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DEPT. OF WATER RESOURCES
EASTERN REGION

Farmland Reserve Annual Water Right Report for 35-14240, 35-14655, 35-14241, 35-14242 and 35-14243

Prepared for: Farmland Reserve Inc.

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Permits for Water Right Nos. 35-14240, 35-14241, 35-14242 and 35-14243 were approved by the Idaho Department of Water Resources (“IDWR” or “Department”) on March 3, 2015. These permits were eventually licensed by IDWR. Water Right Transfer Nos. 83782 and 83781 were approved by IDWR on April 16, 2020. The transfer shifted 46.7 acres of the allowed irrigated acres around with some of the more senior water rights on the farm. No additional acres were transferred into the farm, and no acres were transferred off of the farm. Water Right 35-14655 is a split portion of Water Right No. 35-14240 that is associated with these referenced transfers.

A condition contained in all of the permits, which carried over into the licenses, requires that “By December 1st of each year, the right holder shall provide a written report to the Department describing the number and location of acres irrigated that year, the volume of water diverted under this right, the source of mitigation for the next irrigation season, and the number and location of acres proposed to be irrigated in the following year.” This reporting requirement was included in the licenses for the developed permits. Accordingly, this report satisfies the condition set forth by IDWR for Water Right Nos. 35-14240, 35-14655, 35-14241, 35-14242 and 35-14243 (hereafter the “FRI Rights”). The FRI Rights are summarized here:

Water Right No.	Name on Water Right	Basis	Priority Date	Source	Beneficial Use	Individual Diversion Rate Limitation (cfs)	Combined Diversion Limitation	Listed Volume Limitation (AFA)	Combined Volume Limitation (AF)	Acres	Point of Diversion
35-14240	Farmland Reserve Inc.	License	Feb. 8, 2012	Ground water	Irrigation	2.44	None	448	None	122	7S 28E Sec. 1 SWSWSE Huse Farm #1
35-14655 (split off portion of 35-14240)						0.15		63.7		46.7	7S 29E Sec. 6 SWSE 7S 29E Sec. 7 NWNE Huse Farm #2
35-14241						5.9		1476.4		369.1	7S 29E Sec. 7 NWNWNE Huse Farm #2
35-14242						2.39		478		119.5	7S 29E Sec. 8 SWNESW Huse Farm #3
35-14243						7.88		2636		659	7S 29E Sec. 5 NENWNE NPVR Farm
TOTALS						18.76				5102.1	

Additionally, a condition included in the FRI Rights provided for an annual site inspection of the system and water use. The condition states, “As resources allow, the Department will conduct at least one in-person field examination of

the authorized place of use of this right each year to verify the required mitigation and authorized irrigation under this right prior to June 15th of each year. It shall be the responsibility of the right holder to follow up with the Department by June 15th of each year to determine if the field examination was performed. If the Department is unable to conduct the field examination for any reason, the right holder or its consultant shall perform the field examination and report findings from the field examination to the Department and the protestants to this right by July 15th of each year.”

The FRI Rights were purchased by FRI in conjunction with the purchase of the underlying farm ground on December 20, 2021. The ownership of the FRI Water Rights have been updated on the IDWR water right database.

On July 1, 2024, Greg Sullivan of Brockway Engineering performed a site visit of the farm and verified that irrigation was occurring within the authorized irrigation place of use of water right licenses 35-14240, 35-14655, 35-14241, 35-14242 and 35-14243. Irrigation was only being provided by the approved PODs.

All flow meters have been installed. Two meters have been installed at the POD for 35-14243 because there is a 15 inch and an 18 inch mainline delivering water from the well. Data from the flow meters is available on the Water Management Information System (WMIS) data system managed by IDWR regarding annual volumes pumped from ground water wells.

Historically, the source of mitigation to the above-referenced water rights is provided by non-use of Water Rights Nos. 29-2284 and 29-2301, which are owned by Power County (the “Power County Rights”). For 2019 through 2024, the Power County Rights were leased to the Aberdeen American Falls Ground Water District (“AAFGWD”) to be used by the AAFGWD as a mitigation source of 6,153.8 acre-feet associated with the AAFGWD’s obligations under the *Settlement Agreement Entered into June 30, 2015 Between Participating Members of the Surface Water Coalition and*

Participating Members of the Idaho Ground Water Appropriators, Inc., and its addenda. AAFGWD entered into a contract in April of 2022 to sublease 6,073.8 acre-feet of the Power County Rights to FRI, which automatically renewed in 2024.

Commencing in 2024, FRI has been informed by Power County that it has elected to now lease a majority of the volume associated with the Power County Rights to Lamb Weston to be utilized with its American Falls facility expansion. As a result, in 2023 and 2024, FRI pursued and received approval for several transfers to move other existing FRI water rights to cover portions of the places of use of the FRI Rights. Multiple transfers have been approved by IDWR that have moved permanent irrigation water onto farm ground original irrigated with Licensed Rights.

Additionally, FRI has secured the following water supply bank rentals 869, 871, 872, 878 and 878 to cover portions of the places of use of the FRI Rights. The total acres of irrigation covered by these rental is 576.8 acres. The duration of these rentals are for the 2024 and 2025 irrigation season.

The original permits for the FRI rights authorized, in the aggregate, the irrigation of 1,316.3 acres which was mitigated with the non-diversion of 6,073.8 acre-feet under the Power County Rights, for a calculated amount of 4.614 acre-feet per acre.

After totaling the approved transfers described above, along with the associated water supply bank rentals, FRI only irrigated 151 acres under the FRI Licensed Rights for 2024. There were three fields that were left idle in 2024, for a total of 236.0 acres not irrigated under the licensed water rights

In 2025, the Power County Rights will not be a reliable source of mitigation for the FRI Licensed Rights. FRI will pursue additional permanent transfers into this farm and additional rental agreements as needed for 2025. If no

additional permanent transfers or rental agreements can be secured, the areas identified below will remain idle in 2025.

