

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective March 12, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: BUSHMAN FARM & LIVESTOCK CO LP
680 W MAIN
LEHI UT 84043
(801) 368-6370
jkbushman@msn.com

RECEIVED

APR 29 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>
43-13289	0.22 CFS	43.2 AF	10.8 AC	47.5 AC
43-13291	0.06 CFS	NA	4.2 AC	47.5 AC
2 Rts. Combined Limits:	0.22 CFS	43.2 AF		
43-13287	0.45 CFS	90.0 AF	22.5 AC	47.5 AC
3 Rts. Combined Limits:	0.52 CFS			
43-2354A	0.15 CFS	40.0 AF	10.0 AC	47.5 AC
Total Combined Lease:	0.67 CFS	173.2 AF	47.5	47.5 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, 2014.

SUPPORT DATA

IN FILE # 43-2354A

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.

BUSHMAN FARM & LIVESTOCK CO

680 W MAIN
LEHI UT 84043

By *John K Bushman*
Printed Name John K Bushman

Date 4/23/2016
Title Manager

IDAHO WATER RESOURCE BOARD

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

By *Brian Patton*
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 04-29-2014

Lease approved by IDWR *Amelia S Skaggs*

Date 04-29-2014

ATTACHMENT A
WATER RIGHT NO. 43-2354A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: BUSHMAN FARM & LIVESTOCK CO
680 W MAIN
LEHI UT 84043
(801) 368-6370

Priority Date: 09/17/1954

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	0.15 CFS	40.0 AF
	Total:		0.15 CFS	40.0 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 14 Twp 12S Rge 26E CASSIA 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	
12S	26E	14													11.9	11.9	11.8	11.9	47.5

Total Acres: 47.5

Limited to acres within place of use described above: 10.0 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 10 acres within the place of use described above in a single irrigation season.



ATTACHMENT A
WATER RIGHT NO. 43-13287
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: BUSHMAN FARM & LIVESTOCK CO
680 W MAIN
LEHI UT 84043
(801) 368-6370

Priority Date: 07/05/1963

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	0.45 CFS	90.0 AF
	Total:		0.45 CFS	90.0 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 14 Twp 12S Rge 26E CASSIA 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	
12S	26E	14													11.9	11.9	11.8	11.9	47.5

Total Acres: 47.5

Limited to acres within place of use described above: 22.5 AC

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>
43-13287, 43-13289 and 43-13291	0.52 CFS	NA	NA	NA

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. Water rights 43-13287, 43-13289 and 43-13291 when combined shall not exceed a total diversion rate of 0.52 cfs.
13. This right is limited to the irrigation of 22.5 acres within the place of use described above in a single irrigation season.
14. The period of use for the irrigation described in this approval may be extended to a beginning date of 3/15 and an ending date of 11-15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/31 is subordinate to all water right having no subordinated early or late irrigation use and a priority date earlier than 6/25/2002.

ATTACHMENT A
WATER RIGHT NO. 43-13289
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: BUSHMAN FARM & LIVESTOCK CO
680 W MAIN
LEHI UT 84043
(801) 368-6370

Priority Date: 07/05/1963

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	0.22 CFS	43.2 AF
	Total:		0.22 CFS	43.2 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER SE¼SW¼SE¼ Sec. 14 Twp 12S Rge 26E CASSIA 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	
12S	26E	14													11.9	11.9	11.8	11.9	47.5

Total Acres: 47.5

Limited to acres within place of use described above: 10.8 AC

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>
43-13289 and 43-13291	0.22 CFS	43.2 AF	NA	NA
43-13287, 43-13289 and 43-13291	0.52 CFS	NA	NA	NA

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 10.8 acres within the place of use described above in a single irrigation season.
13. Water right 43-13291 is an expansion of this right pursuant to Section 42-1416B of the Idaho Code.
14. Use of this right with right 43-13291 is limited to a total combined diversion rate of 0.22 cfs and a total annual maximum diversion volume of 43.2 af at the field headgate.
15. Water rights 43-13287, 43-13289 and 43-13291 when combined shall not exceed a total diversion rate of 0.52 cfs.
16. The period of use for the irrigation described in this approval may be extended to a beginning date of 3/15 and an ending date of 11-15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/31 is subordinate to all water right having no subordinated early or late irrigation use and a priority date earlier than 6/25/2002.

ATTACHMENT A
WATER RIGHT NO. 43-13291
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: BUSHMAN FARM & LIVESTOCK CO
680 W MAIN
LEHI UT 84043
(801) 368-6370

Priority Date: 06/30/1985

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	0.06 CFS	NA
	Total:		0.06 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER SE¼SW¼SE¼ Sec. 14 Twp 12S Rge 26E CASSIA 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	
12S	26E	14													11.9	11.9	11.8	11.9	47.5

Total Acres: 47.5

Limited to acres within place of use described above: 4.2 AC

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>
43-13289 and 43-13291	0.22 CFS	43.2 AF	NA	NA
43-13287, 43-13289 and 43-13291	0.52 CFS	NA	NA	NA

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 4.2 acres within the place of use described above in a single irrigation season.
13. This right is an expansion of right 43-13289 pursuant to Section 42-1416B of the Idaho Code.
14. Use of this right with right 43-13289 is limited to a total combined diversion rate of 0.22 cfs and a total annual maximum diversion volume of 43.2 af at the field headgate.
15. Water rights 43-13287, 43-13289 and 43-13291 when combined shall not exceed a total diversion rate of 0.52 cfs.

STATE OF IDAHO
WATER RESOURCE BOARDWATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLISTRECEIVED
MAR 12 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 Bushman Farm & Livestock Co. Water Right No. 43-2354A
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 \$ 500⁰⁰Received By: GDate Received: 3/12/14Receipt # C098465W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)Name on W-9: Bushman Farm & Livestock Co.

EXHIBIT "B"

OWNERSHIP INTEREST

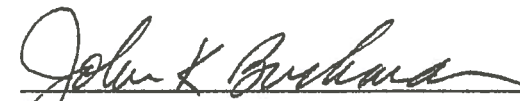
BUSHMAN FARM AND LIVESTOCK, a Utah Limited Partnership

Robert Kent Bushman	64.125%
John K. Bushman	22.875%
Ann Bushman	11.00%
Bushman Management, L.C.	2.00%

DATED this 26th day of December, 2006.


ROBERT KENT BUSHMAN

DATED this 26th day of December, 2006.


JOHN K. BUSHMAN

DATED this 26th day of December, 2006.

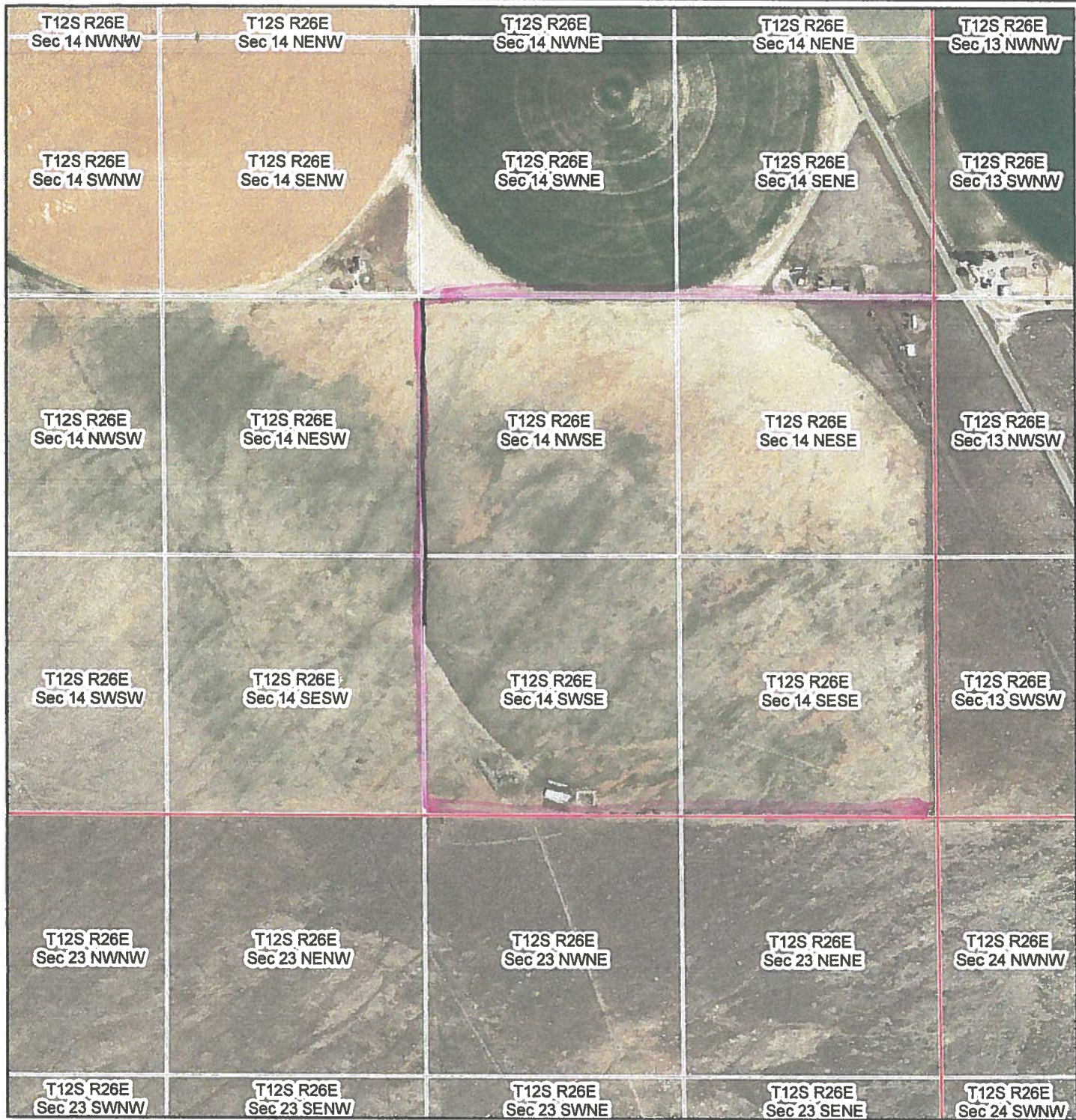

ANN BUSHMAN

DATED this 26th day of December, 2006.

BUSHMAN MANAGEMENT, L.C.

BY: 
ROBERT KENT BUSHMAN, MANAGER

BY: 
JOHN K. BUSHMAN, MANAGER



0 350 700 1,400 2,100 2,800 Feet

MEMORANDUM

To: Water Right No(s). 43-2354A, 43-13287, 43-13289 and 43-13291

From: Jean Hersley

Date: April 10, 2014

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

PURPOSE/NARRATIVE: The Department received these applications on March 12, 2014. The initial review suggested irrigation had not taken place in the last 5 years. A letter was sent to the applicant for evidence the water had been used. Applicant responded with power records and receipts that irrigation had been attempted but they are having trouble pumping the allotted amount of water due to a faulty well. Mr. Bushman said the tried to flood irrigate in May and June of 2008 and power records support that statement. Attempts have been made to use the water but due to unusual circumstances he hasn't been able to. Under these circumstances, we are allowing the water rights in the Bank.

AUTHORITY TO FILE: Applications were signed by John Bushman, manager of Bushman Farm & Livestock.

WATER RIGHT VALIDITY: Water rights were decreed in 2002. 2008 landsat imagery indicates water was used in May and June.

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: The leased right(s) are not subject to a Water District.

Hersley, Jean

From: Merritt, Allen
Sent: Thursday, April 10, 2014 11:34 AM
To: Hersley, Jean
Subject: RE: WSB Lease for Bushman Farm & Livestock

May need legal review for issues involving forfeiture.

From: Hersley, Jean
Sent: Thursday, April 10, 2014 9:25 AM
To: Merritt, Allen
Subject: WSB Lease for Bushman Farm & Livestock

43-2354A, 43-13287, 43-13289 and 43-13291.

Please let me know if you have any comments or concerns with leasing these water rights to the Bank. Review memo attached. If you need to see any other documents, please let me know and I will scan them for you.

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

Bushman Farm & Livestock Co.
Stauffer Creek Ranch
1788 Stauffer Canyon Rd.
Nounan, ID 83239



680 West Main Lehi, UT 84043
Phone: (801) 768-8730 Fax: (801) 768-0872

Bushman Farm & Livestock Co.
Black Willow Meadows
Pioneer Crossing 300 East
Lehi, Utah

RECEIVED
APR 08 2014
DEPARTMENT OF
WATER RESOURCES

April 2, 2014

Dear Ms. Palmer

I am in receipt of the letter dated March 26, 2014. Thank you for your quick reply to our applications to lease our water rights to the Idaho Water Bank. The Department has requested that we supply evidence the water rights have been used in the last 5 years. I have included the evidence that I have showing our actions and intent, plus our on going work to use the water on the property the water is assigned.

1. The first document is a power billing history for the property. We did not have a pivot on the property. The water was used from May through June of 2008 and was used for flood irrigation. Of course that is not very efficient. You can see that \$1166.00 was spent to pump the well and water the ground. During 2011 a used pivot and panel was moved to the property to prepare to sprinkle the ground. When the well was turned on there was not any water in 2013. The connect and demand charge have been paid every year except 2011.

2. This is a receipt from Butte Irrigation showing the purchase of a sprinkler system for the pivot on the property for \$202.40.

3. This is a receipt from The Sprinkler Shop for drop hose to go on the pivot for \$480.44.

4. In the spring of 2013, after the well failed to produce water, we had the motor pulled, by Layne Pumps, who rebuilt it and we purchased a new 6 stage bowl for \$12,078.00. After the rebuilt motor and bowls were installed, the pump was turned on and no water.

5. In November of 2013 we hired the Lucas Ward Drilling company to clean the well. We found that we had more serious problems. At 245 feet, the pipe had separated and slid downward about 80 ft., which allowed the existing pipe to fill with sand. So we made the decision to re-drill the well to 380 ft. The cost for that project was \$29,028.00.

6. In February of 2014 we hired Layne Pumps to make us a smaller bowl and move to a 10 stage assembly. They also tested the well and developed the well. The costs for this project was \$13,795.00. We were able to develop some water but not enough to run the pivot.

I talked to the Department last year about putting the water into the bank to protect our right but thought that we would be up in business during 2013. Needless to say we are not. So we are back to the drawing board and looks like we are going to have to drill a completely new well. In the

mean time we would like to rent the rights to the Water Bank. I don't know if the information I have furnished for the Department is sufficient to answer your concerns about our rights. Just in case , I have also filled out the Extension of Time Application, included a check for \$400.00 in case that is what we need to do. Please let me know. I am free to answer any question if I need to clarify any information at 801-368-6370

Sincerely,

John K Bushman

Enclosures: Applications for Extension of Time
Pivot repair costs
Motor and bowl costs
Pivot repair bills
Well cleaning and re-drill receipts
Bowl costs and test well receipts



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 26, 2014

BUSHMAN FARM & LIVESTOCK CO LP
680 W MAIN
LEHI UT 84043

RE: APPLICATION(S) TO LEASE WATER RIGHT NO(S). 43-2354A, 43-13287, 43-13289 and 43-13291 TO THE WATER SUPPLY BANK

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 has started to review your applications. During the review process, the Department looks for signs of irrigation during the previous 5 years with aerial photography. The aerial photography suggests that irrigation has not taken place within the last 5 years at the place of use for these water rights.

Please supply to the Department evidence that the water rights listed above, have been used in the last 5 years within 30 days. Types of evidence can include pumping records or watermaster records. If the evidence is not received by April 26, 2014, the Department will return your applications unprocessed.

Please note the forfeiture period is not tolled unless a right is accepted into the Bank, or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. If forfeiture is a concern, you may consider filing an Application for Extension of Time to Avoid Forfeiture of a Water Right form. This and other 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 Jan Hersley
Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Receipt #C098465