

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

AMENDED

WATER SUPPLY BANK RENTAL AGREEMENT No. 484

AMENDED

This is to certify that:

FLYING H FARMS PARTNERSHIP
518 OLD HIGHWAY 30
MOUNTAIN HOME, ID 83647-6289

RECEIVED

DEC 10 2021

DEPARTMENT OF
WATER RESOURCES

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
2-10450	2/25/1963	SNAKE RIVER	7.93	1,588	396.9	0.02	4.0
2-7065C	5/14/1970	SNAKE RIVER	1.57	394	78.8	0.02	5.0
2-2376	7/26/1965	SNAKE RIVER	0.13	35.3	7.1	0.02	5.0
Combined Rental Totals			9.63	2,017.3	482.8	0.02	5.0

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2025. Use of rental water shall be authorized as of either the date this rental agreement takes effect or the first day of the rental season of use, in 2021, whichever occurs last.

Annual Rental Fee:

2021 - 2022: \$33,254.00 annually
2023 - 2025: \$38,242.10 annually

The full fee for the rental of the above-described right(s) is \$33,254.00 per year for years 2021 - 2021 and \$38,242.10 per year for years 2023 - 2025. The rental fee includes an administrative fee of \$4,034.60 per year for years 2021 - 2022 and \$4,639.79 per year for years 2023 - 2025. Note that the renter is obligated to pay only the administrative fees associated with the water right(s): 2-7065 C.

An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Total Water Use Authorized Under Rental Agreement

Beneficial Use	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate/Acre (CFS/AC)	Volume/Acre (AF/AC)
IRRIGATION	9.63	1,926.4	481.6	0.02	4.0
Combined Total	9.63	1,926.4	481.6	0.02	4.0

*** The authorized water usage reflects a reduction from the water right elements rented, to account for a field headgate standard of 4.0 af per ac**

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

AMENDED

WATER SUPPLY BANK RENTAL AGREEMENT No. 484

AMENDED

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

Flying H Farms, Partnership
Jeff Harper 12-1-21
Signature of Renter Date
Flying H Farms, Partnership
Jeff Harper member
Printed Name Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By Brian Patton 12/22/21
BRIAN PATTON, Acting Administrator Date
Idaho Water Resource Board

Rental approved by IDWR HP 12/22/21
Date

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 484

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

SNAKE RIVER NENE Sec. 1, Twp 06S, Rge 07E OWYHEE County

BENEFICIAL USE

IRRIGATION

DIVERSION RATE

9.63 CFS

VOLUME

1,926.4 AF

SEASON OF USE

From To
3/15 10/31

RENTERS PLACE OF USE: 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	07E	24	20.8	28.4	27.7	27.8													104.7
06S	08E	7										30	7.1						37.1
06S	08E	17						3.5	3.6			3.9	3.6						14.6
06S	08E	18	1	0.7	1.2	1.2			0.5	0.5			1.3	2.2	36.6	22	21.6	35.4	124.2
06S	08E	19	32	39.7			39.9	32.8 L1	25.2 L2	31.4									201

Total Acres: 481.6

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from 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.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
7. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.
8. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
9. This rental when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 484

10. The period of use for the irrigation described in this approval may be extended to a beginning date of 3/01 and an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/31 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than 9/1/2010.
11. Use of water under this agreement 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
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 484

RECEIVED

AUG 18 2021

DEPARTMENT OF
WATER RESOURCES

This is to certify that:

FLYING H FARMS PARTNERSHIP
518 OLD HIGHWAY 30
MOUNTAIN HOME, ID 83647-6289

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
2-10450	2/25/1963	SNAKE RIVER	8.06	1,611.2	402.8	0.02	4.0
2-7065C	5/14/1970	SNAKE RIVER	1.57	394	78.8	0.02	5.0
Combined Rental Totals			9.63	2,005.0	481.6	0.02	5.0

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2025. Use of rental water shall be authorized as of either the date this rental agreement takes effect or the first day of the rental season of use, in 2021, whichever occurs last.

Annual Rental Fee:

2021 - 2022: \$33,012.00 annually
2023 - 2025: \$37,963.80 annually

The full fee for the rental of the above-described right(s) is \$33,012.00 per year for years 2021 - 2021 and \$37,963.80 per year for years 2023 - 2025. The rental fee includes an administrative fee of \$4,010.40 per year for years 2021 - 2022 and \$4,611.96 per year for years 2023 - 2025. Note that the renter is obligated to pay only the administrative fees associated with the water right(s): 2-7065 C.

An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Total Water Use Authorized Under Rental Agreement

Beneficial Use	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate/Acre (CFS/AC)	Volume/Acre (AF/AC)
IRRIGATION	9.63	1,926.4	481.6	0.02	4.0
Combined Total	9.63	1926.4	481.6	0.02	4.0

*** The authorized water usage reflects a reduction from the water right elements rented, to account for a field headgate standard of 4.0 af per ac**

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 484

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

Jeff Harper 8/15/2021
Signature of Renter Date
Jeff Harper on Behalf of
Flying H Farms Partnership Partner
Printed Name Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

Brian Patton 10/18/21
By Date
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

TPH 10/18/21
Rental approved by IDWR Date

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 484

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

Snake River NENE Sec. 1, Twp 06S, Rge 07E, OWYHEE County

BENEFICIAL USE

IRRIGATION

DIVERSION RATE

9.63 CFS

VOLUME

1,926.4 AF

SEASON OF USE

From To
3/15 10/31

RENTERS PLACE OF USE: 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	07E	24	20.8	28.4	27.7	27.8													104.7
06S	08E	7										30	7.1						37.1
06S	08E	17						3.5	3.6			3.9	3.6						14.6
06S	08E	18	1	0.7	1.2	1.2			0.5	0.5			1.3	2.2	36.6	22	21.6	35.4	124.2
06S	08E	19	32	39.7			39.9	32.8 L1	25.2 L2	31.4									201

Total Acres: 481.6

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from 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.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
7. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.
8. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
9. This rental when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

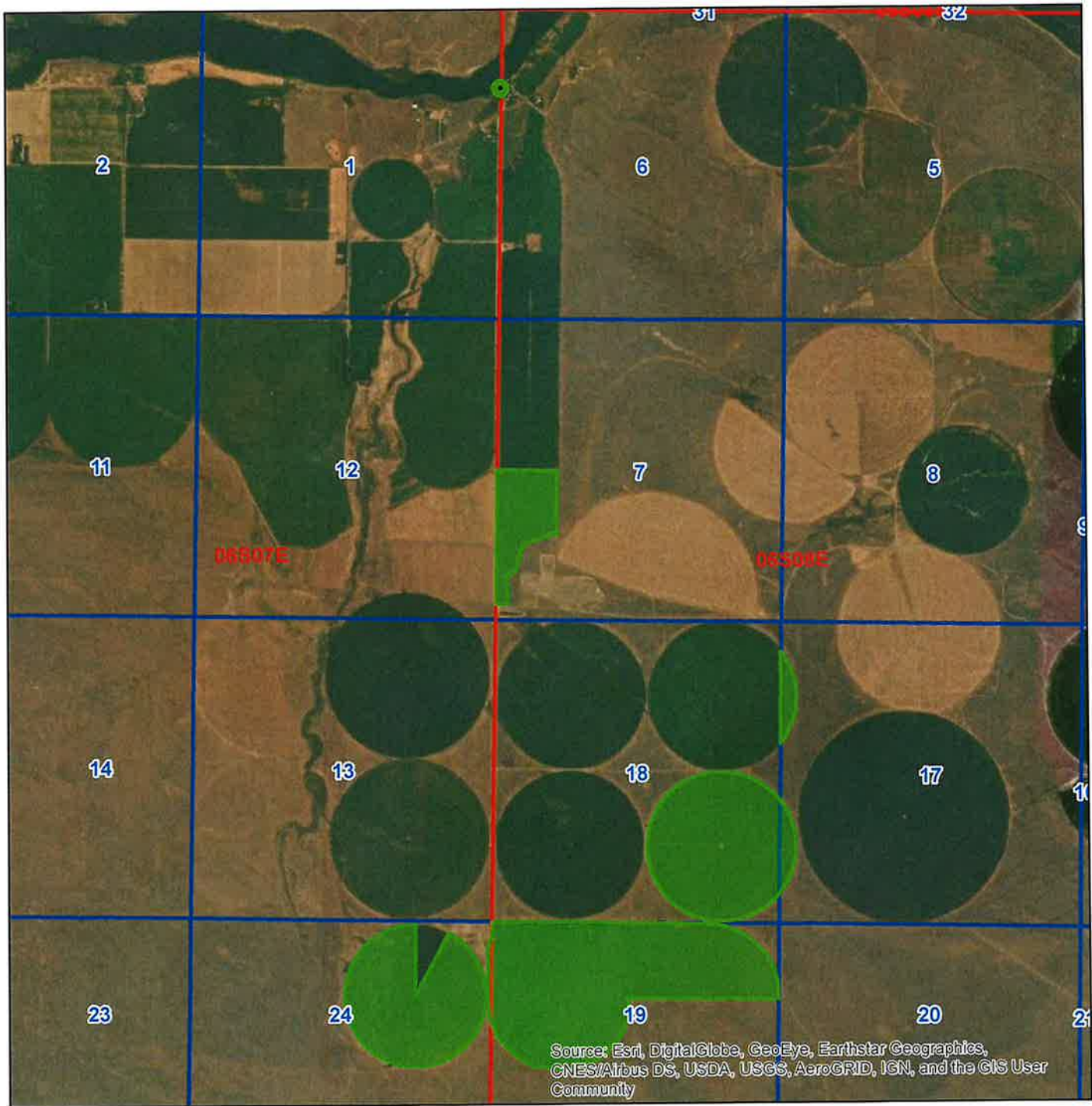
WATER SUPPLY BANK RENTAL AGREEMENT No. 484

10. The period of use for the irrigation described in this approval may be extended to a beginning date of 3/01 and an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/31 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than 9/1/2010.
11. Use of water under this agreement 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.

Idaho Water Resource Board
Attachment to Water Supply Bank Rental Agreement No. 484

Effective until December 31, 2025

This map depicts the **rental place of use** pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



-  Authorized Rental Point of Diversion
-  Authorized Rental Place of Use
-  Township/Range
-  Sections



**STATE OF IDAHO
WATER RESOURCE BOARD**

APPLICATION TO RENT WATER FROM THE BOARD'S WATER SUPPLY BANK

Applicant Name: FLYING H FARMS PARTNERSHIP

Is this application being submitted with a lease application as a lease/rental package?
If yes, specify companion water rights in Section 4

Yes ☒ No ☐

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. **Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.**

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

Yes

- ☒ Completed *Application to Rent Water from the Board's Water Supply Bank*
- ☒ Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank

Attachment N/A Yes

- | | | |
|----|-------------------------------------|--|
| 2 | ☒ | A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request |
| 3A | ☐ | ☒ Detailed information on a proposed use of rental water |
| 3F | ☒ | ☐ Authorization from the owner/operator of the rental point(s) of diversion |
| 3H | ☒ | ☐ Water modeling to account for the impacts of the rental request |
| 3J | ☒ | ☐ Documents justifying a rate of flow greater than 0.02 cfs/acre |
| 3K | ☐ | ☒ Authorization from the owner/operator of the property at the proposed rental place(s) of use |
| 4B | ☒ | ☐ Explanation of how the rental water will sufficiently accomplish your rental purposes |
| 4C | ☒ | ☐ Explanation of consumptive use amounts for water rights experiencing a change in nature of use |

Department Use Only – Proposed Water Right(s)

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Flying H Farms Partnership

Mailing Address 518 Old Highway 30 Mountain Home, Idaho 83647

Street City State Zip Code

Email Address trent@flyinghfarms.net ; jeff@flyinghfarms.net Phone Number 208-587-8716

B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☐ No ☒

If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative _____ Professional Title _____

Organization _____ Relationship to Applicant _____

Mailing Address _____

Email Address _____ Phone Number _____

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental 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 irrigate. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:

Flying H currently rents water right 2-10450 and has rented this right since 2012. Flying H uses this water right to irrigate three pivots that grow a variety of crops including beans, alfalfa, potatoes, wheat, rye, and corn.

B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
7.08 CFS	1,416 AF	7.08 CFS	1,416 AF	354 AC

* Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.

C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
3/15/2021	04/01/2021	☐ 1	☐ 2	☐ 3	☐ 4	☒ 5	☒ Process application as soon as possible	☐ Return application to applicant

* The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.

** Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.

Application to Rent Water (Continued)

- D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):

There are four 250 HP pumps that will deliver water to these acres. Pumps are located on the Snake River.

Pumps are located at TWP 6S RGE 8E SEC 6 SW 1/4 NW 1/4 NW 1/4 in Owhyee county

- E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
four 250 HP pumps	Snake River	2-7369 and 2-7065C

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

- F. Has documented consent from all relevant water delivery entities been obtained? Yes ☒ N/A ☐
If yes, include documented consent as **Attachment 3F**.

- G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☐ No ☒
Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

- H. Has water modeling been provided with your rental request? Yes ☐ N/A ☒
If yes, label modeling Attachment 3 H.
Rental applications that require modeling will be returned if modeling is not provided.

- I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

- ☒ Irrigation 354 (number of acres) Duration: Subject to IDWR standard seasons of use
- ☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Other: _____ from: _____ (mm/dd) to: _____ (mm/dd)

- J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☐ Yes ☐ No ☒
If yes, justify the rate of flow and attach any supporting documents as **Attachment 3J**. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

- K. Do you own the land at the proposed rental place of use (POU)? Yes ☐ No ☒
If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it **Attachment 3K**.

- L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

Water rights 2-7369 and 2-7065C provide 816 acres of irrigation water to this farm that is 1,170 acres. We need the additional 354 acres to continue irrigating the entire farm.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights?

Yes ☒ No ☐

If yes, specify below the elements of the water rights you are requesting to rent. If no, continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via [IDWR's website](#).

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request.** For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
2-10450	Irrigation	7.08	1,416	354		7.08	1,416	354
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL	7.08	1,416	354
						CFS	AF	AC

**Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.*

B. 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. Attach a separate page if space is insufficient and label it **Attachment 4B**:

C. Does your rental request propose to change the nature of use for any water right(s) being rented?

Yes ☐ No ☒

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☐ No ☒

If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

Flying H rented water right 2-10450 since 2012. Flying H is actively searching for a water right to purchase that is
adequate for our needs. Flying H has been unsuccessful in our attempt to secure and purchase an adequate
water right.

B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes ☐ No ☒
If yes, describe:

C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☐ No ☒
If yes, describe the date and location of the NOV.

D. Additional Information

DECLARATION

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.

Jeff Harper
Signature of Applicant

Jeff Harper
Printed Name of Applicant

12/1/2020
Date

Signature of Representative

Printed Name of Representative

Date

Mail to:

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

Important information on requesting rental water within special administrative areas: Refer to the information below to determine whether the modeling of potential impacts from your rental request is necessary. Use Section 4 of the rental application to identify selected water rights. **If you submit an application to rent water from within a special administrative area and water modeling is required, your rental request will be returned if water modeling is not provided.**

Water modeling may be required when an application to rent water involves one of two scenarios:

Scenario 1: The rental request proposes to divert water from a regulated water source and/or within a special administrative area AND the distance between the rental point(s) of diversion (POD) and the POD(s) for the leased water right(s) is greater than the administratively established, acceptable distance.

Regulated water sources may areas include:

- A. Ground water resources within the modeled area of the Eastern Snake Plain Aquifer (ESPA) and tributary aquifers;
- B. Ground water within Ground Water Management Areas (GWMAs) or Critical Ground Water Areas (CGWAs);
- C. Water resources within other specified administrative areas, as established by the Idaho Water Resource Board (IWRB) or the Idaho Department of Water Resources.

The distance between any rental POD(s) and the POD(s) for a leased water right to be rented is important. On the ESPA, distance is measured in terms of model cells that cover an area of one square mile. Ground water modeling is not required if lease POD(s) and rental POD(s) are located within the same model cell or within adjacent model cells. If the lease and rental PODs are separated by more than one model cell groundwater modeling must be completed using the IDWR ESPA Transfer Tool and modeling results must be submitted with the rental application. ESPA modeling tools can be accessed and freely downloaded from IDWR's website by visiting: www.idwr.idaho.gov/WaterManagement/WaterRights/WaterRightTransfers/resources.htm.

Ground water modeling may be required within GWMAs, CGWAs or other regulated administrative areas. Applicants who desire to rent water within an established GWMA, CGWA or other regulated administrative area should consult IDWR's website before submitting their application to review the current status of administrative orders related to regulated administrative areas. Consult www.idwr.idaho.gov/WaterInformation/GroundWaterManagement/designated_areas.htm for information on GWMAs or CGWAs, visit <https://idwr.maps.arcgis.com/home/> to use mapping tools to find other regulated areas.

Applicants interested in renting water within a GWMA, CGWA or other regulated administrative areas should request water rights that have been leased into the Bank from within the same administrative area. Generally, the Bank will not permit a rental of water within a regulated administrative area if the leased water rights are not located within that same administrative area.

Scenario 2: A rental request proposes to divert water from a different but hydraulically connected water source.

Modeling situations may include:

- A. Rental requests that propose to divert surface water rights via ground water POD(s) (wells); and
- B. Rental requests that propose to divert ground water from one aquifer when the right being rented authorizes the diversion of ground water from a hydraulically connected, tributary aquifer.

Rental requests that propose to divert surface water rights from ground water points of diversion may be considered if ground water modeling establishes that the surface and ground water resources are directly and immediately hydraulically connected. An acceptable hydraulic connection occurs when at least 50 percent of the total depletions from a well are detectable from the original water source within a 24 hour period. The existing (leased) POD and proposed (rental) POD must be proximate such that diversion and use of water from the proposed POD would have substantially the same effect on the hydraulically-connected source as diversion and use of water from the original POD.

Requests to rent ground water across tributary aquifer sources may be considered if ground water modeling is provided to demonstrate that two aquifers are hydraulically connected and the anticipated impacts of diverting ground water from one source through the other is modeled accordingly.

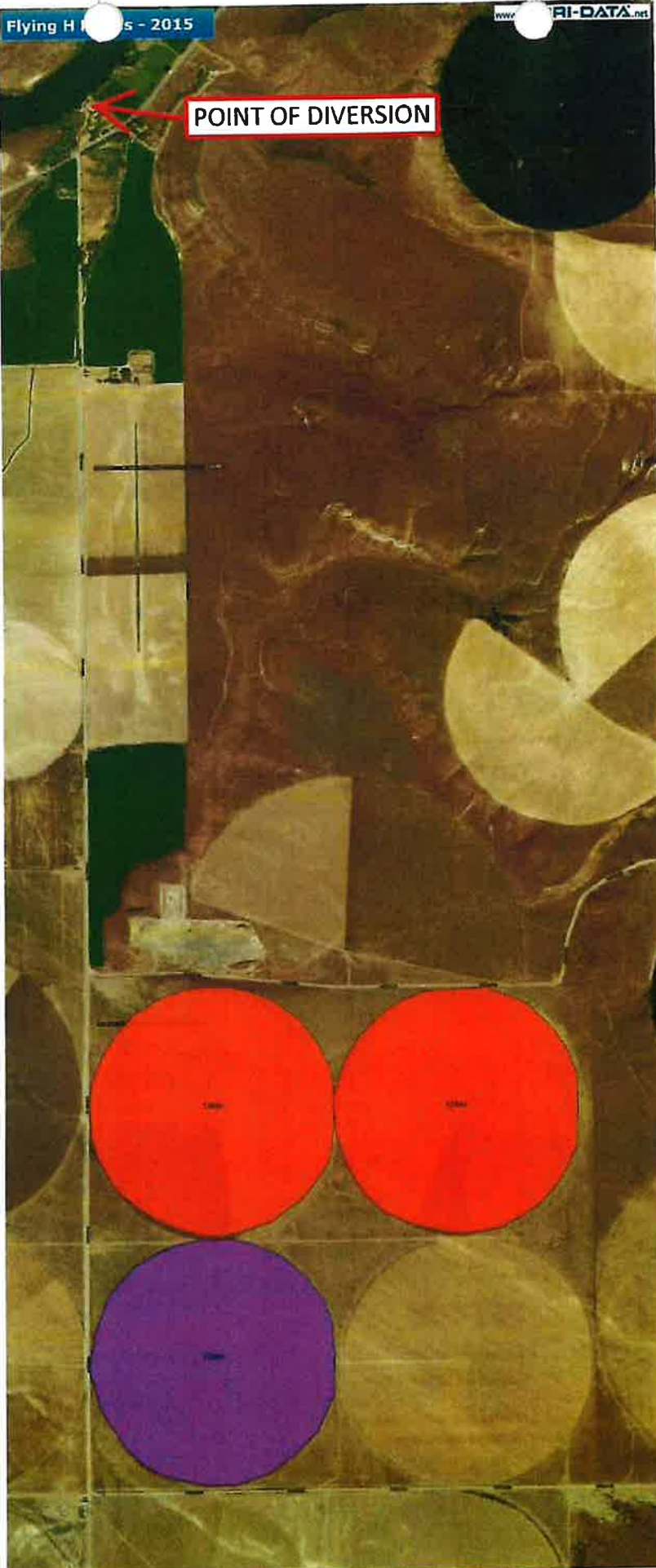
For more information about rental application requirements, contact IDWR at (208) 287-4800.



122 Acres 252 Acres



POINT OF DIVERSION



MEMORANDUM OF LEASE

BE IT REMEMBERED THAT WILSON & WILSON CO., an Idaho corporation, and ANN T. WILSON, an individual (collectively with Wilson & Wilson Co., the "Lessor"), and FLYING H FARMS PARTNERSHIP, an Idaho partnership (the "Lessee"), have entered into a Farm Lease dated January 1, 2019 (the "Agreement") for certain real and personal property (including without limitation all improvements thereto, fixtures thereon and replacements and substitutions of the same) located in Owyhee County, Idaho more particularly described as follows:

The Northeast Quarter of Section Eleven, The South Half of Section Twelve and all of Section Thirteen in Township Six South, Range Seven East, Boise Meridian;

The Southwest Quarter of the Northwest Quarter of Section Seventeen and all of Section Eighteen, in Township Six South, Range Eight East, Boise Meridian.

The lease is for a term ending December 31, 2023 (and any additional terms or renewals granted therein).

LESSOR

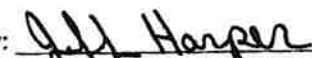

Ann T. Wilson, President

WILSON & WILSON CO.

By: 
Ann T. Wilson, President

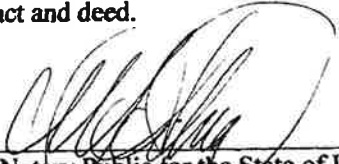
LESSEE

FLYING H FARMS PARTNERSHIP

By: 
Jeff Harper, Partner

STATE OF IDAHO)
 : ss.
County of Ada)

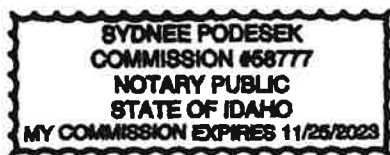
On this 7th day of March, 2019, before me, a notary public for the State of Idaho, personally appeared **Ann T. Wilson**, known or identified to me to be the person listed above and the president of **Wilson & Wilson Co.**, and acknowledged to me on this day under oath, that, being informed of the contents of this document, she executed the same individually and on behalf of such entity as her free and voluntary act and deed.

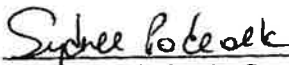

Notary Public for the State of Idaho
Residing at: Meridian, Id.
My Commission Expires: 11-17, 2022



STATE OF IDAHO)
 : ss.
County of Elmore)

On this 6th day of March, 2019, before me, a notary public for the State of Idaho, personally appeared **Jeff Harper**, known or identified to me to be the person listed above and a partner of **Flying H Farms Partnership**, and acknowledged to me on this day under oath, that, being informed of the contents of this document, he executed the same on behalf of such partnership as his free and voluntary act and deed.




Notary Public for the State of Idaho
Residing at: Monroe
My Commission Expires: 11/25, 2023



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

December 28, 2021

FLYING H FARMS PARTNERSHIP
518 OLD HWY 30
MOUNTAIN HOME, ID 83647-6289

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 2-2376, 2-7065C & 2-10450 AMENDED AGREEMENT 484**

Dear Renter:

Please find enclosed a receipt in the amount of **\$33,496.00** in connection with the amendment to add 23.2 acre-feet in 2021 and the full rental of 2017.3 acre-feet of water during 2022. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or 29,437.20 of the rental fee will be paid to the lessor(s) and 10% or \$4058.80 will be retained by the Department to offset administrative costs. Water Right 2-7065C is administrative fee only.

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

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosures: Receipt No. C111468
Rental Agreement (copy)

c: Sascha Marston – Fiscal

Buyer, Remington

From: Buyer, Remington
Sent: Wednesday, November 17, 2021 12:37 PM
To: Whitney, Rob
Cc: Bank
Subject: Amendment to Rental Agreement 484 - Flying H Farms Partnership
Attachments: Draft Agreement - Flying H Farms v4.docx; Rental Review Memo v4.docx

Rob,

We had to make an adjustment to Flying H Farms rental agreement 484, because one of the water rights being rented required a reduction. We offset the required reduction (under water right 2-10450) with a rental of a portion of water right 2-2376. Water 2-10450 is upstream of the rental location and water right 2-2376 is downstream of the rental location, but all lease and rental PODs are located above CJ Strike Reservoir.

Please advise if you foresee any concerns with the adjusted rental for agreement 484.

Thank you,

Remington

Memorandum

To: Water Rights 2-10450, 2-7065C and 2-2376
 From: Remington Buyer
 Date: November 17, 2021
 Re: Water Supply Bank Rental Application 1821

Purpose/Narrative: An application was received by the Department December 3, 2020 from Mr. Jeff Harper on behalf of Flying H Farms, requesting a rental of Snake River water for the irrigation of lands owned by both the applicant, as well as on neighboring properties owned by Wilson & Wilson Co and the Ann T Wilson Trust. This rental request is effectively a continuation of prior agreement 56 which concluded on December 31, 2020.

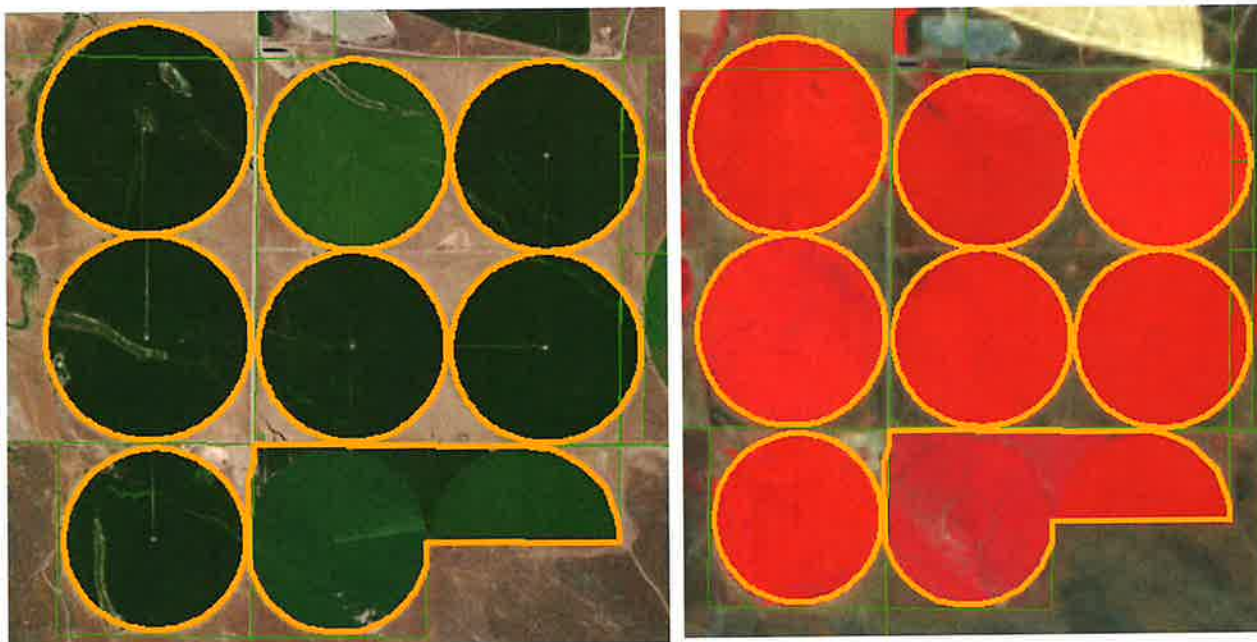
Water rights 2-7065C and 2-7369 are appurtenant to a majority of the rental place of use; 2-7065C belongs to Flying H Farms, while water right 2-7369 belongs to Jeff & Jackie Harper. The two water rights authorize irrigation of 431 acres and 385 acres respectively, across two largely overlapping permissible places of use (PPUs), and they are combined limited to the irrigation of 816 acres. The PPUs for water rights 2-7065C and 2-7369 are 1,800 and 1,885 respectively, and collectively, sum to 2,324 acres as follows:

POU For Water Right 2-7065C																			
Twp	Rge	Sec	NE				NW				SW				SE				Row
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Total
06S	07E	11	40	40	40	40													160
06S	07E	12									40	40	40	40	40	40	40	40	320
06S	07E	13	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
06S	08E	17							40										40
06S	08E	18	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
06S	08E	18	36.8	40.0	39.8	37.9	40.0	31.9	31.7	40.0	38.5	28.5	22.1	32.7	0.0	4.3	2.6	0.0	426.8
POU For Water Right 2-7369																			
Twp	Rge	Sec	NE				NW				SW				SE				Row
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Total
06S	07E	11																	0
06S	07E	12													36	13	30	39	118
06S	07E	13	39	38	40	39	40	40	40	40	40	40	40	40	39	40	39	39	633
06S	07E	24	40	40	40	40													160
06S	08E	7									40	32	32	40					144
06S	08E	18	40	40	40	40	40	32	32	40	40	33	33	40	40	40	40	40	610
06S	08E	19	40	40			37	33	33	37									220
POU For Water Rights 2-7065C & 7369																			
Twp	Rge	Sec	NE				NW				SW				SE				Row
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Total
06S	07E	11	40	40	40	40									40	40	40	40	160
06S	07E	12									40	40	40	40	40	40	40	40	320
06S	07E	13	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
06S	07E	24	40	40	40	40													160
06S	08E	7									40	32	32	40					144
06S	08E	17							40										40
06S	08E	18	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
06S	08E	19	40	40			37	33	33	37									220

Note, per Transfer 77667, approved May 2nd, 2012, a specific 426.8 acres in Township 06S, Range 08E, Section 18 have been identified as being irrigated under water right 2-7065C. These 426.8 acres are completely within the 1,885 acre PPU of water right 2-7369 and they are identified in red in the image immediately to the right, as well as being described in bolded red font, within red cells, in the tabature above.



A review of satellite imagery for the authorized places of use for water rights 2-7065C & 7369 from 2019 indicates approximately 1,098 acres were irrigated across the PPU's for the water rights that year, as depicted in the true color and near-infrared imagery below.



The extent of this irrigation, per government lot / quarter-quarter, is described as follows:

Observed Irrigation																				
TWP	RGE	SEC	NE				NW				SW				SE				Row Total	Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE		
06S	07E	12													27.3	9.3	24.1	37.4	98.1	1,219.0
06S	07E	13	36.2	40.1	32.5	23.0	7.5			2.4	3.0			1.8	33.0	38.0	33.4	27.5	278.4	
06S	07E	24	29.4	28.4	27.7	27.8													113.3	
06S	08E	7										30	7.1						37.1	
06S	08E	17						3.5	3.6			3.9	3.6						14.6	
06S	08E	18	35.8	25.4	25.4	36.0	36.0	22.2	21.9	35.8	36.5	23.1	21.8	34.9	36.6	25.5	24.2	35.4	476.5	
06S	08E	19	32.0	39.7			39.9	32.8	25.2	31.4									201.0	

An information request was issued to the applicant on February 26th, 2021, seeking confirmation as to the exact extent of irrigation that was expected to occur under water rights 2-7065C and 7369 in 2021, and the extent of irrigation that was anticipated to be authorized under a rental. Confirmation was also requested that the applicant was authorized to irrigate lands not owned by them, as many of the lands authorized to be irrigated under 2-7065C & 7369 belong to entities other than Flying H Farms, specifically, the Ann T Wilson Trust and Wilson & Wilson Co.

On March 9th, 2021, a map was received from Mr. Trent Cummins (see Appendix A) in which approximately 1,184 acres were identified as proposed for irrigation in 2021. The areas proposed to be irrigated, as mapped by the applicant, covered an area smaller than the acres actually observed as irrigated in 2019. The mapped acres proposed to be irrigated also didn't overlap the entirety of the center-pivots underlying the mapped areas. The mapped area also included acres in Section 12 of Township 06S, Range 07E, as well as Section 7 of Township 06S, Range 08E, which were not included in the tabulation above. The applicant also provided documents confirming their authority to irrigate certain lands belonging to the Ann T Wilson Trust and Wilson & Wilson Co.

Based on the acres identified in the map provided by the applicant, as well as acres observed irrigated from satellite imagery in 2019, it appears that 1,219 acres may be irrigated by Flying H Farms in 2021, as follows:

Maximum Area Irrigated, as Observed Irrigated in Satellite Imagery, and as Mapped by the Applicant																				
TWP	RGE	SEC	NE				NW				SW				SE				Row Total	Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE		
06S	07E	12													27.3	9.3	24.1	37.4	98.1	1,219.0
06S	07E	13	36.2	40.1	32.5	23.0	7.5			2.4	3.0			1.8	33.0	38.0	33.4	27.5	278.4	
06S	07E	24	29.4	28.4	27.7	27.8													113.3	
06S	08E	7										30	7.1						37.1	
06S	08E	17						3.5	3.6			3.9	3.6						14.6	
06S	08E	18	35.8	25.4	25.4	36.0	36.0	22.2	21.9	35.8	36.5	23.1	21.8	34.9	36.6	25.5	24.2	35.4	476.5	
06S	08E	19	32.0	39.7			39.9	32.8	25.2	31.4									201.0	

From the above acres identified to be irrigated, approximately 14 are outside the authorized places of use for water rights 2-7065C and 7369, while the remaining 1,205 acres to be irrigated fall within the PPU for water rights 2-7065C and 7369.

As stated above, water rights 2-7065C and 7369 are combined limited to the irrigation of 431 acres and 385 acres respectively, and 816 acres collectively. From the 1,219 acres proposed to be irrigated as described above, 352.2 acres and 385 acres are authorized to be irrigated in 2021, as follows:

Irrigation Observed & Contemplated for 2021 Authorized Under Water Rights 2-7065C & 7369																					
TWP	RGE	SEC	NE				NW				SW				SE				Row Total	Total	
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE			
06S	07E	11																			
06S	07E	12													27.3	9.3	24.1	37.4	98.1	737.2	
06S	07E	13	36.2	40.0	32.5	23.0	7.5				2.4	3.0			1.8	33.0	38.0	33.4	27.5		278.3
06S	07E	24	8.6																		8.6
06S	08E	7																			
06S	08E	17																			
06S	08E	18	34.8	24.7	24.2	34.8	36.0	22.2	21.4	35.3	36.5	23.0	20.5	32.7		3.5	2.6		352.2		
06S	08E	19																			

Because 352.2 of 431 irrigable acres under 2-7065C will be irrigated during the term of the rental, a balance of 78.8 acres can be used for irrigation elsewhere. The applicant has proposed a lease of these 78.8 acres (through lease application 2062), which will be rented back to help authorize irrigation under this rental. Overall, a total area of 481.6 acres that might be irrigated in 2021, not under the authorizations of water rights 2-7065C and 7369, should be authorized under this rental application, as follows:

Irrigation Observed That Should be Authorized Under a Rental																					
TWP	RGE	SEC	NE				NW				SW				SE				Row Total	Total	
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE			
06S	07E	11																			
06S	07E	12																			
06S	07E	13																			
06S	07E	24	-20.8	-28.4	-27.7	-27.8													-104.7	-481.6	
06S	08E	7																	-37.1		
06S	08E	17						-3.5	-3.6						-3.9	-3.6			-14.6		
06S	08E	18	-1.0	-0.7	-1.2	-1.2			-0.5	-0.5					-1.3	-2.2	-36.6	-22.0	-21.6		-35.4
06S	08E	19	-32.0	-39.7				-39.9	-32.8	-25.2	-31.4										-201.0

The applicant initially requested a rental of 7.08 cfs and 1,416 af for the irrigation of 354 acres, equivalent to a duty of water of 0.02 cfs/ac and 4.0 afa/ac. The applicant requested that this irrigation use be authorized through a rental of these exact amounts from water right 2-10450. Water right 2-10450 has recently been leased to the Bank (through contract 1275) and it authorizes the irrigation of 750 acres, with a diversion rate of 15 cfs and a diversion volume of 3000 af (equivalent to 0.02 cfs/ac and 4.0 afa/ac). Maintaining this 0.02 cfs/ac and 4.0 afa/ac duty of water for the irrigation of 481.6 acres would require a diversion rate of 9.63 cfs and a diversion volume of 1,926.4 af.

If the applicant rents 78.8 acres from the leased extent of water right 2-7065C and 402.8 acres from the leased extent of water right 2-10450 available for rental can be accessed, along with water additional water rights, to authorize irrigation of 481.6 acres, as follows:

WR	Rate	Volume	Acres	Rate/AC	Vol/AC
2-10450	7.93	1,588	396.9	0.020	4.00
2-7065C	1.57	394	78.8	0.020	5.00
2-2376	0.13	35.30	7.1	0.018	5.00
combined	9.63	2,017.3	482.8	0.020	4.18
<i>adjusted</i>	<i>9.63</i>	<i>1,926.4</i>	<i>481.6</i>	<i>0.020</i>	<i>4.00</i>

Note: the diversion volume authorized to be used for irrigation at the field headgate will be limited under water right 2-7065C and 2-2376, to maintain a duty of water of 4.0 afa/ac, and the acres authorized to be irrigated under 2-2376 will be limited to 6.5, to maintain a duty of water of 0.02 cfs/ac.

Authority to File: The application was prepared and signed by Mr. Jeff Harper on behalf of Flying H Farms. Per an Expiration of Statement of Partnership Authority document listed with the Idaho Secretary or State, it appears the partnership has been renewed for another five years by both Jeff Harper and John Harper. Additionally, provided in the application package is a land lease between Flying H Farms and the current land owner, Ms. Ann Wilson, allowing the Partnership use of the lands for irrigation through 2023. Conditions will be added to the approval noting that it will not authorize trespass across lands not owned by the applicant or Ms. Ann Wilson.

Water Right Validity/Forfeiture Evaluation: Water rights 2-7065C, 2-10450 and 2-2376 are valid and leased to the Bank. No concerns about water right validity or forfeiture.

Injury Evaluation: The proposed rental point of diversion is located downstream of the historic point of diversion for water right 2-10450. The rental location is approximately 13 miles upstream of 2-2376. There does not appear to be an immediate concern for injury to local water users within the area.

Enlargement of Use: Irrigation use under this rental will be limited to 0.02 cfs/ac and 4.0 afa/ac. This is the duty of water already authorized under water right 2-10450 and it is slightly less than the 5.0 afa/ac duty of water authorized under 2-7065C and slightly more than the 0.018 cfs/ac and 5 af/ac duty of water authorized under 2-2376. The amounts rentable under water rights 2-2376 and 2-10450 have been adjusted to avoid enlargement.

Local Public Interest: Staff are unaware of any local public interests that are averse to the rental.

Beneficial Use/Conservation of Water Resources: The rental appears consistent with the conservation of water resources in Idaho.

Department/Watermaster Comments: Water District 2 and IDWR Western Region comments were initially requested on May 3, 2021, and then again on June 15, 2021. A final request for comments was issued 11/17/2021.

Water Supply Bank Evaluation: Bank staff recommend the approval of this application for Flying H Farms through the end of 2025 in line with the duration of both water rights' lease contracts.

Appendix A

Map provided in response to an information request outlining irrigation acreage by pivot



To: Water Supply Bank Rental Agreement 484
From: Remington Buyer
Re: Rental Fee Payments

In 2021, Flying H Farms Partnership requested a rental of water rights from the Water Supply Bank for the period of time 2021-2025. Rental agreement 484 was produced to satisfy the rental request. When it was initially drafted, rental agreement 484 authorized the rental of water rights 2-10450 and 2-7065C, as follows:

WR	Rate	Volume	Acres	Rate/AC	Vol/AC
2-10450	8.06	1,611.20	402.8	0.020	4.00
2-7065C	1.57	394	78.8	0.020	5.00
combined	9.63	2,005.2	481.6	0.020	4.16

Because Flying H Farms Partnership owns water right 2-7065C, they only needed to pay administrative fees associated with the water right rental. The 2021 rental payment calculated for Flying H Farms was as follows:

WR	Owner Rental Rate	Admin Rental Rate	owner Fee	admin fee	total fee
2-10450	\$18/af	\$2/af	\$29,001.60	\$3,222.40	\$32,224.00
2-7065C	\$0/af	\$2/af	\$0.00	\$788.00	\$788.00
			\$29,001.60	\$4,010.40	\$33,012.00

IDWR received from Flying H Farms the rental payment of \$33,012.00 on August 18, 2021 (Receipt ID C110769) and the amounts were receipted as outlined in the table above.

In November 2021, it was identified that an error occurred in calculating the amount of water right 2-10450 available to be rented by Flying H Farms. The amount of water right 2-10450 rented by Flying H Farms needed to be reduced and the reduced rental amount was offset through the rental of an additional portion of water right 2-2376. The final balance of water rights 2-10450, 2-7065C and 2-2376 rented on rental agreement 484 was calculated as follows:

WR	Rate	Volume	Acres	Rate/AC	Vol/AC
2-10450	7.93	1,588	396.9	0.020	4.00
2-7065C	1.57	394	78.8	0.020	5.00
2-2376	0.13	35.30	7.1	0.018	5.00
combined	9.63	2,017.3	482.8	0.020	4.18

The annual rental payment for 2021 based on the above amounts are calculated as follows:

WR	Owner Rental Rate	Admin Rental Rate	owner Fee	admin fee	total fee
2-10450	\$18/af	\$2/af	\$28,584.00	\$3,176.00	\$31,760.00
2-7065C	\$0/af	\$2/af	\$0.00	\$788.00	\$788.00
2-2376	\$18/af	\$2/af	\$635.40	\$70.60	\$706.00
			\$29,219.40	\$4,034.60	\$33,254.00

Based on the amounts already paid under Receipt C110769, a balance of \$242 is required to be paid by Flying H Farms for 2021, calculated as follows:

Amount	owner Fee	admin fee	total fee
Owed	\$29,219.40	\$4,034.6	\$33,254.00
Paid	\$29,001.60	\$4,010.40	\$33,012.00
Balance	\$217.80	\$24.20	\$242.00

The additional \$242 rental payment amount will be requested from Flying H Farms when the 2022 rental payment is requested. A total rental payment of \$33,496 will be requested, calculated as follows:

Amount	owner Fee	admin fee	total fee
2021 Balance	\$217.80	\$24.20	\$242.00
2022 Payment	\$29,219.40	\$4,034.6	\$33,254.00
Total Payment	\$29,437.20	\$4,058.80	\$33,496.00



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

October 25, 2021

FLYING H FARMS PARTNERSHIP
518 OLD HIGHWAY 30
MOUNTAIN HOME, ID 83647-6289

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 2-10450 & 2-7065C AGREEMENTS 484**

Dear Renter:

Please find enclosed a receipt in the amount of **\$33,012.00** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 2005 acre-feet of water for irrigation of 481.6 acres during 2021. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$2,9,001.60 of the rental fee will be paid to the lessor(s) and 10% or \$4,010.40 will be retained by the Department to offset administrative costs.

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

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosures: Receipt No. C110769
Rental Agreement (copy)

c: Sascha Marston – Fiscal
IDWR Western Regional Office



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

September 22, 2021

FLYING H FARMS PARTNERSHIP
518 OLD HIGHWAY 30
MOUNTAIN HOME, ID 83647-6289

**RE: REQUEST FOR RETURN OF SIGNED RENTAL AGREEMENT 484 AND PAYMENT
FOR WATER RIGHT(S) 2-10450 & 2-7065C**

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

Dear Applicant:

The Department of Water Resources ("Department") mailed a **Water Supply Bank Rental Agreement ("Agreement")** for your review and signature on August 6, 2021. The signed agreement and rental fee has not been returned to the Department.

Please sign the rental agreement and return it with the rental payment in the amount of \$33,012.00 within ten (10) days of this letter to complete processing. Diversion and use of the water right(s) is not authorized under the proposed agreement until it has been signed by both the renter and the Department. Any use associated with your proposed rental request before it has been executed is considered unauthorized and, if occurring, will be subject to any necessary enforcement action.

If the signed rental agreement and fee is not received by the department within the 10-day period, the rental application will be returned, and the proposed rental right(s) made available for other rental applicants. You can reapply to rent water from the Bank again in the future by submitting a new rental application form that will be processed in turn with other pending applications.

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

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank



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
Governor Brad Little

Director Gary Spackman
Director Gary Spackman

August 6, 2021

FLYING H FARMS PARTNERSHIP
518 OLD HIGHWAY 30
MOUNTAIN HOME, ID 83647-6289

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 2-10450 & 2-7065C AGREEMENT 484**

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

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of \$33,012.00 was calculated based on the current rental rate of \$20.00 per acre-foot times a diversion volume of 2,005.0 acre-feet.

Please send a check for \$33,012.00 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing.

Pursuant to the Water Supply Bank Rules, 90% or \$29,001.60 of the rental fee will be paid to the lessor(s) and 10% or \$4,010.40 will be retained by the Department to offset administrative costs.

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

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosure

c: IDWR Front Desk

Memorandum

To: Water Right 2-10450 & 2-7065C
 From: Remington Buyer
 Date: June 11, 2021
 Re: Water Supply Bank Rental Application 1821

Purpose/Narrative: An application was received by the Department December 3, 2020 from Mr. Jeff Harper on behalf of Flying H Farms, requesting a rental of Snake River water for the irrigation of lands owned by both the applicant, as well as on neighboring properties owned by Wilson & Wilson Co and the Ann T Wilson Trust. This rental request is effectively a continuation of prior agreement 56 which concluded on December 31, 2020.

Water rights 2-7065C and 2-7369 are appurtenant to a majority of the rental place of use; 2-7065C belongs to Flying H Farms, while water right 2-7369 belongs to Jeff & Jackie Harper. The two water rights authorize irrigation of 431 acres and 385 acres respectively, across two largely overlapping permissible places of use (PPUs), and they are combined limited to the irrigation of 816 acres. The PPUs for water rights 2-7065C and 2-7369 are 1,800 and 1,885 respectively, and collectively, sum to 2,324 acres as follows:

POU For Water Right 2-7065C																					
Twp	Rge	Sec	NE				NW				SW				SE				Row Total	Total	
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE			
06S	07E	11	40	40	40	40					40	40	40	40	40	40	40	40	160	1,800	
06S	07E	12									40	40	40	40	40	40	40	40	320		
06S	07E	13	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640			
06S	08E	17					40												40		40
06S	08E	18	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640			
06S	08E	18	36.8	40.0	39.8	37.9	40.0	31.9	31.7	40.0	38.5	28.5	22.1	32.7	0.0	4.3	2.6	0.0	426.8		

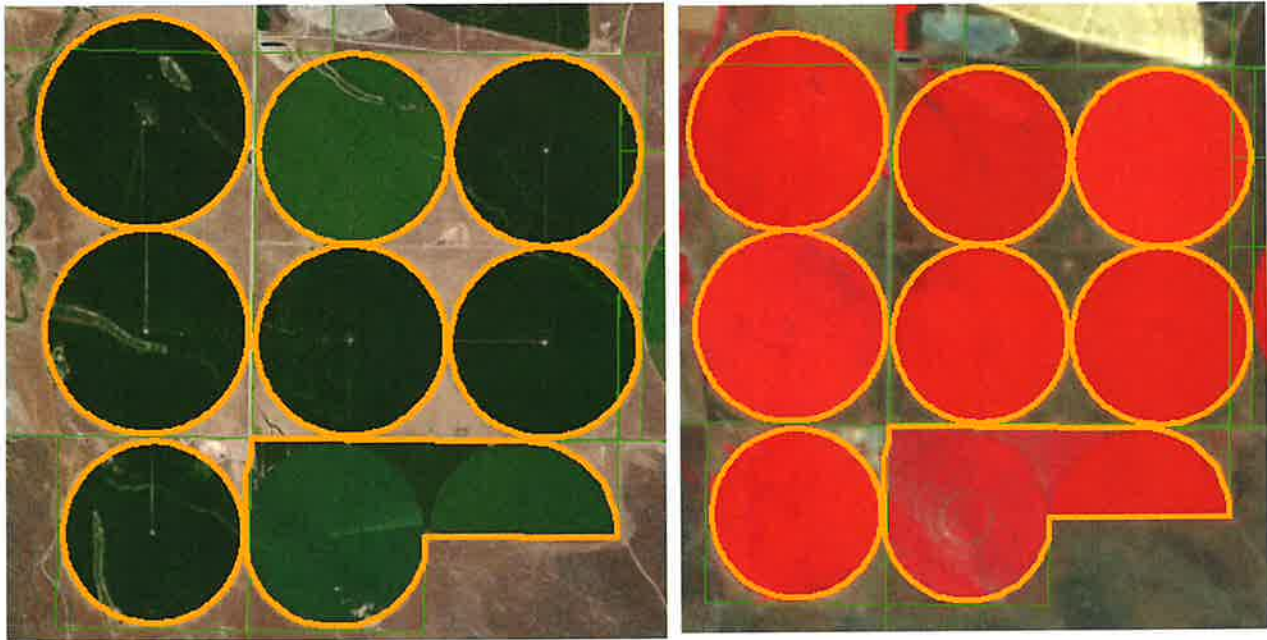
POU For Water Right 2-7369																					
Twp	Rge	Sec	NE				NW				SW				SE				Row Total	Total	
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE			
06S	07E	11																	0	1,885	
06S	07E	12																	118		
06S	07E	13	39	38	40	39	40	40	40	40	40	40	40	39	40	39	39	633			
06S	07E	24	40	40	40	40													160		
06S	08E	7									40	32	32	40					144		
06S	08E	18	40	40	40	40	40	32	32	40	40	33	33	40	40	40	40	610			
06S	08E	19	40	40					37	33	33	37									220

POU For Water Rights 2-7065C & 7369																					
Twp	Rge	Sec	NE				NW				SW				SE				Row Total	Total	
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE			
06S	07E	11	40	40	40	40													160	2,324	
06S	07E	12									40	40	40	40	40	40	40	40	320		
06S	07E	13	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640			
06S	07E	24	40	40	40	40													160		
06S	08E	7									40	32	32	40					144		
06S	08E	17					40												40		
06S	08E	18	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640			
06S	08E	19	40	40					37	33	33	37									220

Note, per Transfer 77667, approved May 2nd, 2012, a specific 426.8 acres in Township 06S, Range 08E, Section 18 have been identified as being irrigated under water right 2-7065C. These 426.8 acres are completely within the 1,885 acre PPU of water right 2-7369 and they are identified in red in the image immediately to the right, as well as being described in bolded red font, within red cells, in the tabature above.



A review of satellite imagery for the authorized places of use for water rights 2-7065C & 7369 from 2019 indicates approximately 1,098 acres were irrigated across the PPU's for the water rights that year, as depicted in the true color and near-infrared imagery below.



The extent of this irrigation, per government lot / quarter-quarter, is described as follows:

Observed Irrigation																				
TWP	RGE	SEC	NE				NW				SW				SE				Row Total	Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE		
06S	07E	12													27.3	9.3	24.1	37.4	98.1	1,219.0
06S	07E	13	36.2	40.1	32.5	23.0	7.5			2.4	3.0			1.8	33.0	38.0	33.4	27.5	278.4	
06S	07E	24	29.4	28.4	27.7	27.8													113.3	
06S	08E	7										30	7.1						37.1	
06S	08E	17						3.5	3.6			3.9	3.6						14.6	
06S	08E	18	35.8	25.4	25.4	36.0	36.0	22.2	21.9	35.8	36.5	23.1	21.8	34.9	36.6	25.5	24.2	35.4	476.5	
06S	08E	19	32.0	39.7			39.9	32.8	25.2	31.4									201.0	

An information request was issued to the applicant on February 26th, 2021, seeking confirmation as to the exact extent of irrigation that was expected to occur under water rights 2-7065C and 7369 in 2021, and the extent of irrigation that was anticipated to be authorized under a rental. Confirmation was also requested that the applicant was authorized to irrigate lands not owned by them, as many of the lands authorized to be irrigated under 2-7065C & 7369 belong to entities other than Flying H Farms, specifically, the Ann T Wilson Trust and Wilson & Wilson Co.

On March 9th, 2021, a map was received from Mr. Trent Cummins (see Appendix A) in which approximately 1,184 acres were identified as proposed for irrigation in 2021. The areas proposed to be irrigated, as mapped by the applicant, covered an area smaller than the acres actually observed as irrigated in 2019. The mapped acres proposed to be irrigated also didn't overlap the entirety of the center-pivots underlying the mapped areas. The mapped area also included acres in Section 12 of Township 06S, Range 07E, as well as Section 7 of Township 06S, Range 08E, which were not included in the tabature above. The applicant also provided documents confirming their authority to irrigate certain lands belonging to the Ann T Wilson Trust and Wilson & Wilson Co.

Based on the acres identified in the map provided by the applicant, as well as acres observed irrigated from satellite imagery in 2019, it appears that 1,219 acres may be irrigated by Flying H Farms in 2021, as follows:

Maximum Area Irrigated, as Observed Irrigated in Satellite Imagery, and as Mapped by the Applicant																				
TWP	RGE	SEC	NE				NW				SW				SE				Row Total	Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE		
06S	07E	12													27.3	9.3	24.1	37.4	98.1	1,219.0
06S	07E	13	36.2	40.1	32.5	23.0	7.5			2.4	3.0			1.8	33.0	38.0	33.4	27.5	278.4	
06S	07E	24	29.4	28.4	27.7	27.8													113.3	
06S	08E	7										3.0	7.1						37.1	
06S	08E	17						3.5	3.6			3.9	3.6						14.6	
06S	08E	18	35.8	25.4	25.4	36.0	36.0	22.2	21.9	35.8	36.5	23.1	21.8	34.9	36.6	25.5	24.2	35.4	476.5	
06S	08E	19	32.0	39.7			39.9	32.8	25.2	31.4									201.0	

From the above acres identified to be irrigated, approximately 14 are outside the authorized places of use for water rights 2-7065C and 7369, while the remaining 1,205 acres to be irrigated fall within the PPU for water rights 2-7065C and 7369.

As stated above, water rights 2-7065C and 7369 are combined limited to the irrigation of 431 acres and 385 acres respectively, and 816 acres collectively. From the 1,219 acres proposed to be irrigated as described above, 352.2 acres and 385 acres are authorized to be irrigated in 2021, as follows:

Irrigation Observed & Contemplated for 2021 Authorized Under Water Rights 2-7065C & 7369																				
TWP	RGE	SEC	NE				NW				SW				SE				Row Total	Total
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE		
06S	07E	11																		
06S	07E	12													27.3	9.3	24.1	37.4	98.1	737.2
06S	07E	13	36.2	40.0	32.5	23.0	7.5			2.4	3.0			1.8	33.0	38.0	33.4	27.5	278.3	
06S	07E	24	8.6																8.6	
06S	08E	7																		
06S	08E	17																		
06S	08E	18	34.8	24.7	24.2	34.8	36.0	22.2	21.4	35.3	36.5	23.0	20.5	32.7		3.5	2.6		352.2	
06S	08E	19																		

Because 352.2 of 431 irrigable acres under 2-7065C will be irrigated during the term of the rental, a balance of 78.8 acres can be used for irrigation elsewhere. The applicant has proposed a lease of these 78.8 acres (through lease application 2062), which will be rented back to help authorize irrigation under this rental. Overall, a total area of 481.6 acres that might be irrigated in 2021, not under the authorizations of water rights 2-7065C and 7369, should be authorized under this rental application, as follows:

Irrigation Observed That Should be Authorized Under a Rental																					
TWP	RGE	SEC	NE				NW				SW				SE				Row Total	Total	
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE			
06S	07E	11																			
06S	07E	12																			
06S	07E	13																			
06S	07E	24	-20.8	-28.4	-27.7	-27.8													-104.7	-481.6	
06S	08E	7												-30.0	-7.1				-37.1		
06S	08E	17						-3.5	-3.6					-3.9	-3.6				-14.6		
06S	08E	18	-1.0	-0.7	-1.2	-1.2			-0.5	-0.5				-1.3	-2.2	-36.6	-22.0	-21.6	-35.4		-124.2
06S	08E	19	-32.0	-39.7			-39.9	-32.8	-25.2	-31.4									-201.0		

The applicant initially requested a rental of 7.08 cfs and 1,416 af for the irrigation of 354 acres, equivalent to a duty of water of 0.02 cfs/ac and 4.0 afa/ac. The applicant requested that this irrigation use be authorized through a rental of these exact amounts from water right 2-10450. Water right 2-10450 has recently been leased to the Bank (through contract 1275) and it authorizes the irrigation of 750 acres, with a diversion rate of 15 cfs and a diversion volume of 3000 af (equivalent to 0.02 cfs/ac and 4.0 afa/ac). Maintaining this 0.02 cfs/ac and 4.0 afa/ac duty of water for the irrigation of 481.6 acres would require a diversion rate of 9.63 cfs and a diversion volume of 1,926.4 af.

If the applicant rents 78.8 acres from the leased extent of water right 2-7065C and 402.8 acres from the leased extent of water right 2-10450, the Bank can authorize an irrigation rental for 481.6 acres, as follows:

WR	Rate	Volume	Acres	Rate/AC	Vol/AC
2-7065C	1.576	394.0	78.8	0.020	5.00
2-10450	8.056	1611.2	402.8	0.020	4.00
combined	9.632	1926.4	481.6	0.020	4.00

Note: the diversion volume authorized to be used for irrigation at the field headgate will be limited under water right 2-7065C, to maintain a duty of water of 4.0 afa/ac.

Authority to File: The application was prepared and signed by Mr. Jeff Harper on behalf of Flying H Farms. Per an Expiration of Statement of Partnership Authority document listed with the Idaho Secretary or State, it appears the partnership has been renewed for another five years by both Jeff Harper and John Harper. Additionally, provided in the application package is a land lease between Flying H Farms and the current land owner, Ms. Ann Wilson, allowing the Partnership use of the lands for irrigation through 2023. Conditions will be added to the approval noting that it will not authorize trespass across lands not owned by the applicant or Ms. Ann Wilson.

Water Right Validity/Forfeiture Evaluation: Water rights 2-7065C and 2-10450 are both valid and under lease to the Bank. No concerns about water right validity or forfeiture.

Injury Evaluation: The proposed rental point of diversion is located downstream of the historic point of diversion for water right 2-10450. As such, there does not appear to be an immediate concern for injury to local water users within the area as the proposal would leave the total volume within the stream channel until diverted past any immediate water users within the area. Additionally, because this appears to be an ongoing lease/rental package and, as of the date of this review IDWR has not received any complaints indicating injury had been caused, there are no further concerns of injury through this rental proposal.

Enlargement of Use: Irrigation use under this rental will be limited to 0.02 cfs/ac and 4.0 afa/ac. This is the duty of water already authorized under water right 2-10450 and it is slightly less than the 5.0 afa/ac duty of water authorized under 2-7065C. No enlargement is apparent under this rental.

Local Public Interest: Staff are unaware of any local public interests that are averse to the rental.
Beneficial Use/Conservation of Water Resources: The rental appears consistent with the conservation of water resources in Idaho.

Department/Watermaster Comments: Water District 2 and IDWR Western Region comments were initially requested on May 3, 2021, and then again on June 15, 2021.

Water Supply Bank Evaluation: Bank staff recommend the approval of this application for Flying H Farms through the end of 2025 in line with the duration of both water rights' lease contracts.

Appendix A

Map provided in response to an information request outlining irrigation acreage by pivot



From: Trent Cummins [mailto:trent@flyinghfarms.net]
Sent: Tuesday, March 9, 2021 2:58 PM
To: Ferguson, Justin <Justin.Ferguson@idwr.idaho.gov>; jeff@flyinghfarms.net
Subject: RE: Information Request - Flying H Farms

Hello Justin,

I will try to sufficiently answer each of your questions in order from your previous email.

- 1) The overlap into section 17 is included in the Farm Lease with the landowner. Please find current lease attached, and under Section 1. Property (I have included screen grab of language in lease below):

1. Property. The Landlord hereby agrees to lease to the Tenant and the Tenant hereby agrees to lease from the Landlord the real property located in the County of Owyhee, State of Idaho (the "Property"), legally described as follows:

The Northeast Quarter of Section Eleven, The South Half of Section Twelve and all of Section Thirteen in Township Six South, Range Seven East, Boise Meridian;

The Southwest Quarter of the Northwest Quarter of Section Seventeen and all of Section Eighteen, in Township Six South, Range Eight East, Boise Meridian.

- 2) You are right. The corners near BC-Farris 2 did not get included. That was a map printing error. Those irrigated corners total 25 acres, and are included in the attached map.
- 3) I have included the above mentioned map to show where exactly each water right would be used on the farm. I used Red, Blue, and Green boxes to outline where each water right is being used. Water Right 2-7369 (RED BOX) covers Farris 1, Farris 2, Farris 3, Farris Corners, Wilson Calving Grounds, and Wilson Gravel Pit. This totals 385 acres. Water Right 2-7065C (BLUE BOX) covers Wilson 10 SS, Wilson 11, Wilson 5, and Wilson 7. This totals 429 acres. The Rented Water Shares (GREEN BOX) would cover Wilson 10, Wilson 4, and Wilson 6. This totals 395 acres.

I am happy to discuss on the phone to help provide further clarification. And I appreciate you working with us on this.

Thank you,

Trent Cummins
Flying H Farms
(208) 599-4255

From: Ferguson, Justin [mailto:Justin.Ferguson@idwr.idaho.gov]
Sent: Monday, March 8, 2021 2:58 PM
To: Trent Cummins <trent@flyinghfarms.net>; jeff@flyinghfarms.net
Subject: RE: Information Request - Flying H Farms

Afternoon! Thank you for the email, the information definitely helps! There are a couple items that needed a little further clarification before we can move forward:

- I completely agree that the acreage is part of the same field overlapping into section 17, the BC-Wilson 5 & 7 however, as the specific acreage was not identified in the farm agreement, we would need authorization from the land owner
- Based on the acreage called out I believe we can expand the rental amounts however, there appears to be acreage irrigated on either side of the BC-Farris 2 pivot that may also need included in the rental if you plan to continue to irrigate.
- The specific acreage you plan to irrigate using the rental will need called out in an updated map. The three pivots: BC-Wilson 4, 5 & 6 are specifically covered by 2-7065C which cannot be used on any other acres within the farm. As such, those acres cannot be double covered via a rental from the Bank.

- I believe we may be able to move forward if you were able to outline the acreage, not covered by an existing water right, that you plan to irrigate using a rental

Let me know if I can be of any help gathering data or if there is anything I can send over!

Justin

From: Trent Cummins [<mailto:trent@flyinghfarms.net>]
Sent: Thursday, February 25, 2021 11:35 AM
To: Ferguson, Justin <Justin.Ferguson@idwr.idaho.gov>; jeff@flyinghfarms.net
Subject: RE: Information Request - Flying H Farms

Good Morning Justin,

We have included 3 items in the attached document 'Response to Information Request'.

The 1st page details the section township range that each of the 2 owned water shares currently covers.

The 2nd page provides details on the current acreage that is farmed and irrigated.

The current farm totals 1,184 acres irrigated acres.

Water Right: 2-7065C (431 acres)

Water Right: 2-7369 (385 acres)

Leaving a need to rent 368 acres from the Water Bank.

The 3rd page breaks down by field name and acres (as noted on page 2) what water is used on each field.

As for updated consent, we only lease land from Ms. Ann Wilson/Wilson & Wilson Co. The land described in 06S 08E Sec. 17 rented and irrigated by Flying H Farms is just the very edges of Field BC-Wilson 5 and BC-Wilson 7. You can see in the map attached that the very eastern edges of these fields overlap into Sec. 17.

I hope this response provides the clarification needed to proceed with rental application process.

Please reach out with any questions.

Thank you,

Trent Cummins
Flying H Farms Partnership
(208) 599-4255

From: Ferguson, Justin [<mailto:Justin.Ferguson@idwr.idaho.gov>]
Sent: Wednesday, February 24, 2021 12:15 PM
To: trent@flyinghfarms.net; jeff@flyinghfarms.net
Subject: Information Request - Flying H Farms

Trent, Jeff,

During the review I found a couple items that need further clarification based on the information provided in the application. I have attached a review of your water rights along with the proposed rental to add clarification to the information being requested. Please let me know if I can be of any help, I believe once we clear up the questions posed in the information request I can work on generating the final approval documents for signature

Thank you!

Justin Ferguson
Water Supply Bank Specialist
Idaho Department of Water Resources
322 East Front Street, Boise, ID, 83720
T: (208) 287-4936 | Justin.Ferguson@IDWR.Idaho.gov

FARM LEASE

among

WILSON & WILSON CO.,
an Idaho corporation;

ANN T. WILSON,
an individual
collectively as "Landlord"

and

FLYING H FARMS PARTNERSHIP,
an Idaho partnership
as "Tenant"

Effective: January 1, 2019

FARM LEASE

This Farm Lease (the "Lease") is made this 1st day of January, 2019, among Wilson & Wilson Co., an Idaho Corporation, and Ann T. Wilson (collectively with Wilson & Wilson Co., the "Landlord"), an individual, and Flying H Farms Partnership (the "Tenant"), an Idaho Partnership.

For and in consideration of the mutual covenants and promises contained herein, the parties hereby agree as follows:

1. Property. The Landlord hereby agrees to lease to the Tenant and the Tenant hereby agrees to lease from the Landlord the real property located in the County of Owyhee, State of Idaho (the "Property"), legally described as follows:

The Northeast Quarter of Section Eleven, The South Half of Section Twelve and all of Section Thirteen in Township Six South, Range Seven East, Boise Meridian;

The Southwest Quarter of the Northwest Quarter of Section Seventeen and all of Section Eighteen, in Township Six South, Range Eight East, Boise Meridian.

2. Lease Term. The term of the lease is for a period of five (5) years and shall commence on January 1, 2019 and shall continue until December 31, 2023.

3. Rent.

3.1 During the term of the Lease, the Landlord shall be entitled to a payment in the amount of 25% of the net proceeds from the farm crops raised on the Property by the Tenant, which payment shall be due upon the Tenant's receipt of the sale proceeds from these crops. The term "net proceeds" are defined as the gross proceeds from the farm crops raised on the Property by the Tenant minus the expenses incurred by Tenant for repairs¹, electricity², annual maintenance, tenant's real water cost for the Property, water equipment rental, seed, fertilizer and chemicals related to the Property. The Tenant agrees to keep full and accurate records of the total amount of crops raised and produced each year on the Property.

3.2 In addition, Tenant shall pay Landlord ½ of any rent that it receives from subleasing the Property for grazing minus any reasonable costs Tenant incurs for planting or fencing that is related to the sublease. Tenant shall notify Landlord of the identity of any subtenant and their contact information. Tenant's books and records related to the Property shall be available for inspection by the Landlord during business hours.

¹ The repair expenses includes all direct repairs to the Property itself, repairs to the Property's improvements and irrigation system, and repairs to Tenant's equipment needed to farm the Property.

² The electricity expenses include all of the Tenant's electricity cost needed to pressurize and pump water to the Property.

3.3 To the extent requested by Landlord, should any of the above noted expenses in Section 3.1 or 3.2 exceed the average expenses as presented in 2018 as set forth in Exhibit "A" attached hereto, Tenant shall provide Landlord with the documentation showing why those expenses exceeded that average.

4. Renewal. After the above-described five (5) year rental term, this Lease shall automatically renew on a year to year basis thereafter until either the Tenant or Landlord give written notice of termination on or before September 1st of the prior year.

5. Water Rights. For irrigation on the Property, the Tenant intends to use its own water rights to withdraw water from the Snake River to convey irrigation water from the Snake River to the Property. All of the water rights shall remain the property of the Tenant and shall not become appurtenant to the Property.

6. Additional Responsibilities.

- a) Landlord. The Landlord shall assume the following responsibilities with regards to the Property during the term of the Lease:
 - i) Pay all ad valorem taxes assessed against the Property during the term of the Lease and no other expenses pertaining to the harvest except what is otherwise listed in this Lease; and
 - ii) Keep the irrigation equipment on the Property free and clear of liens arising out of the work performed, materials furnished, or obligations incurred by the Landlord.
- b) Tenant. The Tenant shall assume the following responsibilities with regards to the Property during the term of the Lease:
 - i) Take reasonable efforts to guard against and destroy the growth of noxious weeds on the Property;
 - ii) Keep the Property free and clear of liens arising out of the work performed, materials furnished, or obligations incurred by the Tenant; and
 - iii) Furnish the labor, machinery, equipment and implements necessary to till, farm and cultivate the Property in a good and farmer-like manner and according to the usual course of husbandry.

7. Livestock. The Landlord reserves the right to graze or calve its livestock during the term of the Lease on any portion of the Property that is not then planted with crops. In addition, for the purpose of egress or ingress to the Property by the Landlord's livestock during the term of the Lease, the Tenant hereby grants to the Landlord the right to trail the Landlord's livestock over the Tenant's adjoining real property; provided, however, that said livestock shall not be trailed over land which is then planted with any crops.

7.1 Trailing land will be made available to Landlord by Tenant in March through May of each year during the term of the Lease. This does not affect the Landlord's trailing rights, if any, prior to the term of the Lease.

7.2 Tenant shall seed the calving ground and 10SS fields this spring and Landlord can use these fields for pasture for Landlord's cattle this year. For Landlord's spring cattle turnout this year, Landlord can use the Farris 1 field. Landlord shall thereafter purchase a used pivot from Tenant for \$39,500 and Tenant shall transport and install at its cost this pivot to be used on the west side of Brown's creek with the intent that there be adequate water for the Property in order to create a good stand of grass year to year thereafter. Landlord shall be using this pasture in the spring through September 30th of each year. Adequate water shall be provided in the fall of 2019 in order to provide a good stand of grass in the spring. Landlord shall be entitled to use the pasture on the west side of Brown's creek under this pivot for the following years during the term of the Lease. Landlord shall be responsible for the cost of the seed for the grass under this pivot.

8. Fencing. Landlord and Tenant shall each pay one-half (1/2) of the cost of repairing and installing adequate perimeter fencing for the Property on all fencing that adjoins and separates the Landlord and Tenant's property. Any damage done to the fencing on the Property shall be repaired at the sole cost of the party responsible for damaging the fence. If a subtenant of the Tenant damages any portion of the fence then Tenant shall repair such damage at Tenant's cost.

9. Yearly Meeting. Each year on or before August 1st, or another date mutually agreed upon by the Landlord and the Tenant, Tenant shall prepare a crop plan for the upcoming year and shall deliver it to Landlord. Tenant shall have ten (10) days to approve of such plan, which approval shall not be unreasonably withheld, delayed or conditioned. If the parties cannot agree upon the crop plan then the parties shall meet in an effort to resolve their differences in good faith.

10. Erosion and Seepage Control. After the Tenant harvests its crops on the Property, the Tenant agrees to take reasonable efforts to limit wind erosion in those harvested fields.

Tenant agrees to make reasonable efforts to limit the seepage of irrigation water that can be directly traced to Tenant's irrigation practices onto Landlord's adjacent farmland in accordance with acceptable farming practices.

11. No Assignment or Sublease. The Tenant may not assign or sublease the Property without the prior written consent of the Landlord which may be withheld at Landlord's unfettered discretion.

12. Waiver. Waiver of a breach of any provision of this Lease by any party in any particular instance shall not be deemed a waiver of any other breach of this Lease.

13. Quiet Enjoyment. So long as the Tenant is not in default, the Landlord warrants and covenants that, during the term of this Lease and subject to the provisions hereof, the Tenant shall have the exclusive right and possession of and the quiet enjoyment of the Property, as well

as the irrigation equipment that is jointly owned by the Parties, and shall have, hold and enjoy the Property and that irrigation equipment without interference by the Landlord, subject to the terms of this agreement.

14. Entire Agreement. This Lease constitutes the entire agreement between the parties with respect to the lease of the Property and may not be modified except in writing signed by all parties.

15. Governing Law. This Lease shall be governed by, and construed in accordance with the laws of the State of Idaho (other than its conflict of laws rules).

16. Attorney's Fees. In the event either party shall institute a lawsuit to enforce any rights pursuant to this agreement, the successful party shall be entitled to, in addition to those costs and disbursements provided by statute, a reasonable sum as attorney fees and costs of litigation, including reasonable attorney fees and costs incurred in any appeal thereof. Any amount due and owing to a party pursuant to the terms of this Lease shall accrue interest at the rate of twelve percent (12%) per annum from the date it is due to the date of payment.

17. Binding Effect. This Lease shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and/or assigns; *provided, however,* that assignment shall be subject to the provisions of Section 11 hereof.

18. Time. Time is of the essence in this Lease.

19. Recording. At the request of either party, a short form lease may be executed for recording.

20. Authorization. The Landlord hereby represents and warrants that it owns the Property and has all necessary power and authority to enter into and perform this Lease and to consummate the transactions contemplated hereby.

21. Default by Tenant. The Tenant shall be in default under this Lease if (i) it fails to pay Rent or additional amounts when due, or (ii) fails to perform any of the other covenants or agreements contained in this Lease.

Upon the occurrence of an event of default by the Tenant, the Landlord, in its sole discretion, may exercise any rights or remedies provided by law or equity; *provided, however,* that as a precondition to pursuing any remedy for alleged default by the Tenant, the Landlord shall first give written notice to the Tenant specifying the claimed default. The Tenant shall have thirty (30) days from the receipt of such notice to effect a cure of the claimed default (other than a payment default, which shall have solely a fourteen (14) day cure period); *provided, however,* that if the nature of the Tenant's obligations (other than a payment default) are such that more than thirty (30) days are required for performance, then the Tenant shall not be in default if it commences performance within such thirty-day period and thereafter diligently prosecutes the same to completion.

22. Default by Landlord. The Landlord shall be in default under this Lease if it fails

to perform any of the other covenants or agreements contained in this Lease.

Upon the occurrence of an event of default by the Landlord, the Tenant, in its sole discretion, may exercise any rights or remedies provided by law or equity; *provided, however*, that the Landlord shall not be considered to be in default under this Lease unless (i) the Tenant has given to the Landlord written notice specifying the claimed default and (ii) the Landlord has failed for thirty (30) days to cure such claimed default, or if the nature of the Landlord's obligations are such that more than thirty (30) days are required for performance, then the Landlord shall not be in default if the Landlord commences performance within such thirty-day period and thereafter diligently prosecutes the same to completion.

23. Notices. All notices shall be in writing and deemed to have been duly served within 48 hours after mailing (if sent certified mail) or immediately (if personal service):

If to the Landlord: Wilson & Wilson Co.
Attn.: Ann T. Wilson
P.O. Box 33
Hammett, ID 83627

If to the Tenant: Flying H Farms Partnership
Attn.: Jeff Harper
518 Old Highway 30
Mountain Home, ID 83647

IN WITNESS WHEREOF, the parties have executed this Lease the day and year first set forth above.

LANDLORD

WILSON & WILSON CO.

By: Ann T. Wilson
Ann T. Wilson, President

Ann T. Wilson
ANN T WILSON

TENANT

Jeff Harper

FLYING H FARMS PARTNERSHIP

By: Jeff Harper
Jeff Harper, Partner

STATE OF IDAHO)
 : ss.
County of Elmore)

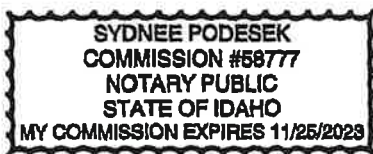
On this 22nd day of February, in the year 2019, before me, a notary public for the State of Idaho, personally appeared Ann T. Wilson individually, and also known or identified to me to be the President of Wilson & Wilson Co. and whose name is subscribed to the within and foregoing instrument, and acknowledged to me on this day under oath, that, being informed of the contents of this agreement, she executed the same on behalf of herself individually and Wilson & Wilson Co. as her free and voluntary act and deed.



[Signature]
Notary Public for the State of Idaho
Residing at: Mountain Home, Id.
My Commission Expires: 11-17, 2022

STATE OF IDAHO)
 : ss.
County of Elmore)

On this 20th day of February, in the year 2019, before me, a notary public for the State of Idaho, personally appeared Jeff Harper, known or identified to me to be a partner of Flying H Farms Partnership and whose name is subscribed to the within and foregoing instrument, and acknowledged to me on this day under oath, that, being informed of the contents of this agreement, he executed the same on behalf of Flying H Farms Partnership as his free and voluntary act and deed.

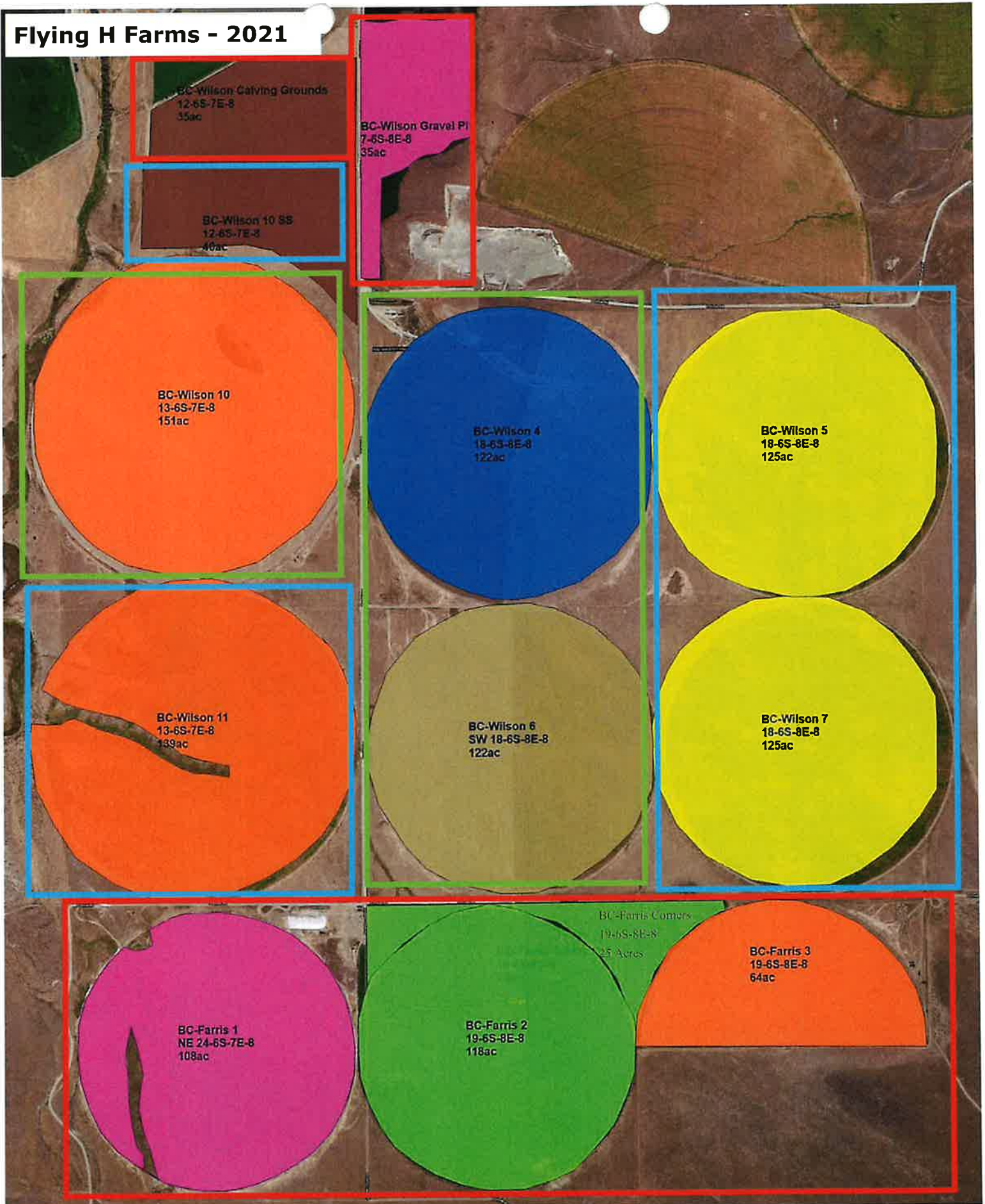


Sydnee Podeseck
Notary Public for the State of Idaho
Residing at: Mountain Home
My Commission Expires: November 25, 2023

EXHIBIT A

Average acres over 5 years		182.8	555.8	28.0	49.4	7.0	823.0
		Potatoes	Corn	Hay	Beans	Wheat	Total
Expense	Seed	\$ 74,948.00	\$ 65,657.00	\$ 3,394.00	\$ 3,606.00	\$ 245.00	\$ 147,850.00
	Fertilizer	\$ 63,066.00	\$ 113,939.00	\$ -	\$ 4,693.00	\$ 455.00	\$ 182,153.00
	Chemicals	\$ 84,636.00	\$ 33,348.00	\$ 616.00	\$ 2,717.00	\$ -	\$ 121,317.00
	Repairs	\$ 3,565.00	\$ 10,838.00	\$ 546.00	\$ 963.00	\$ 137.00	\$ 16,049.00
	Electric	\$ 19,194.00	\$ 58,359.00	\$ 2,940.00	\$ 5,187.00	\$ 735.00	\$ 86,415.00
	Water	\$ 12,796.00	\$ 38,906.00	\$ 1,960.00	\$ 3,458.00	\$ 490.00	\$ 57,610.00
	Property Insurance	\$ 2,742.00	\$ 8,337.00	\$ 420.00	\$ 741.00	\$ 105.00	\$ 12,345.00
	Equipment Rental	\$ 1,828.00	\$ 5,558.00	\$ 280.00	\$ 494.00	\$ 70.00	\$ 8,230.00
		\$ 262,775.00	\$ 334,942.00	\$ 10,156.00	\$ 21,859.00	\$ 2,237.00	\$ 631,969.00

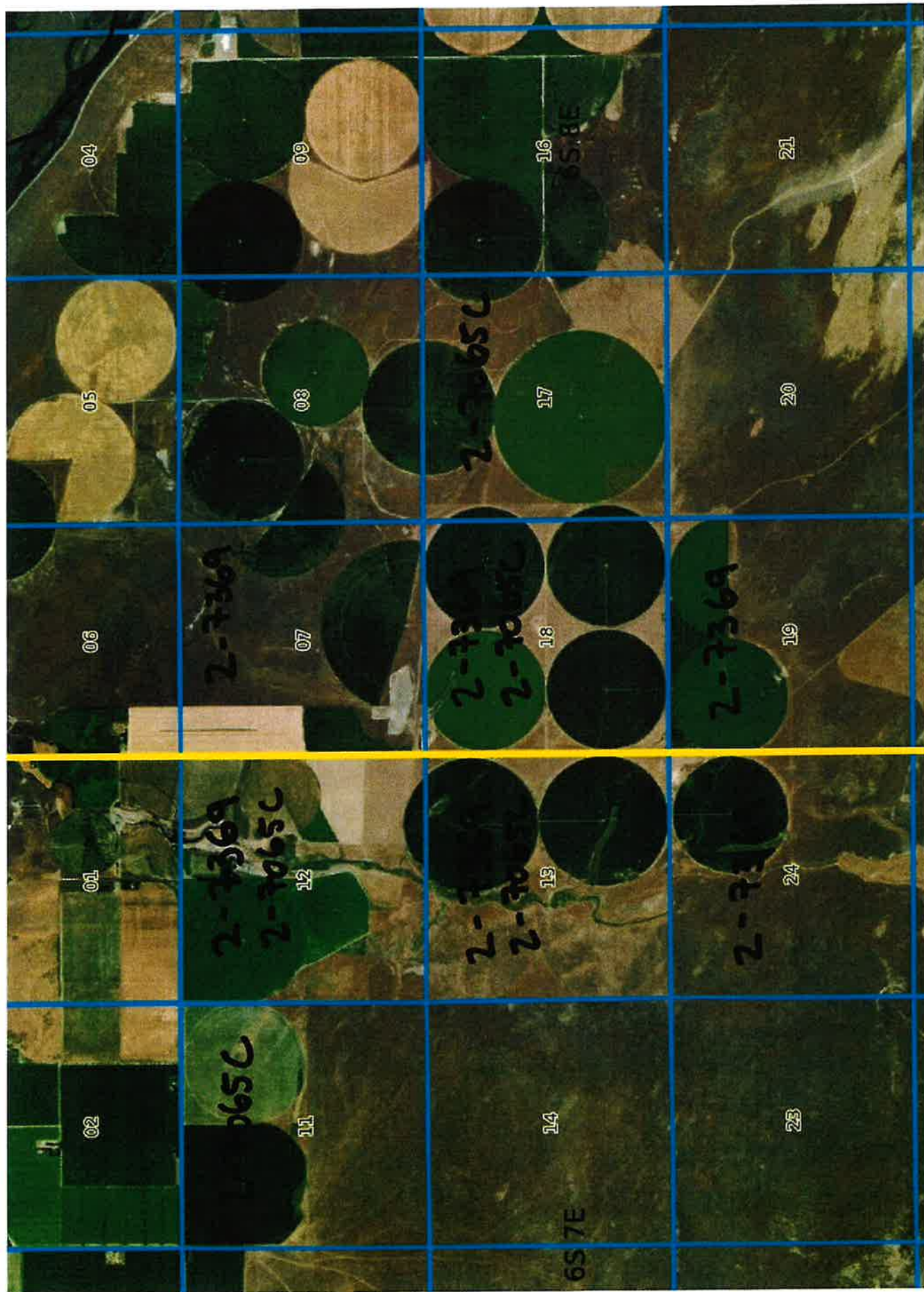
Flying H Farms - 2021



WATER RIGHT: 2-7369

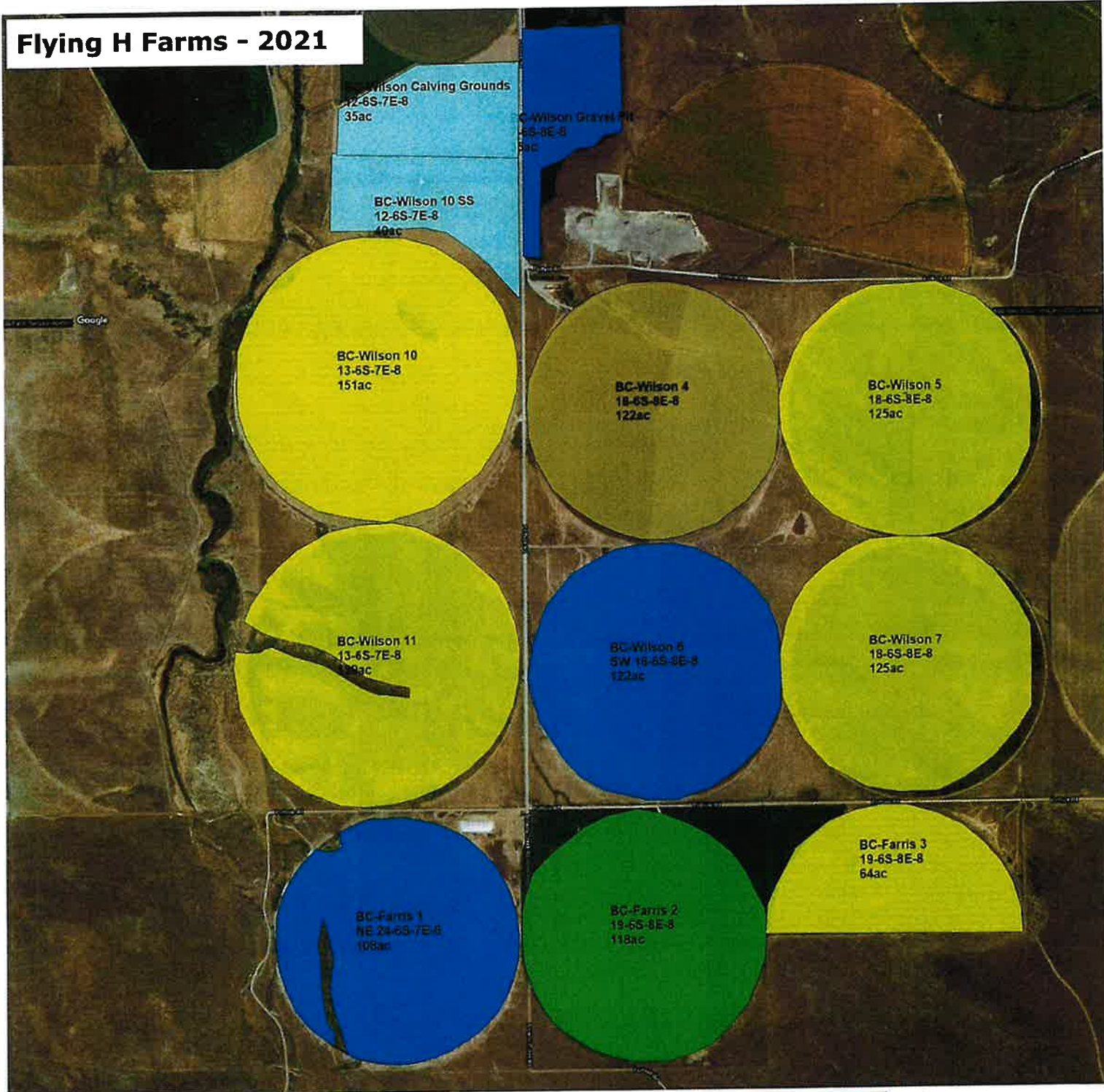
WATER RIGHT: 2-7065C

RENTAL



Water Right: 2-7065C 431 acres
 2-7369 385 acres

Flying H Farms - 2021



● Alfalfa 118.00 Acres	● Beans 122.00 Acres	● Corn 604.00 Acres	● Grazing 75.00 Acres
● Potatoes 265.00 Acres			



Total Acres = 1,184
 Water Right 2-70650 431
 2-7369 385

 368 Acres Needed to Rent

Water Allocation Map
 Browns Creek Farm

Field	Acres	Water Used
Farris 1	108	2-7369
Farris 2	118	2-7369
Farris 3	64	2-7369
Wilson 11	139	2-7065C
Wilson 6	122	RENTAL
Wilson 7	125	2-7065C
Wilson 10	151	2-7065C
Wilson 4	122	RENTAL
Wilson 5	125	RENTAL
Wilson Calving Grounds	35	2-7369
Wilson 10 SS	40	2-7065C / 2-7369
Wilson Gravel Pit	35	2-7369
TOTAL IRRIGATED	1,184	
Water Right: 2-7065C	(431)	
Water Right: 2-7369	(385)	
Need to Rent:	368	

From: Buyer, Remington
Sent: Thursday, December 3, 2020 5:04 PM
To: 'Trent Cummins' <trent@flyinghfarms.net>
Cc: Bank <Bank@idwr.idaho.gov>
Subject: RE: Water Right Rental Application

Hi Trent,

I've entered your new rental request into our processing system. Your rental request has been assigned rental application #1821.

Please know, the lease contract for water right 2-10450 will expire on December 31, 2020 and IDWR has not yet received a new lease proposal from Idaho Power to place this water right back into the Water Supply Bank. If water right 2-10450 is not leased back into the Water Supply Bank, Flying H Farms can rent an alternative basin 2, Snake River water right.

As such, we will place your rental application on hold for 30 days, until January 2, 2021, to allow for a new lease of water right 2-10450 to be submitted by Idaho Power. If no lease of water right 2-10450 is received as of January 2, 2021, our office will proceed with finding an alternative water right for you. Alternatively, if you'd like to move forward with the rental of an alternative basin 2 Snake River water right, we can initiate processing of your rental application immediately, without a delay. Please advise if that is your preference.

Regards,

Remington

From: Trent Cummins [<mailto:trent@flyinghfarms.net>]
Sent: Thursday, December 3, 2020 11:27 AM
To: Bank <Bank@idwr.idaho.gov>
Subject: Water Right Rental Application

Hello,

I would like to submit this rental application for water right 2-10450. We have leased this water right from the bank for several years, and would like to continue to do so. Please find our rental application attached. If there are any questions or issues, please contact me anytime.

Thank you,

Trent Cummins
CFO
Flying H Farms Partnership
518 Old Highway 30
Mountain Home, Idaho 83647

Office: 208-587-8716
Cell: 208-599-4255



December 1, 2020

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

Justin Ferguson,

As Trent Cummins discussed with you on the telephone on Tuesday, November 24th, Flying H Farms, Partnership currently rents a portion of water right 2-10450 from the water bank. We have a lease through the 2020 irrigation season.

Trent spoke with Kresta Davis at Idaho Power and Idaho Power is willing to continue leasing this water right to Flying H Farms as long as it is in the water bank. Since they have updated their contract for five years, beginning in 2021, Flying H Farms would like to start our lease over at this time in order to be on the same renewal as Idaho Power.

Please contact me at (208) 587-8716 with any questions pertaining to this request.

Thank you,

Jeff Harper
Partner