

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1783

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

LESSOR: HIGHWAY 26 BLACKFOOT PROPERTY, LLC
PO BOX 50620
IDAHO FALLS, ID 83405-0620

RECEIVED

Dec 29, 2023

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 November 15, 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)
35-13340	11/13/1972	GROUND WATER	0.47	88.8	22.2
35-13362	11/13/1972	GROUND WATER	0.05	11.2	2.8
Combined Lease Totals			0.52	100	25.0

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)
35-13340	0.47	88.8	22.2	0.021	4.0
35-13362	0.05	11.2	2.8	0.018	4.0
Combined Limit Totals		0.47	100	0.019	4.0

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

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

Minimum Payment Acceptable: Current Rental Rate

SUPPORT DATA
IN FILE # 35-13340

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1783

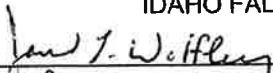
3. **TERM OF LEASE:** The term of this lease shall be January 1, 2024 to December 31, 2028. This Lease shall bind the parties and take effect when both parties have signed it.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water 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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES


WATER SUPPLY BANK LEASE CONTRACT No. 1783

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

LESSOR: HIGHWAY 26 BLACKFOOT PROPERTY, LLC
PO BOX 50620
IDAHO FALLS, ID 83405-0620

By 
Title President Bingham Ag Services
Date 12/29/23

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

By  Date 1/8/24
Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR  Date 1/8/24

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1783

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): 35-13340, 35-13362
GROUND WATER NWNW Sec. 32 Twp 02S Rge 35E BINGHAM County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From	to	To		
35-13340	IRRIGATION	04/01	to	11/01	0.47 cfs	88.8 AF
35-13362	IRRIGATION	04/01	to	10/31	0.05 cfs	11.2 AF
Totals:					0.47 cfs	100 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		
02S	35E	32						18.0	7.0											25.0

Total Acres: 25.0

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1783

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. Water right 35-13340 is limited to the irrigation of 22.2 acres within the place of use described above in a single irrigation season.
13. Water right 35-13362 is for an enlargement of 2.8 acres within the place of use described for this right.
14. Right 35-13362 is an enlargement of right 35-13340 pursuant to Section 42-1426, Idaho Code.
15. Use of the leased portions of water rights 35-13340 and 35-13362 is limited to the irrigation of a combined total of 25 acres in a single irrigation season.
16. Use of the leased portions of water rights 35-13340 and 35-13362 is limited to a total combined diversion rate of 0.47 cfs and a total combined annual diversion volume of 100 af.
17. The unleased commercial portion of water right 35-13340 is limited to 0.18 cfs and 30.0 AF.
18. These rights when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
19. 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.

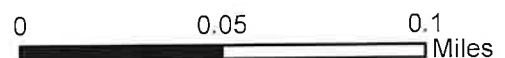
Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1783

35-13340 & 35-13362
Effective until December 31, 2028

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



RECEIVED

NOV 15 2023

Form 42-1761-1 10/15

DEPARTMENT OF WATER RESOURCES

STATE OF IDAHO WATER RESOURCE BOARD

Print Form

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

Designated Applicant Highway 26 Blackfoot Property, LLC Water Right No. 35-13340
(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 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.
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.
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.
4A Written consent from irrigation district or water delivery company.
4G Evidence demonstrating the water right has not been forfeited pursuant to Section 42-222(2), Idaho Code.

Department Use Only

Fee Amount \$ 250 Received By: KM Date Received: 11.15.23 Receipt # C117354
W-9 received? Yes No (Route W-9 to Fiscal) Name on W-9:

2831

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 Highway 26 Blackfoot Property, LLC
Mailing Address PO Box 50620 Idaho Falls ID 83405
Street City State Zip Code
Email Address info@BinghamAgServices.com Phone Number 208.785.0459

- 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 Cole Hall Organization Highway 26 Blackfoot Property, LLC
Professional Title Manager Email Address cole.hall@bradhallfuel.com
Mailing Address PO Box 50620, Idaho Falls, ID 83405 Phone Number 208.593.7979

- 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.

See map currently on file for these rights (no change).

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.

No delivery system currently in place.

- 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. 35-13362

- 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. Currently using surface water right from United 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. These water rights have been leased to the water supply bank since 2004.

- G. Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes No

If yes, describe the circumstances and attach evidence to demonstrate how the water right has not been lost through forfeiture (Attachment 4G). See Section 42-223, Idaho Code for exceptions to forfeiture. Your application may be denied if forfeiture concerns are not addressed.

- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?

If yes, describe.

Yes No

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE AGREEMENT

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

If lease, specify the years when the use of water will be suspended: $\frac{1/24}{\text{(Year)}}$ to $\frac{12/28}{\text{(Year)}}$ (maximum lease period 5 calendar years).

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

Current rental rate

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

The Designated Applicant acknowledges the following:

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

Cole Hall
Signature of Designated Applicant

Cole Hall, Manager
Printed Name

11/10/23
Date

Signature of Authorized Representative

Printed Name

Date

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

Print Form

**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

<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)
35-13340	Irrigation	0.47	88.8	22.2 (25.0)
Total Amounts:				

2. Source of water Ground water tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
02S	35E	32		NW	NW		Bingham

RECEIVED
NOV 15 2023
DEPARTMENT OF
WATER RESOURCES

AMENDED AND RESTATED

OPERATING AGREEMENT

of

HIGHWAY 26 BLACKFOOT PROPERTY, LLC

THE LIMITED LIABILITY COMPANY MEMBERSHIP UNITS DESCRIBED AND REPRESENTED BY THIS AMENDED AND RESTATED OPERATING AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "1933 ACT") OR ANY APPLICABLE STATE SECURITIES LAWS ("STATE ACTS") AND ARE RESTRICTED SECURITIES AS SUCH TERM IS DEFINED IN RULE 144 UNDER THE 1933 ACT. THE UNITS MAY NOT BE OFFERED FOR SALE, SOLD, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR QUALIFICATION UNDER THE 1933 ACT AND APPLICABLE STATE ACTS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT AND APPLICABLE STATE ACTS, THE AVAILABILITY OF WHICH IS TO BE ESTABLISHED TO THE SATISFACTION OF THE COMPANY.

ARTICLE IV PRINCIPAL OFFICE; ACCOUNTING AND RECORDS

4.1. Principal Office. The principal office of the Company shall be as determined by the Manager.

4.2. Records to be Maintained. The Company books shall be maintained at the principal office of the Company or such other place as determined by the Manager. The Member shall at all times have reasonable access to and may inspect and copy any of the books and records of the Company, subject to Section 4.4. The Company shall maintain books and records which properly reflect all financial transactions made by the Company.

4.3. Reports to Member. The Member shall be entitled to receive financial reports on the Company at least annually or at such other times as requested by the Member. The Member shall be provided with those information returns required by law and such other information as requested by the Member.

4.4. Member's Access to Records. During regular business hours and at a reasonable location specified by the Company, the Member may obtain from the Company and inspect and copy (at the Member's expense) full information regarding the activities, financial condition, and other circumstances of the Company. The Company may charge the Member the reasonable costs of copying, including labor and material.

ARTICLE V RIGHTS AND DUTIES OF THE MANAGER AND THE MEMBER

5.1. Management; Powers and Authority of the Manager. The business and affairs of the Company shall be managed by its Managers. Except for situations in which the approval of the Member is expressly required by this Agreement or by non-waivable provisions of applicable law, each Manager, acting individually or together with the other Manager(s), shall have full and complete authority, power, and discretion to manage and control the business, affairs, and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts and activities customary or incident to the management of the Company's business. At any time when there is more than one Manager, any one Manager may take any action permitted to be taken by a Manager and sign any document requiring the signature of a Manager. Unless authorized to do so by this Agreement or by the Managers, no attorney-in-fact, employee, or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit, or to render it liable pecuniarily for any purpose. By way of example, and not limitation, each Manager shall have the power and authority to do the following things:

5.1.1. Acquire Property from any person as the Manager may determine. The fact that the Manager or the Member is directly or indirectly affiliated or connected with any such person shall not prohibit the Manager from dealing with that person;

5.1.2. Borrow money for the Company (or guarantee the debt of any subsidiary or affiliate of the Company), from banks, other lending institutions, the Manager, the Member, or affiliates of the Manager or Member on such terms as such Manager deems appropriate;

5.1.3. Purchase liability and other insurance to protect the Company's property and business;

5.1.4. Hold and own any Company real and/or personal properties in the name of the Company;

5.1.5. Invest any Company funds (by way of example but not limitation) in time deposits, short-term governmental obligations, commercial paper, or other investments;

5.1.6. Execute on behalf of the Company all instruments and documents, including, without limitation: checks; drafts; notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage, or disposition of Company Property; assignments; bills of sale; leases; partnership agreements, operating (or limited liability company) agreements of other limited liability companies; and any other instruments or documents necessary, in the opinion of the Manager, to the conduct of the business of the Company;

5.1.7. Employ accountants, legal counsel, managing agents, or other experts to perform services for the Company and to compensate them from Company funds;

5.1.8. Enter into any and all other agreements on behalf of the Company, with any other Person for any purpose, in such forms as the Manager may approve;

5.1.9. Execute and file such other instruments, documents, and certificates that may from time to time be required by the laws of Idaho or any other jurisdiction in which the Company shall determine to do business, or any political subdivision or agency thereof, to effectuate, implement, continue, and defend the valid existence of the Company;

5.1.10. Create new subsidiaries and capitalize such subsidiaries; and

5.1.11. Do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

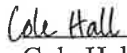
5.2. Number, Tenure, Qualifications; Certain Powers of Managers; Officers. From and after the Effective Date, the Company shall have two (2) Managers. The initial Managers shall be Logan Hall and Cole Hall. Each Manager shall hold office until such Manager dies, resigns, or is removed by the Member. Managers need not be residents of Idaho or Members. The number of Managers may be fixed from time to time by the Member, but in no instance shall there be less than one Manager. The day-to-day administration of the business of the Company may be carried out by employees and agents who may be designated as officers, with titles including, but not limited to "chairman," "vice chairman," "managing director," "principal," "president," "vice president," "treasurer," "assistant treasurer," "secretary," "assistant secretary," "general manager,"

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed effective as of the Effective Date.

MEMBER:

Bingham Ag Property Holdings, LLC

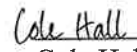
By:  _____
Logan Hall, Manager

By:  _____
Cole Hall, Manager

CONSENT OF THE MANAGER

The undersigned hereby accepts all duties and responsibilities as the Manager hereunder and recognizes that it can be replaced at any time by the Member as provided herein.

 _____
Logan Hall, Manager

 _____
Cole Hall, Manager



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

January 9, 2024

HIGHWAY 26 BLACKFOOT PROPERTY LLC
ATTN COLE HALL
PO BOX 50620
IDAHO FALLS ID 83405-0620

**RE: WATER SUPPLY BANK LEASE CONTRACT 1783
FOR WATER RIGHTS 35-13340 & 35-13362**

Dear Lessor:

Water right(s) **35-13340 & 35-13362** was/were leased into the Water Supply Bank (Bank) as of January 1, 2024, 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, 2028**, unless the rights are released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water rights from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at www.idwr.idaho.gov. **Please note your water rights may not be available for immediate release if they have been rented or are being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

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

Sincerely,

Mackenzie Kienholz
Water Supply Bank Specialist

Enclosure: Executed Lease Contract

c: IDWR – Eastern Region Office
Water District No. 120
Bingham Ground Water District

Hersley, Jean

From: Jared Wolfley <Jared.Wolfley@binghamagservices.com>
Sent: Friday, December 29, 2023 10:30 AM
To: IDWR File
Cc: Lindsey Romankiw
Subject: Water Supply Bank Lease Contract 1783
Attachments: Water Supply Bank Lease Contract 1783.pdf

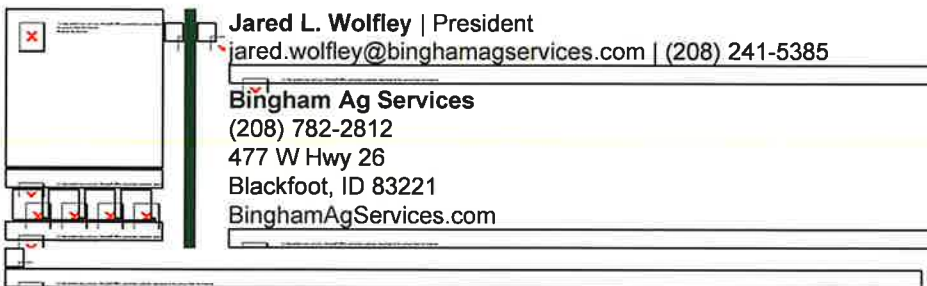
CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

Good morning,

I have attached a copy of the signed Water Supply Bank Lease Contract. Please let me know if you have any questions.

Thanks,

Jared



Jared L. Wolfley | President
jared.wolfley@binghamagservices.com | (208) 241-5385
Bingham Ag Services
(208) 782-2812
477 W Hwy 26
Blackfoot, ID 83221
BinghamAgServices.com

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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

December 7, 2023

HIGHWAY 26 BLACKFOOT PROPERTY LLC
ATTN COLE HALL
PO BOX 50620
IDAHO FALLS, ID 83405

RE: APPLICATION TO LEASE RIGHT(S) 35-13340 & 35-13362, CONTRACT 1783

******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, 2028**, 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

Kienholz, Mackenzie

From: Kienholz, Mackenzie
Sent: Friday, December 1, 2023 3:40 PM
To: Jordan, Blake; alanj@binghamgroundwater.com; Cefalo, James
Subject: Comments Request: WSB Lease App 2831 and Rental App 2750
Attachments: WM Copy Rental Review Memo App 2750 D Mckillop.pdf; Rental Map 807 Mckillop 2024.pdf; WM Copy Lease Review Memo App 2831 Hwy 26 Blackfoot Property.pdf; Lease Map 1783 Hwy 26 Blackfoot Property.pdf; Move Map 2750 D Mckillop 2024.pdf

Good afternoon,

Please see the attached review documents for lease application #2831 in the name of Highway 26 Blackfoot Property, LLC and rental application #2750 in the name of Deborah Mckillop. Both this lease and this rental are essentially continuations of currently active contracts/agreements that are set to expire at the end of this year. Kindly respond with any questions or comments within 10 days.

Have a good weekend,

Mackenzie Kienholz
Water Supply Bank Specialist



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

MEMORANDUM FOR APPLICATION #2831

To: Water Right(s) 35-13340 & 35-13362

From: Mackenzie Kienholz

Date: 12/1/2023

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

PURPOSE/NARRATIVE: Lease Application #2831 was submitted by Highway 26 Blackfoot Property, LLC and was received by the Department on 11/15/2023. The application proposes to re-lease the irrigation portion of right 35-13340 and the full amount of right 35-13362.

This lease is within WD 120, Bingham GWD, and the ESPA GWMA.

AUTHORITY TO FILE: Both water rights are owned by Highway 26 Blackfoot Property, LLC. The applications were signed by Cole Hall. Documentation noting the addition of Cole Hall as an officer of the company was received with the application. This documentation was signed by Logan Hall, who is listed as manager on the most recent IDSOS annual filing (6/30/2023) for Highway 26 Blackfoot Property, LLC. No concerns with authority to file.

WATER RIGHT VALIDITY: The parent of right 35-13340 (35-7262) and the parent right of 35-13340 (35-13112) were both decreed in 2002. These rights have been leased to the Bank since 2004, most recently under Contract #845 (2019-2023). No concerns with validity of the water right and portion offered to the bank.

INJURY TO OTHER WATER RIGHTS: Lease of this water right would not cause injury to other water rights. Proper review to prevent injury if rented.

ENLARGEMENT OF USE: The applicant noted that the water right place of use will be irrigated using surface water from United Canal Company. Parent rights 35-7262 and 35-13112 had conditions noting that they were combined with surface water provided from an irrigation organization. However, in reviewing the backfile of 35-13340 and 35-13362 there is no evidence to suggest that these specific portions have been used or stacked with surface water. The child rights from 35-7262 and 35-13112 that are not included in this lease, 35-13339 and 35-13361, were given conditions combining them with surface water. The rights proposed for this lease, 35-13340 and 35-13362, were not given these conditions. It is assumed from this that the split portions that became 35-13340 and 35-13362 were not used in combination with surface water and therefore can be considered primary groundwater rights.

Parent Right (No Longer Active)	Child Right	Combined Limited With:	Stacked with SW Condition?
35-7262	35-13339	35-13361	Yes
	35-13340	35-13362	No
35-13112	35-13361	35-13339	Yes
	35-13362	35-13340	No

*35-13361 and 35-13362 were enlargements of 35-13339 and 35-13340 respectively.

**35-13339 and 35-13361 were further split and now have parent status.

Lease of this water right would not cause enlargement of use. Further review to prevent enlargement if rented.

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

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The location for the lease POD is subject to Water District #120. A request for comments was sent to the WD 120 watermaster, Bingham GWD, and IDWR Eastern Regional Office on 12/1/2023.

RECEIVED

NOV 15 2023

DEPARTMENT OF
WATER RESOURCES



SOUTH FORK
PROPERTY MANAGEMENT

November 10, 2023

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

Re: Water Rights 35-13340 and 35-13362

Dear Ms. Condon,

Please find enclosed two Applications to Sell or Lease a Water Right to the Water Supply Bank, one for each of the above-referenced water rights. We are enclosing one check for \$500.00, as the water rights have a common place of use. I am also enclosing relevant pages from the Operating Agreement of the entity that is the owner of the water rights, Highway 26 Blackfoot Property, LLC, evidencing the authority of Cole Hall to sign for the entity as the authorized representative.

Please feel free to contact me directly at (208) 593-7979 or Lindsey.Romankiw@bradhallcompanies.com if you have any questions or need any further information.

Sincerely,

Lindsey Romankiw
Senior In-House Counsel