

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective July 24, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: GREGORY RANCH LLC
C/O R MILES STANISLAW
PO BOX 5749
KETCHUM ID 83340
(208) 726-0730

RECEIVED
NOV 07 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>
37-00510A	2.09 CFS	Not Stated	53.3 AC
37-00685D	1.19 CFS	Not Stated	53.3 AC

Combined Lease Totals: 3.28 CFS* Not Stated 53.3 AC

***The lease of these rights is limited to 2.62 cfs, the remaining portion is used for conveyance losses.**

The water rights described herein shall be available for rental from the Bank as follows:
Authorized Period of Use under Lease: 04/15 to 10/31

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.

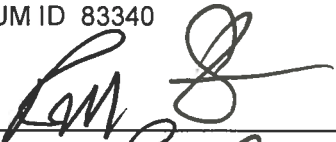
SUPPORT DATA

IN FILE # 37-00510A

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.

GREGORY RANCH LLC
C/O R MILES STANISLAW
PO BOX 5749
KETCHUM ID 83340

By 
Printed Name R Miles STANISLAW

Date My 10/28/14
Title mgr

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 7, 2014

Lease approved by IDWR 

Date 11/2/2014

ATTACHMENT A
WATER RIGHT NO. 37-00510A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: GREGORY RANCH LLC
C/O R MILES STANISLAW
PO BOX 5749
KETCHUM ID 83340
(208) 726-0730

Priority Date: 10/15/1884

Source: BIG WOOD RIVER **Tributary to:** MALAD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	10/31	2.09 CFS	Not Stated
DIVERSION TO STORAGE	04/15	10/31	2.09 CFS	Not Stated
	Total:		2.09 CFS	Not Stated

LOCATION OF POINT(S) OF DIVERSION:

BIG WOOD RIVER L3(NESWNW) Sec. 36, Twp 02N, Rge 18E, BLAINE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals	
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE		
01N	18E	13	23.5			29.8														53.3

Total Acres: 53.3

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Total Leased Acres</u>
37-00510A and 37-00685D	3.28 CFS*	Not Stated	53.3 AC

* This amount is reduced to 2.62 CFS for conveyance loss.

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.

5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Recreation storage under Right Nos. 37-00510A and 37-00685D shall not exceed the total combined pond volume of 70.3 af.
13. Unleased portions of Right Nos. 37-00510A and 37-00685D are limited to a total combined diversion rate of 1.12 cfs.
14. Leased portions of the rights listed below are limited to the irrigation of a combined total of 53.3 acres in a single irrigation season. Combined Right Nos.: 37-00510A and 37-00685D
15. Use of water under this water right will be regulated by the watermaster of State Water District No. 37.
16. A portion of this right provides conveyance for other right holders in the shared delivery of water through the Irrigation District #45 canal. To prevent injury to other water right holders, the watermaster shall deliver 20% or 0.82 cfs of the leased portion of this right into the Irrigation District #45 Canal whether it is rented or not.

ATTACHMENT A
WATER RIGHT NO. 37-00685D
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: GREGORY RANCH LLC
 C/O R MILES STANISLAW
 PO BOX 5749
 KETCHUM ID 83340
 (208) 726-0730

Priority Date: 10/15/1884

Source: BIG WOOD RIVER **Tributary to:** MALAD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15 to	10/31	1.19 CFS	Not Stated
DIVERSION TO STORAGE	04/15 to	10/31	1.19 CFS	Not Stated
	Total:		1.19 CFS	Not Stated

LOCATION OF POINT(S) OF DIVERSION:

BIG WOOD RIVER L3(NESWNW) Sec. 36, Twp 02N, Rge 18E, BLAINE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

			NE				NW				SW				SE				
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
01N	18E	13	23.5			29.8													53.3

Total Acres: 53.3
 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>
37-00510A and 37-00685D	3.28 CFS*	NA	NA	53.3 AC

* This amount is reduced to 2.62 CFS for conveyance loss.

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.

4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Recreation storage under Right Nos. 37-00510A and 37-00685D shall not exceed the total combined pond volume of 70.3 af.
13. Unleased portions of Right Nos. 37-00510A and 37-00685D are limited to a total combined diversion rate of 1.12 cfs.
14. Leased portions of the rights listed below are limited to the irrigation of a combined total of 53.3 acres in a single irrigation season. Combined Right Nos.: 37-00510A and 37-00685D
15. Use of water under this water right will be regulated by the watermaster of State Water District No. 37.
16. A portion of this right provides conveyance for other right holders in the shared delivery of water through the Irrigation District #45 canal. To prevent injury to other water right holders, the watermaster shall deliver 20% or 0.82 cfs of the leased portion of this right into the Irrigation District #45 Canal whether it is rented or not.

STATE OF IDAHO
WATER RESOURCE BOARD

WATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLIST

RECEIVED
JUL 24 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 Gregory Ranch, L.L.C.

Water Right No. 37-510A
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.

Department Use Only			
Fee Amount \$ <u>500⁰⁰</u>	Received By: <u>CJ</u>	Date Received: <u>7/24/14</u>	Receipt # <u>C099231</u>
W-9 received? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	(Route W-9 to Fiscal)	Name on W-9: <u>Gregory Ranch, LLC</u>	

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED
JUL 24 2014
DEPARTMENT OF
WATER RESOURCES

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 Gregory Ranch, L.L.C. Email Address milesstanislaw@msn.com
Mailing Address C/o R. Miles Stanislaw, PO Box 5749, Ketchum, ID 83340 Phone Number (206) 399-0198

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 James P. Speck Organization Speck & Aanestad, A Professional Corp.
Professional Title attorney Email Address jim@speckandaanestad.com
Mailing Address P.O. Box 987, Ketchum, ID 83340 Phone Number (208) 726-4421

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 37-510A 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.
District 45 headgate & canal system, diversion from canal to sprinkler irrigation system

B. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank.
37-685A

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 08/01/2014 to 07/31/2019 (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 ank does not, in itself, confirm the validity of the water right or any elements of the water right.



Signature of Designated Applicant

RM STANISLAW

Printed Name

7/22/14

Date



Signature of Authorized Representative

James P. Speck

Printed Name

7/22/14

Date

Mail to:

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 2

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

<u>1. Water Right Number</u>	<u>Amount (cfs/ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
<u>37-510A</u>	<u>2.09 cfs</u>	<u>irrigation</u>	<u>April 15</u> to <u>October 31</u>
			to _____
			to _____
			to _____
			to _____
			to _____
Total Amount:	<u>2.09 cfs</u>		

2. Source of water Big Wood River tributary to Malad River

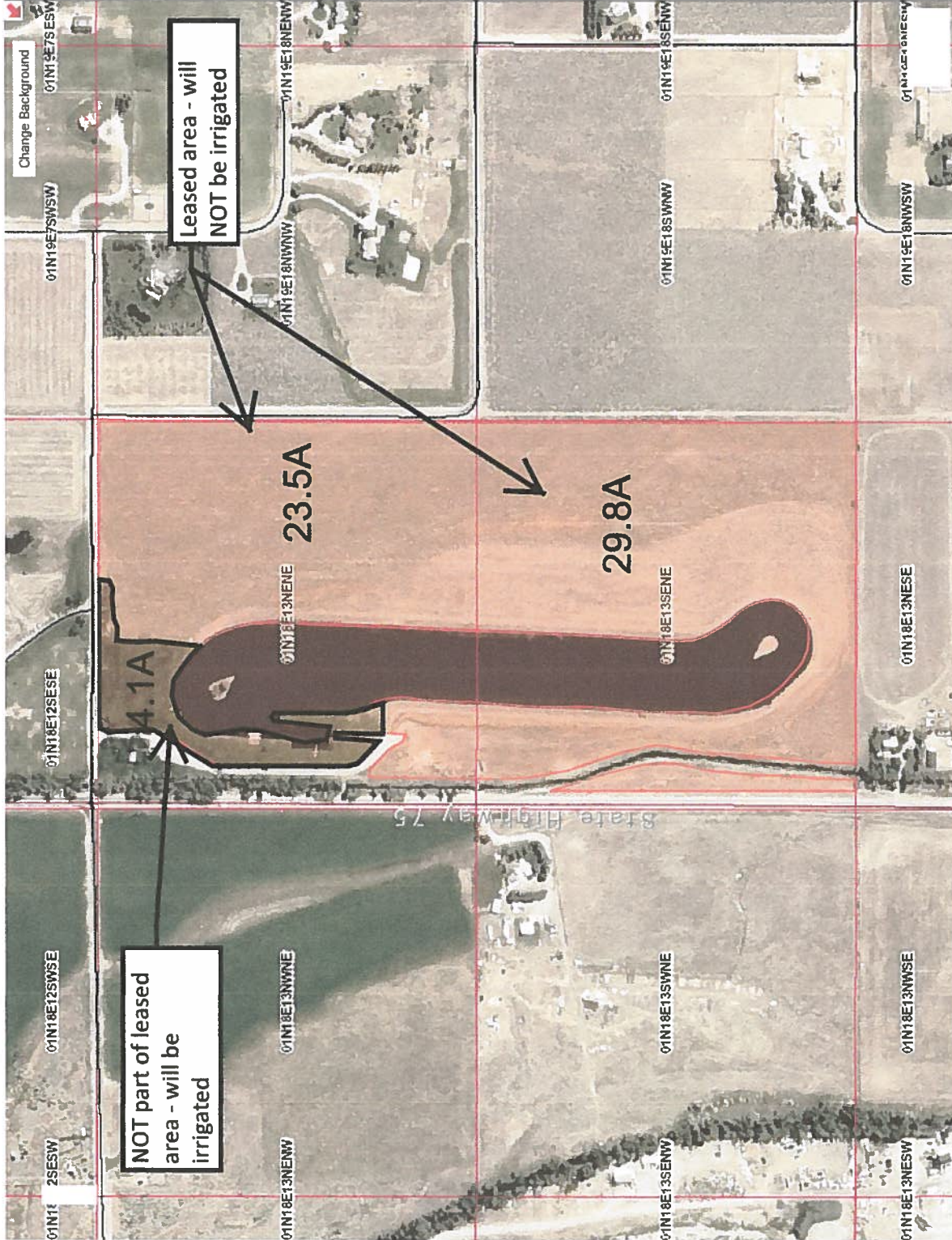
3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
2N	18E	36	3	NE	SW	NW	Blaine

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	
1N	18E	13	23.5			29.8													53.3

If the water right is for irrigation, show total number of acres offered to the Bank. **Total Acres** 53.3



- Layers Legend
- Layers
- Base Map
 - Major Roads
 - Streets
 - Cities
 - Counties
 - Townships
 - Sections
 - PLSQQ
 - Water
 - Major Rivers
 - Minimum Stream Flow Points
 - Minimum Stream Flow
 - Minimum Lake Level
 - Wells
 - Point of Diversion
 - POD - Adjudication Claims
 - POD - Adjudication Recommendations
 - POD - Permits
 - POD - Water Rights
 - Place of Use
 - POU - Adjudication Claims
 - POU - Adjudication Recommendations
 - POU - Permits
 - POU - Water Rights
 - Ground Water
 - Eastern Snake Plain Aquifer

ATTACHMENT 4
GREGORY RANCH, L.L.C.

Applications to Lease portions of 37-510A & 37-685D
to Water Supply Bank

SELECT ACTIVE LAYER
POU - Water Rights



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 10, 2014

R MILES STANISLAW
GREGORY RANCH LLC
PO BOX 5749
KETCHUM ID 83340

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 37-00510A & 37-00685D

Dear Lessor:

Water Rights 37-00510A & 37-00685D were leased into the Water Supply Bank on July 24, 2014 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, 2018, 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 287-4944.

Sincerely,

Handwritten signature of Matthew Long

for Cherie Palmer
Water Rights Supervisor
WSB Process Point of Contact

Enclosure: Executed Lease Contract
Documents sent to IDWR in error (9 pages) – returned to R Miles Stanislaw/Gregory Ranch LLC only

c: James P Speck – Speck & Aanestad
Allen Merritt – IDWR Southern Region
Kevin D Lakey – Water District #37



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

October 17, 2014

R MILES STANISLAW
GREGORY RANCH LLC
PO BOX 5749
KETCHUM, ID 83340

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 37-00510A, AND 37-00685D 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 revised original Water Supply Bank Lease Contracts for your review and signature. Please sign and return BOTH revised 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,

Handwritten signature of Matthew C. Fore

for Cherie Palmer
Water Rights Supervisor
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

c. James P Speck - Speck & Aanestad



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

October 8, 2014

R MILES STANISLAW
GREGORY RANCH LLC
PO BOX 5749
KETCHUM, ID 83340

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 37-00510A, AND 37-00685D TO THE WATER SUPPLY BANK

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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. James P Speck – Speck & Aanestad

Webster, Clay

From: Jim Speck [jim@speckandaanestad.com]
Sent: Tuesday, September 30, 2014 5:52 PM
To: Webster, Clay
Cc: Miles Stanislaw (Msn); James White
Subject: RE: RE: FW: Gregory Ranch
Attachments: Cert Sec re Approval of Stanislaw Appl Water Bank.pdf

Clay,

Here is the approval from The Wood River Valley Irrigation District #45 for the Gregory Ranch WSB lease applications. Please reply to confirm your receipt of this document. Let me know if you need anything else to complete the processing of these applications.

Thanks for your hard work and continuing help on these matters.

Jim

-----Original Message-----

From: Webster, Clay
Sent: Tuesday, September 09, 2014 5:20 PM
To: Jim Speck

Jim.

Thanks for the update.

Clay

-----Original Message-----

From: Jim Speck [mailto:jim@speckandaanestad.com]
Sent: Tuesday, September 09, 2014 9:17 AM
To: Webster, Clay
Cc: Miles Stanislaw (Msn)
Subject: FW: FW: Gregory Ranch

Clay,

Per the e-mail below we should have the required consent to you shortly.

Jim

-----Original Message-----

From: James White
Sent: Tuesday, September 09, 2014 3:31 PM
To: Jim Super; Gary Frugard
Cc: Miles Stanislaw; Jim Speck

Directors;

See email from Jim Speck and attached letter from IDWR.

Pursuant to board action last evening, I prepared this morning and am forwarding to Miles and Jim Speck the attached Certificate of Secretary respecting the District's conditional consent based on a 25% hold back to Mile's application.

I will circulate this Certificate today to get Jim Super's signature and then I will send the fully signed version to Jim Speck, and Miles and to Clay Webster at IDWR.

Regards,
Jim

-----Original Message-----

From: Jim Speck [<mailto:jim@speckandaanestad.com>]

Sent: Monday, September 08, 2014 11:48 PM

To: 'Clay Webster'

Cc: Miles Stanislaw (Msn); James White

Subject: Gregory Ranch

Clay,

My office forwarded a copy of your letter to me while travelling. I will be back in the office Sept. 23.

We have been working diligently with the existing District 45 Board to get the required consent and will require more time. As you will see from the link below the District has been embroiled in an effort to split it into two districts which may well complicate the consent requirement for us.

We request you provide us with an additional 60 days to get the consent. I will again contact you when I return to the office. Thank you.

Jim

James P. Speck
SPECK & AANESTAD
A Professional Corporation
120 East Avenue North
P.O. Box 987
Ketchum, ID 83340
208.726.4421
208.726.0752 (fax)
jim@speckandaanestad.com

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RECEIVED

SEP 30 2014

Department of Water Resources

**CERTIFICATE OF ACTION TAKEN BY
THE WOOD RIVER VALLEY IRRIGATION DISTRICT # 45**

The undersigned hereby certify that at the September 8, 2014 meeting of the Board of Directors of the WOOD RIVER VALLEY IRRIGATION DISTRICT # 45 the board took up the matter of the APPLICATION of Miles Stanislaw/Gregory Ranch for the consent of the District to his application to place a portion of his surface water rights into the IDWR Water Bank, and the board, after discussion and on motion by Director Frugard, seconded by Director Super, and unanimously approved, the following resolution was adopted by the Board and is at this time in full force and effect:

RESOLVED, THAT the Secretary was instructed to notify the IDWR Water Bank officials of the District's consent to the Application of Miles Stanislaw/Gregory Ranch subject to and with the continuing condition of a TWENTY PERCENT (20%) hold-back in the District 45 system and on the further condition that there be no adverse impact on minimum stream flow in the river and that carriage loss sufficient to convey water to the District 45 head-gate must be left in the river if the water right is to be leased upstream.

Dated: 9/9/14


James D. White, Secretary to the Board

Dated: 9/9/14


James Super, President and Director

Webster, Clay

From: Jim Speck [jim@speckandaanestad.com]
Sent: Sunday, September 14, 2014 6:30 AM
To: Webster, Clay
Cc: Miles Stanislav (Msn)
Subject: RE: RE: FW: Gregory Ranch

Clay,

I am out of the office until Sept 23 and will get back to you shortly after I return.
Thanks.

Jim

-----Original Message-----

From: Webster, Clay
Sent: Tuesday, September 09, 2014 5:20 PM
To: Jim Speck

Jim.

Thanks for the update.

Clay

-----Original Message-----

From: Jim Speck [<mailto:jim@speckandaanestad.com>]
Sent: Tuesday, September 09, 2014 9:17 AM
To: Webster, Clay
Cc: Miles Stanislav (Msn)
Subject: FW: FW: Gregory Ranch

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Jim

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Sent: Tuesday, September 09, 2014 3:31 PM
To: Jim Super; Gary Frugard
Cc: Miles Stanislav; Jim Speck

Directors;

See email from Jim Speck and attached letter from IDWR.

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I will circulate this Certificate today to get Jim Super's signature and then I will send the fully signed version to Jim Speck, and Miles and to Clay Webster at IDWR.

Regards,

Jim

-----Original Message-----

From: Jim Speck [<mailto:jim@speckandaanestad.com>]
Sent: Monday, September 08, 2014 11:48 PM
To: 'Clay Webster'
Cc: Miles Stanislaw (Msn); James White
Subject: Gregory Ranch

Clay,

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We have been working diligently with the existing District 45 Board to get the required consent and will require more time. As you will see from the link below the District has been embroiled in an effort to split it into two districts which may well complicate the consent requirement for us.

We request you provide us with an additional 60 days to get the consent. I will again contact you when I return to the office. Thank you.

Jim

James P. Speck
SPECK & AANESTAD
A Professional Corporation
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P.O. Box 987
Ketchum, ID 83340
208.726.4421
208.726.0752 (fax)
jim@speckandaanestad.com

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Friday, September 5, 2014

NEWS

County approves irrigation district partition

Commissioners had no discretion in matter

By **GREG MOORE**
Express Staff Writer

The Blaine County commissioners on Tuesday unanimously approved a petition to divide Wood River Valley Irrigation District 45.

Given that a recently enacted Idaho law states that a board of county commissioners "shall" order partition of the district if a petition to do so appears to meet certain criteria, the commissioners agreed that they had no alternative but to approve the request. However, they said they expect the validity of the law to be resolved in court.

The petition was filed by the owners of 12 properties in the district on May 14. A hearing on the matter was held Aug. 5 and continued to Sept. 2.

The statute enabling the petition states that it shall be approved if:

- The holders of a majority of the acreage with water rights delivered by the district have signed the petition, and;
- The owners of that land own the water rights, and;
- The majority of the land is of an agricultural character.

County Deputy Prosecuting Attorney Tim Graves advised the commissioners that the petitioners "have at least created an appearance that they have met the statutory

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requirements.”

The petition is the result of a disagreement between large agricultural landowners in the Bellevue Triangle and the owners of smaller, residential properties farther upstream in the water-delivery system over how to best manage the district.

“I have to say that I am sorry that the issues that are between and among the members of the irrigation district have not been able to be resolved,” Commissioner Larry Schoen said.

On Aug. 4, the owners of three properties in the district filed a lawsuit seeking an injunction against Blaine County’s consideration of the petition. The plaintiffs contended that the law enabling partition, passed by the Legislature in 2013, violates a section of the Idaho Constitution prohibiting the enactment of laws directed at specific localities. The suit claims that as written, the law can be applied to no other water district in the state. The case had not been decided when the commissioners issued their order Tuesday.

“This body does not have the authority to strike down legislative statements made by the Legislature,” Graves told the commissioners. “Those [objections] need to be addressed by a court of law.”

The law states that partition shall be effective immediately upon issuance of an order by the county commissioners. It states that an appeal must be brought within 90 days of that decision.

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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

September 4, 2014

MILES STANISLAW
GREGORY RANCH LLC
PO BOX 5749
KETCHUM ID 83340

**RE: IRRIGATION DISTRICT REQUIREMENT FOR APPLICATION TO
LEASE WATER RIGHTS TO THE WATER SUPPLY BANK
37-510A and 37-685D**

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

Dear Applicant:

The Department of Water Resources (Department) acknowledges receipt of your Application to Lease water rights to the Water Supply Bank (Bank). A preliminary review of your application has found required information has not been included with the application.

Question 1.D. on the Bank lease application form asks, "Is the diversion works or system owned or managed by an Irrigation District or water delivery company?" You have checked "YES", however a copy of the Written consent from the irrigation district or water delivery company (Attachment 1D was not included with your application. the surface water rights (37-510A and 37-685D) are described as being delivered through Irrigation District #45 Canal.

Idaho Administrative Code IDAPA 37-02.03.025 Acquisition of Water Rights for the Board's Water Supply Bank at <http://adminrules.idaho.gov/rules/current/37/0203.pdf> requires the written consent of an irrigation company be submitted with the application for lease. **Please contact Irrigation District #45 for written consent and submit it to the department to complete your application.**

The application will be returned, unprocessed, if the consent is not received within fourteen (14) days from the date of this letter. If you have questions regarding this matter, please contact me at 287-4944.

Sincerely,

Clay Webster
Water Resource Agent

Enclosure: Receipt # C099231

c: James P. Speck – Speck and Aanestad

Webster, Clay

From: Webster, Clay
Sent: Wednesday, August 20, 2014 8:53 AM
To: 'jim@speckandaanestad.com'
Subject: Questions about Water Supply Bank Lease Application for Gregory Ranch LLC 37-510A and 37-685D

Mr. Speck,

I am reviewing the lease application submitted for Gregory Ranch LLC. The written consent from the water delivery company was not included. (According to the records the water is delivered through the District 45 Canal.) I will need a copy of that to proceed with processing this lease. Please provide this within 14 days. Thank you for your assistance.

Sincerely,

Clay Webster

Technical Records Specialist
clay.webster@idwr.idaho.gov

208-287-4910

Idaho Department of Water Resources (IDWR)

322 E. Front Street

P.O. Box 83720

Boise, ID 83720-0098

208-287-4800

www.idwr.idaho.gov

Webster, Clay

From: Merritt, Allen
Sent: Thursday, August 14, 2014 3:56 PM
To: Webster, Clay
Subject: RE: Region Comments on WSB Lease Applications for Gregory Ranch LLC 37-510A and 37-685D

Clay,

The proportion for 37-685D base on acres offered should be 1.19 cfs. They offered 1.10 cfs.... Is this a typo?? Is there something to explain this?

The proportion for 37-510D base on acres offered should be 2.09 cfs. They offered 2.09 cfs which seem correct.

If the irrigation portions of the rights are leased then the diversion to storage for each right should be reduced accordingly.

Allen

From: Webster, Clay
Sent: Thursday, August 14, 2014 3:11 PM
To: Merritt, Allen
Subject: Region Comments on WSB Lease Applications for Gregory Ranch LLC 37-510A and 37-685D

Allen,

I am currently processing these lease applications. Do you have any concerns or comments? Thanks.

Sincerely,

Clay Webster

Technical Records Specialist
clay.webster@idwr.idaho.gov
208-287-4910

Idaho Department of Water Resources (IDWR)
322 E. Front Street
P.O. Box 83720
Boise, ID 83720-0098
208-287-4800
www.idwr.idaho.gov

No. W 2419	Due no later than May 31, 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. GREGORY RANCH, L.L.C. R MILES STANISLAW PO BOX 5749 KETCHUM ID 83340	R MILES STANISLAW R MILES STANISLAW 105 GEORGINIA KETCHUM ID 83340				
4. Limited Liability Companies: Enter Names and Addresses of at least one Member or Manager.			3. <u>New</u> Registered Agent Signature:*				
5. Organized Under the Laws of: ID W 2419	6. Annual Report must be signed.* Signature: R Miles Stanislav Name (type or print): R Miles Stanislav Date: 04/05/2014 Title: Manager						
Processed 04/05/2014		* Electronically provided signatures are accepted as original signatures.					

Webster, Clay

From: Webster, Clay
Sent: Thursday, August 14, 2014 3:11 PM
To: Merritt, Allen
Subject: Region Comments on WSB Lease Applications for Gregory Ranch LLC 37-510A and 37-685D
Attachments: DOC001.pdf; DOC002.pdf; Lease Review Memo Gregory Ranch 37-510A and 37-685D.docx

Allen,

I am currently processing these lease applications. Do you have any concerns or comments? Thanks.

Sincerely,

Clay Webster

Technical Records Specialist
clay.webster@idwr.idaho.gov
208-287-4910

Idaho Department of Water Resources (IDWR)
322 E. Front Street
P.O. Box 83720
Boise, ID 83720-0098
208-287-4800
www.idwr.idaho.gov

Inone!

Webster, Clay

From: Webster, Clay
Sent: Thursday, August 14, 2014 3:18 PM
To: 'watermanager@cableone.net'
Subject: Watermaster comments on WSB Lease Applications for Gregory Ranch LLC 37-510A and 37-685D
Attachments: Lease Review Memo Gregory Ranch 37-510A and 37-685D.docx; DOC001.pdf; DOC002.pdf

Kevin,

I am currently processing these lease applications. Do you have any concerns or comments? Thanks.

Sincerely,

Clay Webster

Technical Records Specialist
clay.webster@idwr.idaho.gov

208-287-4910

Idaho Department of Water Resources (IDWR)

322 E. Front Street

P.O. Box 83720

Boise, ID 83720-0098

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Inone!

Buyer, Remington

From: Buyer, Remington
Sent: Friday, August 01, 2014 10:42 AM
To: 'Jim Speck'
Cc: Miles Stanislaw (Msn)
Subject: RE: Gregory Ranch/Water Rights 37-510A & 37-685D

Jim, I'm adding this correspondence to the file. The Bank will evaluate the lease proposal as amended.

Remington
287-4918

-----Original Message-----

From: Jim Speck [<mailto:jim@speckandaanestad.com>]
Sent: Friday, August 01, 2014 10:22 AM
To: Buyer, Remington
Cc: Miles Stanislaw (Msn)
Subject: Re: Gregory Ranch/Water Rights 37-510A & 37-685D

Remington,

I recently filed applications to lease portions of these two water rights to the Bank. In running numbers to answer a questions from my client about how much water is left to irrigate the 4.1 acres I discovered the amount of 37-685D proposed to be leased is wrong. It should be $1.28 \text{ cfs} \times 53.3\text{A}/57.4\text{A} = 1.19 \text{ cfs}$ instead of the 1.10 cfs listed on the Application.

Please make this correction on that Application. Contact me if you have any questions.

Thank you.

Jim

James P. Speck
SPECK & AANESTAD
A Professional Corporation
120 East Avenue North
P.O. Box 987
Ketchum, ID 83340
208.726.4421
208.726.0752 (fax)
jim@speckandaanestad.com

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SPECK & AANESTAD
A PROFESSIONAL CORPORATION
ATTORNEYS

JAMES P. SPECK
jim@speckandaanestad.com
DOUGLAS J. AANESTAD
doug@speckandaanestad.com

120 EAST AVENUE
POST OFFICE BOX 987
KETCHUM, IDAHO 83340

TELEPHONE
(208) 726-4421
FACSIMILE
(208) 726-0752

July 23, 2014

Remington Buyer
Water Supply Coordinator
Idaho Department of Water Resources
322 E. Front St.
Boise, Idaho 83720-0098

RECEIVED
JUL 24 2014
DEPARTMENT OF
WATER RESOURCES

Re: Gregory Ranch, L.L.C.- Applications to Lease Portions of Water Right No. 37-510A and 37-685D to Water Supply Bank

Dear Remington:

Enclosed you will find an original and one copy each of the above-referenced Applications together with the original and one copy each of the W-9 for Gregory Ranch, L.L.C. and an Authority to Designate designating me to act on behalf of the L.L.C. in these lease application matters. I have also enclosed my firm's check payable to the Department for the \$500 filing fee. Please receipt date-stamp the copies and return them to me in the postage prepaid self-addressed envelope I have included for that purpose. I will be sending you the written consent from Wood River Valley Irrigation District 45 as soon as I receive it back from them. It is my understanding they will need to discuss these Applications in early August and a consent should be forthcoming contingent upon leaving some to be designated amount in the canal system. ds

Thank you for your continued help in these matters

Sincerely,

SPECK & AANESTAD
A Professional Corporation

By: 
James P. Speck

JPS:jef
Enclosures
cc: Client w/encl.

AUTHORITY TO REPRESENT

The undersigned hereby authorizes its attorney, James P. Speck of the law firm of Speck & Aanestad, A Professional Corporation, to represent Gregory Ranch, L.L.C. in all matters relating to the leasing of its Water Rights Nos. 37-510A and 37-685D to the Idaho Water Supply Bank.

Dated this 2nd day of July, 2014.

GREGORY RANCH, L.L.C.

By: 

R. Miles Stanislaw, Manager