STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1724

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

RECEIVED
AUG 21 2023
DEPARTMENT OF
WATER RESOURCES

LESSOR: FARMLAND RESERVE INC
79 S MAIN ST STE 1000
SALT LAKE CTY, UT 84111-1945

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 July 17, 2023.

3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

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

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

Summary of Water Rights or Portions Leased to the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
35-14242	2/8/2012	GROUND WATER	1.48	296	74.0
Lease Totals			**1.48**	**296**	**74.0**

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

   Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE**: The term of this lease shall be January 1, 2023 to December 31, 2023. This Lease shall bind the parties and take effect when both parties have signed it.

4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE**: The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.

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SEP 28 2023

WATER SUPPLY BANK LEASE CONTRACT No. 1724

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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SEP 28 2023

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1724

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

LESSOR: FARMLAND RESERVE INC
79 S MAIN ST STE 1000
SALT LAKE CTY, UT 84111-1945

By _____

Title Vice President-Land Management

Date Aug 17, 2023

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

By _____ Date 8/29/23
Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR _____ Date 8/29/23

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SEP 28 2023

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1724

RECEIVED
AUG 21 2023
DEPARTMENT OF
WATER RESOURCES

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): 35-14242

GROUND WATER SWNESW Sec. 8 Twp 07S Rge 29E POWER County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
35-14242	IRRIGATION	04/01	to	10/31	1.48 cfs	296 AF
				Totals:	1.48 cfs	296 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	29E	7													31.0	31.0		12.0	74.0

Total Acres: 74.0

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

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SEP 28 2023

WATER SUPPLY BANK LEASE CONTRACT No. 1724

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. Right 35-7686B and the unleased portion of 35-14242 when combined shall not exceed a total diversion rate of 3.17 cfs.
13. The unleased portion shall not exceed a total diversion rate of 0.91 cfs, a total annual maximum diversion volume of 182 af at the field headgate, and the irrigation of 45.5 acres.
14. 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.
15. 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.
16. As resources allow, the Department will conduct at least one in-person field examination of the authorized place of use of this right each year to verify the required mitigation and authorized irrigation under this right prior to June 15th of each year. It shall be the responsibility of the right holder to follow up with the Department by June 15th of each year to determine if the field examination was performed. If the Department is unable to conduct the field examination for any reason, the right holder or its consultant shall perform the field examination and report findings from the field examination to the Department and the protestants to this right by July 15th of each year.
17. By December 1st of each year, the right holder shall provide a written report to the Department describing the number and location of acres irrigated that year, the volume of water diverted under this right, the source of mitigation for the next irrigation season, and the number and location of acres proposed to be irrigated in the following year.
18. To mitigate for the depletion of water resulting from the use of water under water rights 35-14240, 35-14241, 35-14242 and 35-14243 and to prevent injury to senior water right holders, the right holder shall cease diverting and using water as authorized by the following water rights for the purposes and amounts specified below. Moreover, the official records for the following water rights will be changed to show that diversion and use of water is not authorized because the rights, or a portion thereof, are being dedicated to mitigation purposes.

Mitigation	Mitigation Right No.	Use Changed to Mitigation	Mitigation Rate (cfs)	Mitigation Volume (AF)	Acres
29-2284 (previously 35-14014)	Industrial	4.44	3215.5	N/A	
29-2301 (previously 35-14015)	Industrial	3.95	2858.3	N/A	
Combined Limit:				6073.8	

If the specified mitigation rights, or portion thereof, are sold, transferred, leased, used on any place of use, or are not deliverable due to a shortage of water, a priority call, or a termination in lease contract then the amount of water authorized for diversion under this right approval shall be reduced by the same proportion as the reduction to the mitigation rights.
19. In the event the right holder does not maintain the right to use water rights 29-2284 and 29-2301 for mitigation purposes, the right holder may propose a substitute mitigation plan. The substitute plan

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SEP 28 2023

must be provided to the Department no later than December 1st in the year immediately prior to the irrigation season where the substitute plan is proposed to be implemented. The Department will advertise the substitute plan to the public and the protestants shall have the right to challenge the substitute plan. If the substitute plan is not approved by the Department, the right holder shall not divert under this right.

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SEP 2 8 2023

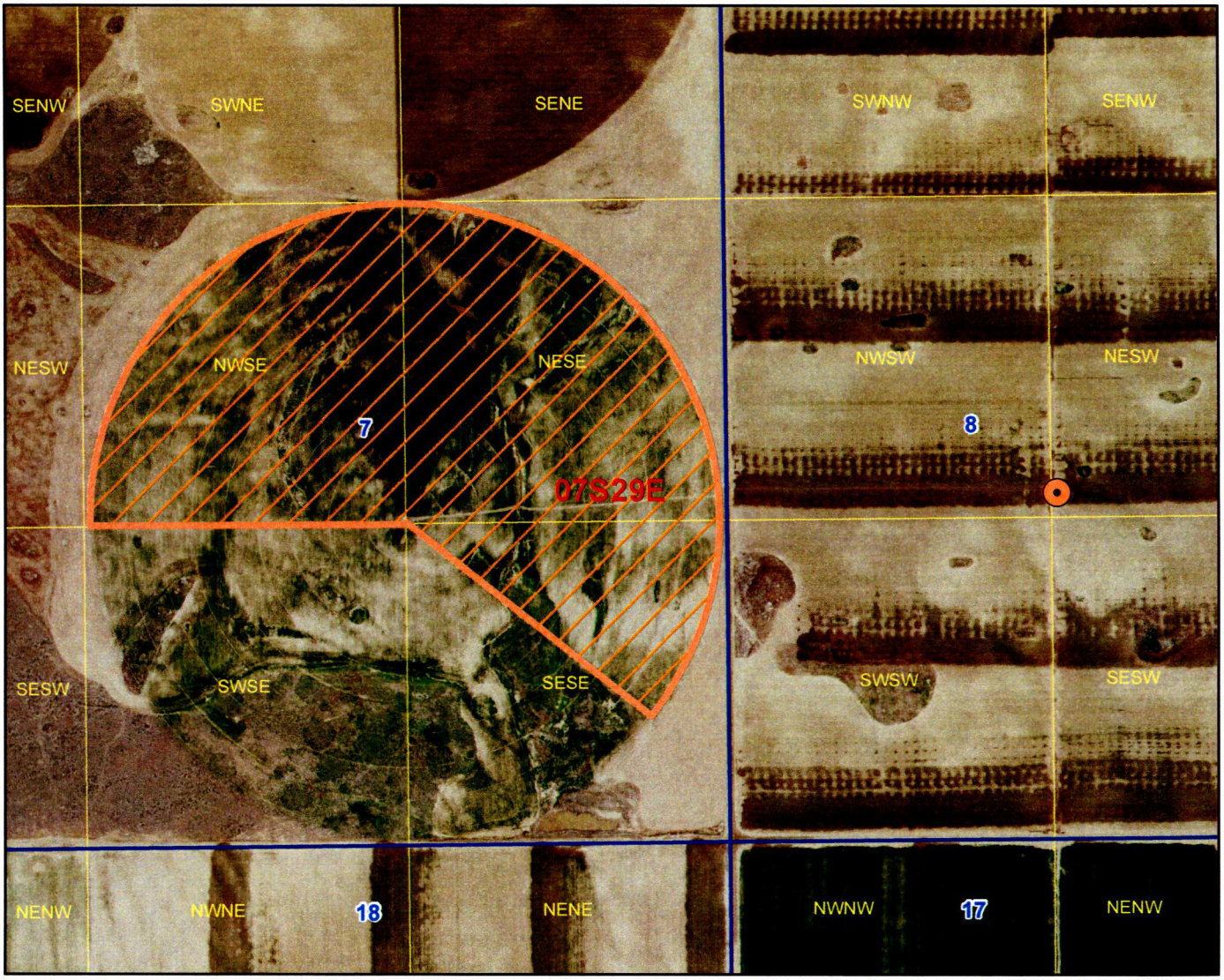
Idaho Water Resource Board

Water Supply Bank Lease Contract No. 1724

35-14242

Effective until December 31, 2023

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



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

N

0 0.15 0.3 Miles

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Form 42-1761-1 10/15

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED
JUL 17 2023
DEPARTMENT OF WATER RESOURCES

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

Designated Applicant FARMLAND RESERVE INC
(Select one owner – see item 1A on the application)

Water Right No. 35-14242
(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.**

MIMUMUM 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 $ 250.00	Received By: KU	Date Received: 7.17.23	Receipt # C116737
W-9 received? Yes ☐ No ☑ (Route W-9 to Fiscal)		Name on W-9:	

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SEP 18 2023

2699

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 FARMLAND RESERVE INC

Mailing Address 79 S MAIN ST STE 1000 SALT LAKE CTY, UT 84111-1945
Street City State Zip Code

Email Address _____ Phone Number 8017159100

☑ 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, Id 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**.

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SEP 28 2023

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

A. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☑
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 4A).

If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to Section 42-108, Idaho Code and IDAPA WSB Rule 37.02.03.25.02e.

B. Please provide a description of the current water diversion and delivery system.
Existing well, pump, main lines 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.

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. Water right 35-14242 has been used for irrigation purposes for the last 5 years. Winter wheat was irrigated and planted in the fall of 2022. No irrigation has occurred under this water right in 2023.

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 ☐
This water right is a licensed water right that has an active mitigation plan that allows irrigation under this water right to occur. The mitigation plan is active for 2023.

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SEP 28 2023

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE AGREEMENT

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

If lease, specify the years when the use of water will be suspended: 2023 (Year) to 2023 (Year) (maximum lease period 5 calendar years).

B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.

current rental rate

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

The Designated Applicant acknowledges the following:

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

Farmland Reserve, Inc. By: Rex Burgener	Rex Burgener	7/11/23
Signature of Designated Applicant	Printed Name	Date
—	—	—
Signature of Authorized Representative	Printed Name	Date

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

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SEP 28 2023

Form 42-1761-1 10/15

STATE OF IDAHO
WATER RESOURCE BOARD

Complete Attachment 2 if only a portion of the water right is offered to the Bank.

ATTACHMENT 2

DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

1.

Water Right Number	Nature of Use	Leased Rate (cfs)	Leased Volume (af)	Leased Acres (ac)
35-14242	Irrigation	1.48	296.0	74.0
	Total Amounts:			

2. Source of water Ground Water tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
07S	29E	8		SW	NE	SW	

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SEP 28 2023

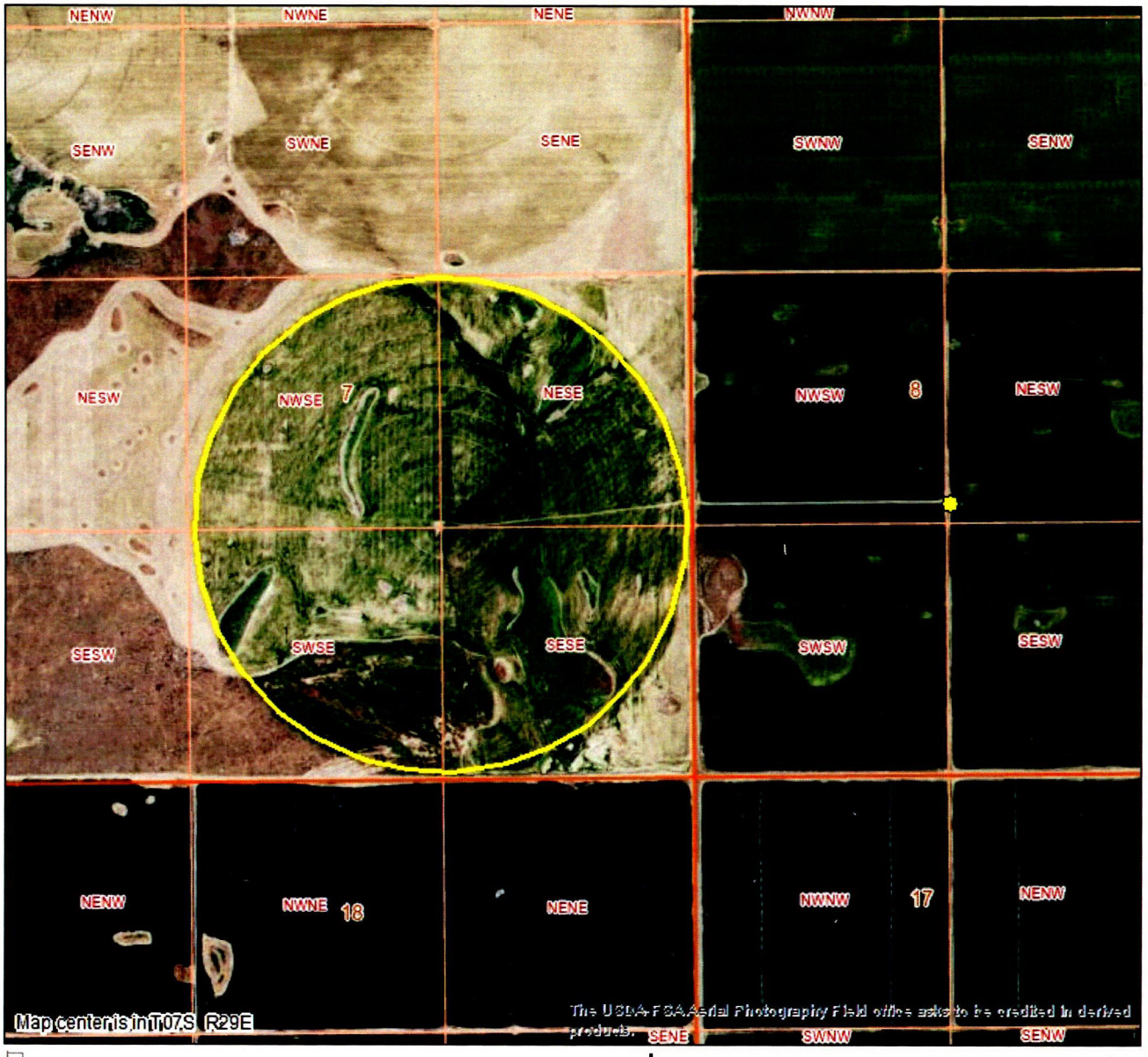
State of Idaho
Department of Water Resources

Water Right

35-14242

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.





0 0.05 0.1 0.2 0.3 0.4
Miles

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

N

Date created: 7/6/2023

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SEP 28 2023

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Form 42-248/42-1409(6) Rev. 7/21
AUG 05 2022
DEPARTMENT OF WATER RESOURCES

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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JUL 29 2022
Department of Water Resources
Eastern Region

NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

1. List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "*Yes*" in the "*Split?*" column. If the water right is leased to the Water Supply Bank, check "*Yes*". If you are not sure if the water right is leased to the Water Supply Bank, see #7 of the instructions.

DE

See next page for more

Water Right/Claim No.	Split?	Leased to Water Supply Bank?	Water Right/Claim No.	Split?	Leased to Water Supply Bank?
35-13608 ✓	Yes ☐	Yes ☐	35-14081 ✓	Yes ☐	Yes ☐
35-14082 ✓	Yes ☐	Yes ☐	35-14084 ✓	Yes ☐	Yes ☐
35-14085 ✓	Yes ☐	Yes ☐	35-14089 ✓	Yes ☐	Yes ☐
35-14090 ✓	Yes ☐	Yes ☐	35-14092 ✓	Yes ☐	Yes ☐
35-14093 ✓	Yes ☐	Yes ☐	35-14198 ✓	Yes ☐	Yes ☐

2. Previous Owner's Name: Lance Funk & Lisa Funk
   Name of current water right holder/claimant

3. New Owner(s)/Claimant(s): Farmland Reserve, Inc.
   New owner(s) as listed on the conveyance document Name connector ☐ **and** ☐ **or**

   79 S Main Street — Mailing address
   Salt Lake City — City; UT — State; 84111 — Zip
   801-715-9100 — Telephone
   naturalresources@farmlandreserve.org — Email

4. If the water rights and/or adjudication claims were split, how did the division occur?
   - ☐ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
   - ☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.

5. Date you acquired the water rights and/or claims listed above: 12/20/2021.

6. Do you own the land identified as the water right place of use? Yes ☑ No ☐
   - o If no, attach evidence that written notice of the change of water right ownership has been delivered to the landowner of record.

7. This form must be signed and submitted with the following **REQUIRED** items:
   - ☑ A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
   - ☑ Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
   - ☑ Filing fee (see instructions for further explanation):
     - o $25 per *undivided* water right. 37 X $25 = $925
     - o $100 per *split* water right.
     - o No fee is required for pending adjudication claims.

   SUPPORT DATA
   IN FILE # 35-2632

   - ☐ If water right(s) are leased to the Water Supply Bank AND there are multiple owners, a Lessor Designation form is required.
   - ☐ If water right(s) are leased to the Water Supply Bank, the individual owner or designated lessor must complete, sign and submit an IRS Form W-9.

8. Signature: Rex Burgener (Jul 22, 2022 16:56 MDT) — Signature of new owner/claimant
   Vice President, Land — Title, if applicable
   Jul 22, 2022 — Date
   Rex Burgener — Print name

   Signature: _____ — Signature of new owner/claimant
   _____ — Title, if applicable
   _____ — Date
   _____ — Print name

For IDWR Office Use Only:

Receipted by M. Pettis Date 7-29-22 Receipt No. E048360 Receipt Amt. 925.00

Active in the Water Supply Bank? Yes ☐ No ☐ If yes, forward to the State Office for processing W-9 received? Yes ☐ No ☐

Name on W-9 _____ Approved by _____ Processed by _____ Date 9/27/22

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OCT 11 2022

executed 8/29/23

W[redacted] Mailing Checklist for Leases

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

Key: Who Completes What?	
CLERICAL STAFF:	MK
REVIEWER:	MK

Received Date: 7/17/2023

Desired Lease Duration: 2023

Lease / Rental Package: (Y) N

If yes, Renter Name: Farmland Reserve Inc.

Application # 2099 Contract # 1724

WR#s [redacted]	# 35-14242
#	#
#	#
#	#
#	#
#	#
#	#

Stacked Water Rights Need to be Leased? ☐

If checked, list water rights: _____

Applicant Authorized?	(Y) / N
Multiple owners, Attach 1A included?	Y / N (NA)
If portion is offered, Attach 2 included?	Y / N (NA)
Map of POU and POD?	(Y) / N (NA)
POD Consent (if required)?	Y / N (NA)
Application Complete?	(Y) / N
Minimum checklist in data base?	☐
Request for additional information letter sent:	Y NA
WSB Action Request for deficiencies	☐

If the WR owner provided a different address on the application than what's in our database, update address in workflow.

Mailings (per lease application)	CC	Original	
Designated Applicant: Farmland Reserve, Inc.	☐	☒	EMAIL:
Attorney:	☐	☐	EMAIL:
Consultants Name: Greg Sullivan - Brockway Engineering	☒		Comments:
Watermaster: Blake Jordan	☒		
Delivery Entity:	☐		
Water District: 120	☒		
Ground Water District: AAF	☒		
Region: Eastern	☒		
Other: ESPA GWMA	☐	☐	
Address:			

Call up Date: _____

DO NOT SCAN

Notified 9/28/23

IDAHO DEPARTMENT
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

August 31, 2023

FARMLAND RESERVE INC
79 S MAIN ST STE 1000
SALT LAKE CITY, UT 84111-1945

RE: WATER SUPPLY BANK LEASE CONTRACT 1724
FOR WATER RIGHTS 35-14242

Dear Lessor:

Water right(s) **35-14242** was/were leased into the Water Supply Bank (Bank) as of January 1, 2023, in accordance with the enclosed executed lease contract. **Your water rights, as described on the lease contract, are considered leased into the Bank and should remain unused until they are formally released from the Bank**. More information and further restrictions placed on your water rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The right(s) will automatically be released from the Bank on **December 31, 2023,** 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,

Mackenzie Kienholz
Water Supply Bank Specialist

Enclosure: Executed Lease Contract

c: IDWR - Eastern Region Office
Greg Sullivan – Brockway Engineering, PLLC
Water District No. 120
American Falls-Aberdeen GWD

SCANNED
SEP 28 2023

BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics
Hydrology
Water Resources

RECEIVED
AUG 21 2023
DEPARTMENT OF
WATER RESOURCES

August 18, 2023

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

Re: Lease Contract #1724 and #1711 and Rental Agreement #747 and #755

Dear Ms. Condon:

Farmland Reserve, Inc has signed lease contracts #1724 and #1711 and also rental agreements #747 and #755. The documents and a check are being submitted to IDWR at this time.

Sincerely,

Greg Sullivan, M.S., Engineer

Cc: Lauren Cabrera via Email
Enc: Lease Contracts 1711, 1724, Rental Agreements 747, 755, Farmland Reserve, Inc Incumbency Certificate, Brockway Engineering Check # 17560 for $3,173.20

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

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SEP 28 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

August 8, 2023

FARMLAND RESERVE INC
79 S MAIN ST STE 1000
SALT LAKE CITY, UT 84111-1945

RE: APPLICATION TO LEASE RIGHT(S) 35-14242 CONTRACT 1724

******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, 2023,** 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,

Mackenzie Kienholz
Water Supply Bank Specialist

SCANNED
SEP 28 2023

Enclosures: Proposed Lease Contracts

C: IDWR Front Desk
Greg Sullivan – Brockway Engineering, PLLC

MEMORANDUM FOR APPLICATIONS #2630 & #2699

To: Water Right(s) 35-14242

From: Mackenzie Kienholz

Date: 7/31/2023

Re: Review & Analysis of Applications to Lease Water to and Rent Water From the State Water Supply Bank

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PURPOSE/NARRATIVE: Rental application #2630 for Farmland Reserve Inc was also submitted by Greg Sullivan and was received by the Department on 3/10/2023. This application originally proposed to rent the full amount of 35-7621 (lease application #2631) for the irrigation of a pivot portion which has no permanent water rights for 2023. However, right 35-7621 may have historically been stacked with surface water shares while the rental POU was not. The applicants were asked to supply a different right to satisfy this rental. Lease application #2699 was submitted by Greg Sullivan on behalf of Farmland Reserve, Inc. and was received by the Department on 7/17/2023. The new lease proposes to lease 74.0 acres of right 35-14242 for 2023.

The lease and rental POD are both in the ESPA GWMA, WD #120, and the Aberdeen-American Falls GWD.

AUTHORITY TO FILE: The property at both the lease and rental places of use is owned by Farmland Reserve. The applications were signed by Rex C. Burgener. A copy of a notarized document was included with the application giving Mr. Burgener authority to represent and execute documents on behalf of the Corporation. Representative Greg Sullivan confirmed that the northernmost of the rental POD wells marked on the application was incorrect. The corrected well diverts only rights owned by Farmland Reserve, Inc. The southern well is located on property owned by Farmland Reserve, Inc. No concerns with authority to file.

WATER RIGHT VALIDITY: Water right 35-14242 was licensed in 2019. It was noted on the lease application that the full place of use was irrigated in the fall of 2022 when winter wheat was planted. WMIS records from the water right's point of diversion suggest that the water was diverted in 2022 (and previous years). No concerns with water right validity.

INJURY TO OTHER WATER RIGHTS: Both the lease and rental are within the ESPA GWMA and appear to draw from the same aquifer. ESPA modeling was completed using ETRAN V3.4 (see data entry below) and found that no mitigation would be required for this rental. The season of use for 35-14242 is 4/1-10/31 which is the standard at both the lease and rental location. Both the lease and rental PODs have historically been used to divert water for irrigation. No concerns with injury to other water rights.

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SEP 28 2023

YEAR	2010	TRANSFER NAME:	CALCULATE EFFECTS
SEASON	WINTER	Farmland 2630	

ENTER CELL LOCATIONS:

	'TO' CELL	'FROM1' CELL	'FROM2' CELL	'FROM3' CELL
ROW	83	86	0	0
COLUMN	93	91	0	0

TRIMESTER OF ACTIVITY	TO WELL	FROM1 WELL		FROM2 WELL		FROM3 WELL	
	Projected Use	With Transfer	Without Transfer	With Transfer	Without Transfer	With Transfer	Without Transfer
	AF/TRIMESTER	AF/TRIMESTER	AF/TRIMESTER	AF/TRIMESTER	AF/TRIMESTER	AF/TRIMESTER	AF/TRIMESTER
WIN 2010	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SPR 2011	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUM 2011	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WIN 2011	0.00	74.00	74.00	0.00	0.00	0.00	0.00
SPR 2012	0.00	74.00	74.00	0.00	0.00	0.00	0.00
SUM 2012	0.00	74.00	74.00	0.00	0.00	0.00	0.00
WIN 2012	0.00	74.00	74.00	0.00	0.00	0.00	0.00
SPR 2022	0.00	74.00	74.00	0.00	0.00	0.00	0.00
SUM 2022	0.00	74.00	74.00	0.00	0.00	0.00	0.00
WIN 2022	0.00	74.00	74.00	0.00	0.00	0.00	0.00
SPR 2023	74.00	0.00	74.00	0.00	0.00	0.00	0.00
SUM 2023	74.00	0.00	74.00	0.00	0.00	0.00	0.00
WIN 2023	74.00	0.00	74.00	0.00	0.00	0.00	0.00
SPR 2024	0.00	74.00	74.00	0.00	0.00	0.00	0.00
SUM 2024	0.00	74.00	74.00	0.00	0.00	0.00	0.00
WIN 2024	0.00	74.00	74.00	0.00	0.00	0.00	0.00

Mitigation Analysis Period: Trimester

One-Way Analysis of Independent Transfers

New Water Right (GModelo):

WR No	Div. Rate (CFS)	Con. Vol (AFA)	No. of Irr Acres	Priority Date	POD Location	Dedicated Vol. AFA/ AFT		Model Node
Transfer 1: Proposed Steady State Impacts following Transfer								
???	???	275.6	68.9	1/1/1960	8S26E-3	275.6	91.9	SP062075
???	???	275.6	68.9	1/1/1960	8S26E-3	275.6	91.9	SP068066
Transfer 1: Worst Case Transient State Impacts following Transfer								
???	???	275.6	68.9	1/1/1960	8S26E-3	275.6	91.9	SP062075
???	???	275.6	68.9	1/1/1960	8S26E-3	275.6	91.9	SP068066

Impact by Reach (AF/Trimester)

	Ashton to Rexburg	Heise to Shelley	Shelley to Nr Blckft	Nr Blckft To Neeley	Neeley to Minidoka	Dev. Wbl. To Buhl	Buhl to Kspr	Kspr	Kspr to Malad	Malad	Malad to Bancroft
	1.18	1.94	10.47	48.14	2.67	3.13	2.53	1.15	1.08	1.23	0.16
	1.18	1.94	10.47	48.14	2.67	3.13	2.53	1.15	1.08	1.23	0.16
	1.18	1.94	10.47	48.14	2.67	3.13	2.53	1.15	1.08	1.23	0.16
	1.18	1.94	10.47	48.14	2.67	3.13	2.53	1.15	1.08	1.23	0.16

Steady State Analysis

Mitigation Check 1 - >10% of Historical:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mitigation Check 2: > 2 AF/T:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mitigation Check 3 - >10% of Total:	1.6%	2.6%	14.2%	65.2%	3.9%	4.2%	3.4%	1.6%	1.5%	1.7%	0.2%
Mitigation Required?:	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Mitigation Vol. Req'd (ac-ft):	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Transient State Analysis

Mitigation Check 1 - >10% of Historical:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mitigation Check 2: > 2.01 AF/T:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mitigation Required?:	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
Mitigation Vol. Req'd (ac-ft):	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Read Me

ENLARGEMENT OF USE: The beneficial use and season of use will not be changed through this rental. Right 35-14242 has historically been used as a primary right and will continue to be used as such under this rental. Right 35-14242 has a combined rate limit with right 35-7686B, but 35-14242 will be leased in a manned that still allows the full diversion rate under 35-7686B to be used without exceeding the combined limit. The rental POU is not overlapped by any water rights. The northern rental POD is overlapped by water rights 35-7632A, 35-14442, and 35-14443. These rights have an additive combined limit on the number of acres, and the suite has a duty of water of 0.01 cfs/acre. The rental rate will be decreased to match the duty of water at the rental POD. No concerns with enlargement of use.

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The lease appears consistent with the conservation of water resources in Idaho.

SCANNED
SEP 28 2023

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The location for the rental POD is subject to Water District #120. A request for comments was sent to the WD #120 watermaster and the Eastern Regional Office on 7/31/2023.

SCANNED
SEP 28 2023

Kienholz, Mackenzie

From: Greg Sullivan <greg.sullivan@brockwayeng.com>
Sent: Monday, July 31, 2023 10:13 AM
To: Kienholz, Mackenzie
Subject: RE: Farmland Reserve WSB Lease-Rental

CAUTION: **This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.**

Mackenzie,

What you have identified will work fine. The whole field is dry this year, so it really doesn't matter where the 74 acres is located.

Greg Sullivan
Brockway Engineering
2016 North Washington Street, Suite 4
Twin Falls, Idaho 83301
208-736-8543

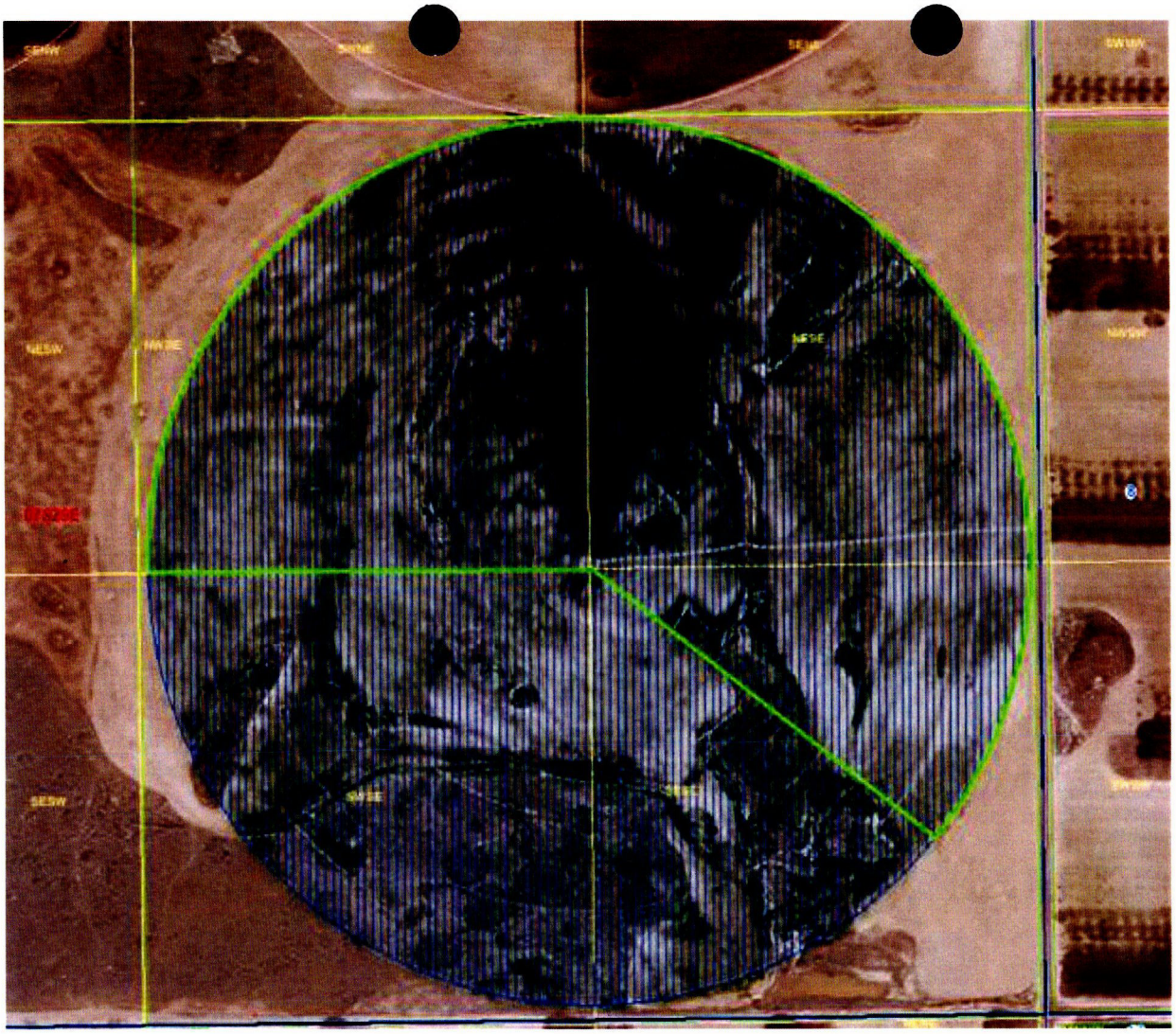
All information, calculations, maps, drawings, or other documents transmitted via e-mail are preliminary unless explicitly stated in the e-mail text or in the documents themselves.

From: Kienholz, Mackenzie [mailto:Mackenzie.Kienholz@idwr.idaho.gov]
Sent: Monday, July 31, 2023 9:58 AM
To: Greg Sullivan <greg.sullivan@brockwayeng.com>
Subject: RE: Farmland Reserve WSB Lease-Rental

Thank you, Greg. Is there a specific portion of the pivot that will be idled? Or should I map a 74-acre pivot portion to be idled as shown in the image below?

Best,
Mackenzie

SCANNED
SEP 28 2023



From: Greg Sullivan <greg.sullivan@brockwayeng.com>
Sent: Monday, July 31, 2023 8:44 AM
To: Kienholz, Mackenzie <Mackenzie.Kienholz@idwr.idaho.gov>
Subject: RE: Farmland Reserve WSB Lease-Rental

CAUTION: **This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.**

Mackenzie,

Just lease the 74.0 acres into the Water Supply Bank.

SCANNED
SEP 2 8 2023

Greg Sullivan
Brockway Engineering
2016 North Washington Street, Suite 4
Twin Falls, Idaho 83301
208-736-8543

All information, calculations, maps, drawings, or other documents transmitted via e-mail are preliminary unless explicitly stated in the e-mail text or in the documents themselves.

From: Kienholz, Mackenzie [mailto:Mackenzie.Kienholz@idwr.idaho.gov]
Sent: Tuesday, July 25, 2023 10:06 AM
To: Greg Sullivan <greg.sullivan@brockwayeng.com>
Subject: Farmland Reserve WSB Lease-Rental

Good morning, Greg,

I am wrapping up the review of the Water Supply Bank lease-rental for Farmland Reserve that originally requested Lisa Funk's right 35-7621, but which is now being paired with right 35-14242. Should the full amount of 35-14242 be leased? Or just the 74 acres to satisfy the rental? I am planning to get this passed on for supervisor review today once this is clarified.

Thank you,

Mackenzie Kienholz
Water Supply Bank Specialist

IDAHO DEPARTMENT OF WATER RESOURCES

Planning & Projects
Mackenzie.kienholz@idwr.idaho.gov
Phone: (208) 287-4822

SCANNED
SEP 18 2023

BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics
Hydrology
Water Resources

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

RECEIVED
JUL 17 2023
DEPARTMENT OF
WATER RESOURCES

July 14, 2023

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

Re: Lease of 35-14242

Dear Ms. Condon:

Farmland Reserve, Inc desired to rent water right 35-7621 for the 2023 irrigation season. Recent correspondence from the Water Supply Bank indicated that a lease of 35-7621 cannot be processed by the Water Supply Bank. A rental of 74.0 acres is still needed for the 2023 irrigation season.

Water right license 35-14242 has been idle during the 2023 irrigation season. I performed a site field visit on June 27, 2023 with the farm manager. The 119.5 acres under 35-14242 was irrigated in the fall of 2022 and winter wheat was planted. At no time in 2023 has the pivot for the 119.5 received water. The winter wheat crop will be harvested this summer.

Farmland Reserve, Inc. is the owner of 35-14242 and would like to lease 74.0 acres of irrigation water into the Idaho Water Supply Bank for the 2023 irrigation season. The 74.0 acres will be used to satisfy the previously submitted Farmland Reserve rental application for 74.0 acres.

ESPA model analysis for the 2023 irrigation season have been run and no mitigation is required.

A lease application fee of $250.00 will be paid to the Idaho Water Supply Bank.

Sincerely,

Greg Sullivan, M.S., Engineer

Cc: Lauren Cabrera via Email
Enc: Lease Application, Aerial Map, ESPA Model Analysis, Farmland Reserve, Inc Incumbency Certificate, Brockway Engineering Check # 17522 for $250.00

SCANNED
SEP 28 2023

2699

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**

September 28, 2022

FARMLAND RESERVE INC
79 S MAIN ST STE 1000
SALT LAKE CTY UT 84111-1945

Re: Change in Ownership for Water Right No(s): 35-13608, 35-14082, 35-14085, 35-14090, 35-14093, 35-14081, 35-14084, 35-14089, 35-14092, 35-14198, 35-14200, 35-14202, 35-14204, 35-14206, 35-14208, 35-14240, 35-14654, 35-7973, 35-14241, 35-7914, 35-14655, 35-14242, 35-14243, 35-14317, 35-14318, 35-14319, 35-14320, 35-14442, 35-14443, 35-2632, 35-4020A, 35-7596, 35-7611A, 35-7611B, 35-7632A, 35-7969, 35-8218

Dear Water Right Holder(s):

The Department of Water Resources (Department) acknowledges the receipt of correspondence changing ownership of the above referenced water right(s) to you. The Department has modified its records and has enclosed a computer-generated report for you.

Updating the ownership record for a water right does not reconfirm the validity of the right. When processing a Notice of Change in Water Right Ownership, the Department does not review the history of water use to determine if the right has been forfeited or deliberately abandoned through five years or more of non-use. To read more about water right forfeiture, including how to protect a water right from forfeiture, please see Idaho Code §§ 42-222 and 42-223.

Please note, water right owners are required to report any change of water right ownership and any change of mailing address to the Department within 120 days of the change. Reporting forms are available from any office of the Department, or from the Department's website.

If you have any questions regarding this matter, please contact me at (208)287-4921 or email me at Sidney.palmer@idwr.idaho.gov.

Sincerely,

Sidney Palmer

Sidney Palmer
Technical Records Specialist 1

Enclosure(s)

c: RABO AGRIFINANCE LLC

SCANNED
OCT 11 2022

updated SB
3/7/2022

RECEIVED
FEB 28 2022
Department of Water Resource
Eastern Region

Rabo AgriFinance

Susan Bohnenkamper
Vice President
Address P.O. Box 411995
St. Louis MO 63141
tel 314-317-8071
fax 877-655-9513
email Susan.bohnenkamper@raboag.com

February 23, 2022

Idaho Department of Water Resources
Easter Region
900 N Skyline Drive, Suite A
Idaho Falls, ID 83402

Re: Loan 10076400, 10496300, 10086700 (22105089), 22112166, 22109547, 10221400 - Lance Don Funk

To whom it may concern,

Please be advised that the above loan was repaid in full and we no longer have any interest in the following shares of Well Water Stock.

Water Right 35-14244; 35-14082; 35-14085; 35-14090; 35-14093; 35-14243; 35-14081; 35-14084; 35-14089; 35-14092; 35-14241; 35-14240; 35-14242; 35-7964; 35-14235; 35-2448A; 35-14196; 35-2833C; 35-2833D; 35-4020A; 35-7418; 35-14198; 35-7596; 35-7964; 35-14204; 35-14206; 35-7969; 35-14208; 35-7914; 35-7973

Sincerely,

Susan Bohnenkamper

Susan Bohnenkamper
Vice President