

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1667

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

LESSOR: WAR EAGLE FARMS LLC
21610 ROBINSON RD
OREANA, ID 83650

RECEIVED
FEB 10 2023
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 and received by the Department on December 29, 2022.
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 Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
2-2261D	12/19/1963	SNAKE RIVER, tributary to COLUMBIA RIVER	0.26	66.0	13.2
Lease Totals			0.26	66.0	13.2

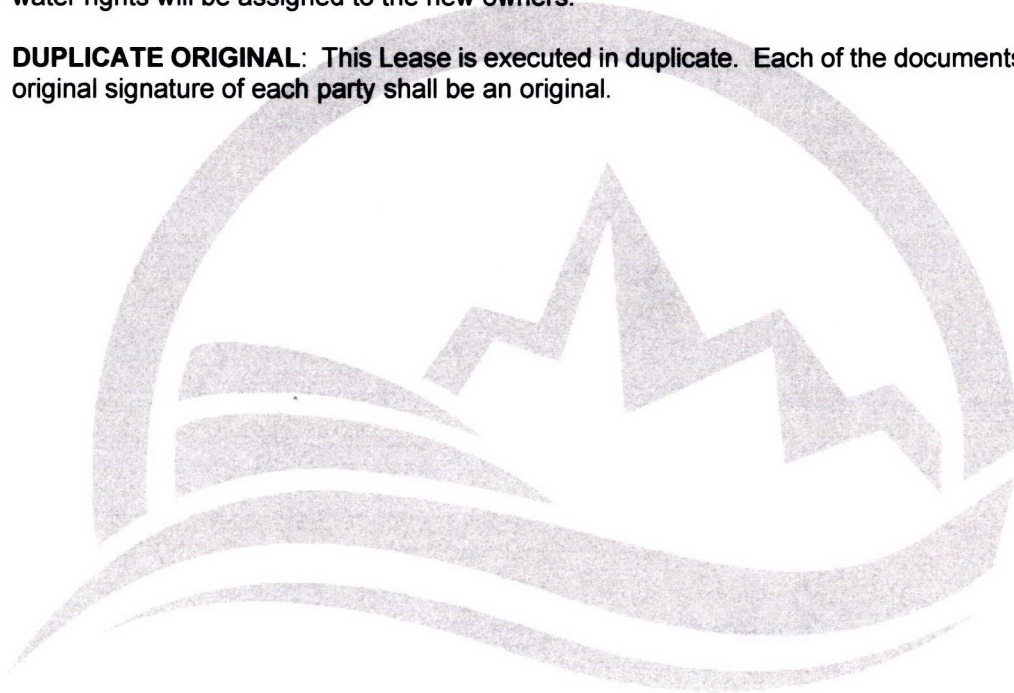
2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2022 to December 31, 2023. This Lease shall bind the parties and take effect when both parties have signed it.
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.

WATER SUPPLY BANK LEASE CONTRACT No. 1667

5. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right is administratively changed due to a water right split and renumbering, this lease may be reduced by an equal amount to reflect the water right elements as legally defined under the water right. If a lease contract cannot be reduced sufficient to reflect the legal definition of a water right as amended through a water right split and/or water right transfer, the Board may release the water right from the Water Supply Bank.
6. **ASSIGNMENT OF CONTRACT:** This lease is between the Board and the Lessor, who is the recognized owner or designated representative of the recognized owners of water rights described herein. Should ownership of any part of a water right herein described change during the term of this lease, either through a water right split, a water right transfer, sale of property to which the water right is appurtenant, or through any other recognized water right reassignment, the lease benefits and obligations to the conditions of acceptance for any such water rights will be assigned to the new owners.
7. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.



STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1667

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

LESSOR: WAR EAGLE FARMS LLC
21610 ROBINSON RD
OREANA, ID 83650

By Rhonda J James
Title member
Date 2-7-2023

IDAHO WATER RESOURCE BOARD

322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By Brian Patton Date 3/13/23
Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR FR Date 3/13/23

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1667

ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water rights or portions thereof leased to the bank are described as follows:

Source and Location of Point(s) of Diversion for Water Right No(s): 2-2261D

SNAKE RIVER L4(SENE) Sec. 8 Twp 04S Rge 02E OWYHEE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
2-2261D	IRRIGATION	03/15	to	11/15	0.26 cfs	66.0 AF
Totals:					0.26 cfs	66.0 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04S	02E	7															13.2		13.2

Total Acres: 13.2

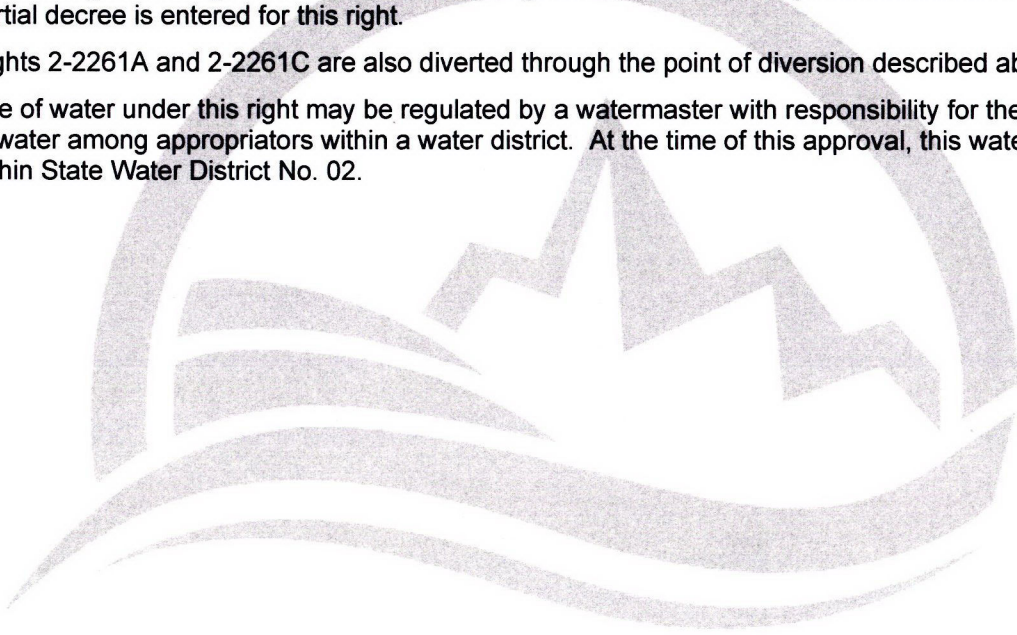
ADDITIONAL CONDITIONS OF ACCEPTANCE

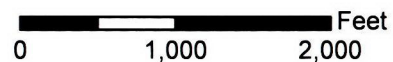
1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of 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, or the lease term expires. A right may be released from the bank upon request, 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 pursuant to Idaho Code § 42-223(5).
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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1667

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, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
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 use of water for irrigation under this right may begin as early as March 1 provided other elements of the right are not exceeded. The use of water before March 15 under this remark is subordinate to all water rights having no subordinated early irrigation use and a priority date earlier than the date a partial decree is entered for this right.
13. Rights 2-2261A and 2-2261C are also diverted through the point of diversion described above.
14. Use of water under this right may 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. 02.





STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

DEC 29 2022

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

WATER RESOURCES
WESTERN REGIONDesignated Applicant Rhonda James

(Select one owner – see item 1A on the application)

Water Right No. 2-2261D

(One water right per application)

Is this application being submitted with a rental application as a lease/rental package?

Yes ☐ No ☒

This application must be prepared in accordance with the minimum requirement checklist below. 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. Applications that do not meet the minimum requirements will not be processed and may be returned or denied.

MIMUMUM REQUIREMENT CHECKLIST

All items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*

Yes

- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank*.
- ☒ Application filing fee of \$250.00 per water right. If you are submitting more than one lease application and the water rights have an overlapping, common place of use, or a common diversion rate or volume, the total fee for all water rights is \$500.00. For places of use, multiple water rights must be used to irrigate the same lands in order to qualify for the joint filing fee. Individual filing fees are required for water rights that share a common permissible place of use but which cover separate acres within the permissible place of use.
- ☒ Confirmation this form has been printed **single sided**, per requirement of the Water Supply Bank.

Attachment N/A Yes

- 1A ☐ ☒ Signatures and contact information for *all owners* of the water right to be 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 ☒ ☐ 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.
- 3 ☐ ☒ 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. You have the option of printing a map using the map tool on IDWR's website at: www.idwr.idaho.gov.
- 4A ☒ ☐ Written consent from irrigation district or water delivery company.
- 4G ☐ ☒ Evidence demonstrating the water right has not been forfeited pursuant to Section 42-222(2), Idaho Code.

Department Use Only

Fee Amount \$ 250⁰⁰Received By: CJDate Received: 12/29/2022Receipt # W050951W-9 received? Yes ☒ No ☐

(Route W-9 to Fiscal)

Name on W-9: Rhonda J. James

2553

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

1. CONTACT INFORMATION

- A. This application must be completed by a Designated Applicant who is a current owner of the water right being sold or leased to the Water Supply Bank. If there are additional current owners, 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 Rhonda James

Mailing Address <u>21610 Robinson Rd</u>	City <u>Oreana</u>	State <u>ID</u>	Zip Code <u>83650</u>
	Street		

Email Address <u>rhonda.james24@gmail.com</u>	Phone Number <u>208-591-4005</u>
---	----------------------------------

☐ 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 submitted an IRS Form W-9 to this Department within the last 2 years? Yes ☐ No ☒

If no, complete the form and attach to this application (Attachment 1B).

- 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 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 1D).

Name of Representative _____ Organization _____

Professional Title _____ Email Address _____

Mailing Address _____ Phone Number _____

☐ 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

☐ 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 the water right is being offered, complete Attachment 2.

3. MAP

Attach a map of the point(s) of diversion and place(s) of use proposed to be idled by this lease application. Make sure the idled place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to idle. If the water right proposed for lease is located within a permissible place of use (PPU) and portions of the PPU will continue to receive water from non-leased water rights, clearly outline on a map the acres within the PPU that will continue to be irrigated, as well as acres that will be idled during the lease term. Label the map **Attachment 3**.

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

- A. 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 4A).

If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to Section 42-108, Idaho Code and IDAPA WSB Rule 37.02.03.25.02e.

- B. Please provide a description of the current water diversion and delivery system.

Water is diverted from Snake River with pump into pipe and delivered to pivots.

- C. 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. NONE

- D. Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes ☐ No ☒

Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of \$500.

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

If yes, explain the relationship between the different water sources and how enlargement of the authorized use will not occur if this water right is leased. No

- F. Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. *None previously in Bank*

- G. Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes ☐ No ☒

If yes, describe the circumstances and attach evidence to demonstrate how the water right has not been lost through forfeiture (Attachment 4G). See Section 42-223, Idaho Code for exceptions to forfeiture. Your application may be denied if forfeiture concerns are not addressed.

- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?

If yes, describe.

Yes ☐ No ☒

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. 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, specify the years when the use of water will be suspended: 2023 to 2024 (maximum lease period 5 calendar years).
(Year) (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.

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 is stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any element of the water right.

Rhonda James
Signature of Designated Applicant

Rhonda James
Printed Name

12-29-22
Date

Signature of Authorized Representative

Printed Name

Date

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

Complete Attachment 2 if only a portion of the water right is offered to the Bank.

ATTACHMENT 2

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

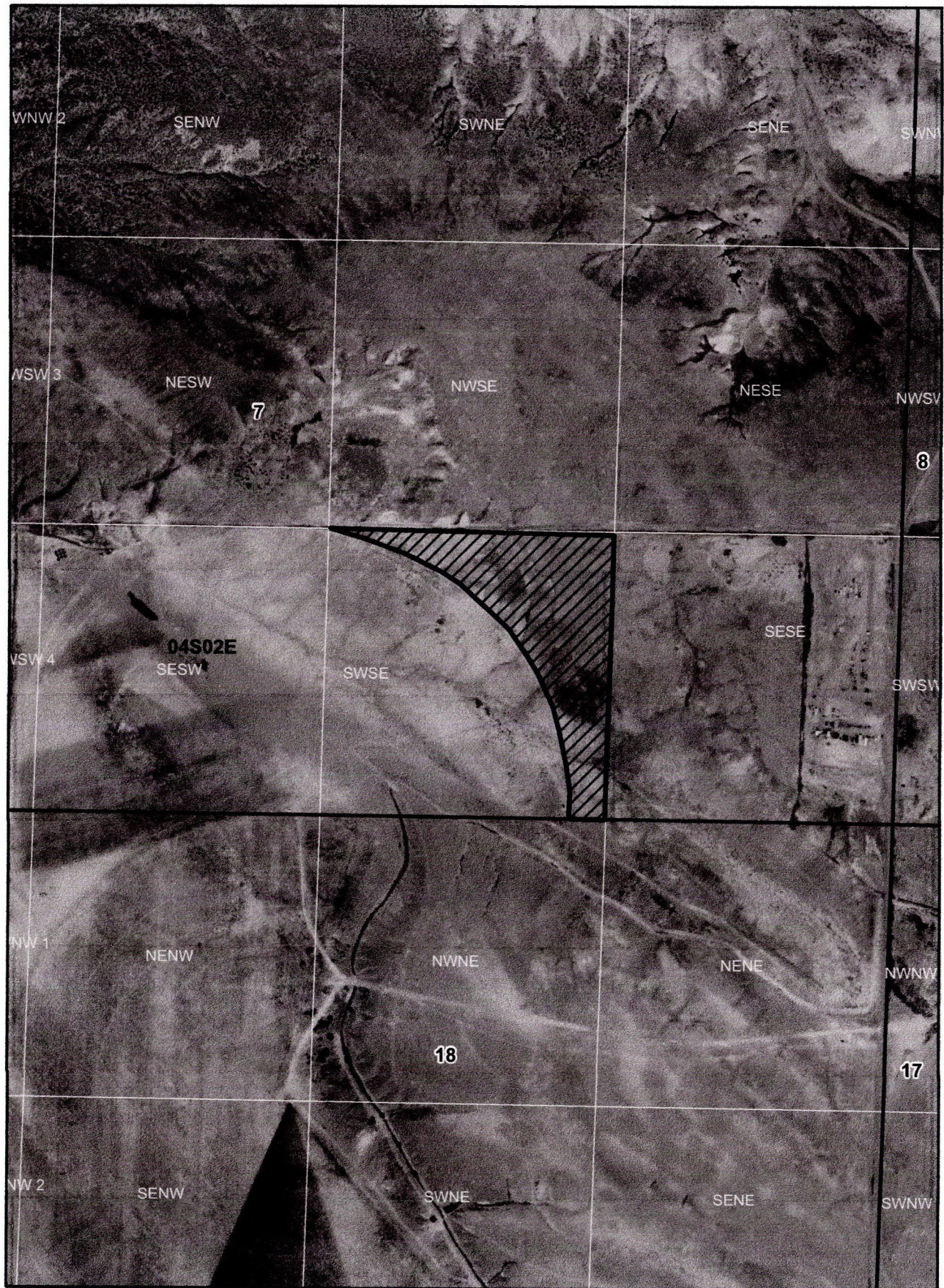
1. <u>Water Right Number</u>	Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
<u>2-2261D</u>	<u>Irrigation</u>	<u>0.26</u>	<u>66</u>	<u>13.2</u>
	Total Amounts:			

2. Source of water Snake River tributary to Columbia River

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
04S	02E	8	4		SE	NE	Owyhee

2-2261D WSB Lease Application



**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

For the water right on this application, list all owners (individuals or business entities) of the right or the property to which it is appurtenant. All water right holders must sign a Water Supply Bank Lease Application. However, only the Designated Applicant needs to provide a completed IRS Form W-9 (Attachment 1B). **All correspondence and any financial payment associated with the rental of this water right will be directed to the Designated Applicant.** If additional space is needed to list any other water right holders, attach a second copy of Attachment 1A.

If submitting multiple applications, it is only necessary to complete one Attachment 1A for the group of applications. List each water right below.

Water Right No(s). 2-2259 , 2-2261 D

	Designated Applicant	Applicant #2	Applicant #3
Name	Rhonda James	Michael James	
Mailing Address	21610 Robinson Rd Oreana, Id 83650		
Phone Number	(208) 591-4005		
Email Address	rhonda.james24@gmail		
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature	Rhonda James	Michael L. James	

	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

WSB Mailing Checklist for Leases

Instructions: Staple to outside of lowest numbered water right file during processing.

Key: Who Completes What?

CLERICAL STAFF: MK

REVIEWER: Jan

Received Date

12/29/2022

Desired Lease Duration

2023-2024

Lease / Rental Package

Y

(N)

If yes, Renter Name:

Application # 2553

Contract # 1667

WR#s		#
		2-2261D
#		#
#		#
#		#
#		#
#		#
#		#
#		#

Applicant Authorized?

(Y) N

Multiple owners, Attach 1A included?

(Y) N NA

If portion is offered, Attach 2 included?

(Y) N NA

Map of POU and POD?

(Y) N NA

POD Consent (if required)?

Y / N (NA)

Application Complete?

(Y) N

Minimum checklist in data base?

☒

Request for additional information letter sent:

Y NA

Stacked Water Rights Need to be Leased?

☐

WSB Action Request for deficiencies

☐

If checked, list water rights:

If the WR owner provided a different address on the application than what's in our database, update address in workflow.

Mailings (per lease application)

Designated Applicant: Rhonda James

Attorney:

Consultants

Name:

Watermaster:

Bob

Delivery Entity:

Water District:

02

Ground Water District:

Region:

Western

Other:

Address:

CC

Original

☐

☐

EMAIL:

☐

☐

EMAIL:

☐

Comments:

☐

☐

☐

☐

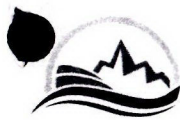
☐

☐

☐

Call up Date:

DO NOT SCAN



IDAHO DEPARTMENT OF
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Gary Spackman

March 15, 2023

RHONDA J JAMES
WAR EAGLE FARMS LLC
21610 ROBINSON RD
OREANA ID 83650

**RE: WATER SUPPLY BANK LEASE CONTRACT 1666 & 1667
FOR WATER RIGHTS 2-2259 & 2-2261D**

Dear Lessor:

Water right(s) **2-2259 & 2-2261D** was/were leased into the Water Supply Bank (Bank) as of January 1, 2022, in accordance with the enclosed executed lease contract. **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.** More information and further restrictions placed on your water rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The right(s) will automatically be released from the Bank on **December 31, 2023**, unless the rights are released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water rights 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 on our public website at www.idwr.idaho.gov. **Please note your water rights may not be available for immediate release if they have been rented or are being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

If you have questions regarding this matter, please contact this office at [bank @idwr.idaho.gov](mailto:bank@idwr.idaho.gov) or 208-287-4800.

Sincerely,

Jean Hersley

for
Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Western Region Office
Water District No. 2

Hummer, Phill

From: Hummer, Phill
Sent: Wednesday, February 15, 2023 8:58 AM
To: rhonda.james24@gmail.com
Subject: WSB Lease Applications

Rhonda,

I am working to finalize your lease applications for rights 2-2259 and 2-2261D but I am concerned that you requested to lease part of each right and not the entire portion. It looks like both rights were leased in their entirety until 2016 and have not been utilized since that time. A water right or portions of rights may be subject to a finding of forfeiture after a period of 5 years of non-use. The portions your proposed to lease can be accepted into the bank starting in 2022 because currently policy allows action in the 6th year following 5 years of non-use. However, the portions not proposed for lease may be at risk. Did you use water for irrigation at the place of use of either right in 2022 or do you plan to resume use of the unleased portions in 2023? If you are not planning to irrigate the unleased portions of either right you might want to consider submitting the entire rights to the bank.

Additionally, you requested a lease period of 2 years. If you are not planning to irrigate under the rights in 2024 you could request a longer period of up to 5 years. Please let me know how you would like to proceed. I can amend the lease contracts to the full portions and a different period and mail executed versions of the amended contracts using the signature page you returned to IDWR with your consent.

If you have any question please contact me by email or phone. If you don't contact IDWR about amending your lease contract within 14 days I will complete processing your applications by finalizing the current request for partial lease and mail the completed contracts to you.

Phill Hummer
Water Rights Supervisor
IDWR State Office
(208) 287-4925

no response



IDAHO DEPARTMENT OF
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Gary Spackman

January 27, 2023

RHONDA JAMES
WAR EAGLE FARMS
21610 ROBINSON RD
OREANA, ID 83650

**RE: APPLICATION TO LEASE WATER RIGHTS 2-2259 & 2-2261D TO THE WATER SUPPLY
BANK CONTRACT 1666 & 1667**

******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 ALL 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 right will automatically be released from the Bank on **December 31, 2023**, unless the right is 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 right may not be available for immediate release if it has 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 this office at bank@idwr.idaho.gov or 208-287-4800.

Sincerely,

Jean Hersley

for
Water Supply Bank

Enclosures: Proposed Lease Contracts

Hersley, Jean

From: Hersley, Jean
Sent: Thursday, January 26, 2023 1:45 PM
To: Whitney, Rob
Subject: Watermaster Comments for 2-2259 & 2-2261D
Attachments: Lease Application Review 2-2259.xls; Lease Application Review 2-2261D.xls; Lease Contract - 1667.docx; Lease Contract - 1666.docx

Rhonda James and War Eagle Farms are placing portions of the above-mentioned water rights in the Bank. These rights were decreed in 2009 but were in the Bank from 2003 to 2016. The contracts are for 2022 to ~~2024~~ ²⁰²³. Please let me know if you have any comment or concerns with the attached leases. Thank you.



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

WATER SUPPLY BANK

Lease Review Checklist

Applicant(s) Name: War Eagle Farms

Memo Date: January 26, 2023

Water Right Number(s): 2-2261D

Reviewers Name: Jean

Quick Tools

Decreed Year	No Forfeiture Concerns Thru:
2011	2017
2012	2018
2013	2019
2014	2020
2015	2021

	Check box		COMMENTS/CONCERNS:
1	☒	Fill out WSB Data Entry Checklist for Leases (Front of File)	
2		Reason for lease of water rights (Brief description of lease proposal in narrative)	
	☒	Portion of right	
		All of right	
3		Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)	
	☒	Yes	No
4	☒	Rentable? (If no explain in comments or narrative)	
5		Authority to file	
	☒	Current owner or designated applicant	
		SOS Web site checked for business entity	
		Other (explain in comments)	
6		Water Right validity	
		Decreed/Licensed/Statutory claim date (write in comments section)	2009
		Past irrigation to ensure forfeiture is not an issue if decreed or licensed over 7 years ago (consider transfers that changed the POU, rentals to the POU etc.)	
	☒	Has this right previously been leased to the bank or in CREP?	2003-2016
7		Injury to other water rights	
		If the POD is through a delivery entity, was consent provided?	na
		If the POD is through a delivery entity, was holdback required? (percentage in comments)	%
		Any other concerns	
8		Enlargement concerns	
	☒	Complete a POU comparison overlap analysis	
	☒	Complete a combined limits review	
	☒	Complete POD overlap analysis (if there is an overlap add condition to lease)	
	☒	Yes	No
		Are there overlapping rights that need to be placed in the bank also?	x
		Will the place of use continue to receive water? (if yes explain in comments)	x
9		Local Public Interest	
		Does the processor know of any problems this action will cause for the local public?	x
10		Have you contacted regional office and watermaster for comment/concerns?	
	☒	Send the watermaster comment request form or e-mail request	
11		Area Headgate requirement (write in Comments)	4.5
12		Is water right involved in any other department action? Pull file and check database	
		() Ownership Change () Transfer () Mitigation () Other - Explain in comments	x

Narrative: The Department received this application on December 29, 2022. The applicant wishes to place 13.2 acres in the Bank. The application states the lease period is from 2023-2024 but since the Department received the application in 2022 we can make the contract from 2022 to 2023. This prevents the forfeiture concerns. The application was signed by Rhonda James, member. The right was decreed in 2009 but the entire right, 40 acres, has been in the Bank since 2003. There are no overlapping rights. This right is currently within WD 02.

13

Hersley, Jean

From: Rhonda James <rhonda.james24@gmail.com>
Sent: Tuesday, January 24, 2023 1:09 PM
To: Hersley, Jean
Subject: Re: WSB Lease for 2-2259 and 2-2261D
Attachments: image001.jpg

CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

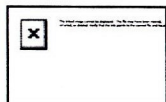
Yes, please proceed. Go ahead and start lease Jan. 1, 2022 and end lease Dec. 2023.

Thanks, Rhonda James

On Tue, Jan 10, 2023, 11:03 AM Hersley, Jean <Jean.Hersley@idwr.idaho.gov> wrote:

The Department is in the process of reviewing applications to lease water rights 2-2259 and 2-2261D to the Water Supply Bank. Portions of these rights have been in the Bank since 2003. The most current lease ended December 31, 2016. To prevent possible forfeiture, these rights will need to be leased to the Department as of January 1, 2022. Because the Department received these applications before the end of 2022 and the portion offered to the Bank was not irrigated, we can accept the rights into the Bank for 2022.

Please let me know within 15 days if the Department can create lease contracts beginning January 1, 2022. If the Department does not hear from you within 15 days, we will return the applications unprocessed due to concerns of forfeiture. Also, would you want the contracts to end December 31, 2023, or 2024?



Jean Hersley

Technical Records Specialist II

Idaho Dept Water Resources

(208) 287-4942



0004675752

**STATE OF IDAHO***Office of the secretary of state, Lawrence Denney***ANNUAL REPORT**

Idaho Secretary of State
PO Box 83720
Boise, ID 83720-0080
(208) 334-2301
Filing Fee: \$0.00

*For Office Use Only***-FILED-**

File #: 0004675752

Date Filed: 3/29/2022 4:41:57 PM

Entity Name and Mailing Address:

Entity Name: WAR EAGLE FARMS, LLC
The file number of this entity on the records of the Idaho
Secretary of State is: 0000157972
Address: 21610 ROBINSON RD
OREANA, ID 83650-5113

Entity Details:

Entity Status: Active-Existing
This entity is organized under the laws of: IDAHO
If applicable, the old file number of this entity on the records of
the Idaho Secretary of State was: W48743

The registered agent on record is:

Registered Agent: MICHAEL L JAMES
Registered Agent
Physical Address
21610 ROBINSON RD
OREANA, ID 83650
Mailing Address

Limited Liability Company Managers and Members

Name	Title	Business Address
MICHAEL L JAMES	Manager	21610 ROBINSON RD. OREANA, ID 83650
RHONDA J JAMES	Member	21610 ROBINSON RD. OREANA, ID 83650

The annual report must be signed by an authorized signer of the entity.

Job Title: Manager

Michael L. James

Sign Here

03/29/2022

Date

B0694-1834 03/29/2022 4:42 PM Received by ID Secretary of State Lawrence Denney