

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1788

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

LESSOR: CROWN FARM OUTBACK LLC
C/O CROWN WEST REALTY LLC
3808 N SULLIVAN RD BLDG N15
STE #202
SPOKANE, WA 99216

RECEIVED
JAN 12 2024
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 October 31, 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)
2-7064	4/23/1970	SNAKE RIVER, tributary to COLUMBIA RIVER	6.36	1,590	318
Combined Lease Totals			6.36	1,590	318

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, 2024 to December 31, 2026. 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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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.

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

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SPOKANE, WA 99216

By  OLIVER LAWRENCE
Title AUTHORIZED SIGNATORY
Date JANUARY 8, 2024

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 1/16/24

Lease approved by IDWR 

Date 1/16/24

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1788

**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): 2-7064

SNAKE RIVER L 9SESW Sec. 34 Twp 05S Rge 04E OWYHEE County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
2-7064	IRRIGATION	03/15	to	11/15	6.36 cfs	1,590 AF
Totals:					6.36 cfs	1,590 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	
06S	02E	12									40			40		40	40		160
06S	02E	13	39	40			40												119
06S	03E	18						39	L1										39

Total Acres: 318.0

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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1788

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, 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. 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. 2.
14. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.5 afa per acre at the field headgate for irrigation of the place of use.

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Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
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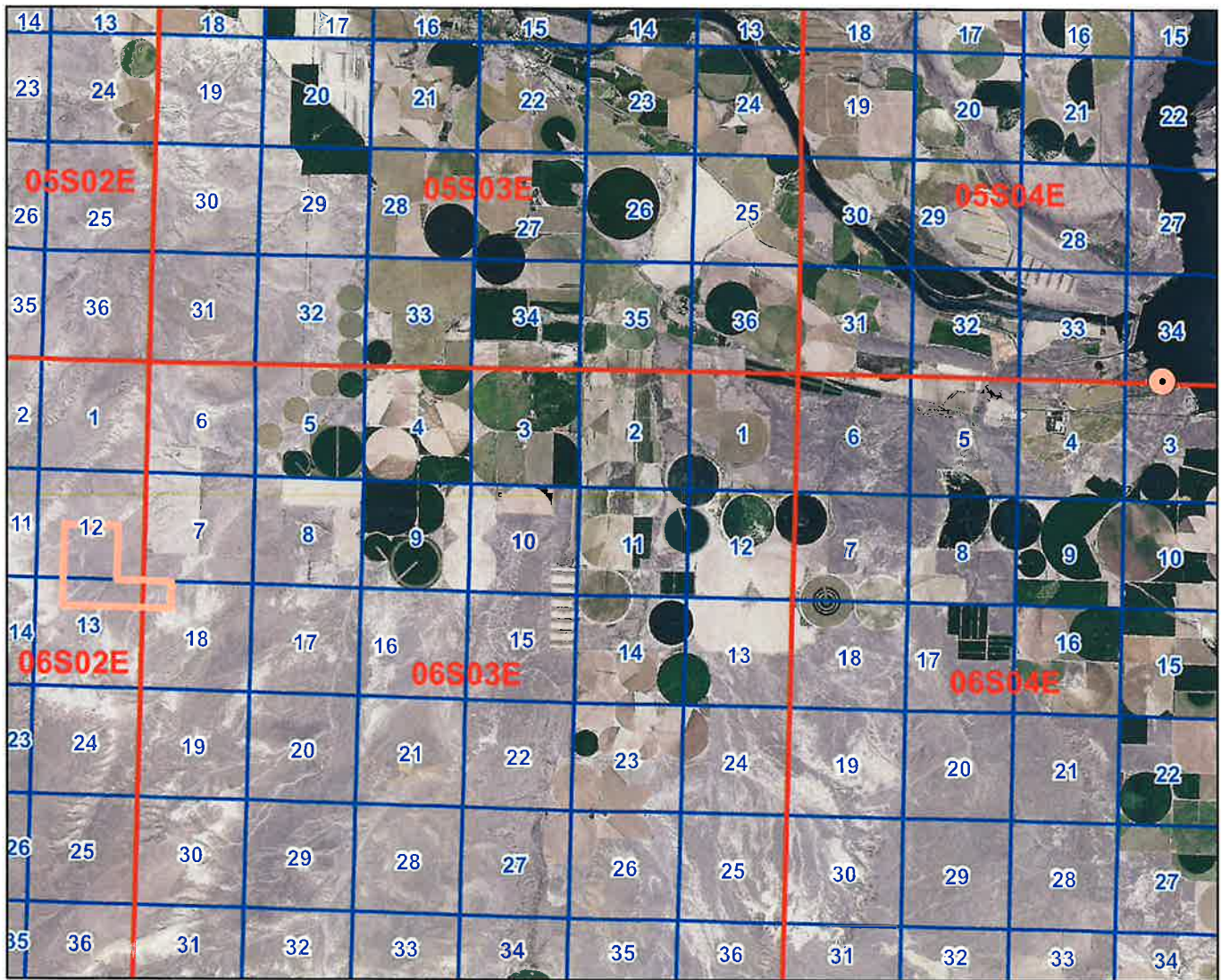
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Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1788

2-7064

Effective until December 31, 2026

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



0 5,000 10,000 15,000 Feet

- Water Supply Bank Lease Point of Diversion
- Water Supply Bank Lease Place of Use
- Township/Range
- Sections



STATE OF IDAHO
WATER RESOURCE BOARD

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

RECEIVED
OCT 30 2023
DEPARTMENT OF
WATER RESOURCES

Designated Applicant Crown Farm Outback, LLC c/o Crown Realty, LLC
(Select one owner – see item 1A on the application)

Water Right No. 02-07064
(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 <i>all owners</i> 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 \$ 250 Received By: KM / AV Date Received: 10.10.23 Receipt # C117152
W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal) Name on W-9: Petrus Farmland Investors L.L.P.

2801

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 Crown Farm Outback, LLC c/o Crown West Realty, LLC

Mailing Address 3808 N. Sullivan Road, Building N-15, Suite 202, Spokane Valley, WA 99216

Street City State Zip Code

Email Address olawrence@crownwest.com

Phone Number (509) 924-1720

- ☒ 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 S. Bryce Farris

Organization Sawtooth Law Offices, PLLC

Professional Title Attorney for Applicant

Email Address bryce@sawtoothlaw.com

Mailing Address 1101 W. River Street, Suite 110, Boise, ID 83702

Phone Number (208) 629-7447

- ☐ 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.

N/A. This water right is currently in the Water Supply Bank, has been in the Water Supply Bank for several years, and the Applicant is renewing the application for three (3) years.

- 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. N/A. See above.

- 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.

- 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. N/A. See above.

- 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: $\frac{1/1/24}{\text{(Year)}}$ to $\frac{12/31/26}{\text{(Year)}}$ (maximum lease period 5 calendar years).

- 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.


Signature of Designated Applicant

Oliver Lawrence, Authorized Representative

Printed Name

10.3.2023
Date


Signature of Authorized Representative

S. Bryce Farris, Attorney for Applicant

Printed Name

10/3/23
Date

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

**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). _____

	Designated Applicant	Applicant #2	Applicant #3
Name			
Mailing Address			
Phone Number			
Email Address			
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			

	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			

**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)
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Amounts:		_____	_____	_____

2. Source of water _____ tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County

IDAHO DEPARTMENT OF WATER RESOURCES

WATER RIGHT REPORT

10/20/2023

IDAHO DEPARTMENT OF WATER RESOURCES

Water Right Report

WATER RIGHT NO. 2-7064

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	CROWN FARM OUTBACK LLC C/O CROWN WEST REALTY LLC 3808 N SULLIVAN RD BLDG N15 STE #202 SPOKANE, WA 99216 5099241720
Original Owner	BENNIE GERALD CHATBURN GRAND VIEW, ID 83624
Original Owner	MECHELLE DIRKS 24762 A & A RD GRAND VIEW, ID 83624 2088343344
Original Owner	ROBERT G DIRKS PO BOX 413 GRAND VIEW, ID 83624-0413 2089654001
Original Owner	MUD FLAT CANAL CO RT B BOX 341C GRAND VIEW, ID 83624

Priority Date: 04/23/1970

Basis: Decreed

Status: Active

Water Supply Bank Status: Active

<u>Source</u>	<u>Tributary</u>
SNAKE RIVER	COLUMBIA RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	11/15	6.36 CFS	1590 AFA
Total Diversion			6.36 CFS	1590 AFA

Location of Point(s) of Diversion:

SNAKE RIVER|SESW Lt 9|Sec. 34|Township 05S|Range 04E|OWYHEE County

Place(s) of use:

Place of Use Legal Description: IRRIGATION OWYHEE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
06S	02E	12		NESW	40		SESW	40						
				NWSE	40		SWSE	40						
		13		NENE	39		NWNE	40						
				NENW	40									
	03E	18	1	NWNW	39									

Total Acres: 318

Conditions of Approval:

1. C18 This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.
2. S47 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.
3. F06 The following rights are diverted through point of diversion described above: 02-7059, 02-7060B, 02-7061, 02-7062, 02-7064, 02-7168A, 02-7168B, 02-7168C, 02-7237A, 02-7275, 02-7279A, 02-10180, & 02-10181.

Dates:

Licensed Date:

Decreed Date: 05/12/2009

Permit Proof Due Date: 6/1/1985

Permit Proof Made Date: 1/1/1900

Permit Approved Date: 6/1/1970

Permit Moratorium Expiration Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number: 02

Generic Max Rate per Acre:

Generic Max Volume per Acre:

Combined Acres Limit:

Combined Volume Limit:

Combined Rate Limit: 48.44

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Water Supply Bank:

Lessor Name(s): CONNIE SMITH
ROBERT SMITH

Lease Status: Active

Lease Amount: All

Rental Availability: None

Date Received: 7/9/1999

Lease Begin Date: 7/9/1999

Expiration Date: 12/31/2020



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 Mathew Weaver

January 4, 2024

CROWN FARM OUTBACK LLC
C/O CROWN WEST REALITY LLC
3080 N SULLIVAN RD BLDG N15 STE #202
SPOKANE, WA 99216

**RE: APPLICATION TO LEASE WATER RIGHTS 2-10181, 2-10189, 2-7064, AND 2-7237A TO
THE WATER SUPPLY BANK CONTRACTS 1769, 1787, 1788, AND 1789**

******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, 2026**, 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.

Regards,

Skyler Cheever



IDAHO DEPARTMENT OF
WATER RESOURCES

Skyler Cheever | Water Resource Agent
322 E Front St, PO Box 83720, Boise, ID 83720
(208) 287-4800 | www.idwr.idaho.gov

MEMORANDUM FOR WSB LEASE APPLICATION # 2799, 2800, 2801, 2802

To: Water Right No(s). 2-10181, 2-10189, 2-7064, 2-7237

From: Skyler Cheever, Water Resource Agent

Date: 12/26/2023

Re: Review & Analysis of Application to Lease Water to the State Water Supply Bank

PURPOSE/NARRATIVE:

Application 2799, 2800, 2801, and 2802 was sent in by Crown Farm Outback LLC with co-owners Crown Reality LLC and received on October 30th, 2023, with the correct fee payment received on October 10th, 2023. The applicant proposes to lease the entirety of water rights 2-10181, 2-10189, 2-7064, and 2-7237A into the water supply bank from 2024-2026. This lease application is part of a lease rental package with rental application 2798. All the proposed points of diversion are within the Snake River Basin Moratorium Area and Trust Water Area. The points of diversion for water rights 2-10181, 2-7064, and 2-7237A are within the Bruneau-Grandview Groundwater Management Area. These applications are intended as a renewal of contracts 1399, 1400, 1401, and 1402 which are set to expire on December 31st, 2023.

AUTHORITY TO FILE:

Oliver Lawrence signed the applications. Mr. Lawrence has the authority to file this agreement because he has been listed on past applications as Asset Manager for Crown Reality LLC. He signed as the authorized representative for Crown Farm Outback LLC. Bryce Farris is the designated representative and completed the application on the applicant's behalf. Water rights 2-10181, 2-10189, 2-7064, and 2-7237A are owned by Crown Farm Outback according to Department records.

WATER RIGHT VALIDITY:

Water Rights 2-7064 and 2-7237A were licensed in 1985 along with parent right 2-7060. 2-10181 and 2-1089 were created after being spilt from 2-7060. All four rights were decreed in 2011. The rights were leased into the water supply bank from 1999 through December 31st, 2023. Any water right leased into or rented from the water supply bank is likely within a valid defense to forfeiture according to Idaho Code §42-223(5). Therefore, enough evidence is available to the bank to conclude water right 2-10181, 2-10189, 2-7064, and 2-7237A are likely not lost to forfeiture and can be leased into the bank.

INJURY TO OTHER WATER RIGHTS:

Water rights 2-10181, 2-7064, and 2-723A are conditionally stated to divert from the Bybee Canal System. In previous lease application reviews Chris Alzola, an agent from the Canal Association, stated Crown Farms Outback LLC is not part of the Canal Association. The Association did not have any comments on the water rights being leased. Although these rights are conditioned to divert from the canal system it seems the Association does not have injury concerns with administration of these rights or impacts to other canal users. There are no other injury concerns.

ENLARGEMENT OF USE:

There are no other water rights sharing the same beneficial use overlapping the places of use for water rights 2-10181, 2-7064, and 2-7237A. Water right 2-10450 possibly overlaps 2-10189 in Township 06 N, Range 10 E, Section 12 SENE. However, after looking at the water right report 2-10450 authorizes 18.5 acres in the SENE and 2-10189 authorizes 21.5 acres or the full

40 acres in the Quarter/Quarter. Therefore, it is likely there is no overlap. There are no other enlargement concerns.

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 points of diversion are within basin 2 and Water District 2. The Watermaster and Western Regional Manager were contacted for comment on December 27th, 2023. No comment was received, it is assumed there are no concerns with the applicants' proposals.

Cheever, Skyler

From: Cheever, Skyler
Sent: Wednesday, December 27, 2023 11:31 AM
To: Whitney, Rob; Miller, Nick
Subject: Water Supply Bank Lease Applications 2799, 2800, 2801, and 2802 Crown Farms Outback LLC
Attachments: Lease 1769 Map.pdf; Lease 1787 Map.pdf; Lease 1788 Map.pdf; Lease Review Memo 2799-2802.pdf; Lease 1789 Map.pdf

Hello Rob and Nick,

I have completed my review of Water Supply Bank lease applications 2799, 2800, 2801 and 2802. The points of diversion are within basin 2 and Water District 2. The applicants are Crown Farms Outback LLC with c/o Crown Reality LLC. The applications propose to lease the entirety of water rights 2-10181, 2-10189, 2-7064, and 2-7237A from 2024-2026. Attached is a review memo and maps with the place of use. If you have any comments on these applications, please provide them within 7 days. If you have any questions or concerns, please let me know.

Best,

Skyler

Skyler Cheever

Water Resource Agent, State Office

Email: skyler.cheever@idwr.idaho.gov

Phone: 208-287-4913



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Governor Brad Little

Director Mathew Weaver

January 16, 2024

CROWN FARM OUTBACK LLC
C/O CROWN WEST REALTY LLC
3808 N SULLIVAN RD BLDG N15
STE#202
SPOKANE, WA 99216

**RE: WATER SUPPLY BANK LEASE CONTRACT 1769,1787,1788,1789
FOR WATER RIGHT 2-7064,2-7297A,2-10181,2-10189**

Dear Lessor:

Water right **2-7064,2-7297A,2-10181,2-10189** is leased into the Water Supply Bank (Bank) as of January 2024 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 31,2026** unless the rights are released earlier by the Water Resource Board (Board). 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 are rented.**

If you have questions regarding this matter, please contact this office at bank@idwr.idaho.gov or 208-287-4800.

Sincerely,
Signature

Technical Records Specialist I
Enclosure: Executed Lease Contract

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