



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

C.L. "BUTCH" OTTER

Governor

GARY SPACKMAN

Director

April 1, 2013

MVCP LLC
474 EAST 550 SOUTH
BURLEY ID 83318

RE: APPLICATION TO LEASE WATER RIGHT NO. 45-13904 TO THE WATER SUPPLY BANK

Dear Lessor:

The Department of Water Resources has completed its review of your applications to lease the above-mentioned water right number to the Water Supply Bank. **I have enclosed two copies of duplicative Water Supply Bank Lease Contracts for your review and signature.** Please sign and return the original contracts, the Department will also sign the original contracts and return an executed copy to you. The contract is considered finalized once you and the Department have signed both.

The right will automatically be released from the Bank on **December 31, 2015**, unless the rights are released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the rights from the Bank, you must submit a request in writing, along with all applicable fees, to the Department prior to the release date. Be aware your rights may not be available for immediate release if they have been rented.

Please review the conditions of acceptance listed on the Lease Acceptance, 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."

Contact me at (208) 287-4944 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Cherie Palmer".

Cherie Palmer
Sr. Water Resource Agent

Enclosure(s)

c: Allen Merritt – IDWR Southern Regional Office
Greg Sullivan – Brockway Engineering PLLC
Brian Higgs Water District 140 Watermaster

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective March 15, 2013, between the Idaho Water Resource Board ("**Board**"), and MVCP, LLC, an Idaho corporation ("**LESSOR**") 474 E 550 South, Burley, ID 83318, (208) 678-1599.

Recitals

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors and lessees 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

Water <u>Right</u>	Lease <u>Rate</u>	Lease <u>Volume</u>	Acre <u>Limit</u>	Total Leased <u>Acres</u>
45-13904	0.83 CFS	328.4 AF	NA	82.1 AC
COMBINED LEASE TOTALS:	0.83 CFS	328.4 AF	NA	82.1 AC

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

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, 2015.
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.

IDAHO WATER RESOURCE BOARD

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

MVCP, LLC.

474 East 550 South
Burley, ID 83318

Brian Patton
Administrator
Idaho Water Resource Board

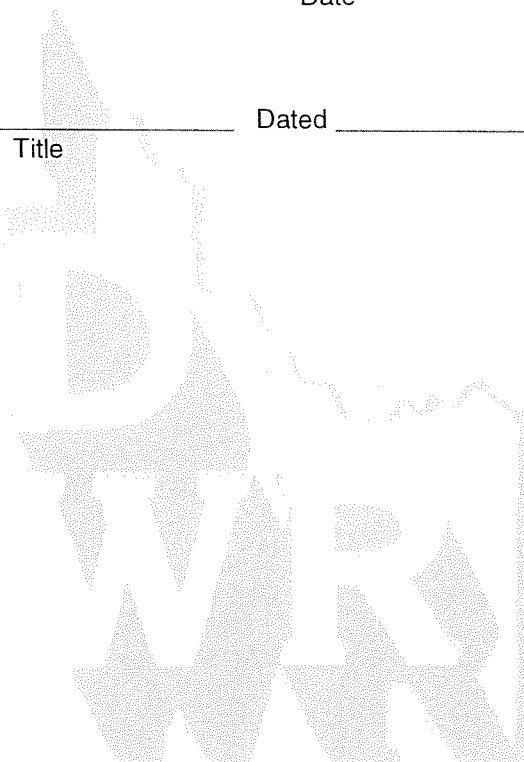
Signature

Title

Date

Date

Lease Approved by IDWR _____ Dated _____
Title _____



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P.O. Box 83720
Boise, ID 83720-9098

MVCP, LLC.

474 East 550 South
Burley, ID 83318

Brian Patton
Administrator
Idaho Water Resource Board

Signature

Title

Date

Date

Lease Approved by IDWR _____ Dated _____
Title _____

ATTACHMENT A
WATER RIGHT NO. 45-13904
WATER SUPPLY BANK LEASE ACCEPTANCE

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

Lessor: MVCP LLC
 474 EAST 550 SOUTH
 BURLEY ID 83318
 (208) 678-1599

Priority Date: 11/16/1974

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	0.83 CFS	328.4 AF
	Total:			0.83 CFS
				328.4 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NW¼NE¼	Sec. 32	Twp 11S	Rge 23E	CASSIA County
GROUND WATER	SW¼NW¼	Sec. 32	Twp 11S	Rge 23E	CASSIA County
GROUND WATER	SW¼NW¼	Sec. 32	Twp 11S	Rge 23E	CASSIA County
GROUND WATER	NE¼SW¼	Sec. 32	Twp 11S	Rge 23E	CASSIA County
GROUND WATER	NW¼SW¼	Sec. 28	Twp 11S	Rge 24E	CASSIA County
GROUND WATER	SW¼SW¼	Sec. 28	Twp 11S	Rge 24E	CASSIA County
GROUND WATER	SW¼SW¼	Sec. 28	Twp 11S	Rge 24E	CASSIA County
GROUND WATER	NE¼SE¼	Sec. 30	Twp 11S	Rge 24E	CASSIA County
GROUND WATER	SE¼SE¼	Sec. 30	Twp 11S	Rge 24E	CASSIA County
GROUND WATER	NE¼NE¼	Sec. 31	Twp 11S	Rge 24E	CASSIA County
GROUND WATER	NW¼NW¼	Sec. 32	Twp 11S	Rge 24E	CASSIA County
GROUND WATER	NW¼NW¼	Sec. 32	Twp 11S	Rge 24E	CASSIA County
GROUND WATER	SE¼SE¼	Sec. 32	Twp 11S	Rge 24E	CASSIA County
GROUND WATER	NE¼NE¼	Sec. 32	Twp 11S	Rge 24E	CASSIA County
GROUND WATER	SW¼SW¼	Sec. 32	Twp 11S	Rge 24E	CASSIA County
GROUND WATER	NE¼NW¼	Sec. 32	Twp 11S	Rge 24E	CASSIA County
GROUND WATER	SE¼SE¼	Sec. 26	Twp 11S	Rge 23E	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	
11S	24E	33		32.3	17.3		5.5			5.6	5.8					15.6			82.1

Total Acres: 82.1

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.

**WATER RIGHT NO. 45-13904
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

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.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. The portion of right no. 45-13904 not in the Water Supply Bank is limited to the irrigation of 866.9 acres within the authorized place of use in a single irrigation season.
7. The portion of right no. 45-13904 not in the Water Supply Bank when combined with right nos. 45-690, 45-691, 45-7004, and 45-7186A shall not exceed the irrigation of 1738.9 acres.
8. The portion of right no. 45-13904 not in the Water Supply Bank when combined with right nos. 45-690, 45-691, 45-2383, 45-14413, 45-14414, 45-7004, 45-7118, 45-14412, 45-7125, 45-7186A, 45-7317, 45-13904, 45-13981, 45-14415, 45-14416, 45-14417, 45-14418, and 45-13982 shall not exceed the irrigation of 3373.9 acres within a 4259.9 acre permissible place of use.
9. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
10. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
11. 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.
12. 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.
13. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.
14. 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.
15. 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 place of use.
16. 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.