

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1166

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

LESSOR: NORTHERN AGRICULTURE II LLC
301 E MAIN ST
TURLOCK, CA 95380

RECEIVED
MAY 06 2020
DEPARTMENT OF
WATER RESOURCES

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources and received by the Department on February 10, 2020.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
35-7789	2/16/1978	GROUND WATER	4.68	936.0	234.0
Combined Lease Totals			4.68	936.0	234.0

Summary of Water Rights Elements Rentable From the Bank

Water Right	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (Limited) (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
35-7789	3.95	936.0	234.0	0.02	4.0
Combined Limit Totals	3.95	936.0	234.0	0.02	4.0

** The water right elements rentable have been reduced from the water right elements leased to account for combined limits*

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

Minimum Payment Acceptable: Current Rental Rate

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1166

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2020 to December 31, 2024. This Lease shall bind the parties and take effect when both parties have signed it.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
5. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right is administratively changed due to a water right split and renumbering, this lease may be reduced by an equal amount to reflect the water right elements as legally defined under the water right. If a lease contract cannot be reduced sufficient to reflect the legal definition of a water right as amended through a water right split and/or water right transfer, the Board may release the water right from the Water Supply Bank.
6. **ASSIGNMENT OF CONTRACT:** This lease is between the Board and the Lessor, who is the recognized owner or designated representative of the recognized owners of water rights described herein. Should ownership of any part of a water right herein described change during the term of this lease, either through a water right split, a water right transfer, sale of property to which the water right is appurtenant, or through any other recognized water right reassignment, the lease benefits and obligations to the conditions of acceptance for any such water rights will be assigned to the new owners.
7. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

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

LESSOR: NORTHERN AGRICULTURE II LLC
301 E MAIN ST
TURLOCK, CA 95380

By [Signature]
Title V.P. / Farm Manager - Agent for Northern Ag II, LLC
Date 5/1/2020

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By [Signature]
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 5/6/2020

Lease approved by IDWR [Signature]

Date 5/6/2020

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1166

ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Source and Location of Point(s) of Diversion for Water Right No(s): 35-7789

GROUND WATER NWNW Sec. 24 Twp 07S Rge 30E POWER County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
35-7789	IRRIGATION	4/01	to	11/01	3.95 cfs	936.0 AF
Totals:					3.95 cfs	936.0 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07S	30E	23	39			40													79
07S	30E	24					38	39	40	38									155

Total Acres: 234

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, or the lease term expires. A right may be released from the bank upon request, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1166

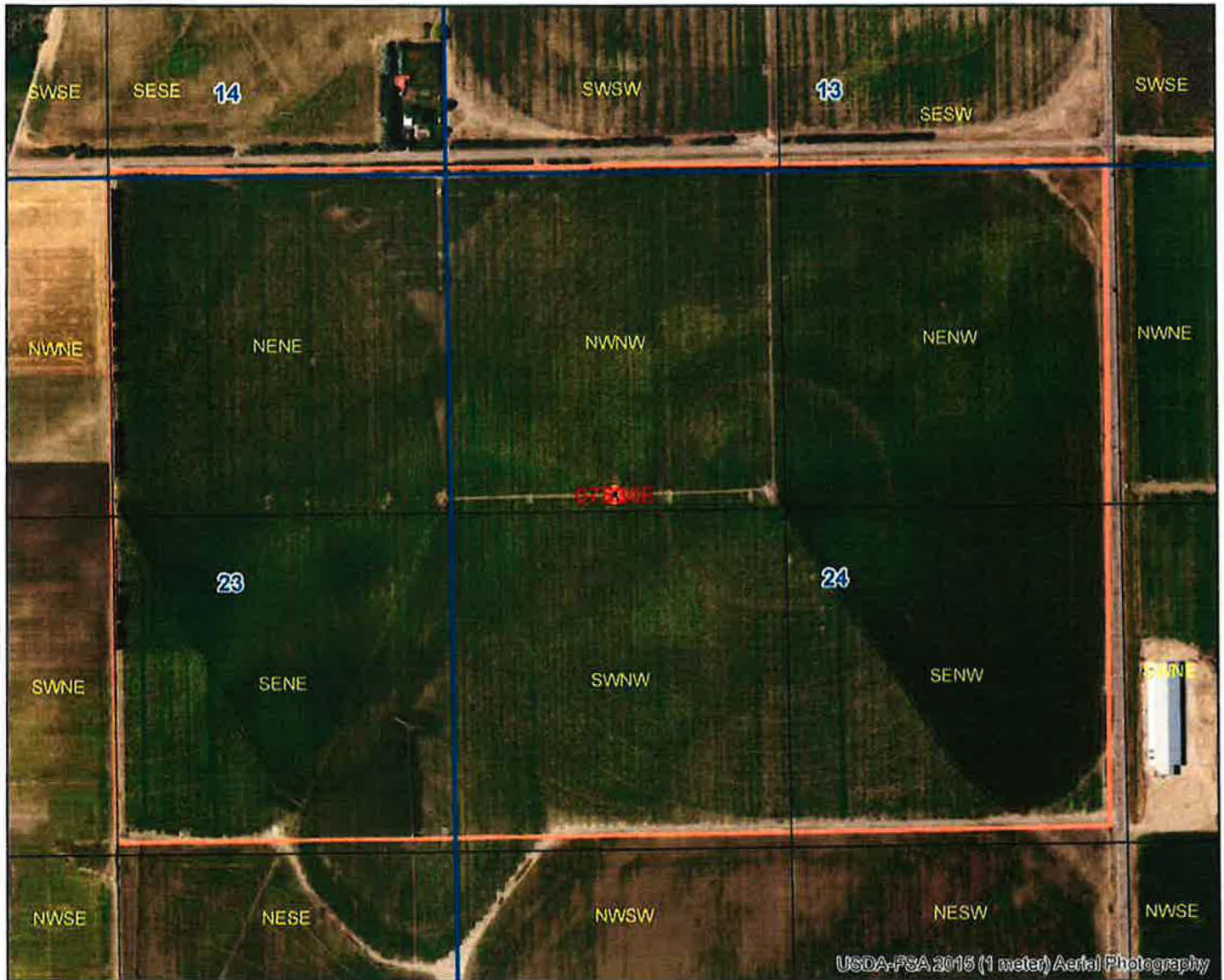
9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.
13. Use of water under this right may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
14. Upon specific notification of the Department, the renter shall install and maintain data loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.
15. Prior to the diversion and use of water under this rental agreement, the renter shall install and maintain acceptable measuring device(s) at the authorized point(s) of diversion in accordance with Department specifications, or shall obtain an approved variance from the Department to determine the amount of water diverted from power records or to maintain an existing measuring device.
16. Prior to December 31 of each year, the Board may review this rental agreement to determine whether it is consistent with the management plan that may be approved for the Eastern Snake Plain Aquifer Ground Water Management Area ("ESPA GWMA Plan") pursuant to Idaho Code § 42-233b. The Board may cancel this rental agreement if the Board determines it is not consistent with the ESPA GWMA plan. If this rental agreement is canceled, the cancellation shall not take effect until December 31 of the year in which the rental agreement is canceled.
17. Pursuant to Idaho Code § 42-1412(6), this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as determined by the Snake River Basin Adjudication court in the final unified decree entered 08/26/2014.




Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1166

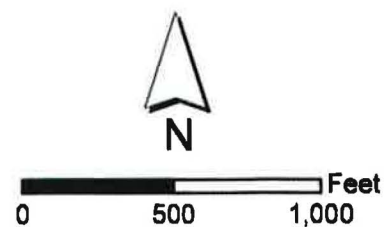
35-7789

Effective until December 31, 2024

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



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



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

FEB 10 2020

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant NORTHERN AGRICULTURE II LLC
(Select one owner – see item 1A on the application)Water Right No. 35-7789
(One water right per application)

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

Yes ☒ No ☐

This application must be prepared in accordance with the minimum requirement checklist below. Use this checklist to ensure all necessary documentation has been provided. This checklist is part of the lease application and must be included with the lease application. **Applications that do not meet the minimum requirements will not be processed and may be returned or denied.**

MINIMUM REQUIREMENT CHECKLIST

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

Yes

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

Attachment N/A Yes

- 1A ☐ ☐ Signatures and contact information for **all owners** of the water right to be leased or sold on this application.
- 1B ☐ ☐ An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.
- 1C ☒ ☐ *Notice of Change in Water Right Ownership* form (accessible from www.idwr.idaho.gov).
- 1D ☐ ☒ Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.
- 2 ☐ ☒ Description of a water right portion offered to the Water Supply Bank.
- 3 ☐ ☒ A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. You have the option of printing a map using the map tool on IDWR's website at: www.idwr.idaho.gov.
- 4A ☒ ☐ Written consent from irrigation district or water delivery company.
- 4G ☐ ☒ Evidence demonstrating the water right has not been forfeited pursuant to Section 42-222(2), Idaho Code.

Department Use Only

Fee Amount \$ <u>250.00</u>	Received By: <u>KU</u>	Date Received: <u>2-10-2020</u>	Receipt # <u>C108 298</u>
W-9 received? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	(Route W-9 to Fiscal)	Name on W-9:	

1637

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

1. CONTACT INFORMATION

- A. This application must be completed by a Designated Applicant who is a current owner of the water right being sold or leased to the Water Supply Bank. If there are additional current owners, those individuals must authorize the Designated Applicant to represent them on this application by completing and signing Attachment 1A of this application package.

Designated Applicant NORTHERN AGRICULTURE II LLC

Mailing Address 301 E MAIN ST TURLOCK, CA 95380

Street

City

State

Zip Code

Email Address _____

Phone Number 2096690742

☒ The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Applicant is representing additional water right holders who have completed Attachment 1A.

- B. Has the Designated Applicant submitted an IRS Form W-9 to this Department within the last 2 years? Yes ☐ No ☒
If no, complete the form and attach to this application (Attachment 1B).

- C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐
If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

- D. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☒ No ☐
If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1D).

Name of Representative Greg Sullivan

Organization Brockway Engineering

Professional Title Engineer

Email Address greg.sullivan@brockwayeng.com

Mailing Address 2016 N Washington St, Ste 4 Twin Falls, Idaho 83301

Phone Number 208-736-8543

☐ Send all correspondence for this application to the representative and not to the Designated Applicant.

OR

☒ Send original correspondence to the Designated Applicant and copies to the representative.

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

☒ The full water right is being offered to the Bank.

OR

☐ A part of the water right is being offered to the Bank.

If a portion of the water right is being offered, **complete Attachment 2.**

3. MAP

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

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

- A. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☒
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 4A).
If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to Section 42-108, Idaho Code and IDAPA WSB Rule 37.02.03.25.02e.
- B. Please provide a description of the current water diversion and delivery system.
Existing well, mainline and delivery system.

- C. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank. None

- D. Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes ☐ No ☒
Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of \$500.
- E. Will the present place of use continue to receive water from any other source? Yes ☒ No ☐
If yes, explain the relationship between the different water sources and how enlargement of the authorized use will not occur if this water right is leased. The electrical connection to the ground water well has been disconnected for the last 5 years and will not be connected for the next 5 years.

- F. Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. This water right has been leased and rented from the Idaho Water Supply Bank as a primary water right since 1/1/2016.

- G. Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes ☐ No ☒
If yes, describe the circumstances and attach evidence to demonstrate how the water right has not been lost through forfeiture (Attachment 4G). See Section 42-223, Idaho Code for exceptions to forfeiture. Your application may be denied if forfeiture concerns are not addressed.

- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?
If yes, describe. Yes ☐ No ☒

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE AGREEMENT

- A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☒?

If lease, specify the years when the use of water will be suspended: 2020 to 2024 (maximum lease period 5 calendar years).
(Year) (Year)

- B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.
Current rental rate. A private agreement between the lessor and the renter has been signed. The renter will pay the 10% rental fee of \$20/acre-foot to the Water Bank.

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right, even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture is stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any element of the water right.

Jim Redmond

Digitally signed by Jim Redmond
DN: cn=Jim Redmond, o=Hancock Farmland
Services, email=jredmond@hnsr.com, c=US
Date: 2020.01.10 17:29:39 -0700

Signature of Designated Applicant

Jim Redmond-Agent for Northern Ag

Printed Name

1-10-2020

Date

Signature of Authorized Representative

Printed Name

Date

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

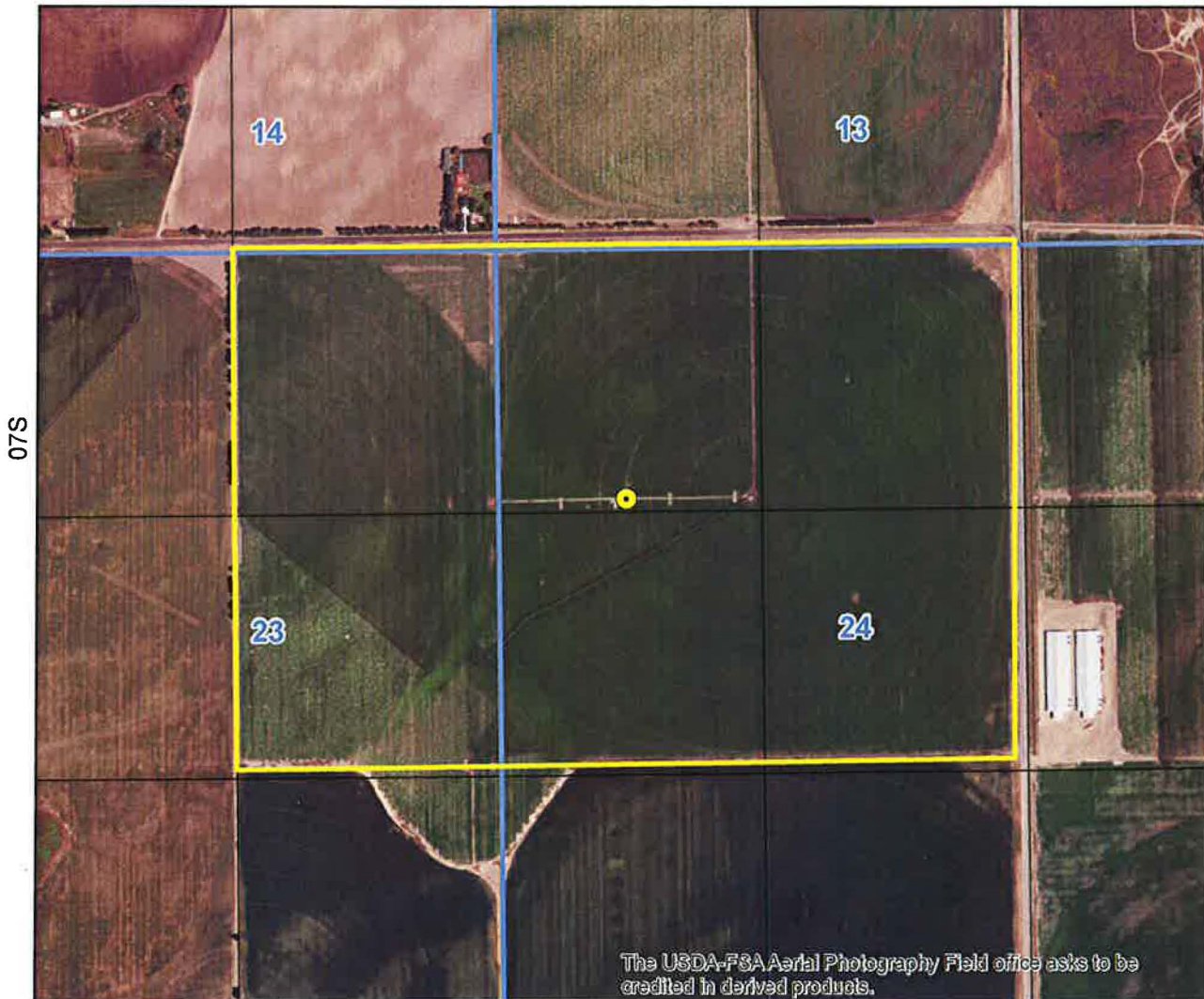
State of Idaho
Department of Water Resources






Water Right
35-7789

IRRIGATION

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

30E



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

0 0.1 0.2 0.4 Miles





0003351618

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

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

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

File #: 0003351618

Date Filed: 11/21/2018 8:50:53 AM

Entity Name and Mailing Address:

NORTHERN AGRICULTURE II LLC

The file number of this entity on the records of the Idaho Secretary of State is: 0000276270

Address

197 CLARENDON ST # C-08-99
BOSTON, MA 02116-5010

Entity Details:

Entity Status

Active - Existing

This entity is organized under the laws of:

DELAWARE

If applicable, the old file number of this entity on the records of the Idaho Secretary of State was: W88865

The registered agent on record is:

Registered Agent

CORPORATION SERVICE COMPANY
Commercial Registered Agent

Physical Address

12550 W EXPLORER DR STE 100
BOISE, ID 83713

Mailing Address

12550 W EXPLORER DR STE 100
BOISE, ID 83713

Agent or Address Change

☐ Select if you are appointing a new agent.

Limited Liability Company Managers and Members

Name of individual or organization	Title	Address
HANCOCK NATURAL RESOURCE GROUP, INC	Manager	197 CLARENDON STREET C-08-99 BOSTON, MA 02116
ALASKA RETIREMENT MANAGEMENT BOARD	Member	197 CLARENDON STREET C-08-99 BOSTON, MA 02116

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

Margaret Beagen

Sign Here

Signer's Capacity: Authorized Person

11/21/2018

Date

B0101-4628 11/21/2018 8:50 AM Received by ID Secretary of State Lawrence Denney

IDAHO Department of Water Resources



[Home](#) / [Water Rights](#) / [Research](#) / [Search Water Rights](#)

WATER RIGHT REPORT

10/7/2019

IDAHO DEPARTMENT OF WATER RESOURCES

Water Right Report

WATER RIGHT NO. 35-7789

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	NORTHERN AGRICULTURE II LLC 301 E MAIN ST TURLOCK, CA 95380 2096690742
Original Owner	TRAVELERS INSURANCE CO , ID
Original Owner	LYLE H TAYLOR 505 FAIRWAY DR POCATELLO, ID 83201

Priority Date: 02/16/1978

Basis: Decreed

Status: Active

Water Supply Bank Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	4/01	11/01	4.68 CFS	936 AFA
Total Diversion			4.68 CFS	936 AFA

Location of Point(s) of Diversion:

GROUND WATER|NWNW|Sec. 24|Township 07S|Range 30E|POWER County

Place(s) of use:

Place of Use Legal Description: IRRIGATION POWER County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
07S	30E	23		NENE	39		SENE	40						
		24		NENW	38		NWNW	39		SWNW	40		SENW	38

Total Acres: 234

Conditions of Approval:

1. C18 THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. SECTION 42-1412(6), IDAHO CODE.
2. THIS RIGHT AND RIGHT NO. 35-07267A ARE IS LIMITED TO A TOTAL COMBINED RATE OF 5.20 CFS.
3. RIGHT NO. 35-07267A IS ALSO DIVERTED THROUGH THE POINT OF DIVERSION DESCRIBED ABOVE.
4. E02 USE OF THIS RIGHT IS COMBINED WITH WATER FROM ABERDEEN SPRINGFIELD CANAL CO.

Dates:

Licensed Date:

Decreed Date: 03/08/2002

Permit Proof Due Date: 5/1/1983

Permit Proof Made Date: 1/1/1900

Permit Approved Date: 5/16/1978

Permit Moratorium Expiration Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number: 120

Generic Max Rate per Acre:

Generic Max Volume per Acre:

Combined Acres Limit:

Combined Volume Limit:

Combined Rate Limit: 5.2

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Water Supply Bank:

Lessor Name(s): NORTHERN AGRICULTURE II LLC

Lease Status: Active

Lease Amount: 936

Rental Availability: None

Date Received: 9/8/2015

Lease Begin Date: 1/1/2016

Expiration Date: 12/31/2019



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700

Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

May 7, 2020

NORTHERN AGRICULTURE II LLC
301 E MAIN ST
TURLOCK, CA 95380

RE: **WATER SUPPLY BANK LEASE CONTRACT 1166 & 1167
FOR WATER RIGHTS 35-7789 & 35-14056, 35-14058**

Dear Lessor:

Water rights **35-7789, 35-14056, 35-14058** were leased into the Water Supply Bank (Bank) as of January 1, 2020, in accordance with the enclosed executed lease contract. **Your water rights, as described on the lease contract, are considered leased into the Bank and should remain unused until they are formally released from the Bank.** More information and further restrictions placed on your water rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The rights will automatically be released from the Bank on **December 31, 2024**, unless the rights are released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water rights from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at www.idwr.idaho.gov. **Please note your water rights may not be available for immediate release if they have been rented or are being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

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

Sincerely,

for Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Eastern Region
Water District No. 120
Greg Sullivan- Brockway Engineering PLLC



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700

Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

April 16, 2020

NORTHERN AGRICULTURE II LLC
301 E MAIN ST
TURLOCK, CA 95380

RE: APPLICATION TO LEASE WATER RIGHT 35-7789, 37-14056, 35-14058 TO THE WATER
SUPPLY BANK

CONTRACTS 1166 & 1167

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.


The right will automatically be released from the Bank on **December 31, 2024**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your right may not be available for immediate release if it has been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

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

Sincerely,


for Water Supply Bank

Enclosures: Proposed Lease Contracts
Receipt # C108298

c. Greg Sullivan – Brockway Engineering

Memorandum

To: Water Right 35-7789

From: Justin Ferguson

Date: March 9, 2020

Re: Water Supply Bank Lease Application 1637

Purpose/Narrative: An application was received from Northern Agriculture II LLC on February 10, 2020 offering the full amount of water right 35-7789 for lease to the Bank. This is part of a lease/rental package to provide water for Mr. Lance Funk. This is a renewal of two prior lease/rental packages for Mr. Funk, first in 2013 and again in 2016. The two parties provided a signed document with the application paperwork indicating that there is a long term agreement between the two parties to use the land and rent the water at a private rate from Northern Agriculture to Mr. Funk.

During a previous review it was found that the place of use covered by this water right appeared to have been irrigated during the term for which the rights was leased to the Bank. Per information provided by the applicant and their representative, Mr. Funk had secured shares from the Aberdeen Springfield Canal and has been using them to irrigate the area.

Authority to File: The application was signed by Mr. Jim Redmond for Northern Agriculture II LLC and submitted by their representative, Greg Sullivan of Brockway Engineering. No concerns at this time.

Water Right Validity/Forfeiture Evaluation: This water right was initially decreed in 2002 and was conveyed to Northern Agriculture in 2010. The right was then placed in the Bank, being renewed each time beginning in 2013 through then end of 2019. At this time there is not a clear picture as to what the water right was used for during the period from 2002 to 2010 however, during the initial acceptance into the Bank, a review of satellite and aerial imagery found use in the year prior to the lease. At the time of this review it is determined that there is not sufficient information to suggest the right may be subject to forfeiture.

Injury Evaluation: No injury is apparent through the lease as the water rights will be rented as part of the package to be used on the acreage directly adjacent to their historic place of use.

Enlargement of Use: No enlargement is evident through the lease alone, As the water right shares a combined limit with 37-7267A conditions will be added such that the rate rentable will be restricted by the full amount of water right 37-7267A.

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

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

Department/Watermaster Comments: Watermaster and IDWR's Eastern Region comments were requested March 9, 2020

Water Supply Bank Evaluation: Based on the information presented by the applicant, staff recommend the application be approved.

Ferguson, Justin

From: Ferguson, Justin
Sent: Monday, March 9, 2020 11:43 AM
To: Cefalo, James; Jordan, Blake
Subject: Water Supply Bank Lease/Rental Package - Northern Agriculture & Lance Funk
Attachments: Rental Review Memo.docx; Draft Agreement Lance & Lisa Funk 55 acres.docx; Rental Map Lance Funk - 55 Acres.pdf; Rental Review Memo.docx; Draft Agreement Lance & Lisa Funk 228.5 acres.docx; Rental Map Lance & Lisa Funk - 228.5 acres.pdf; Rental Review Memo.docx; Draft Agreement Lance & Lisa Funk 174 acres.docx; Rental Map Lance Funk - 174 acres.pdf; Lease Review Memo.docx; Draft Lease Northern Agriculture 35-7789.docx; Lease Northern Ag II 35-7789.pdf; Lease Review Memo.docx; Draft Lease Northern Agriculture 35-14056 & 35-14058.docx; Lease Northern Ag II 35-14056 & 35-14058.pdf

James, Blake,

Sorry there are so many attachments, I wanted to send the whole package together. I thought this may make it easier to review the whole picture of what Mr. Funk is proposing to rent with the Northern Ag water rights. Please let me know if you have any comments or concerns, IDWR will assume you do not object to this application if a timely response is not received

Thank you!



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED

FEB 10 2020

DEPARTMENT OF
WATER RESOURCES

February 6, 2020

Remington Buyer
Idaho Water Supply Bank
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Re: Water Lease/Rental of 35-14056, 35-14058 and 35-7789

Dear Mr. Buyer:

Northern Agriculture II LLC desires to lease water rights 35-14056, 35-14058 and 35-7789 into the Idaho Water Supply Bank for the 2020, 2021, 2022, 2023 and 2024 irrigation season. The allowed irrigated acres under these water rights are to be rented to Lance Funk for the duration of the lease contract.

Lance Funk desires to rent 55.0 acres, 1.1 cfs and 220 afa from water right 35-7789 for five years. No ESPA model analysis was performed for this rental because the FROM and TO cells are the same for water right 35-7789 and the proposed POD.

Lance Funk desires to rent 174.0 acres, 3.48 cfs and 696 afa from water right 35-14056 for five years. The ESPA model analysis for this rental indicates that no mitigation is required.

Lance Funk desires to rent 228.5 acres, 4.56 cfs and 914 afa from water rights 35-14056, 35-14058 and 35-7789 for five years. The ESPA model analysis for this rental indicates that no mitigation is required.

Northern Agriculture II LLC and Lance Funk have entered into an agreement regarding the rental payment for water rights 35-14056, 35-14058 and 35-7789 over the next five years. Lance Funk agrees to pay the Idaho Water Supply Bank the annual 10% processing and rental fee. Northern Agriculture II LLC will not receive a rental payment from the Idaho Water Supply Bank for the duration of their lease contract.

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506

Sincerely,

A handwritten signature in cursive script, appearing to read "Greg Sullivan".

Greg Sullivan, M.S., Engineer

Cc: Lance Funk

Enc: Rental Applications, Lease Applications, Aerial Maps of Rental POU, ESPA
Model Analysis, Limited Power of Attorney, Contract of Agreement, Brockway
Engineering Check # 15751 for \$750.00

CONTRACT OF AGREEMENT

To Whom It May Concern,

Lance Funk and Northern Agriculture have in place a long term farm lease agreement or contract for property owned by Northern Agriculture. The contract includes the property, water rights and water distribution systems.

Lance Funk has agreed to pay the annual contract payment for 2020, 2021, 2022, 2023 and 2024. No additional fees are required by Northern Agriculture of Lance Funk for 2020, 2021, 2022, 2023 and 2024 from the Idaho Water Supply Bank.

Therefore, the rental payment of the 90% of the rental fees for water rights 35-7789, 35-14058 and 35-14056 for the years 2020, 2021, 2022, 2023 and 2024 have been paid in full. Lance Funk will pay the Idaho Water Supply Bank the 10% processing fee.

Northern Agriculture Representative:

Jim Redmond-Agent for Northern Ag

Jim Redmond

Digitally signed by Jim Redmond
DN: cn=Jim Redmond, o=Hancock Farmland
Services, email=jredmond@hng.com, c=US
Date: 2020.01.10 17:39:57 -0700

Date: 1-10-2020

Lance Funk



Date: 1-20-2020