sascha to refund the filing fee that DOT submitted for their lease application? The Board is going to pay for the filing fee but, the filing fee won't get here until late summer. We can go ahead and forge forward and process the lease application despite no fee. Can you please let Morgan know the disposition of the filing fee refund when that process is initiated? Thank you.

From: Case, Morgan
Sent: Friday, January 09, 2015 10:00 AM
To: Palmer, Cherie; Buyer, Remington
Subject: RE: DOT LLP Beaver Creek Lease applications

Cherie and Remington:

I also see that DOT LLP probably underestimated the lease application fee (Kevin said a \$500 check had cleared). Hopefully that doesn't stall the process, since the IWRB will be covering the lease fees through the CBWTP funding.

Thanks,

Morgan

From: Palmer, Cherie
Sent: Thursday, October 16, 2014 8:45 AM
To: Case, Morgan
Cc: Buyer, Remington
Subject: RE: DOT LLP Beaver Creek Lease applications

Morgan,

The fees for a new lease for DOT LLP is calculated as follows:

71-7009 - \$250

71-7008
71-7083
71-2091C
71-10665A

} \$500 for this package since they are completely overlapped/stacked

71-10665B - \$250

71-10665C - \$250 (this stockwater right is not completely overlapped by any other right)

Total for this lease package - \$1250

Concerning the advertisement fee, we wouldn't require any additional fee to cover this expense. I borrowed this logic from transfers-which can be exempted from being advertised just like bank applications. The fee to cover potential public notice is built into the transfer fee.

I hope that answers your questions.

Cherie

From: Case, Morgan
Sent: Wednesday, October 15, 2014 11:30 PM
To: Buyer, Remington; Palmer, Cherie
Cc: Clark, Cynthia (Bridge); Cassel, Amy
Subject: DOT LLP Beaver Creek Lease applications

Cherie and Remington,

We have been negotiating a lease extension for the Basin 71 Beaver Creek and Salmon River water rights owned by DOT LLP. I have a couple of questions that I was hoping one of you might be able to answer.

- 1) When submitting multiple lease applications, can the applicant submit just one copy of the W9 and the Attachment 1.E proof of authorization?
- 2) How does the stockwater right figure into the lease application fees? Or maybe it's just easiest to ask what the lease application fee would be for all of the DOT LLP water rights currently in the bank. (All DOT LLP rights except for the domestic groundwater)
- 3) If the Board approves a resolution authorizing a 20-year lease/rental transaction, can the 20-year term be applied for on the applications? Should I include explicit language in the resolution authorizing that?
- 4) If the lease/rental can be approved for more than 5 years, should I request some extra fees as part of the transaction to cover advertisement of the rental? If so, how much does that cost?

I think that's it for now.

Thanks.

Morgan

To: Water Right No(s). 71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, and 71-10665B.

From: Michele Edl

Date: 1/12/2015

Re: Water Transaction Agreement

The attached documents are excerpts from the IWRB's November 4, 2015 meeting materials.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE)
BEAVER CREEK RENTAL)
FOR THE WATER TRANSACTION)
AGREEMENT)
_____)

A RESOLUTION TO MAKE
A FUNDING COMMITMENT

WHEREAS, Chinook salmon, steelhead, and bull trout habitat in the Upper Salmon River basin is limited by seasonally disconnected tributaries; and

WHEREAS, Beaver Creek has been identified as a high priority stream for flow restoration efforts, to provide high quality habitat for anadromous Chinook salmon and steelhead and resident bull trout, and the 2004 Snake River Water Rights Agreement (Also known as the Nez Perce Agreement) commits the state to providing incentives for improving fish habitat which includes improving or protecting flow conditions to augment stream flows, and

WHEREAS, it is in the interest of the State of Idaho to maintain the reconnection of Beaver Creek to encourage recovery of ESA-listed Chinook salmon, steelhead, and bull trout; and

WHEREAS, the Idaho Water Resource Board (Board) has contracted with DOT LLP to rent their water rights from Beaver Creek and Salmon River for instream purposes since 2004; and

WHEREAS, there is funding available to secure 20-year lease and rental agreements with DOT LLP, or its successors, to protect 9.88 cfs instream in Beaver Creek and the Salmon River, and

WHEREAS, the Board will compensate DOT LLP or its successors, \$20 per acre per irrigation season for said rental for an annual payment of \$5564 for 278.2 acres and a 20-year total of \$111,280; and

WHEREAS, the lease and rental fees for said agreement will not exceed \$28,758.28, and

WHEREAS, a proposal for \$140,039 has been submitted to the Columbia Basin Water Transactions Program to be used to fund said lease/rental agreement; and

WHEREAS, staff anticipates the funds being placed in the Idaho Water Resource Board (IWRB) Revolving Development Account for annual payment to the water right owners; and

WHEREAS, the Beaver Creek transaction is in the public interest and is in compliance with the State Water Plan.

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes the Chairman to enter into a lease/rental agreement for water rights 71- 2091C, 71-2091D, 71-7008, 71-7009, 71-7083,

71-10665A, and 71-10665B for delivery to minimum stream flow 72-16668, using an amount not to exceed \$140,039.

NOW THEREFORE BE IT FURTHER RESOLVED that this resolution is subject to the condition that the IWRB receives the requested funding from the Bonneville Power Administration through the Columbia Basin Water Transaction Program in the amount of \$140,039.

DATED this 5th day of November, 2014.

Roger Chase, Chairman
Idaho Water Resource Board

ATTEST: _____
BOB GRAHAM, Secretary

Memorandum



To: Idaho Water Resource Board
From: Morgan Case
Date: November 5, 2014
Re: Water Transactions Program – Beaver Creek Lease Renewal

Action Item: A funding resolution for \$140,039 to enter into a twenty-year lease/rental agreement to maintain 9.88 cfs in Beaver Creek and the Salmon River. Funds will come through the Columbia Basin Water Transactions Program.

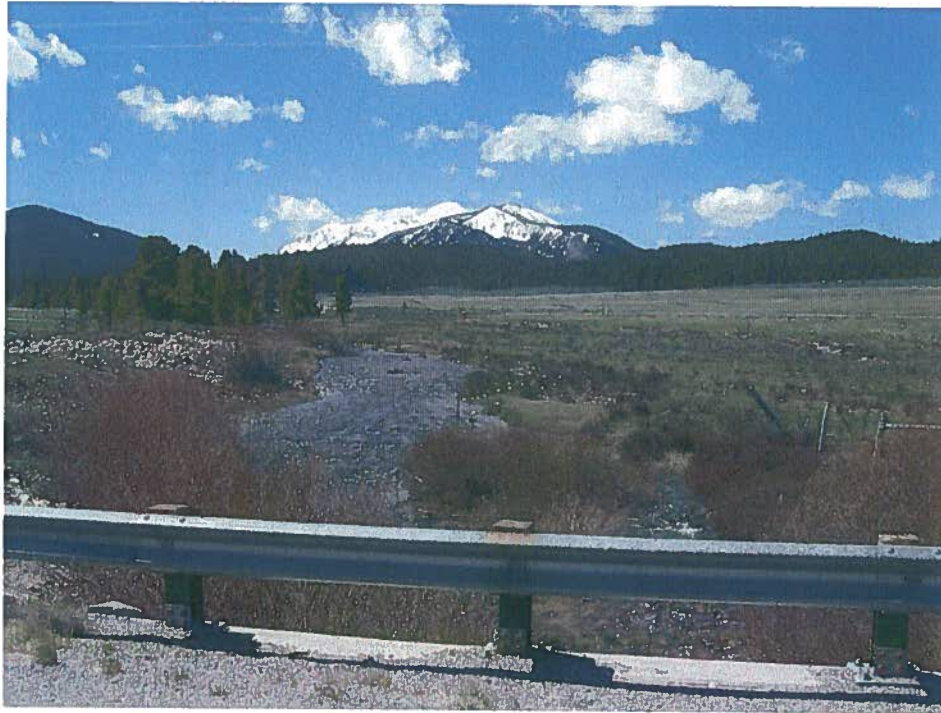
Beaver Creek is a headwater tributary in the Upper Salmon River basin. The Upper Salmon Watershed Program technical team identified it as a priority tributary for restoration of Chinook salmon and bull trout habitat. Low flow, temperature, and degraded riparian habitat are limiting factors in the creek. In 2005, the IWRB entered into a 10-year rental for 9.38 cfs of water rights from Beaver Creek and the Salmon River, formerly irrigating 278.2 acres. The rental was intended to improve flows in Beaver Creek and the Upper Salmon River headwaters to address flow and temperature limitations for ESA-listed Chinook salmon and bull trout.

With flow improvements and a reduction in grazing, the Beaver Creek riparian habitat has seen a marked improvement in riparian vegetation (see photos), which contributes to bank stabilization and provides shade and cover.

DOT LLP has expressed interest in renewing the transaction for an additional 20 year period. The agricultural value of the property is fairly low due to high labor costs, pumping costs, and naturally limited flow later in the irrigation season. The 2005-2014 transaction compensated the water right owners at a price of \$20 per acre, which remains fair compensation. Staff proposes using the same price for the 2015-2034 rental. To be consistent with the Board's 20-year water right rental on Fourth of July Creek, the rental agreement would contain language indicating that any rental payments would be credited towards a purchase if the water rights were ultimately purchased by the Board.

The total transaction costs would be \$140,039 (\$111,280 rental payment, \$23,759 rental fees, and up to \$5000 application fees) to be received at a discounted rate from CBWTP and held in the Water Transaction Subaccount of the Board's Revolving Development Account for annual payment to the water right owner through the Water Supply Bank.

The IWRB Streamflow and Flow Enhancement Committee reviewed this transaction and has recommended that it be approved by the full board.



Beaver Creek above highway 2004



Beaver Creek above highway 2010.

Beaver Creek Rental

