

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

**** AMENDED** WATER SUPPLY BANK LEASE CONTRACT No. 1711 **AMENDED****

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

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 March 10, 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)
35-2391	12/20/1954	GROUND WATER	3.34	Not Stated	167
35-7777	1/24/1978	GROUND WATER	1.77	Not Stated	104
Combined Lease Totals			5.11	1,084	271

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)
35-2391	3.34	668	167	0.019	3.88
35-7777	1.77	416	104	0.007	1.54
Combined Limit Totals	5.11	1,084	271	0.019	4.00

** 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

SUPPORT DATA
IN FILE # 35-2391

SEP 28 2023

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1711

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

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

RECEIVED

AUG 21 2023

DEPARTMENT OF
WATER RESOURCES

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

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Minimum Payment Acceptable: Current Rental Rate **SUPPORT DATA**

IN FILE # 35-2391

Page 1 of 5

COINDED
SEP 28 2023

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1711

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2023 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.

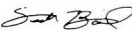
SCANNED
SEP 28 2023

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1711

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 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 8/29/23

Lease approved by IDWR 

Date 8/29/23

SCANNED
SEP 28 2023

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1711

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): 35-7777, 35-2391

GROUND WATER SENE Sec. 28 Twp 01S Rge 33E BINGHAM County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
35-7777	IRRIGATION	4/01	to	11/01	1.77 cfs	416 AF
35-2391	IRRIGATION	4/01	to	11/01	3.34 cfs	668 AF
Totals:					5.11 cfs	1,084 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	
01S	33E	27							39.0	40.0		34.0							113.0
01S	33E	28			40.0	39.0									39.0	40.0			158.0

Total Acres: 271.0

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.

SCANNED
SEP 28 2023

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

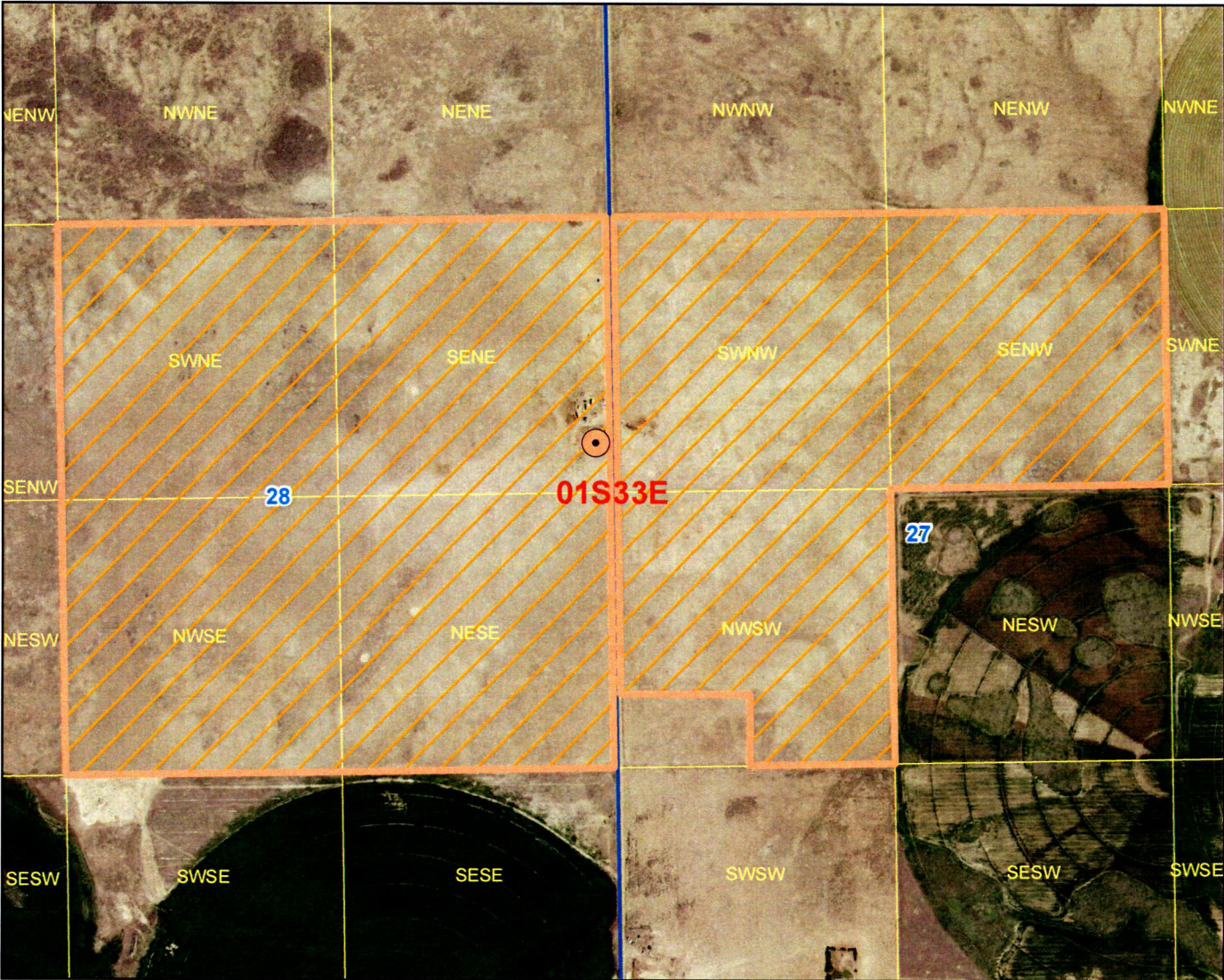
WATER SUPPLY BANK LEASE CONTRACT No. 1711

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. The unleased portion of right 35-2391 is limited to the irrigation of 5.0 acres within the place of use described above in a single irrigation season, a total combined diversion rate of 0.1 cfs, and a total annual diversion volume of 20.0 af.

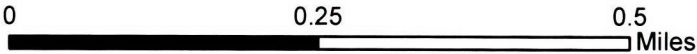
SCANNED
SEP 28 2023

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1711
35-2391 & 35-7777
Effective until December 31, 2024

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



SCANNED
SEP 28 2023

STATE OF IDAHO
WATER RESOURCE BOARD

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

RECEIVED

MAR 10 2023

DEPARTMENT OF
WATER RESOURCESDesignated Applicant FARMLAND RESERVE INC

(Select one owner – see item 1A on the application)

Water Right No. 35-2391

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

Department Use Only

Fee Amount \$ <u>250.00</u>	Received By: <u>KM</u>	Date Received: <u>3.10.23</u>	Receipt # <u>C115526</u>
W-9 received? Yes ☐ No ☒ (Route W-9 to Fiscal)		Name on W-9:	

SCANNED

SEP 28 2023

2629

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 8017159195

☒ 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.**

SCANNED
SEP 28 2023
Page 8

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. Aberdeen Springfield Canal Company surface water rights.
- 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. Aberdeen Springfield Canal Company
- 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 35-7621 has been under contract as a leased water right with the Idaho Water Supply Bank from 2013 through 2022.
- 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 ☒

SCANNED
SEP 28 2023
Page 23

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 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 _____

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.

Rex Burgener
Rex Burgener (Mar 7, 2023 16:29 MST)

Signature of Designated Applicant

Rex Burgener

Printed Name

Mar 7, 2023

Date

Signature of Authorized Representative

Printed Name

Date

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

SCANNED
SEP 18 2023

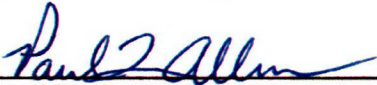
FARMLAND RESERVE, INC.
INCUMBENCY CERTIFICATE

I, Paul L. Allen, HEREBY CERTIFY that I am the Secretary/Treasurer of Farmland Reserve, Inc., a Utah Corporation (the "Corporation").

I DO HEREBY FURTHER CERTIFY:

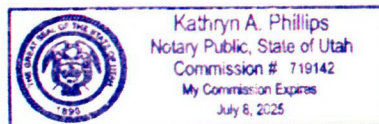
1. Rex C. Burgener is the duly elected and acting Vice President of the Corporation.
2. Pursuant to the Corporation's Articles of Incorporation and Bylaws, Rex C. Burgener, in his capacity of the Corporation's Vice President, is authorized to execute instruments, documents, applications and agreements on behalf of the Corporation and otherwise to represent the Corporation before and in dealing with individuals, other entities and governmental bodies and authorities.

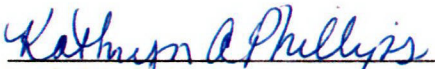
IN WITNESS WHEREOF, I have signed my name this 20th day of December, 2022.


Paul L. Allen, Secretary

STATE OF UTAH)
 §
COUNTY OF SALT LAKE)

On this 20th day of December, 2022, Paul L. Allen, who is personally known by me, signed this document in my presence.




NOTARY PUBLIC
My Commission Expires 7/8/2025

SCANNED
SEP 28 2023

**STATE OF IDAHO
WATER RESOURCE BOARD**

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

ATTACHMENT 2

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

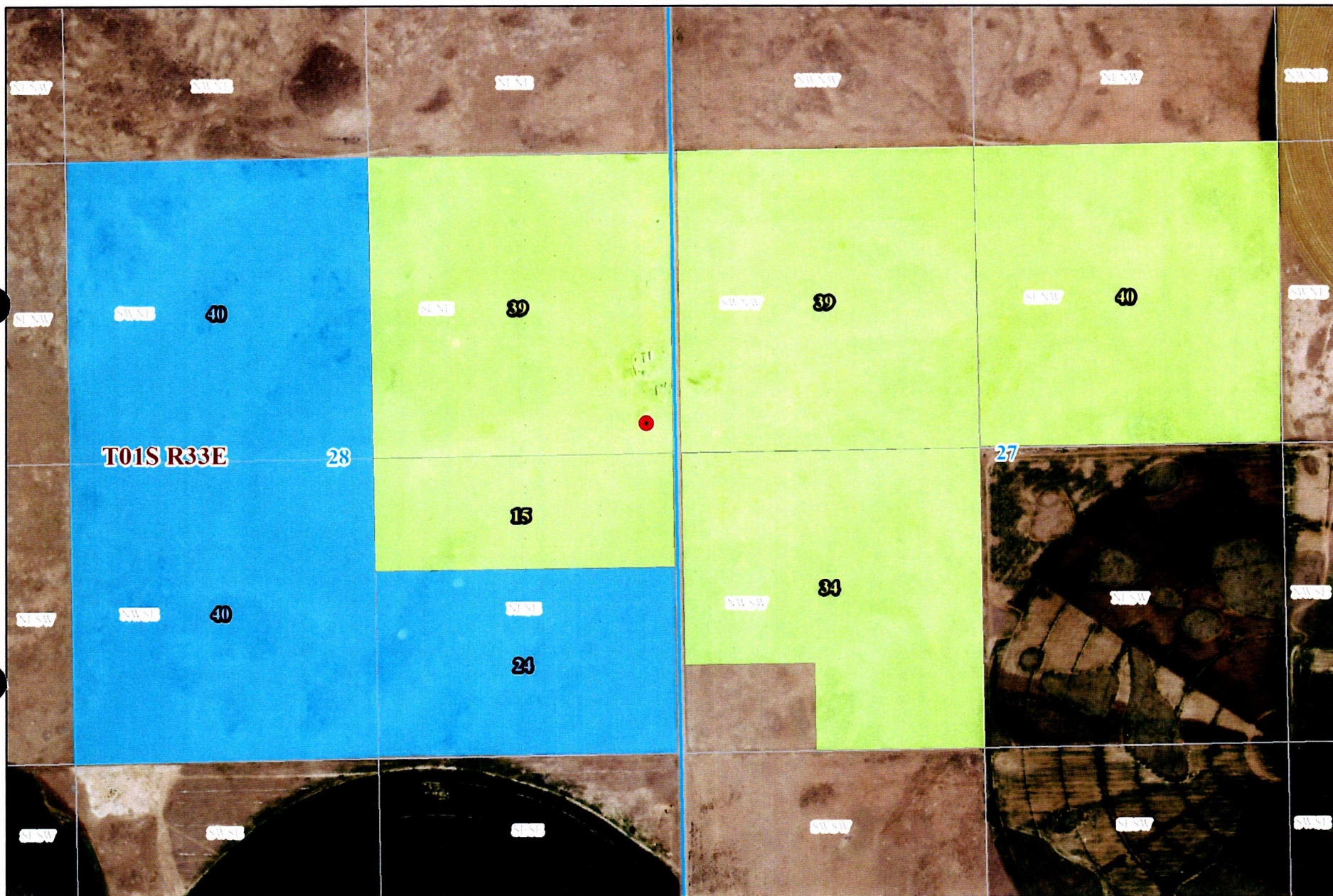
1. <u>Water Right Number</u>	<u>Nature of Use</u>	<u>Leased Rate</u> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
35-2391	Irrigation	3.34	668.0	167.0
	Total Amounts:	3.34	668.0	167.0

2. Source of water Ground Water tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
01S	33E	28		SE	SE	NE	Bingham County

SCANNED
SEP 28 2023



N
0 250 500 Feet

BROCKWAY ENGINEERING, PLLC
GWS - Date: 3/15/2023

SCANNED
SEP 28 2023

**CANYON FALLS FARMS
AGRESERVE**

2021 NAIP AERIAL

RECEIVED

MAR 15 2023

Department of Water Resources

Legend

- POD
- 35-7777_Lease
- 35-2391_Lease

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1567

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

LESSOR: FARMLAND RESERVE INC
79 S MAIN ST
SALT LAKE CITY UT 84111

SUPPORT DATA
IN FILE # 35-2391

RECEIVED
NOV 08 2022
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 April 13, 2022.
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.

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35-7777	1/24/1978	GROUND WATER	1.77	Not stated	104.0
Combined Limit Totals			5.21	1,104.0	276.0
Combined Lease Totals			5.21	1,104.0	276.0

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)
35-2391	3.440	688.00	172.00	0.020	4.00
35-7777	1.770	416.00	104.00	0.017	4.00
Combined Limit Totals	5.210	1,104.00	276.00	0.019	4.00

* The water right elements rentable have been reduced from the water right elements leased to account for a field headgate standard of 4.0 af/ac

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.

SCANNED
NOV 22 2022

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1567

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2022 to December 31, 2022. 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.

SCANNED
NOV 22 2022

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

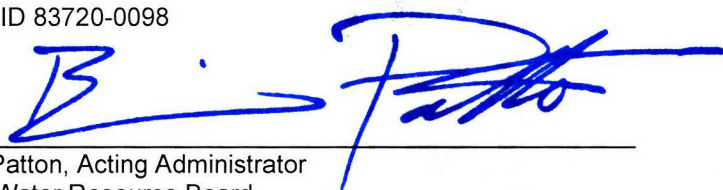
WATER SUPPLY BANK LEASE CONTRACT No. 1567

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

LESSOR: FARMLAND RESERVE INC
79 S MAIN ST
SALT LAKE CITY UT 84111

By 
Title V.P.
Date Oct 28, 2022

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

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 11/10/22

Lease approved by IDWR 

Date 11/10/22

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1567

**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): 35-7777 and 35-2391

GROUND WATER SENE Sec. 28 Twp 01S Rge 33E BINGHAM County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
35-7777	IRRIGATION	4/01	to	11/01	1.77 cfs	416.0 AF
35-2391	IRRIGATION	4/01	to	11/01	3.44 cfs	688.0 AF
Totals:					5.21 cfs	1,104.0 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	
01S	33E	27							39.0	40.0		39.0							118.0
01S	33E	28			40.0	39.0									39.0	40.0			158.0

Total Acres: 276.0

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1567

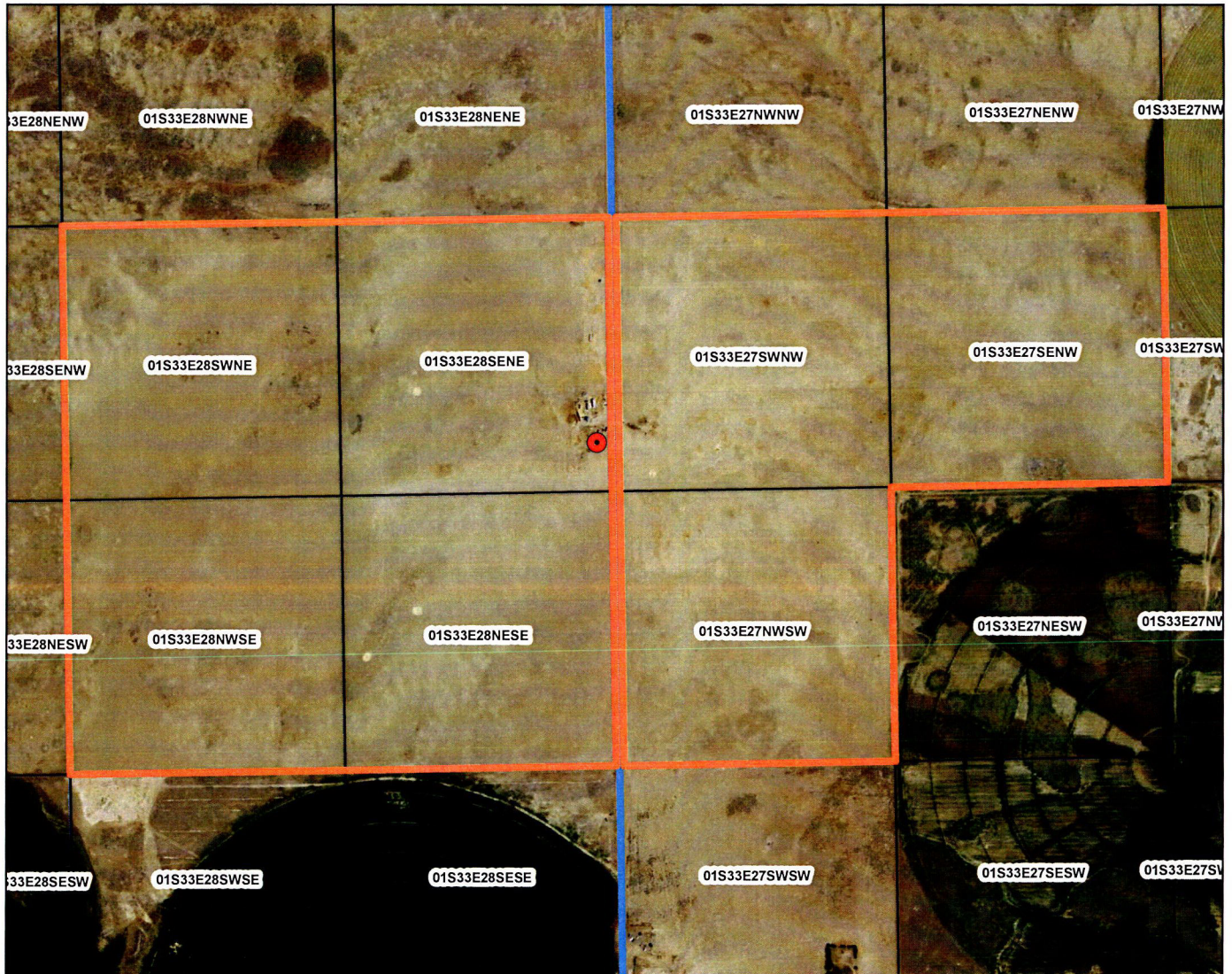
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. 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.

SCANNED
MAY 22 2022

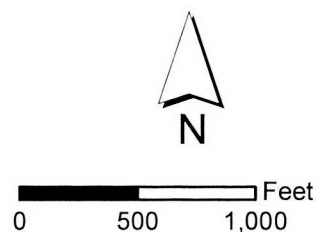
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1567

35-2391 and 35-7777
Effective until December 31, 2022

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



SCANNED
NOV 22 2022

STATE OF IDAHO
WATER RESOURCE BOARDRECEIVED
SEP 28 2022
DEPT OF WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant Farmland Reserve, Inc. Water Right No. 35-2391
(Select one owner – see item 1A on the application) (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 <i>Attached (Yes)</i> or <i>Not Applicable (N/A)</i>			
	Yes		
	☒		Completed <i>Application to Sell or Lease a Water Right to the Water Supply Bank</i> .
	☒		Application filing fee of \$250.00 per water right. If you are submitting more than one lease application and the water rights have an overlapping, common place of use, or a common diversion rate or volume, the total fee for all water rights is \$500.00. For places of use, multiple water rights must be used to irrigate the same lands in order to qualify for the joint filing fee. Individual filing fees are required for water rights that share a common permissible place of use but which cover separate acres within the permissible place of use.
	☒		Confirmation this form has been printed single sided , per requirement of the Water Supply Bank.
Attachment	N/A	Yes	
1A	☐	☐	Signatures and contact information for <i>all owners</i> of the water right to be leased or sold on this application.
1B	☒	☐	An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.
1C	☒	☐	<i>Notice of Change in Water Right Ownership</i> form (accessible from www.idwr.idaho.gov).
1D	☐	☒	Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.
2	☐	☒	Description of a water right portion offered to the Water Supply Bank.
3	☐	☒	A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. You have the option of printing a map using the map tool on IDWR's website at: www.idwr.idaho.gov .
4A	☒	☐	Written consent from irrigation district or water delivery company.
4G	☐	☒	Evidence demonstrating the water right has not been forfeited pursuant to Section 42-222(2), Idaho Code .
Department Use Only			
Fee Amount \$	Received By:	Date Received:	Receipt #
W-9 received? Yes ☐ No ☐	(Route W-9 to Fiscal)	Name on W-9:	

SCANNED
NOV 22 2022

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 Street Salt Lake City, UT 84111

Street City State Zip Code

Email Address naturalresources@farmlandreserve.org Phone Number 801-715-9100

☒ 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 wells, mainlines 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 35-2391 and 35-7777 have be previously leased into the Idaho Water Supply Bank.

- 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? Yes ☐ No ☒
If yes, describe.

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: 2022 to 2022 (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.

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

Signature of Designated Applicant

Vice President, Inc.

Rex Burgener

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

For the water right on this application, list all owners (individuals or business entities) of the right or the property to which it is appurtenant. All water right holders must sign a Water Supply Bank Lease Application. However, only the Designated Applicant needs to provide a completed IRS Form W-9 (Attachment 1B). **All correspondence and any financial payment associated with the rental of this water right will be directed to the Designated Applicant.** If additional space is needed to list any other water right holders, attach a second copy of Attachment 1A.

If submitting multiple applications, it is only necessary to complete one Attachment 1A for the group of applications. List each water right below.

Water Right No(s). 35-2391 and 35-7777

	Designated Applicant	Applicant #2	Applicant #3
Name	Farmland Reserve, Inc.		
Mailing Address	79 S Main Street Salt Lake City, UT 84111		
Phone Number	801-715-9100		
Email Address	naturalresources@farmlandreser		
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature	By: <i>Reg Burgerer</i> <i>Vice President, Salt</i>		

	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

Attachment 1A

COANNED
 NOV 22 2022

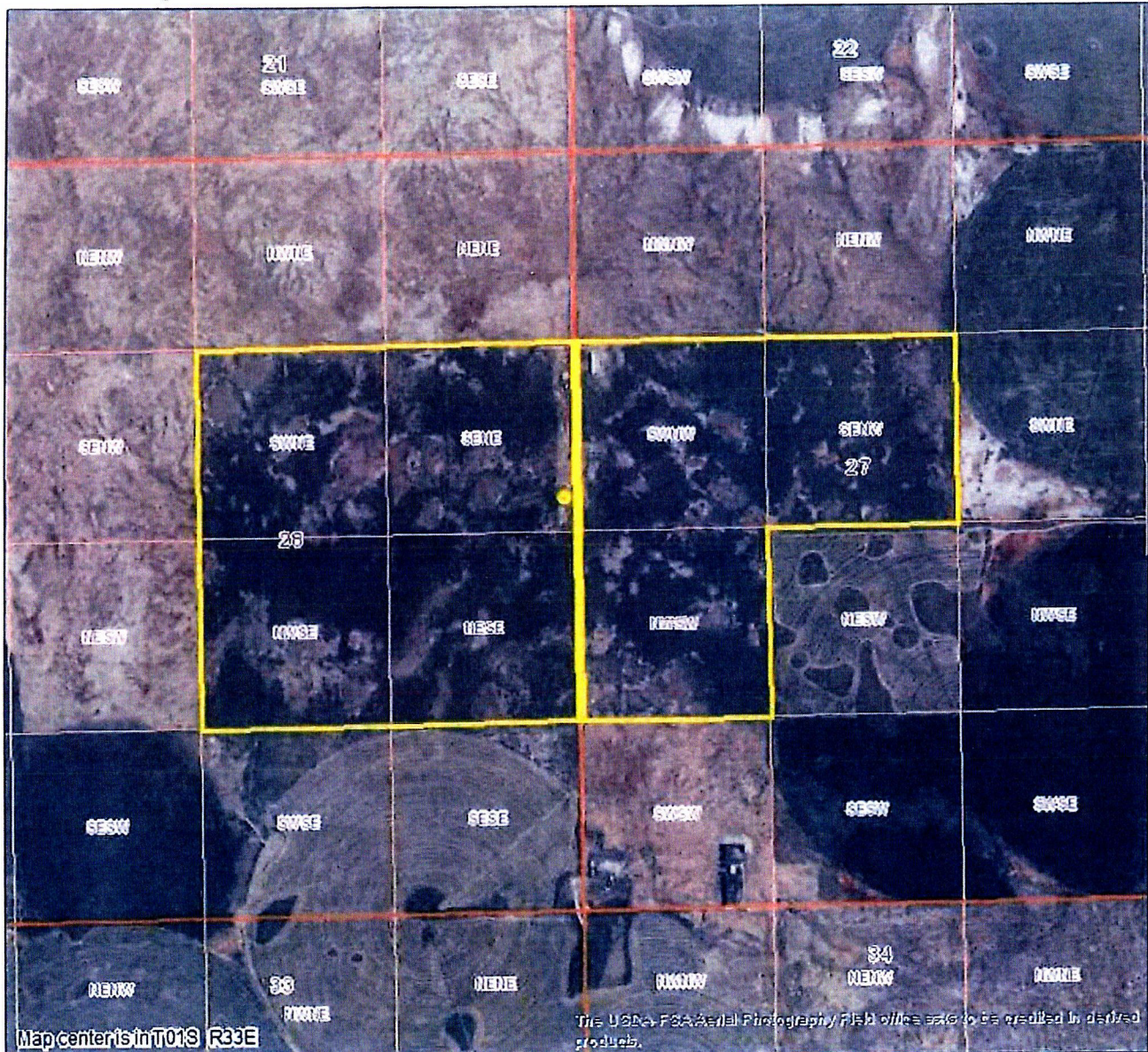
State of Idaho
Department of Water Resources

Water Right

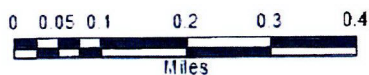
35-2391 and 35-7777

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.



Date created: 3 4 202



Legend

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



CCAFD
NOV 27 2022

RECEIVED

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

AUG 22 2022

NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

Department of Water Resources
Eastern Region

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.

Water Right/Claim No.	Split?	Leased to Water Supply Bank?	Water Right/Claim No.	Split?	Leased to Water Supply Bank?
35-7777 ✓	Yes ☐	Yes ☒	35-2391	Yes ☐	Yes ☒
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐

2. Previous Owner's Name: Knudsen Poor Farms, Inc.
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 Salt Lake City UT 84111
Mailing address City State Zip
801-715-9100 naturalresources@farmlandreserve.org
Telephone 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: 06/16/2022
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.
o \$100 per *split* water right.
o No fee is required for pending adjudication claims.
☐ 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.

SUPPORT DATA

IN FILE # 35-2391

8. Signature: Rex Burgener Vice President, Land Aug 17, 2022
Signature of new owner/claimant Title, if applicable Date
Rex Burgener
Print name
- Signature: _____ Title, if applicable Date
Signature of new owner/claimant
Print name

For IDWR Office Use Only:

Received by [Signature] Date 8/22/22 Receipt No. E048440 Receipt Amt. \$50.

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 [Signature] Date 9/29/22 10522

SCANNED

Conveyance Document:
Knudsen to Lance Funk

SCANNED

OCT 05 2022

Instrument # 746603

BINGHAM COUNTY, IDAHO

2022-06-16 03:54:22 PM No. of Pages: 3
Recorded for: ALLIANCE TITLE - POCA TELLO OFF
PAMELA W. ECKHARDT Fee: \$15.00
Ex-Officio Recorder Deputy JPulley
Index To: WARRANTY DEED
Electronically Recorded by Simplifile

Recording requested by:

Thomas J. Budge
Racine Olson, PLLP
201 E. Center Street; P.O. Box 1391
Pocatello, Idaho 83204

ALLIANCE TITLE & ESCROW, LLC

(Space above for Recorder's use)

WARRANTY DEED

Grantor: Knudsen Poor Farms, Inc., an Idaho corporation
98 Fort Hall Ave.
American Falls, Idaho 83211

Grantee: Lance Funk, a married man
P.O. Box 310
American Falls, Idaho 83211

For value received, Grantor hereby conveys, grants, and warrants unto Grantee its entire right, title, and interest in and to the real property in Bingham County, Idaho, described in *Exhibit A* attached hereto (the "Property"), together with all fixtures, improvements, appurtenances, rents, issues, and profits that relate or pertain to the Property, to have and to hold the same unto Grantee and its successors and assigns forever.

Grantor covenants that it is the owner in fee simple of the Property, and that the Property is free and clear of any mortgages, liens, or other encumbrances except: a) those of record in the real property records of Bingham County, Idaho; b) current taxes, ordinances, and federal and state rights and reservations, including, without limitation, patents, oil, gas, and minerals; c) conflicts in boundary lines, shortage in area, encroachments, or any other fact that a correct survey would disclose; d) easements or claims of easement not shown by the public records; e) use restrictions and building and zoning regulations and ordinances of any governmental unit. Subject to the foregoing exceptions, Grantor will warrant and defend the Property against any and all lawful claims whatsoever.

[Signature Page Below]

WARRANTY DEED - 1

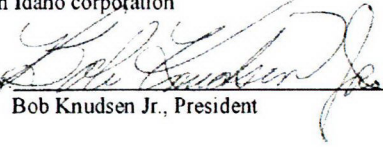
SCANNED

OCT 05 2022

GRANTOR:

KNUDSEN POOR FARMS, INC.

An Idaho corporation

By 
Bob Knudsen Jr., President

Date: 16 June 2022

STATE OF IDAHO

County of Bannock ss.

This record was acknowledged before me on this 16th day of June, 2022, by Bob Knudsen Jr.
as President of Knudsen Poor Farms, Inc..




NOTARY PUBLIC FOR IDAHO
My Commission Expires: Residing in Pocatello
Expires 02/24/2028

WARRANTY DEED - 2

SCANNED

OCT 05 2022

746603

EXHIBIT A

**DESCRIPTION OF REAL PROPERTY
LOCATED IN BINGHAM COUNTY, IDAHO**

The S½NW¼ and the NW¼SW¼ of Section 27, and the S½NE ¼ and the N½ SE¼ of Section 28, Township 1 South, Range 33 East, Boise Meridian, Bingham County, Idaho

WARRANTY DEED – Exhibit A

SCANNED

OCT 05 2022

Conveyance Document:
Lance Funk to Farmland Reserve, Inc.

SCANNED

OCT 05 2022

THIS INSTRUMENT FILED FOR
RECORD BY ALLIANCE TITLE AND
ESCROW AS AN ACCOMMODATION
ONLY. IT HAS NOT BEEN EXAMINED
AS TO ITS EXECUTION OR AS TO ITS
EFFECT UPON THE TITLE.

Recording Requested By and
When Recorded Return to:

Stoel Rives LLP
Attn: Jeffrey I. Nielson
101 S. Capitol Boulevard, Suite 1900
Boise, ID 83702

Instrument # 747954

BINGHAM COUNTY, IDAHO
2022-08-04 04:26:09 PM No. of Pages: 3
Recorded for: ALLIANCE TITLE - POCA TELLO OFF
PAMELA W. ECKHARDT Fee: \$15.00
Ex-Officio Recorder Deputy JPulley
Index To: BARGAIN AND SALE DEED
Electronically Recorded by Simplifile

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

WATER RIGHTS BARGAIN AND SALE DEED

FOR VALUE RECEIVED, LANCE FUNK ("Grantor"), whose address is 2765 Fairgrounds Road, American Falls, Idaho 83211, does hereby bargain, sell, and convey unto FARMLAND RESERVE, INC., a Utah nonprofit corporation ("Grantee"), whose address is 79 S. Main Street, Suite 500, Salt Lake City, Utah 84111, all of Grantor's right, title, and interest in and to the water rights described on Exhibit A attached hereto and incorporated herein (the "Water Rights").

TOGETHER WITH all of Grantor's right, title and interest in and to all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all estate, right, title and interest in and to the Water Rights, as well in law as in equity.

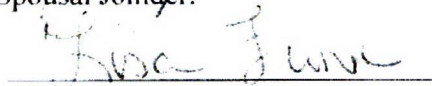
TO HAVE AND TO HOLD the Water Rights with its appurtenances unto Grantee, its successors and assigns, forever.

IN WITNESS WHEREOF, Grantor has executed this General Warranty Deed effective as of June 16, 2022.

GRANTOR:


Lance Funk

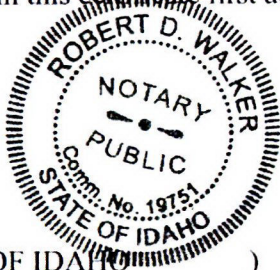
Spousal Joinder:


Lisa Funk

STATE OF IDAHO)
) ss.
COUNTY OF BANNOCK)

On this 4TH day of August of 2022, before me, Robert D. Walker, a notary public, personally appeared Lance Funk, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

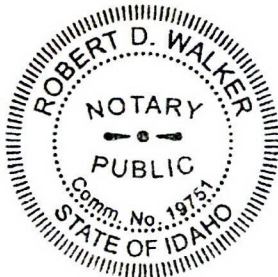


Robert D. Walker
Notary Public for Idaho
Residing at IDAHO FALLS
My commission expires 11-7-2023

STATE OF IDAHO)
) ss.
COUNTY OF BANNOCK)

On this 4TH day of August of 2022, before me, Robert D. Walker, a notary public, personally appeared Lisa Funk, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Robert D. Walker
Notary Public for Idaho
Residing at IDAHO FALLS
My commission expires 11-7-2023

EXHIBIT A

Water Rights

Idaho water right nos. 35-7777 and 35-2391

Which are currently appurtenant to the following real property:

S $\frac{1}{2}$ NW $\frac{1}{4}$ and the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 27, and the S $\frac{1}{2}$ NE $\frac{1}{4}$ and the N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 28,
Township 1 South, Range 33 East, Boise Meridian, Bingham County, Idaho.

Written Notice to Landowner

SCANNED

OCT 05 2022

From: FRI NaturalResourcesGroup
Sent: Tuesday, August 16, 2022 3:22 PM
To: lance@lancefunkfarms.com
Subject: Water Right Ownership Change Notification
Attachments: Knudsen to Funk to FRI Ownership Transfer.pdf

Lance,

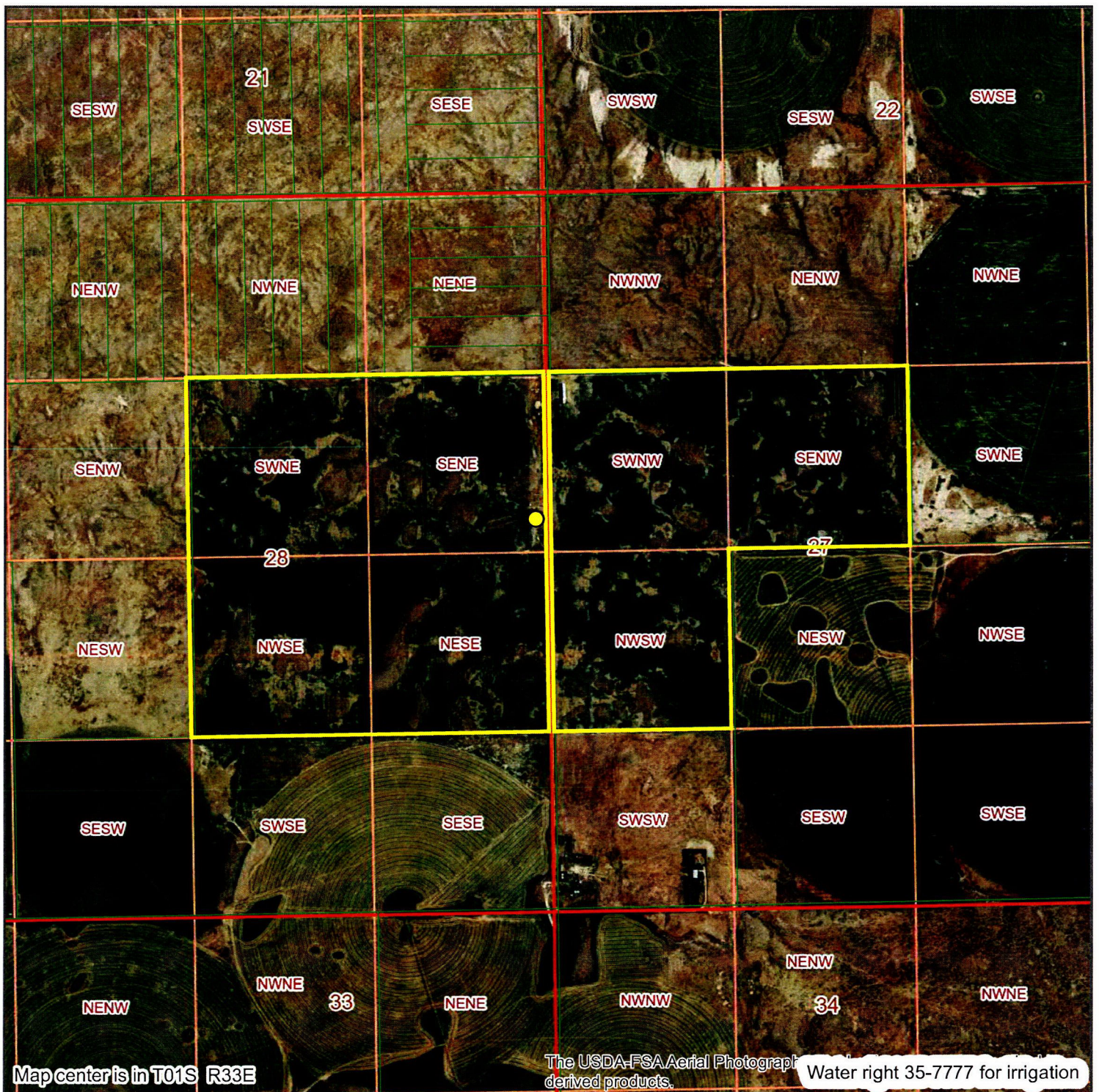
We are required by the Idaho Department of Natural Resources to notify you, the landowner, that we are submitting a Notice of Change in Water Right Ownership for water rights 35-7777 and 35-2391. Please see the attached Form 42-248/42-1409(6), which contains the conveyance documents and maps as appendices.

Best,
Natural Resource Team at Farmland Reserve, Inc.

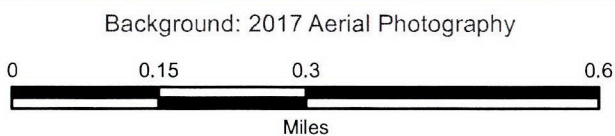
Maps

SCANNED

OCT 05 2022



Date created: 6/28/2022

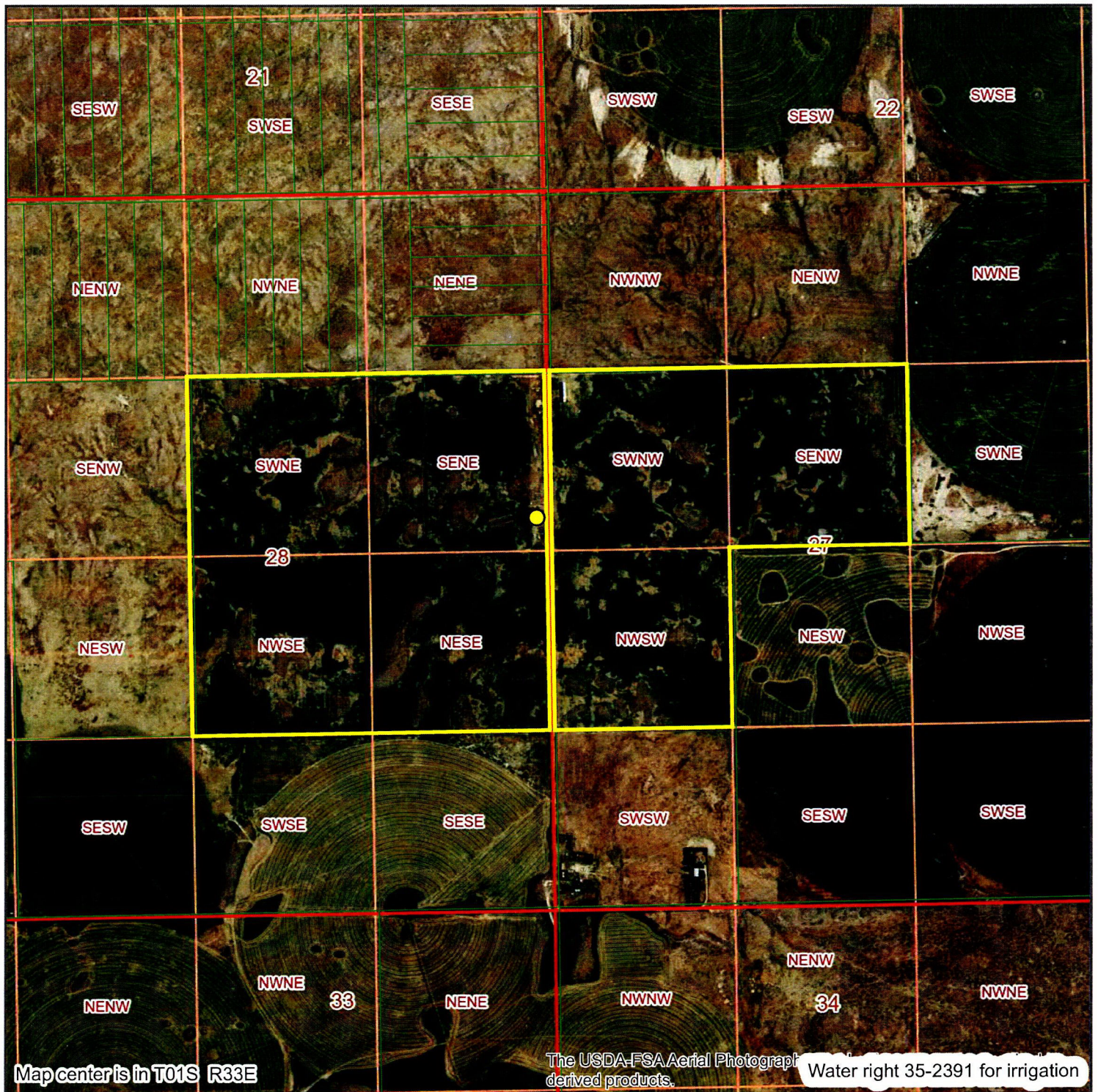


- Legend**
- Right POD
 - Water Right POU
 - PLS Sections
 - Quarter Quarters
 - Townships



SCANNED

OCT 05 2022



Background: 2017 Aerial Photography



Date created: 6/28/2022

Legend

- Right POD
- Water Right POU
- Townships
- PLS Sections
- Quarter Quarters



SCANNED

OCT 05 2022

Signature: *Cozette Whitman*

Email: cmarshall@agreserves.com

SCANNED

OCT 05 2022

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

APR 13 2022

DEPT OF WATER RESOURCES

APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant Knudson Poor Farms Inc

(Select one owner – see item 1A on the application)

Water Right No. 35-2391

(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 \$ 250Received By: gmkDate Received: 4-13-22Receipt # 0112462W-9 received? Yes ☐ No ☒ (Route W-9 to Fiscal)

Name on W-9:

SUPERCEDED

2352

NOV 22 2022

**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 Knudsen Poor Farms Inc

Mailing Address 98 Fort Hall Ave American Falls, Idaho 83211

Street City State Zip Code

Email Address Phone Number 208-226-7777

- ☒ 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**.

SCANNED
Page 2
NOV 22 2022

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 wells, mainlines 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 35-2391 and 35-7777 have be previously leased into the Idaho Water Supply Bank.

- 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? Yes ☐ No ☒
If yes, describe. _____

SUPERCEDED

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 ☒?

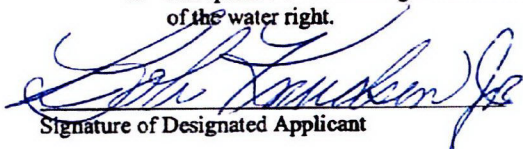
If lease, specify the years when the use of water will be suspended: 2022 to 2022 (maximum lease period 5 calendar years).
(Year) (Year)

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. _____

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

The Designated Applicant acknowledges the following:

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


Signature of Designated Applicant

Bob Krukenberg
Printed Name

22 March 2022
Date

Signature of Authorized Representative

Printed Name

Date

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

SUPERCEDED

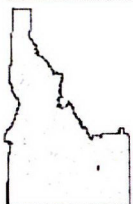
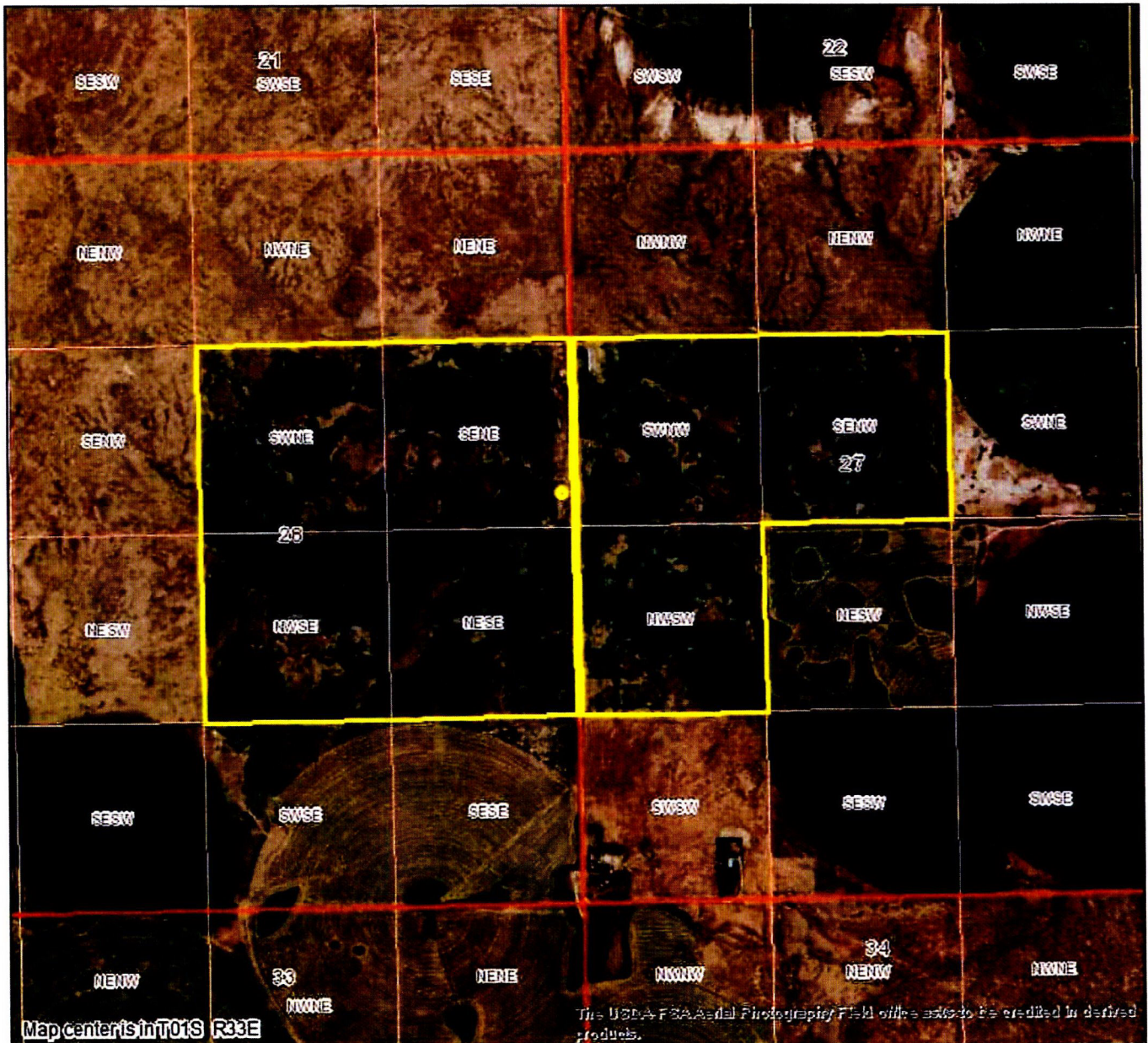
State of Idaho
Department of Water Resources

Water Right

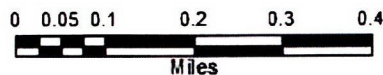
35-2391 and 35-7777

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.



Date created: 3-4-2021



Legend

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

SUPERCEDED



EXAMINED
NOV 22 2021



IDAHO DEPARTMENT OF
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Mathew Weaver

November 7, 2023

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

RE: LEASED WATER RIGHT NO(S). 35-2391 & 35-7777 RELEASED FROM THE WATER SUPPLY BANK

Dear Lessor:

On November 2, 2023, the Department of Water Resources (Department) received your request to cancel the existing Water Supply Bank (Bank) Lease Contract executed on August 29, 2023 and release water right(s) 35-2391 and 35-7777 from the Bank. **At this time the Department acknowledges that the Bank Lease Contract for 271.0 acres of water right(s) 35-2391 and 35-7777 has been canceled releasing the right(s) from the Bank.**

The five (5) year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the bank.

You can reapply to lease the water right(s) in the future by submitting new application form(s) from the Department's website at www.idwr.idaho.gov along with applicable fees.

If you have any questions, please contact me at (208) 287-4936.

Sincerely,

Mary Condon
Water Supply Bank Coordinator

c: Greg Sullivan – Brockway Engineering
IDWR Eastern Regional Manager
WD 120 Watermaster
Aberdeen-American Falls GWD

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

NOV 02 2023

WATER SUPPLY BANK
REQUEST TO RELEASE A WATER RIGHT FROM THE BANK

ONE FORM PER WATER RIGHT

All water rights leased into the Water Supply Bank shall remain unused by the water right holder for the duration of the Lease Contract. The water right will not be released from the Water Supply Bank until the conclusion of the Lease Contract unless otherwise authorized by the Idaho Water Resource Board. Water right holders may use this form to petition for early termination of their Water Supply Bank Lease Contract.

Water right holders seeking an early termination of a Lease Contract must demonstrate justifiable need for the release. Water rights under Lease Contract that are eligible for early termination can be released from the Water Supply Bank if the release will not impair administration of the Water Supply Bank. **If a water right is currently rented, it cannot be considered for release until the Rental Agreement concludes.** A water right is not released from the Water Supply Bank until written release confirmation is issued by the Water Supply Bank.

Water Right No: 35-2391 and 35-7777

Name(s) of Lessor(s): FARMLAND RESERVE INC

Mailing Address: 79 S MAIN ST STE 1000

City: SALT LAKE CTY

State: UT

Zip: 84111-1945

Telephone No: 8017159100

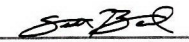
Email Address: _____

Lease Contract Expiration Date: 12/31/2024

Requested Release Date: 11/2/2023

Reason for Early Release:

These water rights are involved in several water right transfer applications that cannot be approved until the lease and rentals of 35-2391 and 35-7777 concludes.



Signature of Lessor

Scott Baird
Vice President-Land Management

Printed Name and Title*

Nov 2, 2023

Date

Signature of Lessor

Printed Name and Title*

Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney.

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

2023 Water Supply Bank Withdrawal

Final Audit Report

2023-11-02

Created:	2023-11-02
By:	Lauren Cabrera (lcabrera@agreserves.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAaWz4o8IA0BF1KCHA0gilET-9FdtNsnRI

"2023 Water Supply Bank Withdrawal" History

-  Document created by Lauren Cabrera (lcabrera@agreserves.com)
2023-11-02 - 9:21:04 PM GMT
-  Document emailed to sbaird@farmlandreserve.org for signature
2023-11-02 - 9:23:07 PM GMT
-  Email viewed by sbaird@farmlandreserve.org
2023-11-02 - 9:24:58 PM GMT
-  Signer sbaird@farmlandreserve.org entered name at signing as Scott Baird
2023-11-02 - 9:26:02 PM GMT
-  Document e-signed by Scott Baird (sbaird@farmlandreserve.org)
Signature Date: 2023-11-02 - 9:26:04 PM GMT - Time Source: server
-  Agreement completed.
2023-11-02 - 9:26:04 PM GMT

WSB Mailing Checklist for Leases

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

executed
8/29/23

Key: Who Completes What?

CLERICAL STAFF: MK

REVIEWER: MK

Received Date

3/10/2023

Desired Lease Duration

2023-2024

Lease / Rental Package

Y

N

If yes, Renter Name:

FARMLAND RESERVE INC

Application # 2629

Contract # 1711

WR#s		#
		35-2391
#	35-7777	#
#		#
#		#
#		#
#		#
#		#
#		#

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

Stacked Water Rights Need to be Leased?

☐

WSB Action Request for deficiencies

☐

If checked, list water rights:

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:

Rights are additive

Watermaster: Blake Jordan

☐

Delivery Entity:

☐

Water District: WD 120

☐

Ground Water District: Bingham GWD

☐

Region: Eastern

☐

Other: ESPA GWMA

☐

☐

Address:

Call up Date:

DO NOT SCAN

Profiled
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 Mathew Weaver

September 28, 2023

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

RE: AMENDMENT OF CONTRACT 1711 TO LEASE WATER RIGHT NOs. 35-2391 & 35-7777 TO THE WATER SUPPLY BANK

Dear Lessor:

An error was found on your Water Supply Bank Lease Contract No. 1711 for water rights 35-2391 and 35-7777. On the first page of the contract, the acre amounts for the individual water rights were incorrect. This did not affect the total elements leased to the Bank. Enclosed is an amended copy of page one of Lease Contract #1711 reflecting the corrected acre amounts: 167 acres under 35-2391 and 104 acres under 35-7777. There is no action needed on your part other than updating your records to reflect this correction.

If you have any questions, please contact me at mackenzie.kienholz@idwr.idaho.gov or (208) 287-4822.

Sincerely,

Mackenzie Kienholz
Water Supply Bank Specialist

Enclosure: Amended Page 1 for Lease Contract #1711

Cc: Greg Sullivan – Brockway Engineering, PLLC

SCANNED
SEP 28 2023



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 1711
FOR WATER RIGHTS 35-2391 & 35-7777**

Dear Lessor:

Water right(s) **35-2391 & 35-7777** 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, 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,

A handwritten signature in black ink, appearing to read "Mackenzie Kienholz".

Mackenzie Kienholz
Water Supply Bank Specialist

Enclosure: Executed Lease Contract

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

SCANNED

SEP 7 8 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

SCANNED
SEP 18 2023



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) 35-2391 & 35-7777 CONTRACT 1711

*******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,

Mackenzie Kienholz
Water Supply Bank Specialist

Enclosures: Proposed Lease Contracts

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

SCANNED
SEP 18 2023

MEMORANDUM FOR LEASE APPLICATION #2629 & RENTAL APPLICATION #2628

To: Water Right(s) 35-2391 & 35-7777

From: Mackenzie Kienholz

Date: 5/2/2023

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

PURPOSE/NARRATIVE: Lease Application #2629 and Rental Application #2628 were submitted by Greg Sullivan (Brockway Engineering) on behalf of Farmland Reserve Inc and were received by the Department on 3/10/2023.

The lease application proposes to lease in a 167.0 acre portion from right 35-2391 and the full amount of right 35-7777 for 2023-2024. Both rights are from groundwater and are for irrigation use. The place of use for these rights is the same.

The rental proposes to rent 271.0 total acres from these two rights (167.0 from 35-2391 and 104.0 from 35-7777) for the use of 190.0 acres to cover one full pivot and on pivot portion that are not covered by existing rights. Previous rentals have moved portions of these same rights to the same pivots, but in different proportions.

Transfer No. 87498 proposed to move 40.0 acres of 35-2391 to one of the rental pivots and was protested by Idaho Power Co. and the Surface Water Coalition (SWC). However, the bases of the protests are not applicable to this rental application, see Local Public Interest section below.

The lease POD is within the ESPA GWMA, WD #120, and the Bingham GWD.
The rental POD is within the ESPA GWMA, WD #120, and the Aberdeen-American Falls GWD.

AUTHORITY TO FILE: Both the lease and rental applications were signed by Rex Burgener. Mr. Burgener is listed as a vice president of Farmland Reserve, Inc. on the company's most recent IDSOS filing (11/15/2022). The parcels under the rental POU are owned by the applicant. Farmland Reserve, Inc. is listed as the water right owner on both rights, but do not own the land at the water rights' POU. Conveyance documents submitted with the ownership change show that Farmland Reserve, Inc. was deeded the water rights, but not the land. In a joint rental application for the applicant (#2630), 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: Based on review of imagery, the POU for these rights appears to have last been irrigated between 2015-2017. The rights were leased to the bank from 2017-2020, in 2021, and in 2022. No concerns with validity of the water right and portion offered to the bank.

INJURY TO OTHER WATER RIGHTS: Similar rentals in 2020-2022 (#390 in 2020, #543 in 2021, and #662 in 2022) have occurred using rights 35-2391 and 35-7777 to cover the same rental POU using the same rental POD. The rental in 2020 also used portions of 35-14308 and 35-14040 and covered more acres. ETRAN V3.4 modeling was completed considering these previous rental agreements in addition to the proposed rental for 2023-2024. This rental application proposed to rent 271.0 acres worth of water for the use of 190.0 acres, leaving 81.0 acres worth of 35-2391 and 35-7777 for mitigation. The modeling completed by review staff did

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SEP 28 2023

not find that any additional modeling would be required (see Figure 1 below for data entry and Figure 2 for mitigation results). This rental does not propose to change the nature of use, source, or aquifer of rights 35-2391 and 35-7777. Both the lease and rental are in the ESPA GWMA and WD #120. No concerns with injury to other water rights.

Figure 1. Data entry for ETRAN V3.4 modeling run considering previous rentals.

YEAR	1953	TRANSFER NAME:				CALCULATE EFFECTS			
SEASON	SPRING	Farmland 2628							
ENTER CELL LOCATIONS:									
	'TO' CELL	'FROM1' CELL	'FROM2' CELL	'FROM3' CELL					
ROW	82	70	93	78					
COLUMN	92	130	89	111					

TRIMESTER OF ACTIVITY	TO WELL Projected Use AF/TRIMESTER	FROM1 WELL		FROM2 WELL		FROM3 WELL	
		With Transfer AF/TRIMESTER	Without Transfer AF/TRIMESTER	With Transfer AF/TRIMESTER	Without Transfer AF/TRIMESTER	With Transfer AF/TRIMESTER	Without Transfer AF/TRIMESTER
SPR 1953	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUM 1953	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WIN 1953	0.00	172.00	172.00	0.00	0.00	0.00	0.00
SPR 1954	0.00	172.00	172.00	0.00	0.00	0.00	0.00
SUM 1954	0.00	172.00	172.00	0.00	0.00	0.00	0.00
WIN 1954	0.00	172.00	172.00	0.00	0.00	0.00	0.00
SPR 1972	0.00	172.00	172.00	0.00	0.00	0.00	0.00
SUM 1972	0.00	172.00	172.00	0.00	0.00	0.00	0.00
WIN 1972	0.00	172.00	172.00	0.00	0.00	0.00	0.00
SPR 1973	0.00	172.00	172.00	63.30	63.30	0.00	0.00
SUM 1973	0.00	172.00	172.00	63.30	63.30	0.00	0.00
WIN 1973	0.00	172.00	172.00	63.30	63.30	0.00	0.00
SPR 1974	0.00	172.00	172.00	63.30	63.30	0.00	0.00
SUM 1974	0.00	172.00	172.00	63.30	63.30	47.50	47.50
WIN 1974	0.00	172.00	172.00	63.30	63.30	47.50	47.50
SPR 1975	0.00	172.00	172.00	63.30	63.30	47.50	47.50
SPR 2019	0.00	271.00	271.00	63.30	63.30	47.50	47.50
SUM 2019	0.00	271.00	271.00	63.30	63.30	47.50	47.50
WIN 2019	0.00	271.00	271.00	63.30	63.30	47.50	47.50
SPR 2020	281.00	29.30	271.00	0.00	63.30	0.00	47.50
SUM 2020	281.00	29.30	271.00	0.00	63.30	0.00	47.50
WIN 2020	281.00	29.30	271.00	0.00	63.30	0.00	47.50
SPR 2021	190.00	81.00	271.00	63.30	63.30	47.50	47.50
SUM 2021	190.00	81.00	271.00	63.30	63.30	47.50	47.50
WIN 2021	190.00	81.00	271.00	63.30	63.30	47.50	47.50
SPR 2022	190.00	81.00	271.00	63.30	63.30	47.50	47.50
SUM 2022	190.00	81.00	271.00	63.30	63.30	47.50	47.50
WIN 2022	190.00	81.00	271.00	63.30	63.30	47.50	47.50
SPR 2023	190.00	0.00	271.00	63.30	63.30	47.50	47.50
SUM 2023	190.00	0.00	271.00	63.30	63.30	47.50	47.50
WIN 2023	190.00	0.00	271.00	63.30	63.30	47.50	47.50
SPR 2024	190.00	0.00	271.00	63.30	63.30	47.50	47.50
SUM 2024	190.00	0.00	271.00	63.30	63.30	47.50	47.50
WIN 2024	190.00	0.00	271.00	63.30	63.30	47.50	47.50
SPR 2025	0.00	271.00	271.00	63.30	63.30	47.50	47.50
SUM 2025	0.00	271.00	271.00	63.30	63.30	47.50	47.50
WIN 2025	0.00	271.00	271.00	63.30	63.30	47.50	47.50

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Figure 2. Mitigation analysis results.

Mitigation Analysis Period																			
Trimester																			
One-Way Analysis of Independent Transfers																			
New Water Right (GModel):																			
WR No.	Div. Rate (CFS)	Con Vol (A/F)	No of Irr Acres	Priority Date	POD Location	Dedicated Vol (A/F) / AFT	Model Node	Impact by Reach (A/F Trimester)											
								Ashton to Rexburg	Heise to Shelley	Shelley to N. Blackfoot	N. Blackfoot to Neeley	Neeley to Minidoka	Dev. W/BI To Buhl	Buhl to Kopr	Kopr to Moad	Moad to Bancroft			
Transfer 1: Proposed Steady State Impacts following Transfer								8.01	13.53	71.64	249.73	23.32	5.15	4.17	1.90	1.77	2.02	0.27	
777	777	275.6	66.9	1/1/1960	3526E-3	275.6 91.9	SP062075	8.02	13.53	71.65	249.78	23.33	5.16	4.18	1.91	1.78	2.03	0.27	
777	777	275.6	66.9	1/1/1960	3526E-3	275.6 91.9	SP068068												
Transfer 1: Worst Case Transient State Impacts following Transfer								8.01	13.53	71.64	249.73	23.32	5.15	4.17	1.90	1.77	2.02	0.27	
777	777	275.6	66.9	1/1/1960	3526E-3	275.6 91.9	SP062075	8.02	13.53	71.65	251.88	23.60	7.13	5.77	2.63	2.45	2.79	0.36	
777	777	275.6	66.9	1/1/1960	3526E-3	275.6 91.9	SP068068												
Steady State Analysis								Mitigation Check 1 - > 10% of Historical	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	
								Mitigation Check 2 - > 2 AFT	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	2.1%	3.5%	18.0%	65.5%	6.1%	1.4%	1.1%	0.5%	0.5%	0.1%	
								Mitigation Required?	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	
Transient State Analysis								Mitigation Check 1 - > 10% of Historical	0.0%	0.0%	0.5%	1.2%	38.4%	36.3%	38.2%	38.1%	37.9%	34.7%	
								Mitigation Check 2 - > 2.01 AFT	0.0	0.0	0.3	2.2	0.3	2.0	1.6	0.7	0.7	0.8	
								Mitigation Required?	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	
								Mitigation Vol. Req'd (ac-ft)	0.0	0.0	0.3	2.2	0.3	2.0	1.6	0.7	0.8	0.1	

ENLARGEMENT OF USE: There are three existing water rights at the renal POD: 35-7632A, 35-14442, and 35-14443. Right 35-14820 will also potentially be diverted from this POD pending transfer approval. The three existing rights are additive and authorize 0.52 cfs, 50.0 acres, and 200.0 af. This correlates to a duty of 0.01 cfs/acre and 4.00 af/acre rounded. The duty of the rental as requested was 0.019 cfs/acre. The rate will be reduced from what is proportionate to match the duty of water at the rental POD. No concerns with enlargement of use.

	Rate (cfs)	Acres	Volume (af)	cfs/acre	af/acre
Leased Totals	5.11	271.0	1084	0.019	4.00
Rented Totals	5.11	271.0	1084	0.019	4.00
Authorized for Use	1.97	190.0	760	0.010	4.00

LOCAL PUBLIC INTEREST: Transfer No. 87498 proposed to move 40.0 acres of 35-2391 to one of the rental pivots and was protested by Idaho Power Co. and the Surface Water Coalition (SWC). The bases for the protest filed by Idaho Power were related to the fact that the transfer application did not provide mitigation and the modeling for the transfer did not pass the Neeley to Minidoka reach. The bases for the protest filed by the SWC were of the same nature of Idaho Power's protest, as well as the application not being clear about the historic consumptive use of the right, potentially causing enlargement, and generally that the application did not clearly meet the criteria under Idaho Code 42-222.

As the rental application did provide mitigation, and did pass the ETRAN V3.4 modeling, the transfer protests related to these issues are not applicable to the rental application. ETRAN modeling for the rental application was completed by review staff and considered previous rental applications #390 (2020), #543 (2021), and #662 (2022) which also used rights 35-2391 and 35-7777 at the same rental POD/POU. As the rental application does not propose to change the nature of use of the water and otherwise will not exceed the total diversion rate, annual diversion volume, or extent of beneficial use authorized under the water right(s) prior to the proposed rental, the SWC's concerns with enlargement are also not applicable to this rental application.

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The location for the lease and rental PODs are subject to Water District #120. A request for comments was sent to the WD #120 watermaster and the Eastern Regional Office on 5/2/2023.

SCANNED
5/8/2023

Kienholz, Mackenzie

From: Kienholz, Mackenzie
Sent: Tuesday, May 2, 2023 1:35 PM
To: Jordan, Blake; Cefalo, James; alanj@binghamgroundwater.com; The American Falls Aberdeen GWD
Subject: Comments Request WSB Package for Farmland Reserve Inc
Attachments: WM Copy Lease & Rental Review Memo - App 2629 & 2628 Farmland Reserve 2023.pdf; Lease Map - Farmland Reserve 2023.pdf; Rental Map - Farmland Reserve 2023 2391 7777.pdf; Move Map - Farmland Reserve 2628.pdf

Good afternoon,

Please see the attached review documents for a lease/rental package for Farmland Reserve, Inc. Similar rentals have occurred in years prior. Transfer No. 87498 proposed to move 40.0 acres of 35-2391 to one of the rental pivots and was protested by Idaho Power Co. and the Surface Water Coalition (SWC). However, the bases of the protests are not applicable to this rental application, see Local Public Interest section. Kindly respond with any questions or comments within 10 days.

Thank you,

Mackenzie Kienholz
Water Supply Bank Specialist



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

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SEP 7 8 2023

Kienholz, Mackenzie

From: Kienholz, Mackenzie
Sent: Thursday, March 16, 2023 7:58 AM
To: Greg Sullivan
Subject: RE: Info Needed, WSB Lease Application - Farmland Reserve 35-2391 & 35-7777

Thank you, Greg.

Mackenzie Kienholz
Water Supply Bank Specialist



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

From: Greg Sullivan <greg.sullivan@brockwayeng.com>
Sent: Wednesday, March 15, 2023 3:08 PM
To: Kienholz, Mackenzie <Mackenzie.Kienholz@idwr.idaho.gov>
Subject: RE: Info Needed, WSB Lease Application - Farmland Reserve 35-2391 & 35-7777

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,

See the attached map.

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: Wednesday, March 15, 2023 10:55 AM
To: Greg Sullivan <greg.sullivan@brockwayeng.com>
Subject: Info Needed, WSB Lease Application - Farmland Reserve 35-2391 & 35-7777

Hello Greg,

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On Water Supply Bank Lease Application #2629 in the name of Farmland Reserve Inc, it was indicated that only a 167.0 acre portion of water right 35-2391 is to be leased instead of the full 172.0 acres as has been done in previous leases. If this is correct, we will need a map identifying which 167 acres will be leased and which 5 are not to be leased.

Thank you,

Mackenzie Kienholz
Water Supply Bank Specialist



Planning & Projects

Mackenzie.kienholz@idwr.idaho.gov

Phone: (208) 287-4822

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SEP 28 2023



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED

MAR 10 2023

DEPARTMENT OF
WATER RESOURCES

March 8, 2023

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

Re: Lease and Rental of 35-2391 and 35-7777

Dear Ms. Condon:

Farmland Reserve, Inc desires to lease and rent water right 35-2391 and 35-7777 for the 2023 and 2024 irrigation season. Attached to this letter is the lease applications and rental application signed by Lisa Funk and the rental application for 74.0 acres of irrigation water for the 2023 irrigation season.

ESPA model analysis of the previous years rental and the 2023 through 2024 irrigation seasons have been run and the calculated river reach impacts do not require mitigation.

A lease application fee of \$500.00 will be paid to the Idaho Water Supply Bank.

Sincerely,

Greg Sullivan, M.S., Engineer

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

Cc: Lauren Cabrera via Email

Enc: Lease Applications, Rental Application, Aerial Maps, ESPA Model Analysis, Farmland Reserve, Inc Incumbency Certificate, Brockway Engineering Check

17357

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SEP 18 2023

2628 + 2629

WSB Mailing Checklist for Leases

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

Key: Who Completes What?

CLERICAL STAFF: MK

REVIEWER:

Received Date

4/13/2022

Desired Lease Duration

2022

Lease / Rental Package

(Y)

N

If yes, Renter Name:

AgReserves Inc.

Application # 2352

Contract #

WR#s		#
		35-2391
# 35-7777	#	
#	#	
#	#	
#	#	
#	#	
#	#	
#	#	

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)

Stacked Water Rights Need to be Leased?

☐

WSB Action Request for deficiencies

☐

If checked, list water rights:

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:

☐
☐

EMAIL:

Attorney:

☐
☐

EMAIL:

Consultants

Name:

☐

Comments:

Watermaster:

☐

Delivery Entity:

☐

Water District:

☐

Ground Water District:

☐

Region:

☐

Other:

☐
☐

Address:

Call up Date:

DO NOT SCAN



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

November 22, 2022

FARMLAND RESERVE INC
79 S MAIN ST
SALT LAKE CITY, UT 84111

**RE: WATER SUPPLY BANK LEASE CONTRACT 1567
FOR WATER RIGHTS 35-2391 AND 35-7777**

Dear Lessor:

Water rights **35-2391 and 35-7777** were leased into the Water Supply Bank (Bank) as of January 1, 2022, 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, 2022**. If you would like the right(s) to remain leased to the Bank, please complete a new Application to Sell or Lease a Water Right to the Water Supply Bank and remit the applicable filing fee. You can find new applications at the Department's website at www.idwr.idaho.gov.

A water right is not protected from forfeiture unless it is accepted into the Bank or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. The five-year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the Bank.

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

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosure: Executed Lease Contract

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

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NOV 22 2022



IDAHO DEPARTMENT OF

WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Gary Spackman

October 26, 2022

FARMLAND RESERVE INC
79 S MAIN ST
SALT LAKE CITY, ID 84111

RE: APPLICATION TO LEASE WATER RIGHTS 35-2391 & 35-7777 TO THE WATER SUPPLY BANK CONTRACT 1567

*****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, 2022**, 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,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosures: Proposed Lease Contracts

C: Greg Sullivan

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NOV 22 2022



IDAHO DEPARTMENT OF
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Gary Spackman

October 05, 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): 35-2391 & 35-7777

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 concerning the enclosed information, please contact me at (208) 287-4942.

Sincerely,

Jean Hersley
Technical Records Specialist 2

Enclosure(s)

c: Water District No. 120

SCANNED

OCT 05 2022



RECEIVED
OCT 03 2022
DEPARTMENT OF
WATER RESOURCES

September 28, 2022

Water Supply Bank
Idaho Department of Water Resources
Attn: Amanda Johnson Veibell
P.O. Box 83720
Boise, Idaho 83720-0098

Re: Applications to Lease Water to the Water Supply Bank

Dear Amanda:

Pursuant to our phone conversation today, we are returning to you the enclosed please find the unsigned Application to Lease Water Rights 35-2391 and 35-7777 to the Water Supply Bank Contract 1567, as Knudsen Poor Farms, Inc. no longer owns the property or the water rights.

Thank you for your assistance. If you have any questions, please contact me.

Sincerely,

A handwritten signature in blue ink that reads 'Tessa Sparrow'.

TESSA SPARROW
Legal Assistant to
T. J. BUDGE

SCANNED
NOV 27 2022

Edl, Michele

From: Cabrera, Lauren <lcabrera@farmlandreserve.org>
Sent: Wednesday, September 28, 2022 10:55 AM
To: Edl, Michele
Cc: greg.sullivan@brockwayeng.com
Subject: Farmland Reserve 35-2391 35-7777
Attachments: 20220928093332211.pdf

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.

Michele,

Attached is a new application with signatures from Rex Burgener, the Farmland Reserve Inc Vice President of Land.

My contact information is below. Thanks for all your hard work.

Best,
Lauren Cabrera



Lauren Cabrera
Farmland Reserve, Inc. | *Natural Resource Analyst*
Cell: (609) 576-6961
lcabrera@farmlandreserve.org

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NOV 22 2022



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 11, 2022

KNUDSEN POOR FARMS INC
98 FORT HALL AVE
AMERICAN FALLS, ID 83211

**RE: APPLICATION TO LEASE WATER RIGHTS 35-2391 & 35-7777 TO THE WATER SUPPLY
BANK CONTRACT 1567**

******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, 2022**, 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,

Amanda Johnson-Veitell

for
Water Supply Bank

Enclosures: Proposed Lease Contracts

SCANNED
NOV 24 2022

Edl, Michele

From: Jordan, Blake
Sent: Tuesday, August 09, 2022 7:54 AM
To: Edl, Michele
Subject: RE: Knudsen Poor Farm WSB 2022 lease

Hi Michele,

I have no concerns

Blake

From: Edl, Michele <Michele.Edl@idwr.idaho.gov>
Sent: Monday, August 8, 2022 9:23 PM
To: Jordan, Blake <Blake.Jordan@idwr.idaho.gov>
Subject: Knudsen Poor Farm WSB 2022 lease

Blake,

I have completed my review of the 2022 lease applications for rights 35-2391 and 35-7777 which owned by Knudsen Poor Farms, Inc. I understand from their consultant, Greg Sullivan of Brockway Engineering, that the rights have changed ownership twice since the lease applications were received at the state office on April 13 of this year. These rights have been leased to the bank for many years both as separate leases and as single combined lease. I have combined them into one lease this year in hopes of expediting the expected ownership changes.

I also have the assignment to processing the rental of these rights. The latest owner is also the renter for the 2022 season and is also diverting from WD120. More on that later.

I have attached a copy of my memo and the lease map.

The reviewer for the 2021 lease saw crop cuttings but assumed dry land farming. I did not find the aerial photography convincing.

Do you have any concerns with the lease?

Thanks

Michele
208-287-4946

SCANNED
NOV 22 2022

MEMORANDUM

To: Water Right(s) 35-2391 and 35-7777

From: Michele Edl

Date: August 8, 2022

Re: Review & Analysis of Contract #1567 to Lease Water to the State Water Supply Bank

PURPOSE/NARRATIVE: On April 13, 2022, IDWR received applications to lease the full value of water rights 35-2391 and 35-7777 to the Water Supply Bank (WSB) for the 2022 season. The leases were submitted by Greg Sullivan (Brockway Engineering, PLLC) on behalf of Knudsen Poor Farms, Inc.

Together water rights 35-7777 and 35-2391 authorize irrigation of a total of 276 acres with ground water diverted from a common point-of-diversion (POD). The diversion rate, diversion volumes and acres for these two water rights are additive. So, these water rights can either be leased into the Bank through separate lease contracts, or they can be leased into the Bank through a single lease contract. I am recommending that they be processed in a single lease contract ahead of the companion rental. The rights have been sold since the lease applications were submitted. The deeds have been recorded and I expect that a change of water right ownership is expected soon. A notice of change in water right ownership can be processed more quickly if WSB lease contracts have been fully executed.

AUTHORITY TO FILE: A review of the Idaho Secretary of State (IDSOS) business information shows Knudsen Poor Farms, Inc., is identified as 186494, and is in good standing. Bob Knudsen Jr. was listed as president of the corporation in the 2021 filing, and he signed the applications.

According to the available Bingham County parcel data, Knudsen Poor Farms, Inc. own the properties which contain the leased place-of-use (POU) and the well which is the lease point-of-diversion (POD).

WATER RIGHT VALIDITY: A thorough validity review of the rights was completed for the 2021 lease. Since they were decreed in 2002, the rights have been periodically leased to the Bank: 2006-2008; 2017-2020 and then on a one-year basis for both 2021 and 2022. The current lease proposals are seeking to continue the protection afforded by the Bank while making the rights available for rent. There are no concerns related to water right validity at this time.

INJURY TO OTHER WATER RIGHTS: No injury is apparent though the lease proposals. The intent of the lease is continuation of the forfeiture protection.

ENLARGEMENT OF USE: No enlargement is anticipated. The review of 2021 lease applications found that vegetation on the acreage was regularly cut near the end of June. I agree with that reviewer and assume that the fields are dry land farmed.

LOCAL PUBLIC INTEREST: Review staff has no information to suggest these lease applications are inconsistent with the local public interest.

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The well has tag number A0007138 and is also identified as WMISNumber 500104. It is subject to oversight by Water District 120.

Comments regarding the leases were requested from the Watermaster for District 120 via email to IDWR's Eastern Regional Office on 8/9/2022. The watermaster responded that he had no concerns.

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

Idaho Secretary of State
PO Box 83720
Boise, ID 83720-0080
(208) 334-2301
Filing Fee: \$30.00

For Office Use Only

-FILED-

File #: 0004327243

Date Filed: 6/29/2021 2:26:28 PM

Reinstatement Annual Report Form

Select one: Standard, Expedited or Same Day Service (see descriptions below)

Standard (filing fee \$30)

Current Entity Name

KNUDSEN POOR FARMS, INC.

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

0000186494

Organized under the laws of:

IDAHO

Entity Type:

General Business Corporation (D)

Entity Subtype:

Corporation Subtype

General Business Corporation

Corporation Name:

Corporation name

KNUDSEN POOR FARMS, INC.

The registered agent on record is:

Registered Agent

BOB KNUDSEN, JR.
Registered Agent

Physical Address

98 FORT HALL AVE
AMERICAN FALLS, ID 83211

Mailing Address

The mailing address of the corporation is:

98 FORT HALL AVE
AMERICAN FALLS, ID 83211-1804

Corporate Officers and Directors:

Name	Title	Address
+ Bob Knudsen Jr.	President	2595 HIGHWAY 39 AMERICAN FALLS, ID 83211
+ Charles W Buchta	Vice President	3122 W 2100 S ABERDEEN, ID 83210

The Application for Reinstatement must be signed by at least one governor.

Job Title:

President

Bob Knudsen, Jr

Sign Here

06/29/2021

Date

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NOV 22 2022