

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED
JUL 11 2014
DEPARTMENT OF
WATER RESOURCES

This Lease Contract ("**Lease**") is effective June 17, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: SUNRISE ORGANIC DAIRY LLC
329 SOUTH 417 EAST
JEROME ID 83338
(208) 539-5007

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with Lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

<u>Water Right</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
36-2254A	1.26 CFS	416.5 AF	104.1	150.4 AC
36-2284	0.89 CFS	431.9 AF	NA	150.4 AC
36-8401	0.20 CFS	83.5 AF	NA	150.4 AC
Combined Lease Totals:	2.35 CFS	601.6 AF	NA	150.4 AC

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

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

Minimum Payment Acceptable: Current Rental Rate

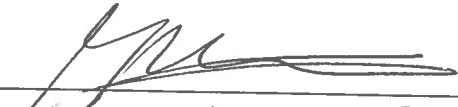
3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31, 2014 J.R.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, 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.

SUPPORT DATA

WATER SUPPLY BANK LEASE CONTRACT

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

SUNRISE ORGANIC DAIRY LLC
329 SOUTH 417 EAST
JEROME ID 83338

By  Date 6-23-14
Printed Name JOHN REITSMIA Title owner

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

By  Date 07-14-2014
Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR  Date 07-14-2014

ATTACHMENT A
WATER RIGHT NO. 36-2254A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: SUNRISE ORGANIC DAIRY LLC
329 SOUTH 417 EAST
JEROME ID 83338
(208) 539-5007

Priority Date: 3/16/1954

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	11/15	1.26 CFS	416.5 AF
	Total:		1.26 CFS	416.5 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	SENWSE	Sec. 28, Twp 09S, Rge 21E, JEROME County
GROUND WATER	SWSW	Sec. 28, Twp 09S, Rge 21E, JEROME 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	
09S	21E	29													1.8	35.7	40.0	26.6	104.1
09S	21E	32	12.6	33.7															46.3

Total Acres: 150.4

Limited to acres within place of use described above: 104.1

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
36-2254A, 36-2284, and 36-8401	2.35 CFS	601.6 AF	NA	150.4 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

6. The unleased portions of water rights 36-2254A, 36-2284, and 36-8401 are limited to a total combined diversion rate of 5.75 cfs, annual diversion volume of 1,478.4 af, and the total of 369.6 acres.
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.
13. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No.130.

ATTACHMENT A
WATER RIGHT NO. 36-2284
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: SUNRISE ORGANIC DAIRY LLC
 329 SOUTH 417 EAST
 JEROME ID 83338
 (208) 539-5007

Priority Date: 5/16/1955

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	0.89 CFS	431.9 AF
	Total:		0.89 CFS	431.9 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	SENWSE	Sec. 28, Twp 09S, Rge 21E, JEROME County
GROUND WATER	SWSW	Sec. 28, Twp 09S, Rge 21E, JEROME 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	
09S	21E	29													1.8	35.7	40.0	26.6	104.1
09S	21E	32	12.6	33.7															46.3

Total Acres: 150.4

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
36-2254A, 36-2284, and 36-8401	2.35 CFS	601.6 AF	NA	150.4 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

6. The unleased portions of water rights 36-2254A, 36-2284, and 36-8401 are limited to a total combined diversion rate of 5.75 cfs, annual diversion volume of 1,478.4 af, and the total of 369.6 acres.
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.
13. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No.130.

ATTACHMENT A
WATER RIGHT NO. 36-8401
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: SUNRISE ORGANIC DAIRY LLC
 329 SOUTH 417 EAST
 JEROME ID 83338
 (208) 539-5007

Priority Date: 11/28/1988

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01 to	10/31	0.20 CFS	83.5 AF
	Total:		0.20 CFS	83.5 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	SENWSE	Sec. 28, Twp 09S, Rge 21E, JEROME County
GROUND WATER	SWSW	Sec. 28, Twp 09S, Rge 21E, JEROME 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	
03N	01E	24	44	7.0	1.0														8.0

Total Acres: 150.4

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
36-2254A, 36-2284, and 36-8401	2.35 CFS	601.6 AF	NA	150.4 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

- 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.
- 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.
- 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.
- While a water right is in the bank, forfeiture provisions are stayed.
- The unleased portions of water rights 36-2254A, 36-2284, and 36-8401 are limited to a total combined diversion rate of 5.75 cfs, annual diversion volume of 1,478.4 af, and the total of 369.6 acres.

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.
13. This right is for the use of trust water and is subject to review 20 years after the issuance of the permit to determine availability of water and to re-evaluate the public interest.
14. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 130.

RECEIVED
JUN 17 2014
DEPARTMENT OF
WATER RESOURCES

Water Supply Bank No. _____
(For Department Use Only)

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK

Name of Seller/Lessor Sunrise Organic Dairy LLC Phone (208) 539-5007

Mailing address 329 South 417 East Jerome, Idaho 83338 Email _____

A. DESCRIPTION OF WATER RIGHT, OR PORTION THEREOF, OFFERED TO THE BANK

If the entire right is for sale or lease, show "ALL" below and skip the remainder of part A. Attach a copy of the water right report.

<u>1. Water Right Number</u>	<u>Amount (cfs/ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
<u>36-2254A</u>	<u>1.26/416.5</u>	<u>Irrigation</u>	<u>3/15</u> to <u>11/15</u>
_____	_____	_____	_____ to _____
_____	_____	_____	_____ to _____

Total Amount: 1.26/416.5

2. Source of water Ground Water tributary to _____

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
09S	21E	28		SW	SW	SW	Jerome
09S	21E	28		SE	NW	SE	Jerome

4. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
09S	21E	29													1.8	35.7	40	26.6	104.1
		32	12.6	33.7															46.3

If the right is for irrigation, show total number of acres offered to the bank. **Total Acres** 150.4

B. OWNERSHIP

1. Are you currently listed in IDWR's records as the owner of the water right being offered to the bank? Yes ☒ No ☐
If no, provide documentation of your authority to sign on behalf of the right holder OR attach a Notice of Change in Water Right Ownership form along with the required documentation and fee.

2. Is the water right appurtenant to land subject to any liens, deeds of trust, mortgages, or contracts? Yes ☐ No ☒
If yes, provide a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes and list name of entity: _____

A vertical scale bar labeled "Feet" with markings at 0, 750, and 1,500.

REITSMA SUNRISE ORGANIC - 36-2254A, 36-2284, & 36-8401
WSB LEASE AREAS/POU - POST-TRANSFERS 2014
NAIP 2013 AERIAL PHOTO.

BROCKWAY ENGINEERING, PLLC
ALR-Date: 6/9/2014

Legend

- | Points_of_Division | twrship | Section | indesc |
|---------------------------|---------|---------|--------|
| 36-2284_PPU 52D AC | | | |
| POU POST-TRAN 4722 AC. | | | |
| WSB_Lesse_2014 =150.4 AC. | | | |



C. GENERAL INFORMATION

1. Please provide a description of the current diversion system.

Existing wells, pumps, mainline pipes and pivots

2. Describe any other water rights used for the same purpose or at the same place of use as described above.

N/A

3. Will the present place of use continue to receive water from any source?

Yes ☐ No ☒

If yes, describe.

4. 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 right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.

5. Is this water right involved in any other Department process such as an application for transfer or a mitigation plan? Yes ☒ No ☐

If yes, describe. Transfer 78948

D. SALE/LEASE AGREEMENT

1. Is the water right, or portion thereof, described above offered to the Idaho Water Resource Board for sale ☐ or lease ☒.

If Lease, for a period from 01/01/2014 to 12/31/2016 (not to exceed 5 years).
(Month / Day / Year) (Month / Day / Year)

2. Show the minimum payment acceptable to the Seller/Lessor. The minimum payment may be shown as the "current rental rate" as established by the Idaho Water Resource Board. 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 right for sale or lease to the Idaho Water Resource Board.

The owner/lessor acknowledges the following:

1. Payment to the owner/lessor is contingent upon the sale or rental of the right from the bank.
2. While a right is in the bank, the owner/lessor of the right may not use the right even if the right is not rented from the bank.
3. A right accepted into the bank stays in the bank until the Board releases it or the lease term expires.
4. While a right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.


Signature of Applicant

Sunrise Organic Dairy, LLC
John Reitsma, Member
Printed Name and Title*

6-12
6-14
Date

Signature of Applicant

Printed Name and Title*

Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

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

RECEIVED

JUN 17 2014

DEPARTMENT OF
WATER RESOURCESSTATE OF IDAHO
WATER RESOURCE BOARDWater Supply Bank No. _____
(For Department Use Only)APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKName of Seller/Lessor Sunrise Organic Dairy LLC Phone (208) 539-5007Mailing address 329 South 417 East Jerome, Idaho 83338 Email _____

A. DESCRIPTION OF WATER RIGHT, OR PORTION THEREOF, OFFERED TO THE BANK

If the entire right is for sale or lease, show "ALL" below and skip the remainder of part A. Attach a copy of the water right report.

1. <u>Water Right Number</u>	<u>Amount (cfs/ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
<u>36-2284</u>	<u>0.89/431.9</u>	<u>Irrigation</u>	<u>3/15</u> to <u>11/15</u>
_____	_____	_____	_____ to _____
_____	_____	_____	_____ to _____

Total Amount: 0.89/431.92. Source of water Ground Water tributary to _____

3. Point(s) of Diversion:

Twtp	Rge	Sec	Lot	¼	¼	¼	County
09S	21E	28		SW	SW	SW	Jerome
09S	21E	28		SE	NW	SE	Jerome

4. Lands irrigated or place of use:

Twtp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
09S	21E	29													1.8	35.7	40	26.6	104.1
		32	12.6	33.7															46.3

If the right is for irrigation, show total number of acres offered to the bank. Total Acres 150.4

B. OWNERSHIP

1. Are you currently listed in IDWR's records as the owner of the water right being offered to the bank? Yes ☒ No ☐
If no, provide documentation of your authority to sign on behalf of the right holder OR attach a Notice of Change in Water Right Ownership form along with the required documentation and fee.
2. Is the water right appurtenant to land subject to any liens, deeds of trust, mortgages, or contracts? Yes ☐ No ☒
If yes, provide a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes and list name of entity: _____

C. GENERAL INFORMATION

1. Please provide a description of the current diversion system.

Existing wells, pumps, mainline pipes and pivots

2. Describe any other water rights used for the same purpose or at the same place of use as described above.

N/A

3. Will the present place of use continue to receive water from any source?

Yes ☐ No ☒

If yes, describe.

4. 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 right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.

5. Is this water right involved in any other Department process such as an application for transfer or a mitigation plan? Yes ☒ No ☐

If yes, describe. Transfer 78948

D. SALE/LEASE AGREEMENT

1. Is the water right, or portion thereof, described above offered to the Idaho Water Resource Board for sale ☐ or lease ☒.

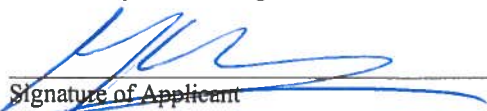
If Lease, for a period from 01/01/2014 to 12/31/2016 (not to exceed 5 years).
(Month / Day / Year) (Month / Day / Year)

2. Show the minimum payment acceptable to the Seller/Lessor. The minimum payment may be shown as the "current rental rate" as established by the Idaho Water Resource Board. 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 right for sale or lease to the Idaho Water Resource Board.

The owner/lessor acknowledges the following:

1. Payment to the owner/lessor is contingent upon the sale or rental of the right from the bank.
2. While a right is in the bank, the owner/lessor of the right may not use the right even if the right is not rented from the bank.
3. A right accepted into the bank stays in the bank until the Board releases it or the lease term expires.
4. While a right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.


Signature of Applicant

Sunrise Organic Dairy, LLC
John Reitsma, Member
Printed Name and Title*

6-12-11
Date

Signature of Applicant

Printed Name and Title*

Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

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



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

July 14, 2014

C.L. "BUTCH" OTTER

Governor

SUNRISE ORGANIC DAIRY LLC

329 SOUTH 417 EAST

JEROME ID 83338

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 36-02254A, 36-02254 & 36-08401

Dear Lessor:

Water Rights 36-02254A, 36-02254 and 36-08401 were leased into the Water Supply Bank on June 17, 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, 2014**, 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 287-4879.

Sincerely,

Sor [Signature]

Sandra Thiel

Water Resource Planner

Enclosure: Executed Lease Contract

c: Greg Sullivan – Brockway Engineering
Allen Merritt – IDWR Southern Regional Manager
Cindy Yenter – State Water District 130



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

July 10, 2014

Sandra Thiel
Idaho Water Supply Bank
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

RECEIVED
JUL 11 2014
DEPARTMENT OF
WATER RESOURCES

Re: Sunrise Organic Dairy Water Rights 36-2254A, 36-2284 and 8401

Dear Mrs. Thiel:

Attached to this letter are the two signed lease contracts for water rights 36-2254A, 36-2284 and 8401 that are owned by Sunrise Organic Dairy. The lease period is intended to only be for the year 2014.

If you have any questions regarding these lease contracts, please contact me and we can discuss your concerns.

Sincerely,

Greg Sullivan, M.S., Engineer

Cc: John Reitsma, Rob Williams
Enc: Lease Contracts

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506



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

June 20, 2014

SUNRISE ORGANIC DAIRY LLC
329 SOUTH 417 EAST
JEROME ID 83338

**RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 36-02254A, 36-02254 AND 36-08401 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, 2016**, 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,

Cherie Palmer

Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts
Receipt # C099017

c. Greg Sullivan – Brockway Engineering

RECEIVED

JUN 17 2014

DEPARTMENT OF
WATER RESOURCES



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

June 16, 2014

Sandra Thiel
Idaho Water Supply Bank
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Re: Sunrise Organic Dairy Water Rights 36-2254A, 36-2284 and 8401

Dear Mrs. Thiel:

Currently water rights 36-2254A, 36-2284 and 8401 have 185.0 acres leased into the Water Supply Bank. It is necessary to reduce the number of irrigated acres leased to the Water Supply Bank to 150.4 acres.

New lease applications have been prepared, signed and attached to this letter. The location of the leased acres have been identified in the application and on an aerial map. It is proposed the lease term will be from 2014 through the end of 2016.

Please copy our office on all correspondence regarding this application. Thank you for your assistance and if you have questions or comments, please don't hesitate to call.

Sincerely,

Greg Sullivan, M.S., Engineer

Cc: John Reitsma, Rob Williams

Enc: Lease Applications, Aerial Map, Brockway Engineering Check # 12070 for \$500.00

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

MEMORANDUM

To: Water Right No(s). 36-2254A, 36-2284, AND 36-8401

From: Cherie Palmer

Date: 6/19/2014

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

PURPOSE/NARRATIVE: On June 17, 2014, Greg Sullivan of Brockway Engineering submitted a lease application on behalf of Sunrise Organic Dairy LLC. The proposal will supercede an existing lease contract for the above referenced water rights. The proposal will reduce the amount of water that is leased into the bank from 185.8 acre to 150.4 acres. Transfer 78948 is pending before the Department and some of those acres had to be made available to accomplish the transfer. These water rights were not rented and this proposal is acceptable. Note that Global Ag Properties has filed an application, thru Greg Sullivan, that proposes to rent 136.1 acres of these water rights. That application is being processed in tandem with this application.

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
09S	21E	28			19.7	13.5			20.2	21.5	38.5	37.6	34.7	36.9	37.8	37.7	27.0	15.0	340.1
XFRD ACRES					5.9	2.4			3.2	1.6	2.5	1.2	0.9	0.9	1.6	1.1	4.2	1.8	27.3
REMAINING ACRES AFTER XFR					13.8	11.1			17	19.9	36	36.4	33.8	36	36.2	36.6	22.8	13.2	312.8
09S	21E	33					0.2	8.9											9.1
XFRD ACRES							0.1	0											0.1
REMAINING ACRES AFTER XFR							0.1	8.9											9.0
09S	21E	29													22.2	35.7	40.0	26.6	124.5
XFRD ACRES															20.4	0	0	0	20.4
REMAINING ACRES AFTER XFR AND LEASED TO BANK															1.8	35.7	40.0	26.6	104.1
09S	21E	32	12.6	33.7															46.3
XFRD ACRES			0	0															0
REMAINING ACRES AFTER XFR AND LEASED TO BANK			12.6	33.7															46.3

TOTAL ACRES BEING XFRD UNDER #78948 = 47.8

TOTAL ACRES BEING LEFT BEHIND AND IRRIGATED AT POU = 321.8

TOTAL ACRES BEING LEFT BEHIND AND LEASED TO THE BANK = 150.4

TOTAL = 520

THE RENTAL FOR GLOBAL AG WILL BE USING 136.1 ACRES SO THERE IS 14.3 ACRES AVAILABLE FOR RENTAL TO ANOTHER.

AUTHORITY TO FILE: Sunrise Organic Dairy is the current owner of these water rights and has authority to file this type of application.

WATER RIGHT VALIDITY: The water rights have been in the bank and have been protected from forfeiture. The original lease term was 2006 to 2016. The new lease term will still expire at the end of 2016.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: No enlargement is evident through the lease alone. Proper rental review should protect against enlargement.

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 lease appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: These water rights are subject to water district 130. Watermaster Cindy Yenter knows of this proposal and doesn't have any objections in reducing the lease.