

WATER SUPPLY BANK LEASE CONTRACT

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

Lessor: STROM RANCHES INC
PO BOX 137
HILL CITY ID 83337-0137
(208) 590-2368
dstrom@rtci.net

RECEIVED

MAY 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>Acre Limit</u>	<u>Total Leased Acres</u>
37-2089	3.35 CFS	NA	167.5 AC	535.5 AC
37-2244B	4.58 CFS	NA	229.0 AC	688.0 AC
37-21835	NA	188.0 AF	229.0 AC	688.0 AC
Combined Lease Totals:	7.93 CFS	NA	535.5 AC	688.0 AC

The water rights described herein shall be available for rental from the Bank as follows:

Authorized Period of Use under Lease: See Individual Water Rights

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.

SUPPORT DATA

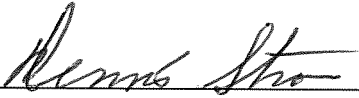
FILE # 37-2089

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.

STROM RANCHES

PO BOX 137
HILL CITY ID 83337-0137

By 

Date 5/1/14

Printed Name Dennis Strom

Title Pres.

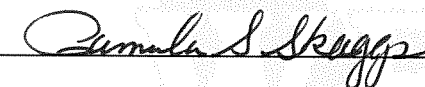
IDAHO WATER RESOURCE BOARD

322 East Front Street
P.O. Box 83720
Boise, ID 83720-9098

By 

Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 05-14-2014

Lease approved by IDWR 

Date 05-14-2014

ATTACHMENT A
WATER RIGHT NO. 37-2089
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: STROM RANCHES
 PO BOX 137
 HILL CITY ID 83337-0137
 (208) 590-2368

Priority Date: 10/09/1907

Source: NEGRO CREEK

Tributary to: CAMAS CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	to 10/31	3.35 CFS	NA
	Total:		3.35 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

NEGRO CREEK SE¼NE¼SE¼ Sec. 27 Twp 01S Rge 11E ELMORE 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	
01S	11E	27									15.0	16.0	38.0	17.0	4.0			2.0	92.0
01S	11E	28																0.3	0.3
01S	11E	33	6.3			14.0									16.0			9.6	45.9
01S	11E	34	16.0	15.0	39.0	12.0	33.0	40.0	39.0	39.0	39.0	39.0	40.0	40.0					391.0
02S	11E	3					4.7 L3	1.6 L4											6.3

Total Acres: 535.5

Limited to acres within place of use described above: 167.5

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>
37-2089, 37-2244B and 37-21835	7.93 CFS	NA	535.5	688.0 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. The leased portion of the right 37-2089 and leased rights 37-2244B and 37-21835 are limited to a the irrigation of a combined total of 535.5 acres in a single irrigation season.
13. The unleased portion of this right is limited to the irrigation of 152.5 acres within the place of use described above in a single irrigation season.

ATTACHMENT A
WATER RIGHT NO. 37-2244B
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: STROM RANCHES
 PO BOX 137
 HILL CITY ID 83337-0137
 (208) 590-2368

Priority Date: 08/10/1912

Source: NEGRO CREEK

Tributary to: CAMAS CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	to 10/31	4.58 CFS	NA
	Total:		4.58 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

NEGRO CREEK SE¼NE¼SE¼ Sec. 27 Twp 01S Rge 11E ELMORE 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	
01S	11E	27									20.0	16.0	38.0	40.0	8.5	20.0	40.0	24.0	206.5
01S	11E	28																0.3	0.3
01S	11E	33	6.3			14.0									16.0			9.6	45.9
01S	11E	34	22.0	40.0	39.0	12.0	40.0	40.0	39.0	39.0	39.0	39.0	40.0	40.0					429.0
02S	11E	3					4.7 L3	1.6 L4											6.3

Total Acres: 688.0

Limited to acres within place of use described above: 229.0

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
37-2089, 37-2244B and 37-21835	7.93 CFS	NA	535.5 AC	688.0 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. This right is limited to the irrigation of 229.0 acres within the place of use described above in a single irrigation season.
13. The leased portion of the right 37-2089 and leased rights 37-2244B and 37-21835 are limited to a the irrigation of a combined total of 535.5 acres in a single irrigation season.

ATTACHMENT A
WATER RIGHT NO. 37-21835
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: STROM RANCHES
 PO BOX 137
 HILL CITY ID 83337-0137
 (208) 590-2368

Priority Date: 08/14/1914

Source: NEGRO CREEK

Tributary to: CAMAS CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION STORAGE	01/01	to 12/31	NA	188.0 AF
IRRIGATION FROM STORAGE	04/15	to 10/31	NA	188.0 AF
Total:			NA	188.0 AF

LOCATION OF POINT(S) OF DIVERSION:

NEGRO CREEK NE¼SE¼SE¼ Sec. 15 Twp 01S Rge 11E ELMORE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION FROM STORAGE

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01S	11E	27									20.0	16.0	38.0	40.0	8.5	20.0	40.0	24.0	206.5
01S	11E	28																0.3	0.3
01S	11E	33	6.3			14.0									16.0			9.6	45.9
01S	11E	34	22.0	40.0	39.0	12.0	40.0	40.0	39.0	39.0	39.0	39.0	40.0	40.0					429.0
02S	11E	3					4.7 L3	1.6 L4											6.3

Total Acres: 688.0

Limited to acres within place of use described above: 229.0 AC

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION STORAGE

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01S	11E	14										X	X						
01S	11E	28													X			X	

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
37-2089, 37-2244B and 37-21835	7.93 CFS	NA	535.5 AC	688.0 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. This right is limited to the irrigation of 229.0 acres within the place of use described above in a single irrigation season.
13. The leased portion of the right 37-2089 and leased rights 37-2244B and 37-21835 are limited to a the irrigation of a combined total of 535.5 acres in a single irrigation season.
14. Water is stored in Francis Dam Reservoir.

STATE OF IDAHO
WATER RESOURCE BOARDWATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLISTRECEIVED
MAR 17 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 Strom Ranches, Inc.Water Right No. 37-02089
One water right per applicationAll items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*

YES

- ☒ Completed *Water Supply Bank Lease or Sale Application Checklist* (this form).
- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank* (pages 2-3).
- ☒ Application filing fee of \$250.00. If you are submitting more than one lease application and the water rights have a common place of use, or common diversion rate, or common diversion volume, the combined maximum fee is \$500.00.

Attachment N/A YES

- 1A ☒ ☐ Contact information for *all owners* of the water right that is being leased or sold on this application.
- 1B ☐ ☒ An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.
- 1C ☒ ☐ *Notice of Change in Water Right Ownership* form (accessible from www.idwr.idaho.gov).
- 1D ☒ ☐ Written consent from irrigation district or water delivery company.
- 1E ☐ ☒ Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.
- 2 ☐ ☒ Description of a water right portion offered to the Water Supply Bank.
- 3D ☐ ☒ Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.
- 4 ☐ ☒ A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. If you don't already have a detailed map, you can create one using IDWR's online General Mapping Tool (<http://maps.idwr.idaho.gov/mapall/>) to locate a water right place of use or point of diversion.

Department Use Only

Fee Amount \$ <u>500⁰⁰</u>	Received By: <u>CS</u>	Date Received: <u>3/17/14</u>	Receipt # <u>C098481</u>
W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)		Name on W-9: <u>Strom Ranches Inc.</u>	

STATE OF IDAHO
WATER RESOURCE BOARDAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKRECEIVED
MAR 17 2014
DEPARTMENT OF
WATER RESOURCES

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 Strom Ranches, Inc. Email Address dstrom@rtci.net
Mailing Address PO Box 137, Hill City, ID 83337 Phone Number 208-590-3268

☒ 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). **See attached Annual Report.**

Name of Representative Dennis Strom Organization Strom Ranches, Inc.
Professional Title President Email Address same as Applicant
Mailing Address same as Applicant Phone Number same as Applicant

☒ 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 37-02089 ☐ 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.

Ditches and an irrigation pivot which divert water from Negro Creek.

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.
37-02089, 37-21835 and 37-02244B

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

If yes, describe. A portion of the present place of use will continue to receive water from 37-02089 and 37-21835.

This portion will consist of 150 acres currently delivered water from the existing pivot.

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 4/1/14 to 4/1/19 (maximum lease period 5 years).
(Month / Day / Year) (Month / Day / Year)

B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.

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.

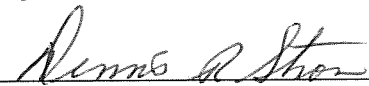
The Designated Applicant acknowledges the following:

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

Printed Name

Date


Signature of Authorized Representative

Dennis R. Strem
Printed Name

3/13/14
Date

Mail to:

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



No. C 53181	Due no later than Apr 30, 2013 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			DENNIS R. STROM 1400 W 300 S HILL CITY ID 83337 3. <u>New</u> Registered Agent Signature:*
4. Corporations: Enter Names and Business Addresses of President, Secretary, and Directors. Treasurer (optional).			
Office Held	Name	Street or PO Address	City State Country Postal Code
SECRETARY	BRIAN S. STROM	1445 KATHRYN WAY	MTN. HOME ID USA 83647
DIRECTOR	AMY KASER	2600 SALMON	AMMON ID USA 83406
PRESIDENT	DENNIS R STROM	1400W300S P.O.BOX137	HILL CITY ID USA 83337
5. Organized Under the Laws of: ID C 53181	6. Annual Report must be signed.* Signature: Dennis R. Strom Date: 03/15/2013 Name (type or print): Dennis R. Strom Title: Pres.		
Processed 03/15/2013	* Electronically provided signatures are accepted as original signatures.		

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

In Re SRBA)
) PARTIAL DECREE PURSUANT TO
) I.R.C.P. 54(b) FOR
Case No. 39576)
) Water Right 37-02089

NAME AND ADDRESS: STROM RANCHES INC
PO BOX 137
HILL CITY, ID 83337-0137

SOURCE: NEGRO CREEK TRIBUTARY: CAMAS CREEK

QUANTITY: 6.40 CFS

PRIORITY DATE: 10/09/1907

POINT OF DIVERSION: T01S R11E S27 SENESE Within Elmore County

PURPOSE AND PERIOD OF USE:	PURPOSE OF USE	PERIOD OF USE	QUANTITY
	Irrigation	04-15 TO 10-31	6.40 CFS

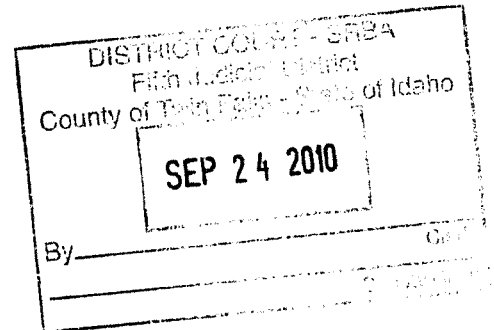
PLACE OF USE:	Irrigation		Within Elmore County
	T01S R11E S27	NESW 20.0	NWSW 16.0
		SWSW 38.0	SESW 40.0
		NESE 8.5	NWSE 20.0
		SWSE 40.0	SESE 24.0
	S28	SESE 0.3	
	S33	NENE 6.3	SENE 14.0
		NESE 16.0	SESE 9.6
	S34	NENE 22.0	NWNE 40.0
		SWNE 39.0	SENE 12.0
		NENW 40.0	NWNW 40.0
		SWNW 39.0	SENE 39.0
		NESW 39.0	NWSW 39.0
		SWSW 40.0	SESW 40.0
	T02S R11E S03 LOT 3	(NENW) 4.7	LOT 4 (NWNW) 1.6
	688.0 Acres Total		

This right is limited to the irrigation of 320 acres within the place of use described above in a single irrigation season. The rights listed below are limited to the irrigation of a combined total of 688 acres in a single irrigation season. Combined Right Nos.: 37-2089, 37-2244B, and 37-21835.

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

This water right shall be administered as being from a separate source pursuant to Basin 37 Part 2 General Provision No. 1.A or 1.B. If the holder of this right seeks to change the right pursuant to Idaho Code Sec. 42-222 or successor statute, nothing in this general provision shall preclude any other person or entity from demonstrating that such a change in use would cause injury to its water right or from receiving any relief provided by law in the event of injury.

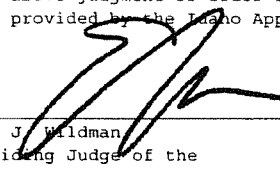
THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. I.C. SECTION 42-1412(6).



SRBA Partial Decree Pursuant to I.R.C.P. 54(b) (continued)

RULE 54(b) CERTIFICATE

With respect to the issues determined by the above judgment or order, it is hereby CERTIFIED, in accordance with Rule 54(b), I.R.C.P., that the court has determined that there is no just reason for delay of the entry of a final judgment and that the court has and does hereby direct that the above judgment or order shall be a final judgment upon which execution may issue and an appeal may be taken as provided by the Idaho Appellate Rules.



Eric J. Wildman
Presiding Judge of the
Snake River Basin Adjudication

RECEIVED

APR 08 2014

Department of Water Resources

ATTACHMENT 2

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

1. <u>Water Right Number</u>	<u>Amount (cfs/ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
<u>37-02089</u>	<u>3.4 cfs</u>	<u>irrigation</u>	<u>04-15</u> to <u>10-31</u>
			to
			to
			to
			to
			to
			to
Total Amount:	3.4 cfs		

2. Source of water Negro Creek tributary to Camas Creek

3. Point(s) of Diversion:

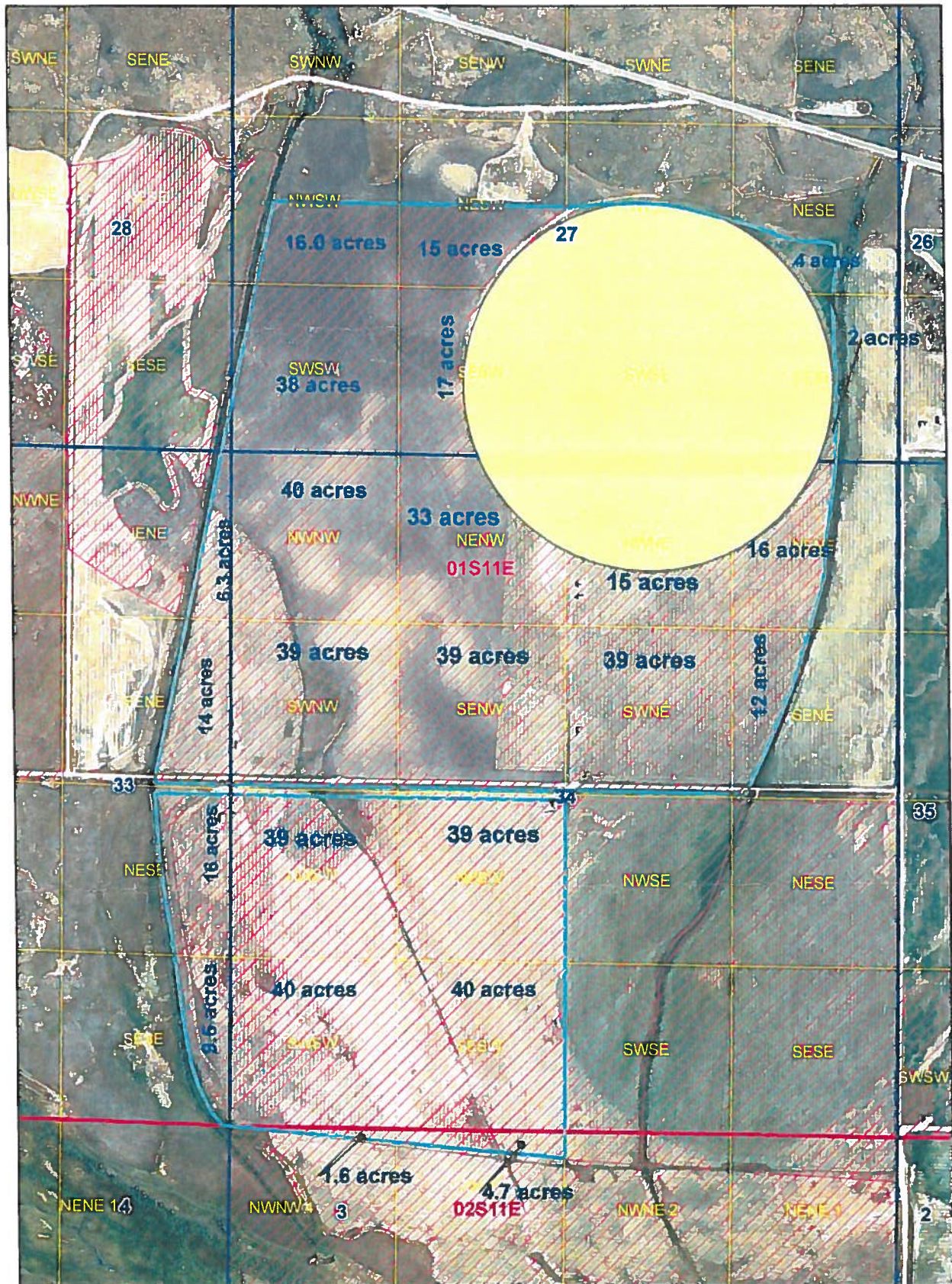
[illegible]4. Lands irrigated or place of use:[illegible]

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

The approximate 150 acres that will continue to be irrigated with a portion of water right 37-02089 and all of water right 37-21835 is highlighted in yellow on the attached map.

Attachment 2

WATER RIGHT 37-2089



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

APR 0-1 2014

Department of Water Resources

ATTACHMENT 2

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

1. Water Right Number Amount (cfs/ac-ft) Nature of Use Period of Use
37-02089 3.4 cfs irrigation 04-15 to 10-31
 _____ to _____
 _____ to _____
 _____ to _____
 _____ to _____
 _____ to _____
 Total Amount: 3.4 cfs
2. Source of water Negro Creek tributary to Camas Creek

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
01S	11E	27		SE	NE	SE	Elmore

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	
01S	11E	27									15	16	38	17	4	0	0	2	92
01S	11E	34	16	15	39	12	33	40	39	39									233

If the water right is for irrigation, show total number of acres offered to the Bank. Total Acres 325

The approximate 150 acres that will continue to be irrigated with a portion of water right 37-02089 and all of water right 37-21835 is highlighted in yellow on the attached map.

Attachment 2

[illegible]



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

May 14, 2014

STROM RANCHES INC
PO BOX 137
HILL CITY ID 83337-0137

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 37-2089, 37-2244B and 37-21835

Dear Lessor:

Water Rights 37-2089, 37-2244B and 37-21835 were leased into the Water Supply Bank on April 11, 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,


for Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: Sawtooth Law Offices, PLLC
Allen Merritt- IDWR Southern Regional Manager
Rusty Kramer- Water District No. 37B

Boise Office

Golden Eagle Building
1101 W. River St., Ste. 110
P.O. Box 7985
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Fax (208) 629-7559

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Fax (208) 879-4248

Twin Falls Office

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katie@sawtoothlaw.com

Melodie Baker, legal assistant
mel@sawtoothlaw.com

Wednesday, May 07, 2014

RECEIVED

MAY 13 2014

DEPARTMENT OF
WATER RESOURCES

Idaho Department of Water Resources
ATTN: Cherie Palmer
322 E. Front St.
Boise, ID 83702

Re: Applications to Lease Water Rights 37-2089, 37-2244B & 37-21835 to the Water
Supply Bank

Dear Ms. Palmer:

Enclosed please find the requested documents enclosed with your letter of April 28, 2014 to Strom Ranches Inc with regard to the above-referenced water rights.

Thank you for your assistance. Please feel free to contact our office with any questions or concerns.

Very truly yours,

Katie R. Kelly
Secretary to S. Bryce Farris

Enclosures



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

April 28, 2014

STROM RANCHES INC
PO BOX 137
HILL CITY ID 83337-0137

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 37-2089, 37-2244B and 37-21835 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.

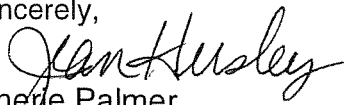
The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

c. Sawtooth Law Offices PLLC

Hersley, Jean

From: Rusty Krame [idahotrapguy@hotmail.com]
Sent: Wednesday, April 23, 2014 8:17 AM
To: Hersley, Jean; Merritt, Allen
Subject: RE: Water Supply Bank Lease Applications 37-2089, 37-2244B and 37-21835

I see no issues with this.

Rusty Kramer
District 37B Watermaster

From: Jean.Hersley@idwr.idaho.gov
To: Allen.Merritt@idwr.idaho.gov; idahotrapguy@hotmail.com
Subject: Water Supply Bank Lease Applications 37-2089, 37-2244B and 37-21835
Date: Mon, 21 Apr 2014 16:58:46 +0000

Strom Ranches Inc would like to lease 170 acres of 37-2089 and all of 37-2244B and 37-21835 to the WSB?
Please let me know within 10 days if you have any comments or concerns. Review memo attached.

*Jean Hersley
Idaho Dept Water Resources
Technical Records Specialist II
208-287-4942*

Hersley, Jean

From: Merritt, Allen
Sent: Wednesday, April 23, 2014 11:27 AM
To: Hersley, Jean
Subject: RE: Water Supply Bank Lease Applications 37-2089, 37-2244B and 37-21835

I only have one question??? How are they going to address the storage in the reservoir? Are they going to store water or not?

From: Hersley, Jean
Sent: Monday, April 21, 2014 10:59 AM
To: Merritt, Allen; Rusty Kramer (idahotrapguy@hotmail.com)
Subject: Water Supply Bank Lease Applications 37-2089, 37-2244B and 37-21835

Strom Ranches Inc would like to lease 170 acres of 37-2089 and all of 37-2244B and 37-21835 to the WSB? Please let me know within 10 days if you have any comments or concerns. Review memo attached.

*Jean Hersley
Idaho Dept Water Resources
Technical Records Specialist II
208-287-4942*

MEMORANDUM

To: Water Right No(s). 37-2089, 37-2244B and 37-21835
From: Jean Hersley thru Pam Skaggs
Date: April 21, 2014
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: The Department received two of the applications on March 17, 2014 and the third on April 11, 2014. We contacted Bryce Farris the attorney who submitted the applications on behalf of Strom Ranches regarding issues with the original applications. Updated attachments and a third application were submitted for processing. The applications propose to lease 167.5 acres of right 37-2089 (152.5 acres will continue to be irrigated) and all of rights 37-2244B and 37-21835 to the Bank.

AUTHORITY TO FILE: The applicant is the current owner of these rights. Dennis Strom signed the applications as president of Strom Ranches Inc.

WATER RIGHT VALIDITY: The water rights were decreed in 2010. Forfeiture is not an issue.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: These rights are limited to a combined total of 688 acres of irrigation with water from Negro Creek. A total of 535.5 acres will not be irrigated under any of the rights. Only the unleased portion of right 37-2089 will be used to irrigate a pivot on the remaining 152.5 acres. 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: The leased right(s) are subject to Water District # 37-B.

Boise Office

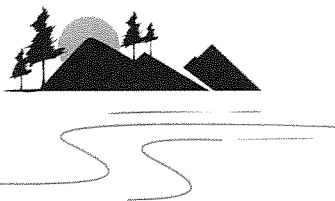
Golden Eagle Building
1101 W. River St., Ste. 110
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Twin Falls Office

161 Fifth Avenue South
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jim@sawtoothlaw.com

Katie Kelly, legal assistant
katie@sawtoothlaw.com

Melodie Baker, legal assistant
mel@sawtoothlaw.com

Friday, April 04, 2014

RECEIVED

APR 08 2014

DEPARTMENT OF
WATER RESOURCES

Idaho Department of Water Resources

ATTN: Pam

322 E. Front St.

Boise, ID 83702

Re: Attachment 2 - 37-02089 Water Supply Bank Lease or Sale Application for
Strom Ranches, Inc.

Dear Pam:

Per your request, enclosed please find the revised Attachment 2 for the above-referenced Application previously submitted to the Department on March 17, 2014.

Per your conversation with Mr. Farris, we will be submitting a Water Supply Bank Lease or Sell Application for water right 37-21835 and an Application to Rent Water From the Water Supply Bank for water right 37-21835 once we obtain signatures from our client.

Thank you for your assistance.

Very truly yours,

Katie R. Kelly
Secretary to S. Bryce Farris

Enclosure

Boise Office

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1101 W. River St., Ste. 110
P.O. Box 7985
Boise, Idaho 83707
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SAWTOOTH LAW
OFFICES, PLLC

RECEIVED

APR 01 2014

DEPARTMENT OF
WATER RESOURCES

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david@sawtoothlaw.com

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bryce@sawtoothlaw.com

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jim@sawtoothlaw.com

Katie Kelly, legal assistant
katie@sawtoothlaw.com

Melodie Baker, legal assistant
mel@sawtoothlaw.com

Friday, March 28, 2014

Idaho Department of Water Resources
ATTN: Jean Hensley
322 E. Front St.
Boise, ID 83702

Re: Attachment 2 - 37-02089 Water Supply Bank Lease or Sale Application for
Strom Ranches, Inc.

Dear Jean:

Per your request by way of letter dated March 21, 2014, enclosed please find the completed Attachment 2 for the above-referenced Application previously submitted to the Department on March 17, 2014.

Thank you for your assistance.

Very truly yours,

Katie R. Kelly
Secretary to S. Bryce Farris

Enclosure



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

March 21, 2014

STROM RANCHES INC
C/O SAWTOOTH LAW OFFICE PLLC
1101 W RIVER ST STE 110
PO BOX 7985
BOISE ID 83707

**RE: ADDITIONAL INFORMATION REQUEST FOR PROCESSING APPLICATION(S) TO
LEASE WATER RIGHT NO(S). 37-2089 TO THE WATER SUPPLY BANK**

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

Dear Applicant:

The Idaho Department of Water Resources (Department) acknowledges receipt of the application(s) to lease the above referenced water right(s) to the Idaho Water Resource Board's Water Supply Bank (Bank). The Department will review your application as resources allow.

If the right(s) is determined to be eligible for acceptance into the Bank, the right will be entered as of the date of receipt of the application. The acceptance date may be adjusted when additional information is required. A preliminary review of your application(s) has been completed and it has been determined that additional information is required to continue processing.

Please provide the following information within 14 days of the date of this letter or the application will be returned:

- a land list to go with the plat map submitted- the Department needs to know the specific acres in each quarter-quarter tract

The department will continue processing your application(s) once you have submitted the requested information. Water right forms are available from the Department's web site at www.idwr.idaho.gov. If you have any questions, please contact me at (208) 287-4944.

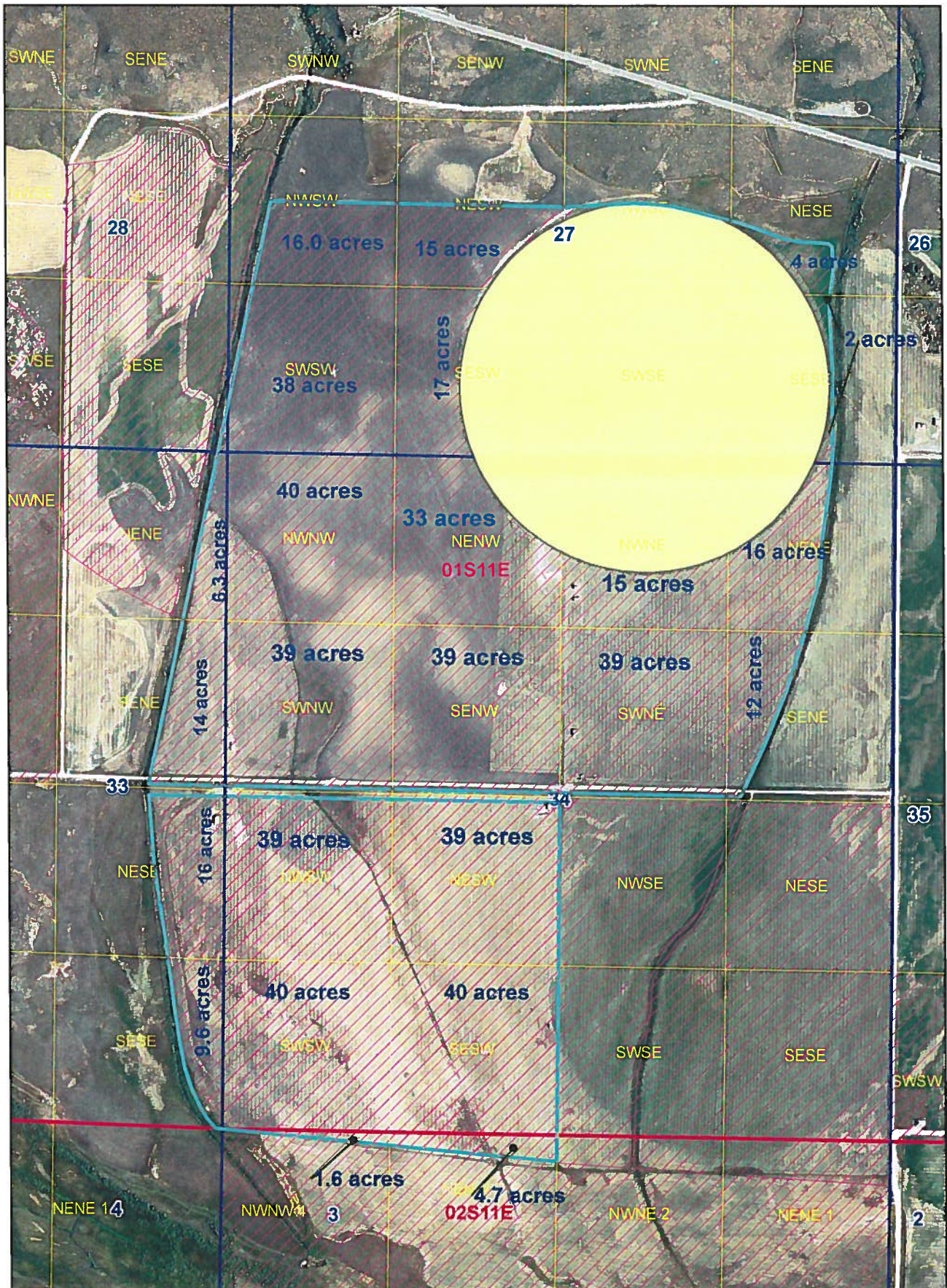
Sincerely,

for Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Attachment 2

c: Strom Ranches Inc

WATER RIGHT 37-2089



Boise Office

Golden Eagle Building
1101 W. River St., Ste. 110
P.O. Box 7985
Boise, Idaho 83707
Tel. (208) 629-7447
Fax (208) 629-7559

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SAWTOOTH LAW
OFFICES, PLLC

RECEIVED
MAR 17 2014
DEPARTMENT OF
WATER RESOURCES

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James R. Bennetts, of counsel
jim@sawtoothlaw.com

Katie Kelly, legal assistant
katie@sawtoothlaw.com

Melodie Baker, legal assistant
mel@sawtoothlaw.com

Monday, March 17, 2014

Idaho Department of Water Resources
ATTN: Remington Buyer
322 E. Front St.
Boise, ID 83702
Via Hand Delivery

Re: Water Supply Bank Lease or Sale Applications for Strom Ranches, Inc.

Dear Mr. Buyer:

Enclosed please find two original Water Supply Bank Applications. One Application is for water right number 37-02244B. The second Application is being submitted for a partial portion of water right number 37-02089. Also enclosed is a check in the amount of \$500.00 made payable to Idaho Department of Water Resources.

Thank you for your assistance. Please feel free to contact me with any questions or concerns.

Very truly yours,

S. Bryce Farris

Enclosures

cc: Client w/o encls.