

SEP 13 2013

WATER SUPPLY BANK LEASE CONTRACT DEPARTMENT OF
WATER RESOURCES

This Lease Contract ("Lease") is effective June 5, 2013, between the Idaho Water Resource Board ("Board"), and

Lessor: WG Farms LLC
719 E 700 N
Rupert, ID 83350
208-531-5104

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>
36-2415A	2.60 CFS	744.4 AF	186.1 AC	194.5 AC
36-15356A	0.15 CFS	33.6 AF	8.4 AC	194.5 AC
Combined Lease Totals:	2.60 CFS	778.0 AF	194.5 AC	194.5 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, 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**IN FILE #** 36-2415A

SCANNED

SEP 17 2013

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.

WG Farms LLC
719 E 700 N
Rupert, ID 83350

By St Whitesides

Date 9-11-13

Printed Name Steven Whitesides

Title MANAGER

IDAHO WATER RESOURCE BOARD

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

By Brian Patton

Date 09-16-13

Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR Camila S Skaggs

Date 09-16-13

ATTACHMENT A
WATER RIGHT NO. 36-2415A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: WG Farms LLC
719 E 700 N
Rupert, ID 83350
208-531-5104

Priority Date: 02/18/1960

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	2.60 CFS	744.4 AF
	Total:		2.60 CFS	744.4 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NW¼SE¼NW¼	Sec. 7, Twp 07S, Rge 25E, MINIDOKA County
GROUND WATER	NE¼SW¼NE¼	Sec 7, Twp 07S, Rge 25E, MINIDOKA County
GROUND WATER	NE¼SW¼SE¼	Sec 7, Twp 07S, Rge 25E, MINIDOKA County
GROUND WATER	SW¼NE¼SW¼	Sec 7, Twp 07S, Rge 25E, MINIDOKA County
GROUND WATER	SW¼SE¼NE¼	Sec 13, Twp 07S, Rge 24E, MINIDOKA County
GROUND WATER	SW¼NE¼NE¼	Sec 14, Twp 07S, Rge 24E, MINIDOKA County
GROUND WATER	SW¼NW¼SE¼	Sec 14, Twp 07S, Rge 24E, MINIDOKA County
GROUND WATER	SE¼NW¼NE¼	Sec 24, Twp 07S, Rge 24E, MINIDOKA County
GROUND WATER	SE¼SE¼SE¼	Sec 25, Twp 07S, Rge 24E, MINIDOKA County
GROUND WATER	NE¼SW¼NW¼	Sec 17, Twp 07S, Rge 25E, MINIDOKA County
GROUND WATER	SE¼NE¼SW¼	Sec 18, Twp 07S, Rge 25E, MINIDOKA County
GROUND WATER	NE¼SE¼NW¼	Sec 19, Twp 07S, Rge 25E, MINIDOKA County
GROUND WATER	SE¼SE¼NE¼	Sec 12, Twp 07S, Rge 24E, MINIDOKA County
GROUND WATER	NE¼NW¼NW¼	Sec 25, Twp 07S, Rge 24E, MINIDOKA County
GROUND WATER	NE¼SE¼SE¼	Sec 18, Twp 07S, Rge 25E, MINIDOKA 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	
07S	24E	12	3.8			1.0												7.8	12.6
07S	24E	13	5.8	5.3		6.1	6.2							7.0					30.4
07S	24E	14						5.3					6.5	6.7			6.3		24.8
07S	24E	24					5.0		6.2	4.5	5.3	5.7		5.3		4.6	5.1		41.7
07S	24E	25		4.6			5.6						1.4	6.7			1.7		20.0
07S	25E	7			2.1	2.5					1.5			3.3	6.3	8.8	5.8	5.4	35.7
07S	25E	17						7.3											7.3
07S	25E	18	6.0	6.0			4.1			4.1			1.8						22.0

Total Acres: 194.5

Limited to acres within place of use described above: 186.1 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. The lease of this right is limited to the irrigation of 186.1 acres within the place of use described above in a single irrigation season.
11. Lease of rights 36-2415A and 36-15356A when combined shall not exceed a total diversion rate of 2.60 cfs.
12. During the term of this lease, use of unleased portions of rights 36-2415A and 36-15356A are limited to irrigation of a combined total of 86.1 acres in a single irrigation season, a total combined diversion rate of 1.17 cfs, and a total combined annual diversion volume of 344.4 af.
13. Rights 36-2061, 36-2134, 36-2135, 36-2136, 36-2142A, 36-2220, 36-2315A, 36-2315C, 36-2315D, 36-2315E, 36-2415A, 36-2501, 36-2550, 36-7186, 36-7187, 36-7399, 36-8212, 36-8213, 36-8257, 36-8258, 36-8259, 36-15356A, 36-15380, 36-16403 and 36-16796 when combined shall not exceed a total diversion rate of 70.04 cfs, a total annual maximum diversion volume of 17,510.8 af at the field headgate, and the irrigation of 4,382.7 acres.
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.
15. A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion.
16. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
17. 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.
18. 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.



ATTACHMENT A
WATER RIGHT NO. 36-15356A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: WG Farms LLC
719 E 700 N
Rupert, ID 83350
208-531-5104

Priority Date: 06/30/1973

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01	to 11/15	0.15 CFS	33.6 AF
	Total:		0.15 CFS	33.6 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$	Sec. 7, Twp 07S, Rge 25E, MINIDOKA County
GROUND WATER	NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$	Sec 7, Twp 07S, Rge 25E, MINIDOKA County
GROUND WATER	NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$	Sec 7, Twp 07S, Rge 25E, MINIDOKA County
GROUND WATER	SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$	Sec 7, Twp 07S, Rge 25E, MINIDOKA County
GROUND WATER	SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$	Sec 13, Twp 07S, Rge 24E, MINIDOKA County
GROUND WATER	SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$	Sec 14, Twp 07S, Rge 24E, MINIDOKA County
GROUND WATER	SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$	Sec 14, Twp 07S, Rge 24E, MINIDOKA County
GROUND WATER	SE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$	Sec 24, Twp 07S, Rge 24E, MINIDOKA County
GROUND WATER	SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$	Sec 25, Twp 07S, Rge 24E, MINIDOKA County
GROUND WATER	NE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$	Sec 17, Twp 07S, Rge 25E, MINIDOKA County
GROUND WATER	SE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$	Sec 18, Twp 07S, Rge 25E, MINIDOKA County
GROUND WATER	NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$	Sec 19, Twp 07S, Rge 25E, MINIDOKA County
GROUND WATER	SE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$	Sec 12, Twp 07S, Rge 24E, MINIDOKA County
GROUND WATER	NE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$	Sec 25, Twp 07S, Rge 24E, MINIDOKA County
GROUND WATER	NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$	Sec 18, Twp 07S, Rge 25E, MINIDOKA County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
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07S	24E	14						5.3					6.5	6.7			6.3		24.8
07S	24E	24					5.0		6.2	4.5	5.3	5.7		5.3		4.6	5.1		41.7
07S	24E	25		4.6			5.6						1.4	6.7			1.7		20.0
07S	25E	7			2.1	2.5					1.5			3.3	6.3	8.8	5.8	5.4	35.7
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Total Acres: 194.5

Limited to acres within place of use described above: 8.4 AC

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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. The lease of this right is limited to the irrigation of 8.4 acres within the place of use described above in a single irrigation season.
11. Lease of rights 36-2415A and 36-15356A when combined shall not exceed a total diversion rate of 2.60 cfs.
12. During the term of this lease, use of unleased portions of rights 36-2415A and 36-15356A are limited to irrigation of a combined total of 86.1 acres in a single irrigation season, a total combined diversion rate of 1.17 cfs, and a total combined annual diversion volume of 344.4 af.
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