

CONTRACT NOT TO DIVERT WATER FOR THE NRCS AWEPP PROJECTS

This Contract, entered into between the STATE OF IDAHO, IDAHO WATER RESOURCE BOARD ("Board") and Tom Hill Farms, Inc., ("Owner") is made in reference to the following facts:
Print Name

RECITALS

- A. The Board received a grant administered by the Natural Resource Conservation Service ("NRCS"), which implements the Agricultural Water Enhancement Program ("AWEPP") for the purpose of conserving surface and ground water and improving water quality.
- B. Owner has entered into an agreement with the NRCS for the conversion of irrigated land to dry land farming by either removing the end gun or conversion to dry land of acreage not covered by an end gun.

IN CONSIDERATION OF THE PROMISES STATED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. Statement of Purpose.

The purpose of this Contract is to document that the water associated with the end gun removal or with the conversion to dry land shall be restricted and not used to irrigate other lands under this water right.

2. Agreement.

- A. The Owner shall convert the irrigated lands described in NRCS contract attached hereto to dry lands.
- B. The Owner shall not irrigate the lands described in NRCS contract for: _____ 2 years, or X 3 years (select 2 or 3 year agreement).
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- D. The Owner shall not lease water appurtenant to the converted acres into the Water Supply Bank for use on other lands during the term of this contract.
- E. The Board shall review the Owner's proposal to convert irrigated lands to dry lands and provide the required recommendation to NRCS in order for the Owner's proposal to be approved and funded.

3. Duplicate Original

This Contract is executed in Duplicate. Each of the documents with an original signature of each party shall be an original.

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

STATE OF IDAHO
IDAHO WATER RESOURCE BOARD

[Signature]
Signature Idaho Water Resource Board Representative

5/4/13
Date

OWNER

Tom Hill Farms, Inc. by Tom Hill
Signature Owner

4-22-13
Date

Idaho Water Resource Board, 322 E. Front St., Boise, ID 83720
Attn: Neeley Miller or Stuart Van Greuningen

PLANNING REVIEW MEMORANDUM

To: AWEP File

From: Neal Farmer

Date: June 4, 2013

RE: AWEP Proposal Review for Tom Hill

BACKGROUND

In July, 2009, the Idaho Water Resource Board (Board) was awarded funding through the National Resource Conservation Service's Agricultural Water Enhancement Program (AWEP) to develop projects that support the goals of the Eastern Snake Plain Aquifer Comprehensive Aquifer Management Plan (ESPA CAMP). Part of that funding has been earmarked for financial and technical assistance to individuals or companies who are willing to convert lands currently irrigated with groundwater to surface water irrigation—informally referred to as 'conversion projects'.

To receive funding through the Board's AWEP program, project proposals must meet certain eligibility criteria to ensure the project conforms to the objectives of the ESPA CAMP and generally complies with state laws administered by the Idaho Department of Water Resources (Department). The AWEP applicant will be required to enter into an 'Agreement not to Divert' for the duration of their NRCS contract.

WATER RIGHT ANALYSIS from the Department's Enterprise data base shows the following:

Summary of G.W. Water Rights from AWEP Proposal

Water Right No.	Record Type	Source	Diversion Rate (cfs)	Beneficial Use	Total Acres	Acre Limit	Volume (Ac-Ft)	AWEP Contact ID
22-34E	Decreed	Mahogany Crk	1.32	Irrigation	15	--	--	J
22-34D	Decreed	Mahogany Crk	1.2	Irrigation	14.7	--	--	J
22-13227	Decreed	Mahogany Crk	0.8	Irrigation	38	--	--	L
22-13242	Decreed	Mahogany Crk	0.8	Irrigation	38	--	--	L
22-13243	Decreed	Mahogany Crk	0.8	Irrigation	39	--	--	L
22-13228	Decreed	Mahogany Crk	0.8	Irrigation	39	--	--	L
22-2048E	Decreed	Mahogany Crk	0.62	Irrigation	31	--	--	I
22-197C	Decreed	Mahogany Crk	0.27	Irrigation	40	--	--	K
22-13459	Decreed	Mahogany Crk	1.2	Irrigation	60	--	--	K
22-13662	Decreed	Mahogany Crk	0.42	Irrigation	21	--	--	K

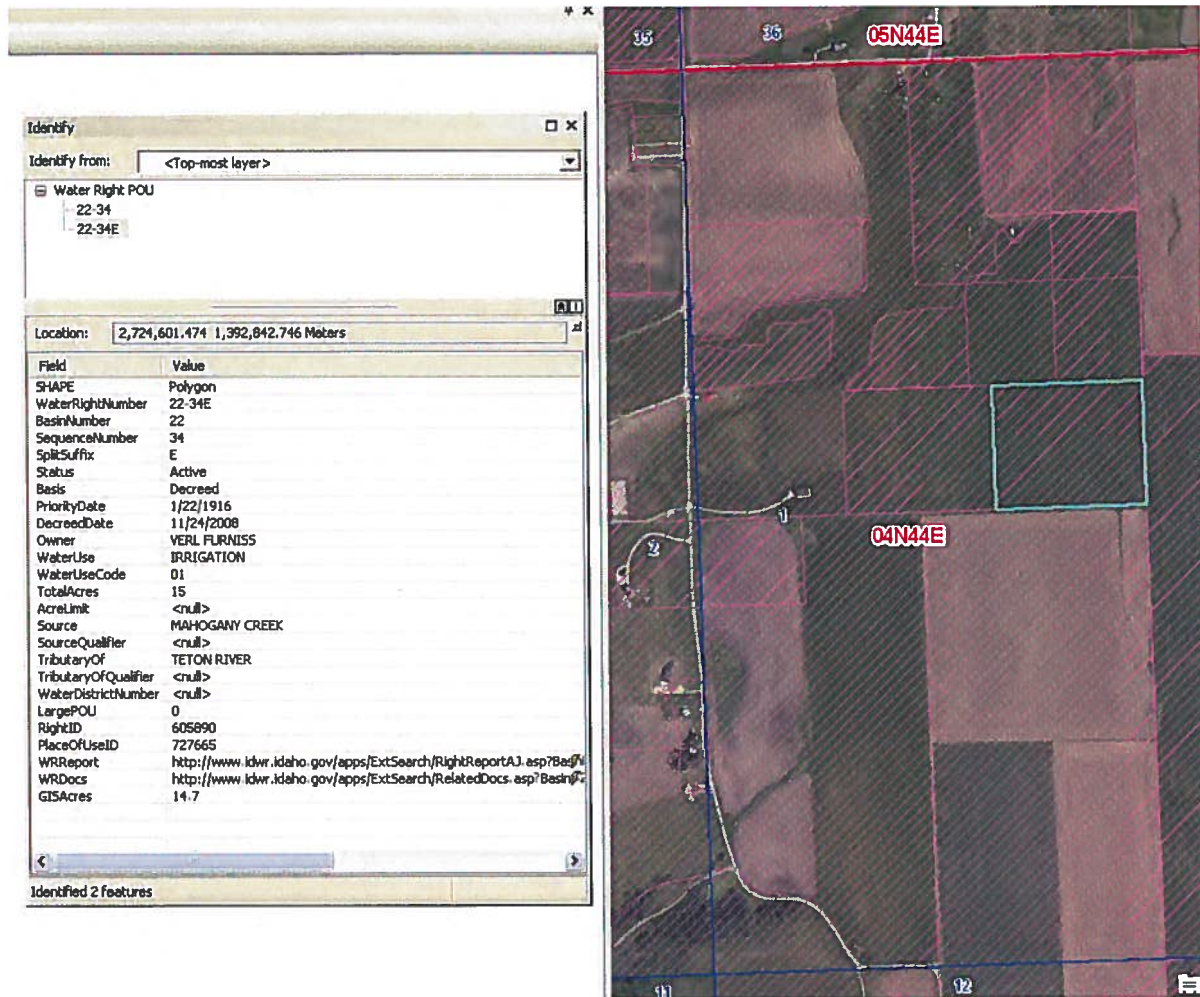
Tom Hill Farms, Inc. AWEF Applications
Written by Tom Hill
April 22, 2013

Tom Hill Farms, Inc. AWEF applications were done as four separate applications because each parcel has separate ownership and separate water rights (some parcels have multiple water rights for one parcel). All parcels are leased and operated by Tom Hill Farms, Inc. and all receive irrigation water from Mahogany Creek. Part of the land is leased from Tom Hill and part is leased from other individuals/entities. All tracts have leases in place through the end of 2015 or longer.

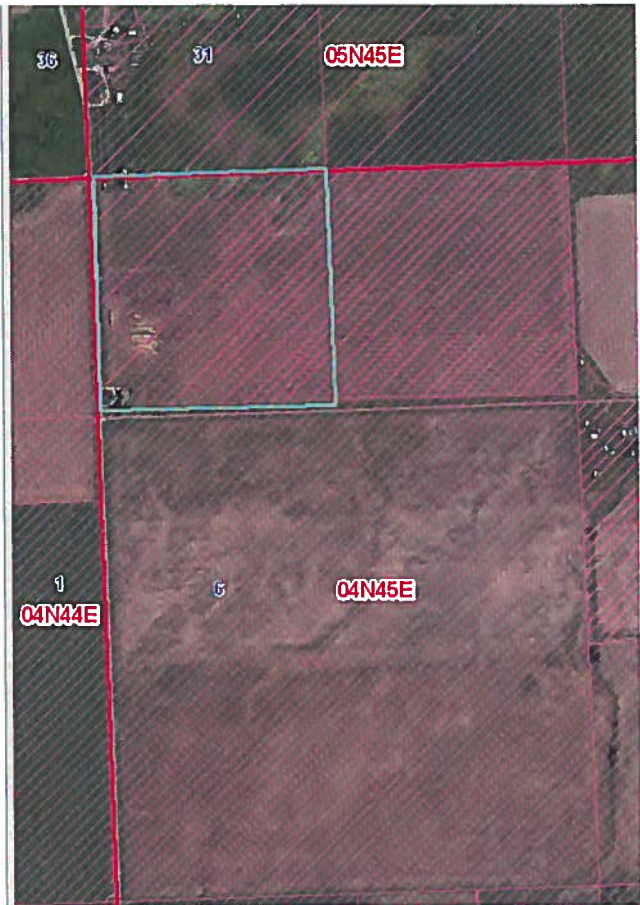
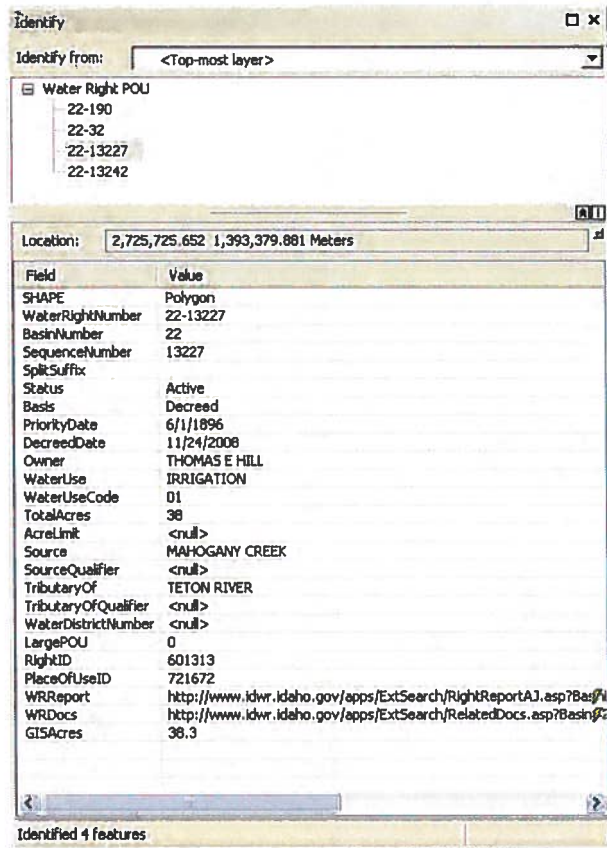
I have been asked to explain the method of water diversion for these parcels. To the best of my knowledge, there are a total of four diversion points on Mahogany Creek. I refer to these diversion points as (in order from highest elevation to lowest elevation) the Buxton Farm gravity system, the Wood Farm gravity system, the upper Mahogany headgate and the lower Mahogany headgate. Application #790211311J is diverted at the upper Mahogany headgate. The other three Applications (#790211311I - #790211311L - #790211311K) are diverted at the lower Mahogany headgate. There is no canal company for the Mahogany Creek headgates, so each individual user regulates the headgate to deliver his own water. Tom Hill Farms, Inc. and Harley Hill Farms, Inc. (which has also applied for AWEF) are the major water users at the two Mahogany headgates. If the AWEF applications are approved, there will still be some water diverted at these two headgates. However it will be much less because there will be many less acres being irrigated from these two lower diversions. If all AWEF applications for these two entities are approved, I am estimating that about 65% - 70% of the land currently being irrigated from these two headgates will be dried up for the three year contract period.


4-22-13

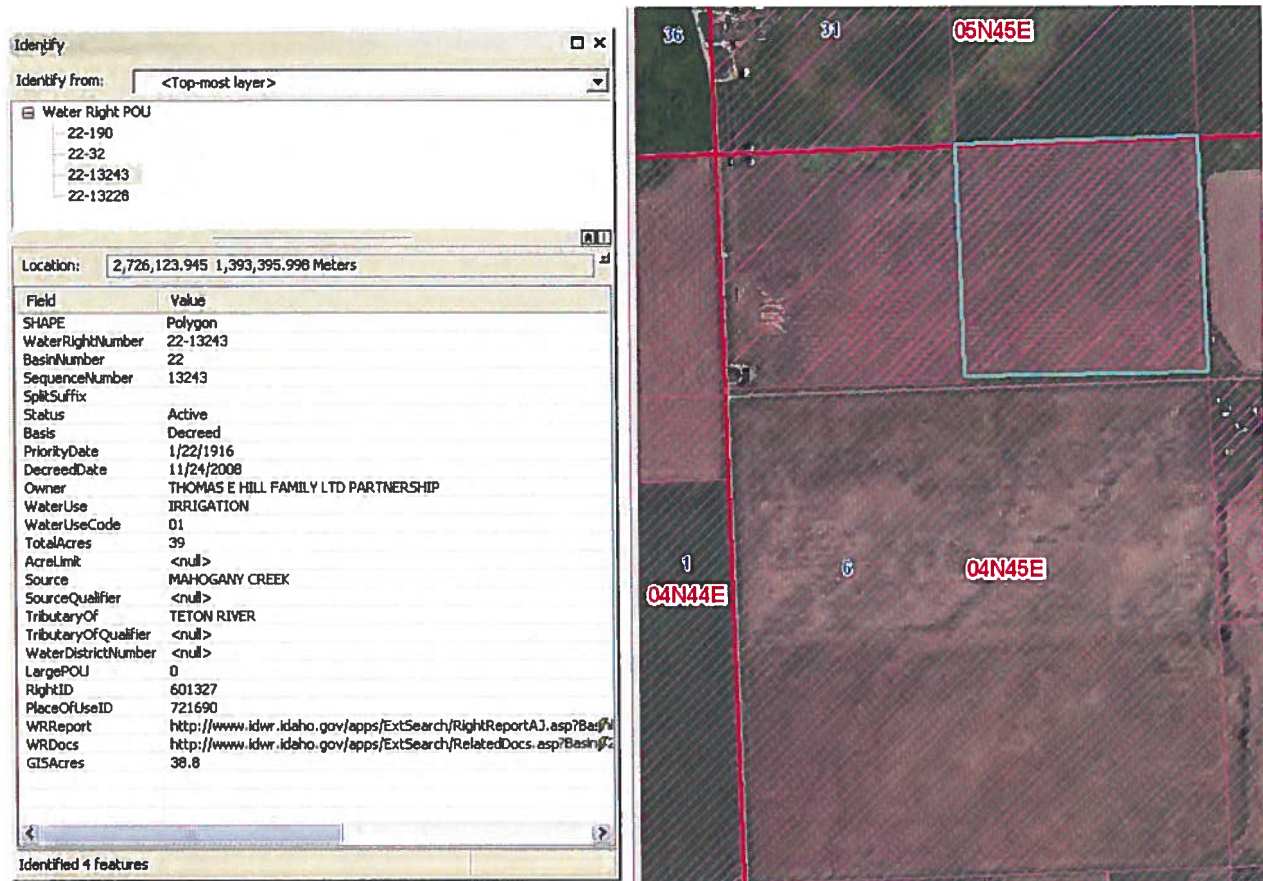
AWEF proposal owner's statement.



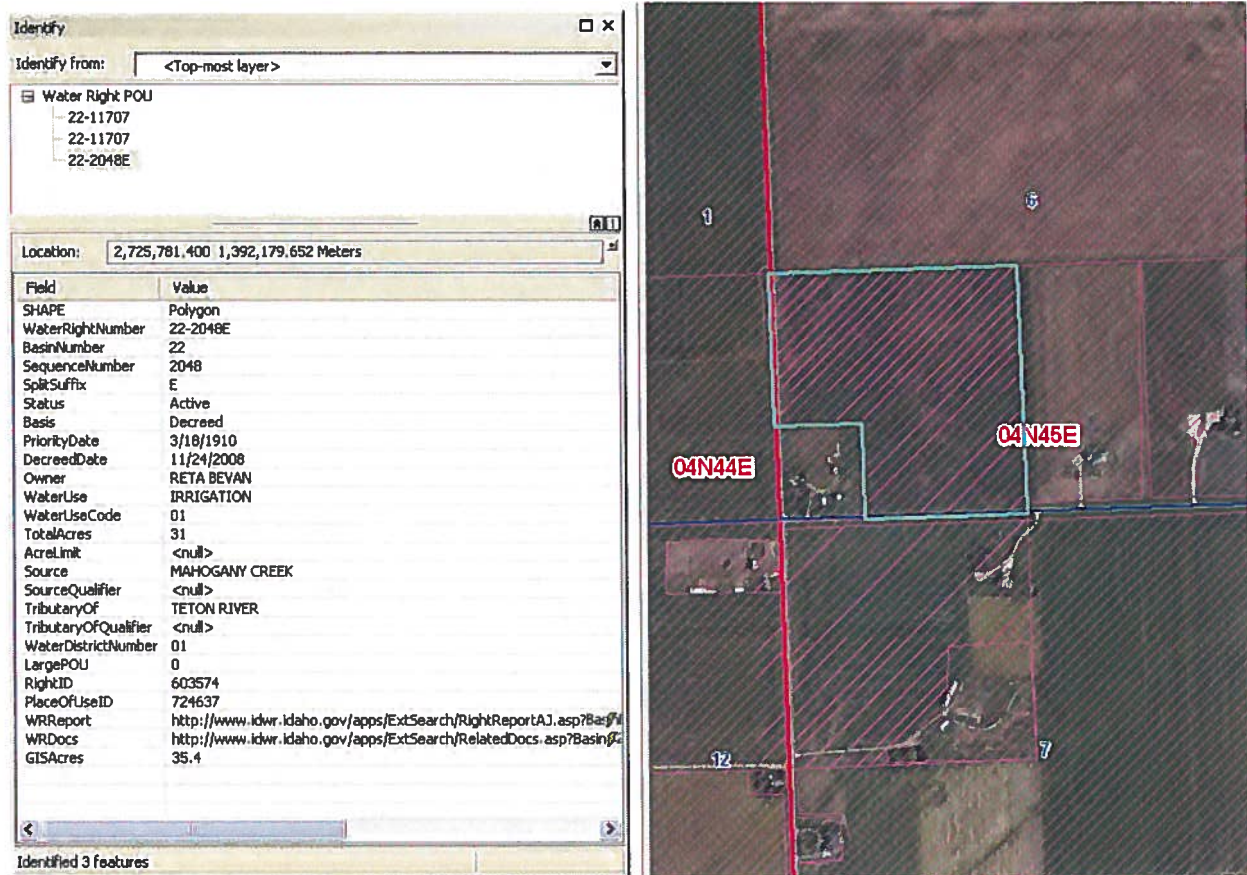
Legal location and water right 22-34E boundary as light blue for contract 7902111311J. The AWEPP proposal acreage is approximately 29.5 acres.



Legal location and water right 22-13227 boundary as light blue for contract 7902111311L. The AWEPP proposal acreage is approximately 79 acres.



Legal location and water right 22-13243 boundary as light blue for the remaining land under contract 7902111311L. The AWEPP proposal area is approximately 79 acres.



Legal location and water right 22-2048E boundary as light blue for the remaining land under contract 79021113111. The AWEPP proposal area is approximately 35.4 acres.

Identify

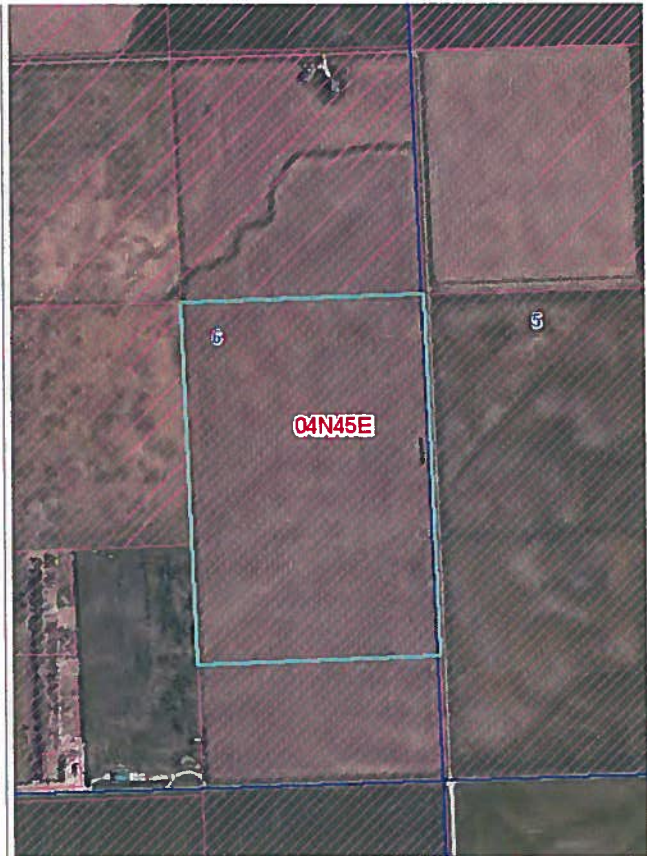
Identify from: <Top-most layer>

☒ Water Right POU
22-13459

Location: 2,726,965.186 1,392,505.921 Meters

Field	Value
SHAPE	Polygon
WaterRightNumber	22-13459
BasinNumber	22
SequenceNumber	13459
SplitSuffix	
Status	Active
Basis	Decreed
PriorityDate	4/1/1970
DecreedDate	11/24/2008
Owner	THOMAS E HILL
WaterUse	IRRIGATION
WaterUseCode	01
TotalAcres	60
AcresLimit	<null>
Source	MAHOGANY CREEK
SourceQualifier	<null>
TributaryOf	TETON RIVER
TributaryOfQualifier	<null>
WaterDistrictNumber	<null>
LargePOU	0
RightID	604968
PlaceOfUseID	726393
WRRReport	http://www.idwr.idaho.gov/apps/ExtSearch/RightReportAJ.asp?Basin#
WRDocs	http://www.idwr.idaho.gov/apps/ExtSearch/RelatedDocs.asp?Basin#
GISAcres	60.1

Identified 1 feature



Legal location and water right 22-13459 boundary as light blue for the remaining land under contract 7902111311K. The AWEPP proposal area is approximately 119.5 acres.

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OWNER

Signature Idaho Water Resource Board Representative

Tom Hill Farms, Inc. by Tom Hill
Signature Owner

Date

4-22-13
Date

Idaho Water Resource Board, 322 E. Front St., Boise, ID 83720
Attn: Neeley Miller or Stuart Van Gruningen

Nearly complete contract Not to Divert Water for the Tom Hill AWEP proposal submitted with applications materials.