

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1709

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

LESSOR: LCSC ENTERPRISES LLC
433 E LAS COLINAS BLVD E STE 1290
IRVING, TX 75039-5058

RECEIVED

JUN 27 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 February 13, 2023.
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)
35-14041	10/16/1974	GROUND WATER	3.18	1,290	322.5
Combined Lease Totals			3.18	1,290	322.5

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, 2023 to December 31, 2027. 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.

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AUG 4 2023

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1709

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.

SCANNED

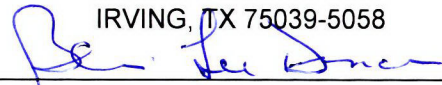
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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1709

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

LESSOR: LCSC ENTERPRISES LLC
433 E LAS COLINAS BLVD E STE
1290
IRVING, TX 75039-5058

By 
Title Manager
Date 6-15-23

IDAHO WATER RESOURCE BOARD

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

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 6/27/23

Lease approved by IDWR



Date 6/27/23

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AUG 4 2023

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1709

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): 35-14041

GROUND WATER NWSE Sec. 12 Twp 01S Rge 32E BINGHAM County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
35-14041	IRRIGATION	04/01	to	11/01	3.18 cfs	1,290 AF
Totals:					3.18 cfs	1,290 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	
01S	32E	12		29.0	31.1	25.0	39.0	35.0	35.1	39.9			39.0	26.4	23.0				322.5

Total Acres: 322.5

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.

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1709

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. Use of water under this agreement 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. 120.

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AUG 4 2023

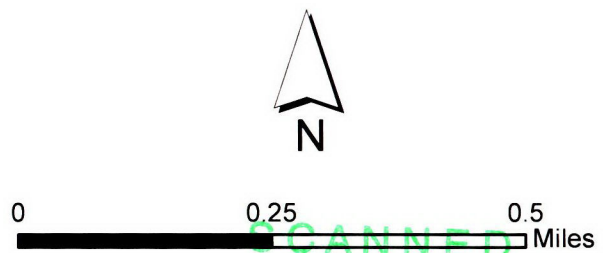
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1709

35-14041
Effective until December 31, 2027

This map depicts the **IRRIGATION place of use** to be idled pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



- Approved Lease Point of Diversion
- ▨ Approved Lease Place of Use
- ▭ Township/Range
- ▭ Sections
- ▭ QQ



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

FEB 13 2023

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant LCSC Enterprises, LLC
(Select one owner – see item 1A on the application)

Water Right No. 35-14041
(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.**

MINIMUM 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 <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant. |
| 1C | ☒ | ☐ | <i>Notice of Change in Water Right Ownership</i> 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 <u>Section 42-222(2), Idaho Code</u> . |

Department Use Only

Fee Amount \$ <u>250</u>	Received By: <u>KM</u>	Date Received: <u>2.13.23</u>	Receipt # <u>C115280</u>
W-9 received? Yes ☐ No ☒ (Route W-9 to Fiscal)		Name on W-9:	

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AUG 4 2023

2597

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 LCSC Enterprises, LLC

Mailing Address 433 E. Las Colinas Blvd E Ste 1290 Irving TX 75039-5058
Street City State Zip Code

Email Address blair@dbcocpa.net Phone Number (972) 989-7330

☒ 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 Jason C. Helms Organization JCH Engineering

Professional Title Consultant Email Address jasoncivil@alumni.nd.edu

Mailing Address 6755 N. Albert Lane Idaho Falls, ID 83401 Phone Number (208) 308-2109

☐ 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**.

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AUG 4 2023

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.
Existing well (tag A0006384), main line pipe and sprinklers
- 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. No diversions within last 5 years as land and well associated with water right 35-13992 have been in CRP/CREP since 2007
- 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. CRP/CREP contract since 2007 ended in 2022.
- 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 ☐
Yes, transfer 84488, 84490 pending but will not interfere with lease and rental during the coming irrigation year

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AUG 14 2023

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 _____ (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.

Blair Lee Dana
Signature of Designated Applicant

Blair Lee Dana
Printed Name

2-28-23
Date

Jason Helms
Signature of Authorized Representative

Jason Helms
Printed Name

2/6/2023
Date

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

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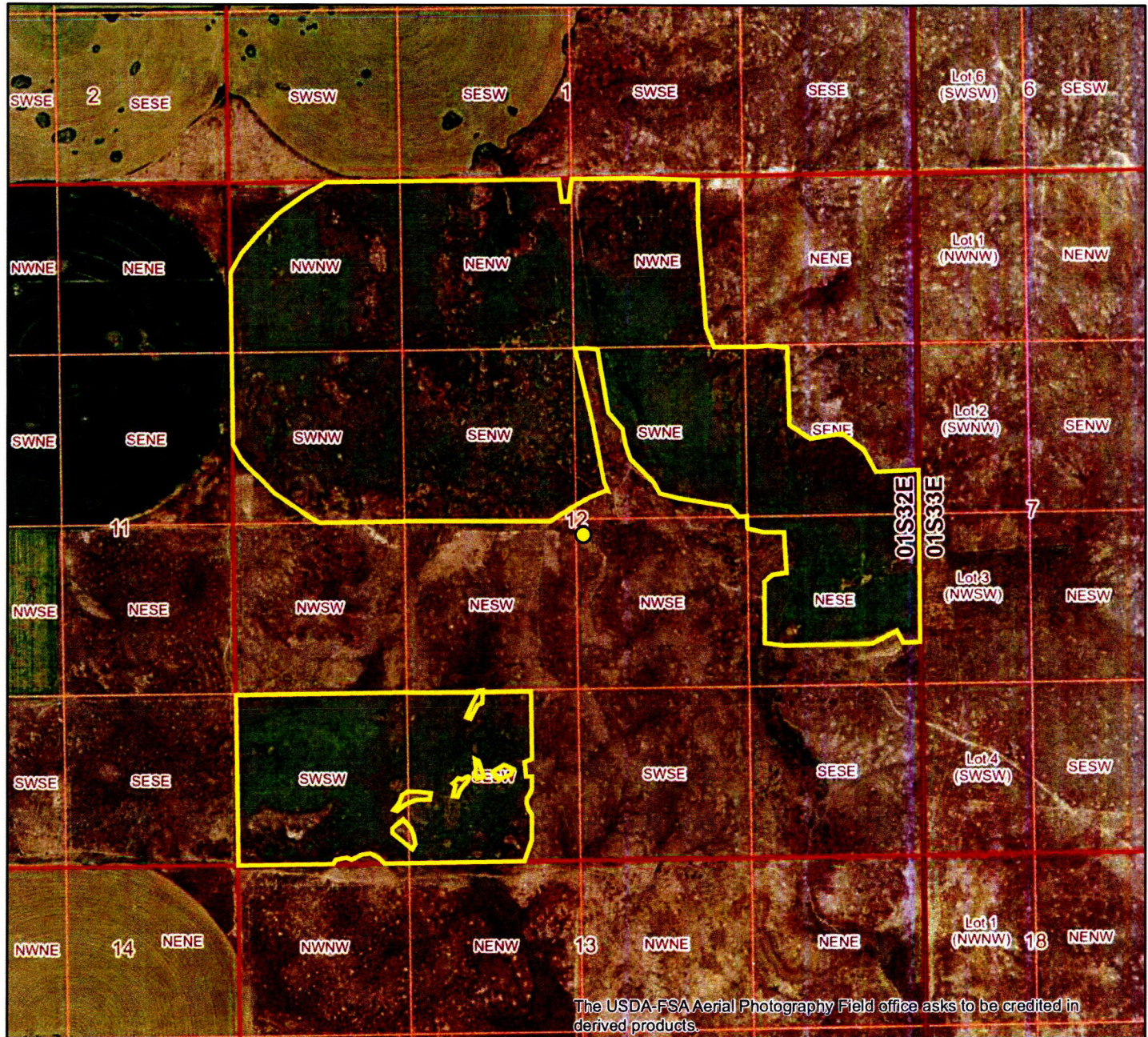
AUG 4 2023

State of Idaho
Department of Water Resources
Water Right

35-14041

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



The USDA-FSA Aerial Photography Field office asks to be credited in derived products.



Date created: 1/8/2023



Attachment 3

Legend

- Point of Diversion
- Place of Use Boundary
- Townships
- PLS Sections
- Quarter Quarters

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AUG 14 2023





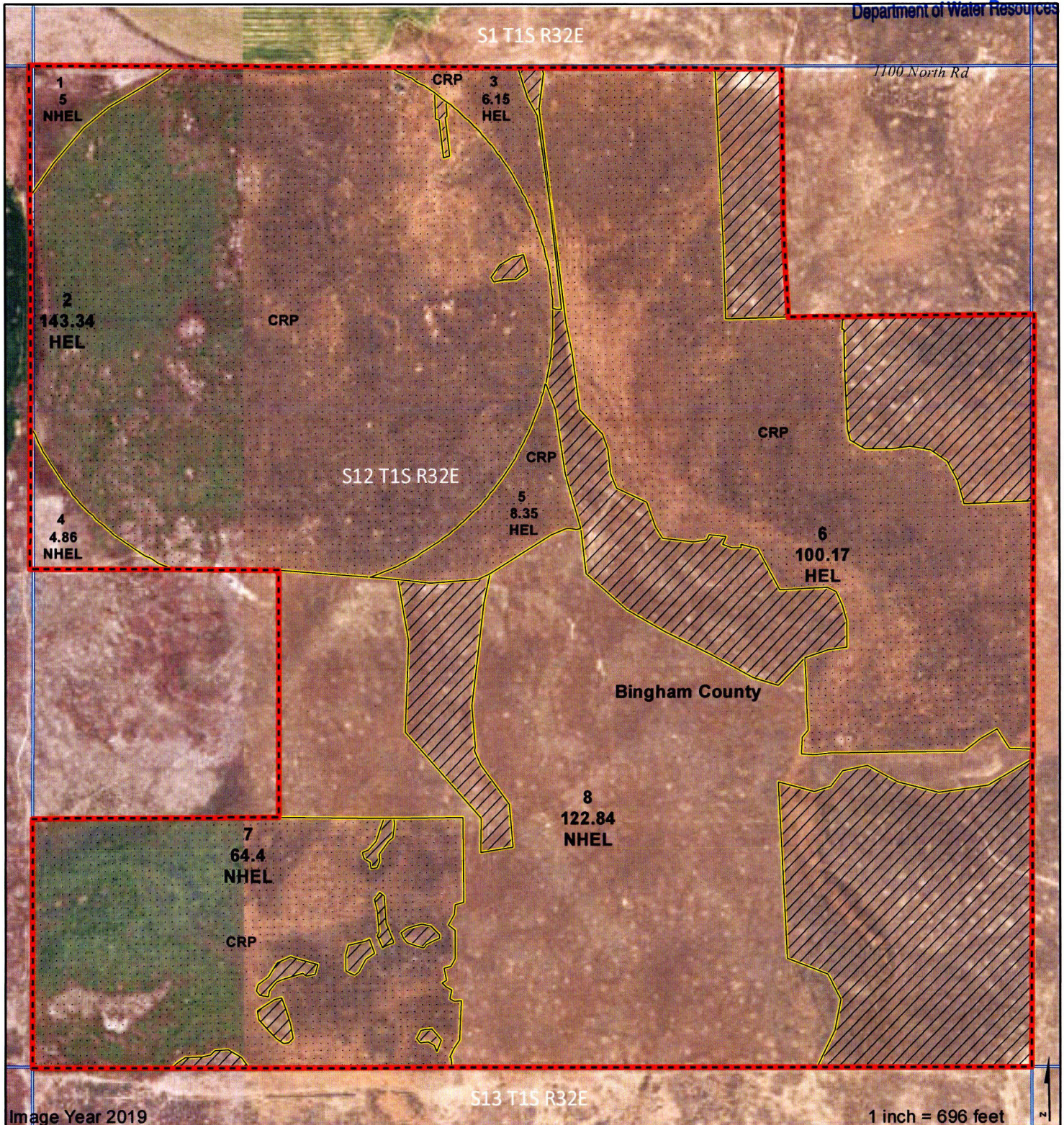
United States
Department of
Agriculture

Power County, Idaho

RECEIVED

APR 07 2023

Department of Water Resources



Common Land Unit

Non-Cropland
Cropland

CRP
Tract Boundary
PLSS

County Boundary

Wetland Determination Identifiers

- Restricted Use
- Limited Restrictions
- Exempt from Conservation Compliance Provisions

Tract Cropland Total: 455.11 acres

2021 Program Year

Map Created February 08, 2021

Farm 3560

Tract 3412

United States Department of Agriculture (USDA) Farm Service Agency (FSA) maps are for FSA Program administration only. This map does not represent a legal survey or reflect actual ownership; rather it depicts the information provided directly from the producer and/or National Agricultural Imagery Program (NAIP) imagery. The producer accepts the data as is and assumes all risks associated with its use. USDA-FSA assumes no responsibility for actual or consequential damage incurred as a result of any user's reliance on this data outside FSA Programs. Wetland identifiers do not represent the size, shape, or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact boundaries and determinations or contact USDA Natural Resources Conservation Service (NRCS).

AUG 4 2023



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 Mathew Weaver

December 7, 2023

LCSC ENTERPRISES
433 E LAS COLINAS BLVD E STE 1290
IRVING TX 75039-5058

**RE: RENTAL OF WATER RIGHT(S) LEASED TO THE WATER SUPPLY BANK.
WATER RIGHT NO(S). 35-14041.**

The Department of Water Resources has issued a state warrant in the amount of **\$25,502.40** as payment to you for the rental of the above referenced water right(s) from the Water Supply Bank during 2023. Your payment is 90% of the total rental fee for the following transactions:

Lease Contract	Water Right(s)	Rental Agreement	Rental Volume (AF)	Rental Rate (\$/AF)	Total Rental Fee	Owner Share
1709	35-14041	749	200	\$23/AF	\$4,600.00	\$4,140.00
		750	252	\$23/AF	\$5,796.00	\$5,216.40
		752	780	\$23/AF	\$17,940.00	\$16,146.00
Total						\$25,502.40

If you have questions regarding this matter, please contact me at (208) 287-4936.

Sincerely,

Mary Condon
Water Supply Bank Coordinator

Warrant Number: ACH – Direct Deposit 11/27/2023

WSB Mailing Checklist for Leases

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

Executed
6/27/23

Key: Who Completes What?

CLERICAL STAFF: MK

REVIEWER: MK

Received Date

2/13/2023

Desired Lease Duration

2023-2027

Lease / Rental Package

Y

N

If yes, Renter Name:

County Line Farms
PEP LLC

Application # 2597

Contract # 1709

WR#s		#
		35-14041
#		#
#		#
#		#
#		#
#		#
#		#
#		#

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)

CC

Original

Designated

Applicant: LCSC Enterprises LLC

☐

☒

EMAIL:

Attorney:

☐

☐

EMAIL:

Consultants

Name: Jason Helms - JCH Engineering

☒

Comments:

2023-2027 per rep
Correspondence

Watermaster:

Blake Jordan

☒

Delivery Entity:

☐

Water District: WD 120

☒

Ground Water District: Bingham GWD

☒

Region: Eastern

☒

Other: ESPA GWMA

☐

☐

Address:

Call up Date: _____

DO NOT SCAN



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

June 28, 2023

LCSC ENTERPRISES
433 E LAS COLINAL BLVD E STE 1290
IRVING, TX 75039-5058

**RE: WATER SUPPLY BANK LEASE CONTRACT 1709
FOR WATER RIGHTS 35-14041**

Dear Lessor:

Water right **35-14041** was leased into the Water Supply Bank (Bank) as of January 1, 2023, 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, 2027**, 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 or 208-287-4800.

Sincerely,

A handwritten signature in black ink, appearing to read "Mackenzie Kienholz".

Mackenzie Kienholz
Water Supply Bank Specialist

Enclosure: Executed Lease Contract

c: IDWR – Eastern Region Office
Jason Helms – JCH Engineering
Water District No. 120
Bingham GWD

SCANNED

AUG 14 2023



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

Director Gary Spackman

LCSC Enterprises LLC
433 E LAS COLINAS BLVD STE 1290
IRVING TX 75039-5058

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

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.

"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."

for 
Water Supply Bank

Cc: Jason Helms, JCH Engineering (via email)

SCANNED
AUG 14 2023

MEMORANDUM FOR APPLICATION #2597

To: Water Right(s) 35-14041
From: Mackenzie Kienholz
Date: 4/26/2023
Re: Review & Analysis of Application to Lease Water to the State Water Supply Bank

PURPOSE/NARRATIVE: Lease application #2597 was submitted by Jason C. Helms (JCH Engineering) on behalf of LCSC Enterprises, LLC. The application was received by the Department on 2/13/2023 and proposes to lease the full 322.5 acres of groundwater irrigation right 35-14041. The application did not specify the requested lease length; correspondence from Mr. Helms confirmed the requested length to be 2023-2027. This right will be used to satisfy portions or all of three separate rental applications: Application #2595 (191.0 acres, County Line Farms), Application #2620 (50.0 acres, PEP LLC), and Application #2621 (63.0 acres, PEP LLC) for a total of 304.0 acres of right 35-14041. Jason C. Helms is the representative for these rental applications as well.

This lease is within the ESPA GWMA, WD 120, and the Bingham GWD.

AUTHORITY TO FILE: LCSC Enterprises, LLC is listed as the current owner of right 35-14041. The land at the POU and POD for 35-14041 is owned by the applicant. The application was signed by Blair Lee Dance who is listed as a member on the most current IDSOS filing (11/22/2022). No concerns with authority to file.

WATER RIGHT VALIDITY: Water right 35-14041 was decreed on 1/31/2002 and has a priority date of 10/16/1974. The applicant provided sufficient evidence that they had a valid defense to forfeiture pursuant to Idaho Code 42-223(1). There are no concerns with water right validity at this time.

INJURY TO OTHER WATER RIGHTS: Lease of this water right would not cause injury to other water rights. Proper review to prevent injury completed for rentals.

ENLARGEMENT OF USE: The proposed lease POU will not be irrigated during the term of the lease contract. No other active water rights overlap the lease POU or POD. No concerns with enlargement of use for this lease. Further review to prevent enlargement completed for rentals.

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 location for the rental POD is subject to Water District #120. A request for comments was sent to the WD #120 watermaster and the Eastern Regional Office on 4/26/2023.

SCANNED

AUG 4 2023

Kienholz, Mackenzie

From: Kienholz, Mackenzie
Sent: Friday, February 17, 2023 11:18 AM
To: Jason Helms
Subject: Water Supply Bank Applications - City of Chubbuck, LCSC Enterprises & County Line Farms

Hello Jason,

As we discussed over the phone this morning, I will note that the City of Chubbuck lease applications for water rights 29-14012 and 29-14013 will be used to continue to satisfy the PEP Rental Agreements #629 and #641 through 2023 upon approval.

For LCSC Enterprises' lease application #2597 for water right 35-14041, I will update the lease duration to 5 years (2023-2027) to match the length of County Line Farms' rental application #2595. I will also note that Item 4E on the application which was checked "Yes" when asking if the lease POU will continue to receive water should have been checked "No". Finally, I will add a note that we should be expecting a rental application from PEP for the portion of a pivot not approved under agreements #629 or #641 to rent the remainder of this right.

The information needed for County Line Farms' rental application #2595 will be Item 4B on the rental application: "If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes."

Please confirm the changes mentioned above and provide requested information within **30 days**.

Thank you and have a great weekend,

Mackenzie Kienholz
Water Supply Bank Specialist



Planning & Projects

Mackenzie.kienholz@idwr.idaho.gov

Phone: (208) 287-4822

SCANNED

AUG 4 2023