

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective September 11, 2014 between the Idaho Water Resource Board ("**Board**"), and

Lessor: JLC HOLDINGS
PO BOX 6880
KETCHUM ID 83340
(208)622-7455

RECEIVED
NOV 13 2014
DEPARTMENT OF
WATER RESOURCES

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>Total Leased Acres</u>
22-7266	1.93 CFS	393.0	131.0 AC
Combined Lease Totals:	1.93 CFS	393.0	131.0 AC

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

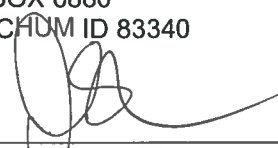
2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

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, 2018.
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.

JLC HOLDINGS
PO BOX 6880
KETCHUM ID 83340

By  _____

Printed Name John Grabow

Date Nov. 12, 2014

Title Managing Member

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 November 13, 2014

Lease approved by IDWR Chris Palmer

Date 11/13/14

ATTACHMENT A
WATER RIGHT NO. 22-7266
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: **JLC HOLDINGS**
 PO BOX 6880
 KETCHUM ID 83340
 (208)622-7455

Priority Date: 12/28/1977

Source: Ground Water

Tributary to:

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15 to	10/15	1.93 CFS	393
	Total:		1.93 CFS	393

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NWNENW	Sec. 26, Twp 05N, Rge 44E, TETON County
GROUND WATER	NWSWNE	Sec. 26, Twp 05N, Rge 44E, TETON County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05N	44E	23									8	6	11	11					36
05N	44E	26	7	8	6	5	18	20	15	16									95

Total Acres: 131

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate. 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.
2. 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.
3. 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.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
6. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

7. 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.
8. 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.
9. 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.
10. 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 BOARD

RECEIVED

SEP 11 2014

DEPARTMENT OF
WATER RESOURCESWATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLIST

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 JLC Holdings LLCWater Right No. 22-7266

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 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.
- 5 ☐ ☒ Deeds proving ownership of 2 sold lots within platted subdivision.

Department Use Only

Fee Amount \$ <u>250⁰⁰</u>	Received By: <u>CS</u>	Date Received: <u>9/11/14</u>	Receipt # <u>C099382</u>
W-9 received? Yes ☒ No ☐	(Route W-9 to Fiscal)	Name on W-9: <u>JLC Holdings, LLC</u>	

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

SEP 11 2014

DEPARTMENT OF
WATER RESOURCESAPPLICATION 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 JLC Holdings LLC Email Address _____
Mailing Address c/o John Grabow, PO Box 6880, Ketchum, ID 83340 Phone Number 208-622-7455

☒ 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 Kristin Moore Organization Rocky Mountain Environmental Assoc.
Professional Title Water Right Analyst Email Address kristin.rmea@gmail.com
Mailing Address 482 Constitution Way St 303, Idaho Falls, ID 83402 Phone Number 208-524-2353

☐ 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 22-7266 ☐ 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.

Two wells and pumps to mainline to three pivot irrigation systems and a small irrigation system around the two ponds located in the SWNW of Sec 26.

- 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.
No other water rights.

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 08/1/2014 to 12/31/2018 (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

John Grabow for JLC, LLC
Printed Name

Date

Signature of Authorized Representative

Printed Name

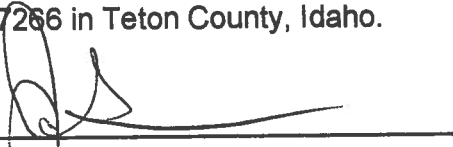
Date

Mail to:

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

Authority to Act on Behalf

JLC Holdings LLC does hereby authorize Rocky Mountain Environmental Associates to act on our behalf regarding the Water Supply Bank application for Water Right #22-7266 in Teton County, Idaho.

A handwritten signature in black ink, appearing to read "John Grabow", is written over a horizontal line.

By: John Grabow

Its: Manager

**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>	Amount (cfs/ac-ft)	Nature of Use	Period of Use
22-7266	1.93 cfs	Irrigation	4/15 to 10/15
	393 AF		to
			to
			to
			to
			to
Total Amount:	1.93 cfs		

2. Source of water Ground water tributary to _____

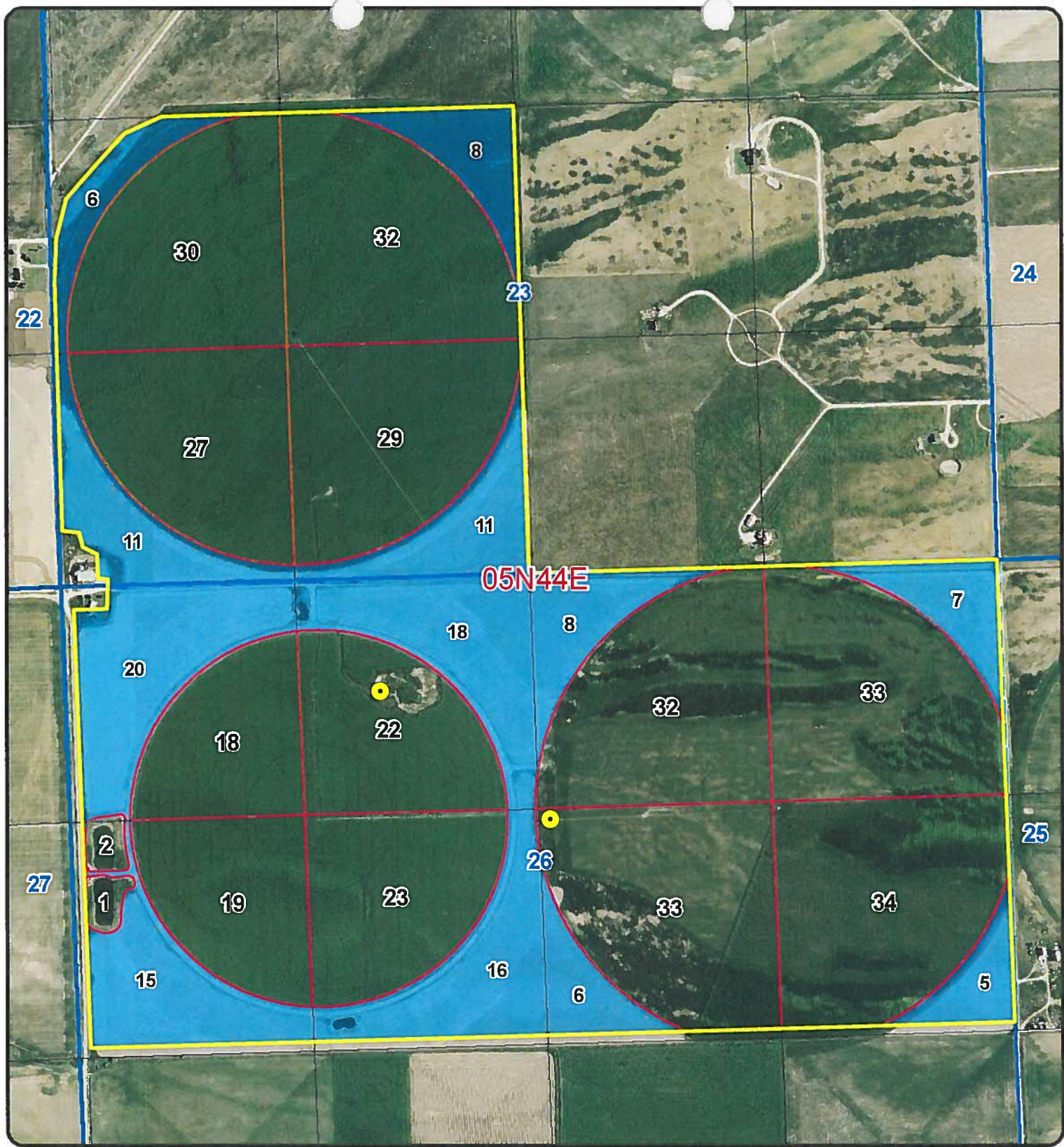
3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
5N	44E	26		NW	SW	NE	TETON
				NW	NE	NW	TETON

4. Lands irrigated or place of use:

TWP	RGE	SEC	NE				NW				SW				SE				TOTALS
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
5N	44E	23									8	6	11	11					36
		26	7	8	6	5	18	20	15	16									95

If the water right is for irrigation, show total number of acres offered to the Bank. **Total Acres** 131



- WR POD 22-7266
- WR POU 22-7266
- Irrigated Acres
- WSB Acres
- Township and Range
- Section
- QQ

Attachment #4 Water Right # 22-7266 JLC Holdings LLC

2013 NAIP Photography



Recorded as an Accommodation
only by First American Title

Instrument # 233242

TETON COUNTY, IDAHO

7-28-2014 03:16:00 No. of Pages: 2

Recorded for : FIRST AMERICAN TITLE

MARY LOU HANSEN

Fee: 13.00

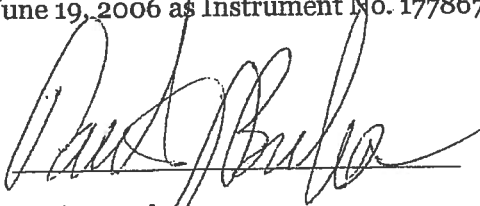
Ex-Officio Recorder Deputy

Index to: DEED, QUIT-CLAIM

QUITCLAIM DEED

FOR VALUE RECEIVED, on this 21st day of July, 2014, Paul J. Bruha and Laura A. Bruha, husband and wife, hereinafter called the Grantor, whose current address is 1194 Mary Kate Dr., Gulf Breeze, FL 32563, does hereby convey, release and forever quit claim unto JLC Holdings, LLC, hereinafter called the Grantee, whose current address is P.O. Box 6880, Ketchum, ID 83340, the following described real property:

A portion of Water Right No. 22-7266 attributed to Lot 10 of Horseshoe Meadows Planned Unit Development, Teton County, Idaho, as the same appears on the official plat thereof recorded on June 19, 2006 as Instrument No. 177867.


Paul J. Bruha
Laure A. Bruha

STATE OF FLORIDA,)

ss.

County of Essex

On this 11th day of July, 2014, before me, the undersigned, a Notary Public in and for said State, personally appeared Pauline Baker known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Lynda B. Wright
Notary Public for Florida
Residing at: Destin, Florida
My Commission Expires: January 10, 2018

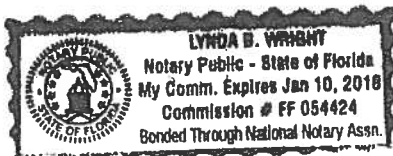
STATE OF FLORIDA,)

ss.

County of Essex

On this 21st day of July, 2014, before me, the undersigned, a Notary Public in and for said State, personally appeared Paul Baker known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Lynda B. Wright
Notary Public for Florida
Residing at: Destin, Florida
My Commission Expires: January 10, 2018

Instrument # 233243

TETON COUNTY, IDAHO

7-28-2014 03:17:00 No. of Pages: 2

Recorded for : FIRST AMERICAN TITLE

MARY LOU HANSEN

Fee: 13.00

Ex-Officio Recorder Deputy

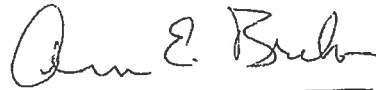
Index to: DEED, QUIT-CLAIM

Recorded as an Accommodation
only by First American Title

QUITCLAIM DEED

FOR VALUE RECEIVED, on this 13 day of June, 2014, Ann E. Bruha,
hereinafter called the Grantor, whose current address is 335 Clifton Ave., Arnold,
MD 21012, does hereby convey, release and forever quit claim unto JLC
Holdings, LLC, hereinafter called the Grantee, whose current address is P.O. Box
6880, Ketchum, ID 83340, the following described real property:

A portion of Water Right No. 22-7266 attributed to Lot 8 of Horseshoe Meadows
Planned Unit Development, Teton County, Idaho, as the same appears on the
official plat thereof recorded on June 19, 2006 as Instrument No. 177867.



Ann E. Bruha

STATE OF MARYLAND,)

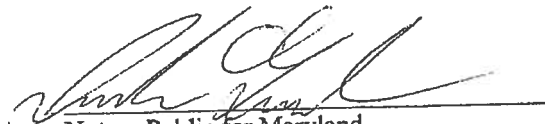
ss.

County of Anne Arundel

On this 13 day of June, 2014, before me, the undersigned, a Notary Public
in and for said State, personally appeared Ann Bruha, known to me to be the person
whose name is subscribed to the within instrument and acknowledged to me that he/she
executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official
seal the day and year in this certificate first above written.

JOSHUA S. KAHN
NOTARY PUBLIC
ANNE ARUNDEL COUNTY
MARYLAND
My Commission Expires 10/03/2017



Notary Public for Maryland
Residing at: 585 Ritchie Hwy Sevens Park MD 21146
My Commission Expires:
10/3/17

Thiel, Sandra

From: Kristin Moore [kristin.rmea@gmail.com]
Sent: Thursday, October 09, 2014 1:47 PM
To: Thiel, Sandra
Subject: RE: Water supply bank lease 22-7266

Sandra,

I do not have any evidence to show that there has been irrigation there. We submitted the application to water bank these acres specifically because they are not being used. Prior to submitting, we did the same research you are doing into historical use to make sure there were no forfeiture issues. A Memo from Gary Spackman written March 5, 2012 (Multiple Programs Memo No. 2, Forfeiture Review Period) describes how to review the forfeiture period for a water right prior to approving certain applications, including a water supply bank application.

Water Right 22-7266 was decreed in 2008. According to the memo, the year of the decree does not count in the forfeiture period. Thus years 2009, 2010, 2011, 2012, and 2013 were supposedly 5 years of non-use. In the 6th year, 2014, the water right owner must use the water right or initiate any other defense to forfeiture by the end of the calendar year. We are in the 6th year for this water right, and thus we are filing to lease the unused portions to the WSB for protection.

Kristin Moore
Water Rights Analyst
482 Constitution Way, Ste 303, Idaho Falls, ID 83402
E-Mail: kmoore@rockymountainenvironmental.com
VOICE: 208-524-2353 ||| FAX: 208-524-1795



CONFIDENTIALITY NOTICE: This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination or distribution of this communication to other than the intended recipient is strictly prohibited. If you have received this communication in error, please notify us immediately by reply email to the sender or collect telephone call to (208) 524-2353. *Thank you.*

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Thursday, October 09, 2014 12:22 PM
To: Kristin Moore
Subject: Water supply bank lease 22-7266

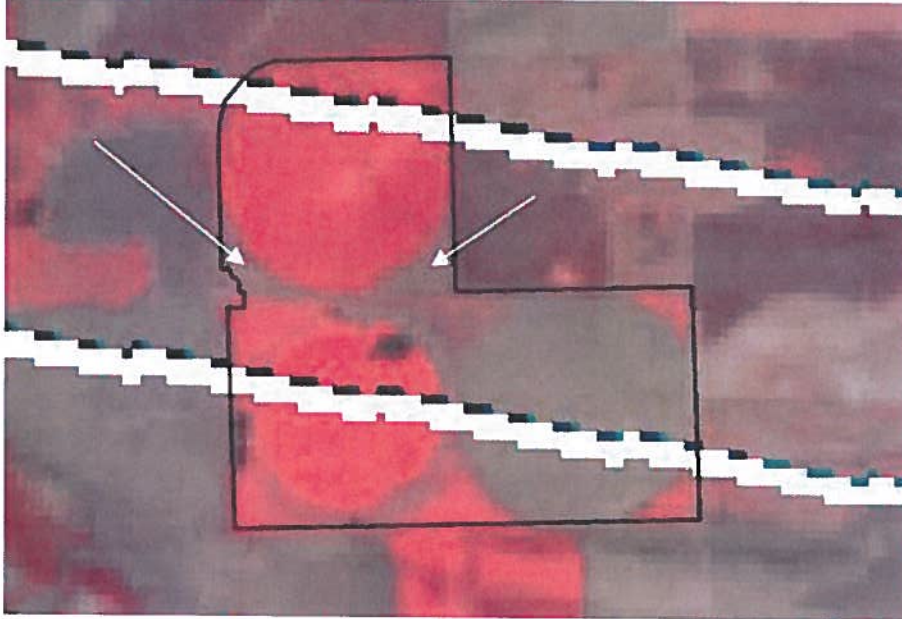
Hi Kristin, I've reviewed the areas that JLC Holdings wants to lease into the bank. I'm having problems finding evidence of irrigation on the northern pivot, southern corners. Do you have any thing that shows they have irrigated there. That area covers about 21 acres.

The Landsat image below shows the location of the corners.

Sandra Beer Thiel
Idaho Department of Water Resources

322 East Front Street
Boise, Idaho 83720-0098
(208)287-4881
sandra.thiel@idwr.idaho.gov

5/13/2012



No. W 38258	Due no later than Apr 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. JLC HOLDINGS, LLC LAURA M GRABOW PO BOX 6880 KETCHUM ID 83340 USA		JOHN C GRABOW 521 JUNIPER ROAD SUN VALLEY ID 83353			
			3. <u>New</u> Registered Agent Signature:*			
4. Limited Liability Companies: Enter Names and Addresses of at least one Member or Manager.						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
MANAGER	JOHN C GRABOW	PO BOX 6880	KETCHUM	ID	USA	83340
MEMBER	LAURA M GRABOW	P O BOX 6880	KETCHUM	ID	USA	83340
5. Organized Under the Laws of: ID W 38258		6. Annual Report must be signed.* Signature: Laura M Grabow Name (type or print): Laura M Grabow Date: 03/18/2014 Title: Manager				
Processed 03/18/2014		* Electronically provided signatures are accepted as original signatures.				



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

November 17, 2014

JLC HOLDINGS
PO BOX 6880
KETCHUM ID 83340

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHT 22-7266

Dear Lessor:

Water Right 22-7266 was leased into the Water Supply Bank on September 11, 2014 in accordance with the executed original Lease Contract enclosed. **Your water right as described on the Lease Contract is considered leased into the Bank and should remain unused until it is formally released from the Bank.**

The right will automatically be released from the Bank on **December 31, 2018**, unless the right is released earlier by the Board, or upon your request. **Please note your right may not be available for immediate release if it has been rented.** To release the right from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available from our public website at www.idwr.idaho.gov.

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 287-4944.

Sincerely,

For Cherie Palmer
Water Rights Supervisor
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: Kristin Moore – Rocky Mountain Environmental Associates, Inc
Lyle Swank – IDWR Eastern Region/Idaho Water District #01



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

November 3, 2014

JLC HOLDINGS
PO BOX 6880
KETCHUM, ID 83340

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 22-7266 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 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.

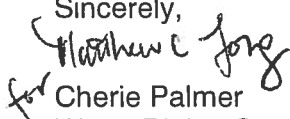
The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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 287-4944.

Sincerely,



for Cherie Palmer
Water Rights Supervisor
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

c. Kristin Moore – Rocky Mountain Environmental Associates, Inc

MEMORANDUM

To: File 22-7266
From: Sandra Thiel
Date: October 27, 2014
Re: Review of Applications to Lease Water Right to the Water Supply Bank

PURPOSE/NARRATIVE:

On September 11, 2014 the Department received lease application for water right 22-7266. The water right holder, JLC Holdings, LLC, intends to lease the 131 acres, 1.93 cfs and 393 AF into the bank through December 30, 2018.

AUTHORITY TO FILE: John C. Grabow is the current registered agent for JLC Holdings, LLC

WATER RIGHT VALIDITY: The right was decreed on 11/24/2008.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: There does not appear to be a risk of enlargement provided the rental analysis is done appropriately.

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest. The points of diversion and place of use are within the Non-Trust Water Area

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES:

The leases appear to be consistent with conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: Lyle Swank, water master for water district 01, was contacted for comments. No comments were received.
The leased right is subject to Water District # 01.

Lease Acres

22-7266

22-7266