

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 978

RECEIVED

MAR 09 2026

DEPARTMENT OF
WATER RESOURCES

This is to certify that:

FLYING H FARMS PARTNERSHIP
518 OLD HIGHWAY 30
MOUNTAIN HOME, ID 83647-6289

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
2-7065C	5/14/1970	SNAKE RIVER	0.98	245.0	49.0	0.020	5.00
2-7062	4/9/1970	SNAKE RIVER	1.91	477.0	95.4	0.020	5.00
2-7157C	10/24/1974	SNAKE RIVER	7.37	1,660.0	368.6	0.020	4.50
Combined Rental Totals			10.26	2,382.0	513.0	0.020	4.64

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2029. Use of rental water shall be authorized as of either the date this rental agreement takes effect or the first day of the rental season of use, in 2026, whichever occurs last.

Annual Rental Fee:

2026 - 2029: \$71,329.50 annually

The full fee for the rental of the above-described right(s) is \$71,329.50 per year for years 2026 - 2029. The rental fee includes an administrative fee of \$7,860.60 per year for years 2026 - 2029. Note that the renter is obligated to pay only the administrative fees associated with the water right(s): 2-7065 C.

An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Total Water Use Authorized Under Rental Agreement

Beneficial Use	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate/Acre (CFS/AC)	Volume/Acre (AF/AC)
IRRIGATION	10.26	2052.0	513.0	0.020	4.00
Combined Total	10.26	2052.0	513.0	0.020	4.00

* The authorized water usage reflects a reduction from the water right elements rented, to achieve a diversion volume/acre of 4.0 af/acre.

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 978

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

John Harper 3/6/26
Signature of Renter Date

John Harper Partner
Printed Name Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By _____ Date _____
BRIAN PATTON, Executive Manager
Idaho Water Resource Board

Rental approved by IDWR _____ Date _____

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 978

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

SNAKE RIVER NENE Sec. 1, Twp 06S, Rge 07E, OWYHEE County

BENEFICIAL USE
 IRRIGATION

DIVERSION RATE
 10.26 CFS

VOLUME
 2052.0 AF

SEASON OF USE

From To
 3/15 11/15

RENTERS PLACE OF USE: 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	
06S	07E	12													28.0	7.0	10.0	5.6	50.6
06S	07E	13	33.0	40.0	34.0	22.0	7.2			2.2	2.0			2.0	31.0	37.0	32.0	26.0	268.4
06S	07E	24	1.0																1.0
06S	08E	7										30.0 L3	5.0 L4						35.0
06S	08E	17										3.7	3.3						7.0
06S	08E	18									2.5				36.0	33.5	23.0	36.0	131.0
06S	08E	19		6.0			7.0	7.0 L1											20.0

Total Acres: 513.0

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from 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.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
7. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 978

8. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
9. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
10. Prior to diversion of water under this right, the right holder shall install and maintain a measuring device and lockable controlling works of a type acceptable to the Department as part of the diverting works.
11. The period of use for the irrigation described in this approval may be extended to a beginning date of 3/01 and an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/31 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than 9/1/2010.
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. 02.
13. This right does not grant any right-of-way or easement across the land of another.

OCT 20 2025

DEPT. OF WATER RESOURCES

RECEIVED

OCT 20 2025

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANK

Applicant Name: Flying H Farms Partnership

Is this application being submitted with a lease application as a lease/rental package?

Yes ☒ No ☐

If yes, specify companion water rights in Section 4

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. **Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.**

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

Yes

- ☒ Completed *Application to Rent Water from the Board's Water Supply Bank*
- ☒ Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank

Attachment N/A Yes

- | | | |
|----|-------------------------------------|--|
| 2 | ☒ | A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request |
| 3A | ☐ | ☒ Detailed information on a proposed use of rental water |
| 3F | ☒ | ☐ Authorization from the owner/operator of the rental point(s) of diversion |
| 3H | ☒ | ☐ Water modeling to account for the impacts of the rental request |
| 3J | ☒ | ☐ Documents justifying a rate of flow greater than 0.02 cfs/acre |
| 3K | ☐ | ☒ Authorization from the owner/operator of the property at the proposed rental place(s) of use |
| 4B | ☒ | ☐ Explanation of how the rental water will sufficiently accomplish your rental purposes |
| 4C | ☒ | ☐ Explanation of consumptive use amounts for water rights experiencing a change in nature of use |

Department Use Only – Proposed Water Right(s)

2-7065C

3322

**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Flying H Farms Partnership

Mailing Address 518 Old Highway 30 Mountain Home Idaho 83647
Street City State Zip Code
 Email Address jeff@flyinghfarms.net, melissa@flyinghfarms.net Phone Number 208-587-8716

B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☐ No ☒
 If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative _____ Professional Title _____
 Organization _____ Relationship to Applicant _____
 Mailing Address _____
 Email Address _____ Phone Number _____

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental 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 irrigate. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:
Flying H Farms currently rents water right 2-10450 since 2012. Flying H uses this water right as well as 2-7065C, that's owned by Flying H to irrigate 4 pivots that grow a variety of crops including corn, potatoes, beans and alfalfa. This water is crucial in the success of cultivating these diverse crops.

B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
CFS	AF	.02 CFS	3,580 AF	895 AC

* Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.

C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
4/1	10/31	☐ 1	☐ 2	☐ 3	☐ 4	☒ 5	☒ Process application as soon as possible	☐ Return application to applicant

* The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.
 ** Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):

There are two 500 HP pumps located on the Snake River that will deliver the water to the area. Pumps are located at TWP 6S RGE 8E Sec 6 SW 1/4 NW in Owyhee county.

- E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
two 500 HP Pumps	Snake River	2-7369

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

- F. Has documented consent from all relevant water delivery entities been obtained? Yes ☐ N/A ☒
If yes, include documented consent as **Attachment 3F**.

- G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☐ No ☒
Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

- H. Has water modeling been provided with your rental request? Yes ☐ N/A ☒
If yes, label modeling Attachment 3 H.
Rental applications that require modeling will be returned if modeling is not provided.

- I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

- ☒ Irrigation 895 (number of acres) Duration: Subject to IDWR standard seasons of use
☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)
☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)
☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)
☐ Other: _____ from: _____ (mm/dd) to: _____ (mm/dd)

- J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☐ Yes ☐ No ☒
If yes, justify the rate of flow and attach any supporting documents as **Attachment 3J**. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

- K. Do you own the land at the proposed rental place of use (POU)? Yes ☐ No ☒
If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it **Attachment 3K**.

- L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights?

Yes ☒ No ☐

If yes, specify below the elements of the water rights you are requesting to rent. If no, continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via [IDWR's website](#).

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request.** For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
2-7065C	Irrigation	8.62	2155			8.62	2155	431
							1425	464
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL		3580	895
						CFS	AF	AC

**Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.*

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

C. Does your rental request propose to change the nature of use for any water right(s) being rented?

Yes ☐ No ☒

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

- A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☐ No ☒
If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

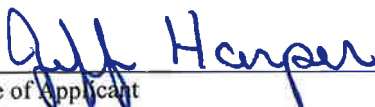
- B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes ☐ No ☒
If yes, describe:

- C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☐ No ☒
If yes, describe the date and location of the NOV.

- D. Additional Information

DECLARATION

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.


Signature of Applicant

Jeff Harper
Printed Name of Applicant

10/15/2023
Date

Signature of Representative

Printed Name of Representative

Date

Mail to:

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

STATE OF IDAHO
WATER RESOURCE BOARD

Water Modeling Requirement Information Sheet

Information on water modeling requirements for rental requests within special administrative areas

Important information on requesting rental water within special administrative areas: Refer to the information below to determine whether the modeling of potential impacts from your rental request is necessary. Use Section 4 of the rental application to identify selected water rights. **If you submit an application to rent water from within a special administrative area and water modeling is required, your rental request will be returned if water modeling is not provided.**

Water modeling may be required when an application to rent water involves one of two scenarios:

Scenario 1: The rental request proposes to divert water from a regulated water source and/or within a special administrative area AND the distance between the rental point(s) of diversion (POD) and the POD(s) for the leased water right(s) is greater than the administratively established, acceptable distance.

Regulated water sources may areas include:

- A. Ground water resources within the modeled area of the Eastern Snake Plain Aquifer (ESPA) and tributary aquifers;
- B. Ground water within Ground Water Management Areas (GWMAs) or Critical Ground Water Areas (CGWAs);
- C. Water resources within other specified administrative areas, as established by the Idaho Water Resource Board (IWRB) or the Idaho Department of Water Resources.

The distance between any rental POD(s) and the POD(s) for a leased water right to be rented is important. On the ESPA, distance is measured in terms of model cells that cover an area of one square mile. Ground water modeling is not required if lease POD(s) and rental POD(s) are located within the same model cell or within adjacent model cells. If the lease and rental PODs are separated by more than one model cell groundwater modeling must be completed using the IDWR ESPA Transfer Tool and modeling results must be submitted with the rental application. ESPA modeling tools can be accessed and freely downloaded from IDWR's website by visiting: www.idwr.idaho.gov/WaterManagement/WaterRights/WaterRightTransfers/resources.htm.

Ground water modeling may be required within GWMAs, CGWAs or other regulated administrative areas. Applicants who desire to rent water within an established GWMA, CGWA or other regulated administrative area should consult IDWR's website before submitting their application to review the current status of administrative orders related to regulated administrative areas. Consult www.idwr.idaho.gov/WaterInformation/GroundWaterManagement/designated_areas.htm for information on GWMAs or CGWAs, visit <https://idwr.maps.arcgis.com/home/> to use mapping tools to find other regulated areas.

Applicants interested in renting water within a GWMA, CGWA or other regulated administrative areas should request water rights that have been leased into the Bank from within the same administrative area. Generally, the Bank will not permit a rental of water within a regulated administrative area if the leased water rights are not located within that same administrative area.

Scenario 2: A rental request proposes to divert water from a different but hydraulically connected water source.

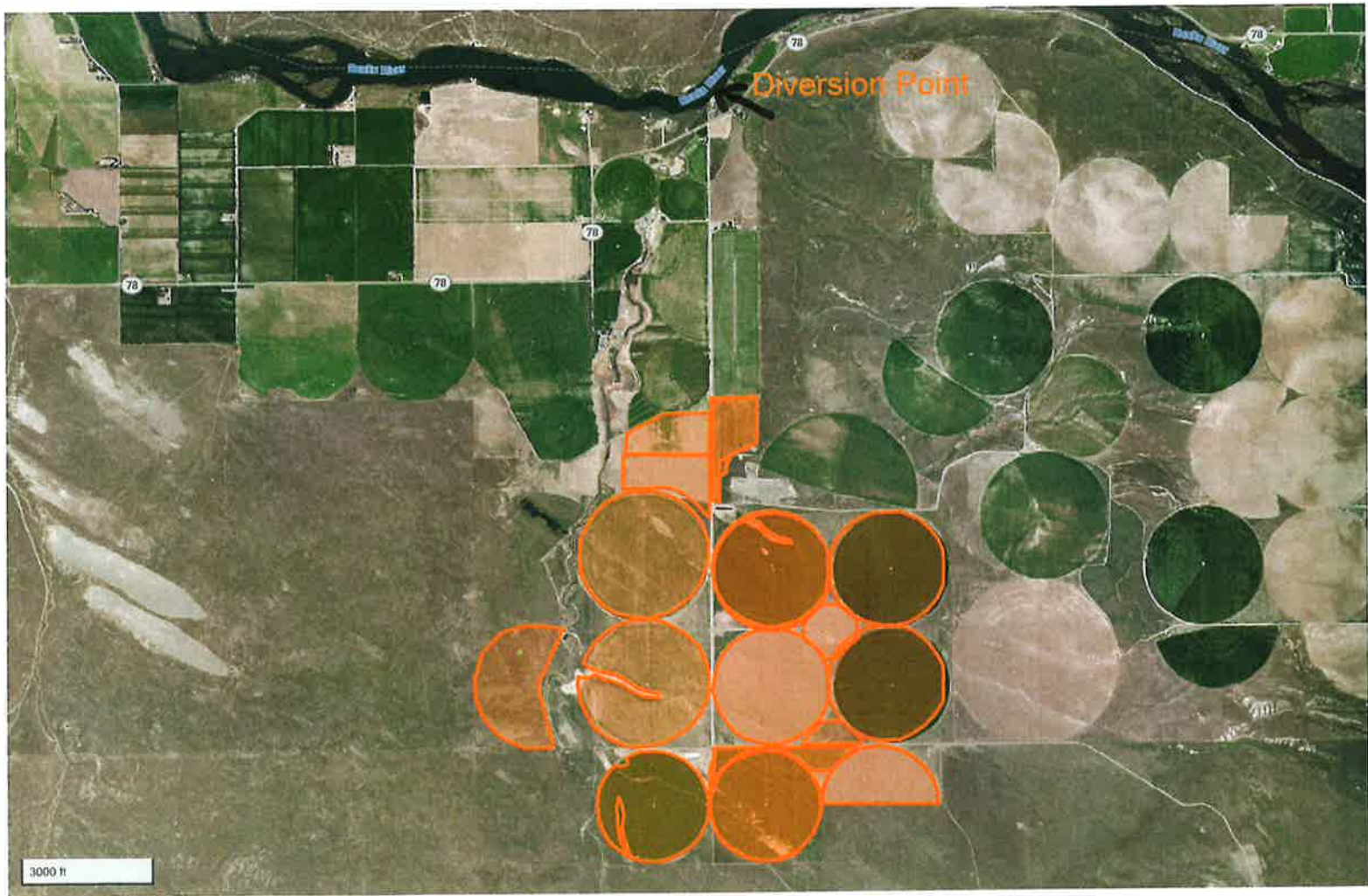
Modeling situations may include:

- A. Rental requests that propose to divert surface water rights via ground water POD(s) (wells); and
- B. Rental requests that propose to divert ground water from one aquifer when the right being rented authorizes the diversion of ground water from a hydraulically connected, tributary aquifer.

Rental requests that propose to divert surface water rights from ground water points of diversion may be considered if ground water modeling establishes that the surface and ground water resources are directly and immediately hydraulically connected. An acceptable hydraulic connection occurs when at least 50 percent of the total depletions from a well are detectable from the original water source within a 24 hour period. The existing (leased) POD and proposed (rental) POD must be proximate such that diversion and use of water from the proposed POD would have substantially the same effect on the hydraulically-connected source as diversion and use of water from the original POD.

Requests to rent ground water across tributary aquifer sources may be considered if ground water modeling is provided to demonstrate that two aquifers are hydraulically connected and the anticipated impacts of diverting ground water from one source through the other is modeled accordingly.

For more information about rental application requirements, contact IDWR at (208) 287-4800.

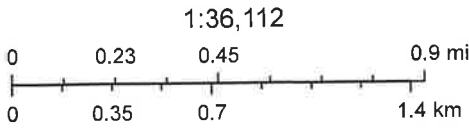


Flying H Farms Partnership



8/28/2025, 2:53:31 PM

 PLS Sections
 Townships



Esri, HERE, Garmin, Esri, HERE, Maxar

Water Allocation

Browns Creek Farm

Flying H Farms Partnership

Field	Acres	Water Right Used
Farris 1	108	2-7369
Farris 2	114	2-7369
Farris 3	64	2-7369
Farris Corners	23	2-7369
Wilson 4	122	Rental
Wilson 5	125	2-7065C
Wilson 6	122	Rental
Wilson 7	125	2-7065C
Wilson 9	26	2-7065C
Wilson 10	151	Rental
Wilson 11	133	2-7065C
Wilson Gravel Pit	35	Rental
Wilson Calving Ground	35	Rental
Wilson 12	11	2-7065C
Wilson 14	86	2-7369
TOTAL ACRES IRRIGATED	1,280	

		ACRES	VOLUME
expires 12/25	Water Right: 2-7065C @ 8.62AF	431	2155 AF
Farris	Water Right: 2-7369 @ 7.7AF	385	1540 AF
expires 12/25	Rental	464	2017.3 AF
		1,280	5,712.30

FARM LEASE

among

WILSON & WILSON CO.,
an Idaho corporation;

ANN T. WILSON,
an individual
collectively as "Landlord"

and

FLYING H FARMS PARTNERSHIP,
an Idaho partnership
as "Tenant"

Effective: January 1, 2019

FARM LEASE

This Farm Lease (the "Lease") is made this 1st day of January, 2019, among Wilson & Wilson Co., an Idaho Corporation, and Ann T. Wilson (collectively with Wilson & Wilson Co., the "Landlord"), an individual, and Flying H Farms Partnership (the "Tenant"), an Idaho Partnership.

For and in consideration of the mutual covenants and promises contained herein, the parties hereby agree as follows:

1. Property. The Landlord hereby agrees to lease to the Tenant and the Tenant hereby agrees to lease from the Landlord the real property located in the County of Owyhee, State of Idaho (the "Property"), legally described as follows:

The Northeast Quarter of Section Eleven, The South Half of Section Twelve and all of Section Thirteen in Township Six South, Range Seven East, Boise Meridian;

The Southwest Quarter of the Northwest Quarter of Section Seventeen and all of Section Eighteen, in Township Six South, Range Eight East, Boise Meridian.

2. Lease Term. The term of the lease is for a period of five (5) years and shall commence on January 1, 2019 and shall continue until December 31, 2023.

3. Rent.

3.1 During the term of the Lease, the Landlord shall be entitled to a payment in the amount of 25% of the net proceeds from the farm crops raised on the Property by the Tenant, which payment shall be due upon the Tenant's receipt of the sale proceeds from these crops. The term "net proceeds" are defined as the gross proceeds from the farm crops raised on the Property by the Tenant minus the expenses incurred by Tenant for repairs¹, electricity², annual maintenance, tenant's real water cost for the Property, water equipment rental, seed, fertilizer and chemicals related to the Property. The Tenant agrees to keep full and accurate records of the total amount of crops raised and produced each year on the Property.

3.2 In addition, Tenant shall pay Landlord ½ of any rent that it receives from subleasing the Property for grazing minus any reasonable costs Tenant incurs for planting or fencing that is related to the sublease. Tenant shall notify Landlord of the identity of any subtenant and their contact information. Tenant's books and records related to the Property shall be available for inspection by the Landlord during business hours.

¹ The repair expenses includes all direct repairs to the Property itself, repairs to the Property's improvements and irrigation system, and repairs to Tenant's equipment needed to farm the Property.

² The electricity expenses include all of the Tenant's electricity cost needed to pressurize and pump water to the Property.

3.3 To the extent requested by Landlord, should any of the above noted expenses in Section 3.1 or 3.2 exceed the average expenses as presented in 2018 as set forth in Exhibit "A" attached hereto, Tenant shall provide Landlord with the documentation showing why those expenses exceeded that average.

4. Renewal. After the above-described five (5) year rental term, this Lease shall automatically renew on a year to year basis thereafter until either the Tenant or Landlord give written notice of termination on or before September 1st of the prior year.

5. Water Rights. For irrigation on the Property, the Tenant intends to use its own water rights to withdraw water from the Snake River to convey irrigation water from the Snake River to the Property. All of the water rights shall remain the property of the Tenant and shall not become appurtenant to the Property.

6. Additional Responsibilities.

a) Landlord. The Landlord shall assume the following responsibilities with regards to the Property during the term of the Lease:

i) Pay all ad valorem taxes assessed against the Property during the term of the Lease and no other expenses pertaining to the harvest except what is otherwise listed in this Lease; and

ii) Keep the irrigation equipment on the Property free and clear of liens arising out of the work performed, materials furnished, or obligations incurred by the Landlord.

b) Tenant. The Tenant shall assume the following responsibilities with regards to the Property during the term of the Lease:

i) Take reasonable efforts to guard against and destroy the growth of noxious weeds on the Property;

ii) Keep the Property free and clear of liens arising out of the work performed, materials furnished, or obligations incurred by the Tenant; and

iii) Furnish the labor, machinery, equipment and implements necessary to till, farm and cultivate the Property in a good and farmer-like manner and according to the usual course of husbandry.

7. Livestock. The Landlord reserves the right to graze or calve its livestock during the term of the Lease on any portion of the Property that is not then planted with crops. In addition, for the purpose of egress or ingress to the Property by the Landlord's livestock during the term of the Lease, the Tenant hereby grants to the Landlord the right to trail the Landlord's livestock over the Tenant's adjoining real property; provided, however, that said livestock shall not be trailed over land which is then planted with any crops.

7.1 Trailing land will be made available to Landlord by Tenant in March through May of each year during the term of the Lease. This does not affect the Landlord's trailing rights, if any, prior to the term of the Lease.

7.2 Tenant shall seed the calving ground and 10SS fields this spring and Landlord can use these fields for pasture for Landlord's cattle this year. For Landlord's spring cattle turnout this year, Landlord can use the Farris 1 field. Landlord shall thereafter purchase a used pivot from Tenant for \$39,500 and Tenant shall transport and install at its cost this pivot to be used on the west side of Brown's creek with the intent that there be adequate water for the Property in order to create a good stand of grass year to year thereafter. Landlord shall be using this pasture in the spring through September 30th of each year. Adequate water shall be provided in the fall of 2019 in order to provide a good stand of grass in the spring. Landlord shall be entitled to use the pasture on the west side of Brown's creek under this pivot for the following years during the term of the Lease. Landlord shall be responsible for the cost of the seed for the grass under this pivot.

8. Fencing. Landlord and Tenant shall each pay one-half (1/2) of the cost of repairing and installing adequate perimeter fencing for the Property on all fencing that adjoins and separates the Landlord and Tenant's property. Any damage done to the fencing on the Property shall be repaired at the sole cost of the party responsible for damaging the fence. If a subtenant of the Tenant damages any portion of the fence then Tenant shall repair such damage at Tenant's cost.

9. Yearly Meeting. Each year on or before August 1st, or another date mutually agreed upon by the Landlord and the Tenant, Tenant shall prepare a crop plan for the upcoming year and shall deliver it to Landlord. Tenant shall have ten (10) days to approve of such plan, which approval shall not be unreasonably withheld, delayed or conditioned. If the parties cannot agree upon the crop plan then the parties shall meet in an effort to resolve their differences in good faith.

10. Erosion and Seepage Control. After the Tenant harvests its crops on the Property, the Tenant agrees to take reasonable efforts to limit wind erosion in those harvested fields.

Tenant agrees to make reasonable efforts to limit the seepage of irrigation water that can be directly traced to Tenant's irrigation practices onto Landlord's adjacent farmland in accordance with acceptable farming practices.

11. No Assignment or Sublease. The Tenant may not assign or sublease the Property without the prior written consent of the Landlord which may be withheld at Landlord's unfettered discretion.

12. Waiver. Waiver of a breach of any provision of this Lease by any party in any particular instance shall not be deemed a waiver of any other breach of this Lease.

13. Quiet Enjoyment. So long as the Tenant is not in default, the Landlord warrants and covenants that, during the term of this Lease and subject to the provisions hereof, the Tenant shall have the exclusive right and possession of and the quiet enjoyment of the Property, as well

as the irrigation equipment that is jointly owned by the Parties, and shall have, hold and enjoy the Property and that irrigation equipment without interference by the Landlord, subject to the terms of this agreement.

14. Entire Agreement. This Lease constitutes the entire agreement between the parties with respect to the lease of the Property and may not be modified except in writing signed by all parties.

15. Governing Law. This Lease shall be governed by, and construed in accordance with the laws of the State of Idaho (other than its conflict of laws rules).

16. Attorney's Fees. In the event either party shall institute a lawsuit to enforce any rights pursuant to this agreement, the successful party shall be entitled to, in addition to those costs and disbursements provided by statute, a reasonable sum as attorney fees and costs of litigation, including reasonable attorney fees and costs incurred in any appeal thereof. Any amount due and owing to a party pursuant to the terms of this Lease shall accrue interest at the rate of twelve percent (12%) per annum from the date it is due to the date of payment.

17. Binding Effect. This Lease shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and/or assigns; *provided, however,* that assignment shall be subject to the provisions of Section 11 hereof.

18. Time. Time is of the essence in this Lease.

19. Recording. At the request of either party, a short form lease may be executed for recording.

20. Authorization. The Landlord hereby represents and warrants that it owns the Property and has all necessary power and authority to enter into and perform this Lease and to consummate the transactions contemplated hereby.

21. Default by Tenant. The Tenant shall be in default under this Lease if (i) it fails to pay Rent or additional amounts when due, or (ii) fails to perform any of the other covenants or agreements contained in this Lease.

Upon the occurrence of an event of default by the Tenant, the Landlord, in its sole discretion, may exercise any rights or remedies provided by law or equity; *provided, however,* that as a precondition to pursuing any remedy for alleged default by the Tenant, the Landlord shall first give written notice to the Tenant specifying the claimed default. The Tenant shall have thirty (30) days from the receipt of such notice to effect a cure of the claimed default (other than a payment default, which shall have solely a fourteen (14) day cure period); *provided, however,* that if the nature of the Tenant's obligations (other than a payment default) are such that more than thirty (30) days are required for performance, then the Tenant shall not be in default if it commences performance within such thirty-day period and thereafter diligently prosecutes the same to completion.

22. Default by Landlord. The Landlord shall be in default under this Lease if it fails

to perform any of the other covenants or agreements contained in this Lease.

Upon the occurrence of an event of default by the Landlord, the Tenant, in its sole discretion, may exercise any rights or remedies provided by law or equity; *provided, however*, that the Landlord shall not be considered to be in default under this Lease unless (i) the Tenant has given to the Landlord written notice specifying the claimed default and (ii) the Landlord has failed for thirty (30) days to cure such claimed default, or if the nature of the Landlord's obligations are such that more than thirty (30) days are required for performance, then the Landlord shall not be in default if the Landlord commences performance within such thirty-day period and thereafter diligently prosecutes the same to completion.

23. Notices. All notices shall be in writing and deemed to have been duly served within 48 hours after mailing (if sent certified mail) or immediately (if personal service):

If to the Landlord: Wilson & Wilson Co.
Attn.: Ann T. Wilson
P.O. Box 33
Hammett, ID 83627

If to the Tenant: Flying H Farms Partnership
Attn.: Jeff Harper
518 Old Highway 30
Mountain Home, ID 83647

IN WITNESS WHEREOF, the parties have executed this Lease the day and year first set forth above.

LANDLORD

WILSON & WILSON CO.

By: Ann T. Wilson
Ann T. Wilson, President

Ann T. Wilson
ANN T WILSON

TENANT

Jeff Harper

FLYING H FARMS PARTNERSHIP

By: Jeff Harper
Jeff Harper, Partner

STATE OF IDAHO)
 : ss.
County of Elmore)

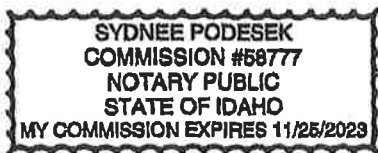
On this 22nd day of February, in the year 2019, before me, a notary public for the State of Idaho, personally appeared Ann T. Wilson individually, and also known or identified to me to be the President of Wilson & Wilson Co. and whose name is subscribed to the within and foregoing instrument, and acknowledged to me on this day under oath, that, being informed of the contents of this agreement, she executed the same on behalf of herself individually and Wilson & Wilson Co. as her free and voluntary act and deed.



[Signature]
Notary Public for the State of Idaho
Residing at: Mountain View
My Commission Expires: 11-17, 2022

STATE OF IDAHO)
 : ss.
County of Elmore)

On this 20th day of February, in the year 2019, before me, a notary public for the State of Idaho, personally appeared Jeff Harper, known or identified to me to be a partner of Flying H Farms Partnership and whose name is subscribed to the within and foregoing instrument, and acknowledged to me on this day under oath, that, being informed of the contents of this agreement, he executed the same on behalf of Flying H Farms Partnership as his free and voluntary act and deed.



Sydnee Podeseck
Notary Public for the State of Idaho
Residing at: Mountain Home
My Commission Expires: November 25, 2023

EXHIBIT A

Average acres over 5 years		182.8	555.8	28.0	49.4	7.0	823.0
		Potatoes	Corn	Hay	Beans	Wheat	Total
Expense	Seed	\$ 74,948.00	\$ 65,657.00	\$ 3,394.00	\$ 3,606.00	\$ 245.00	\$ 147,850.00
	Fertilizer	\$ 63,066.00	\$ 113,939.00	\$ -	\$ 4,693.00	\$ 455.00	\$ 182,153.00
	Chemicals	\$ 84,636.00	\$ 33,348.00	\$ 616.00	\$ 2,717.00	\$ -	\$ 121,317.00
	Repairs	\$ 3,565.00	\$ 10,838.00	\$ 546.00	\$.963.00	\$ 137.00	\$ 16,049.00
	Electric	\$ 19,194.00	\$ 58,359.00	\$ 2,940.00	\$ 5,187.00	\$ 735.00	\$ 86,415.00
	Water	\$ 12,796.00	\$ 38,906.00	\$ 1,960.00	\$ 3,458.00	\$ 490.00	\$ 57,610.00
	Property Insurance	\$ 2,742.00	\$ 8,337.00	\$ 420.00	\$ 741.00	\$ 105.00	\$ 12,345.00
	Equipment Rental	\$ 1,828.00	\$ 5,558.00	\$ 280.00	\$ 494.00	\$ 70.00	\$ 8,230.00
		\$ 262,775.00	\$ 334,942.00	\$ 10,156.00	\$ 21,859.00	\$ 2,237.00	\$ 631,969.00



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

March 11, 2026

FLYING H FARMS PARTNERSHIP
518 OLD HIGHWAY 30
MOUNTAIN HOME, ID 83647-6289

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 2-7065C, 2-7062, and 2-7157C, AGREEMENT 978**

Dear Renter:

Please find enclosed a receipt in the amount of **\$71,329.50** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 2,382.0 acre-feet of water for irrigation of 513.0 acres during 2026. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$63,468.90 of the rental fee will be paid to the lessor(s) and 10% or \$7,860.60 will be retained by the department to offset administrative costs for 2026.

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

Sincerely,

Kris Margheim

for
Water Supply Bank

Enclosures: Receipt No. C125225
Rental Agreement (copy)

c: IDWR Western Regional Office (via email)



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

March 5, 2026

FLYING H FARMS PARTNERSHIP
518 OLD HIGHWAY 30
MOUNTAIN HOME, ID 83647

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 2-7065C, 2-7062, AND 2-7157C AGREEMENT 978**

*****TIME SENSITIVE RESPONSE REQUIRED*****

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of **\$71,329.50 per year** was calculated based on the current rental rate of \$33.00 per acre-foot times a diversion volume of 2,382.0 acre-feet. The annual rental fee for 2027 is due by December 31, 2026. The agreement will be void if payment is not received prior to the due date in a given year. Since you are both the lessor and the renter of water right 2-7065C, **you are only obligated to pay the 10% administrative fee or \$808.50** for that water right. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check in the amount of \$71,329.50 for 2026 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing.

Pursuant to the Water Supply Bank Rules, 90% or \$63,468.90 of the rental fee will be paid to the lessor(s) and 10% or \$7,860.60 will be retained by the Department to offset administrative costs for **2026**.

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

Sincerely,

Skyler Cheever
Water Resource Agent, Sr – State Office
Idaho Dept. of Water Resources

Enclosure(s) Proposed Rental Agreement 978

c: IDWR Front Desk (via email), WSB (via email)

Cheever, Skyler

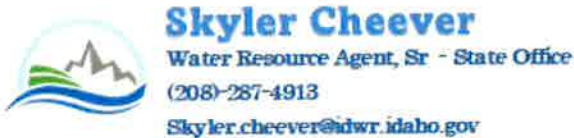
From: Cheever, Skyler
Sent: Tuesday, February 10, 2026 8:19 AM
To: Scott King; Smith, Kellie
Cc: Erling, Jes
Subject: Updated Water Supply Bank Rental Agreement 978 Flying H. Farms
Attachments: Rental Review Memo 978 Update.pdf; Rental Agreement 978 Updated.pdf; Rental Approval Map 978.pdf

Hello Scott and Kellie,

I have completed an update to Water Supply Bank Rental Agreement 978 with the proposed point of diversion within Administrative Basin 2 and Water District 2. The applicant is Flying H Farms. They now propose to rent a 464 portion of lease contract 2119 for water rights 2-7062 and 2-7157C only and the entirety of lease contract 2110 from the Water Supply Bank from 2026-2029. Attached is a copy of the rental agreement, review memo, and map of the place of use. If you have any comments regarding the applicant's proposal or my review, please let me know within 7 days. If you have any questions or concerns, please let me know.

Best,

Skyler



Idaho Dept. of Water Resources

322 E. Front St. P.O. Box 83720 Boise, ID
83720

MEMORANDUM FOR UPDATE TO RENTAL AGREEMENT # 978

To: Water Right No(s). 2-7065C, 2-7157C, and 2-7062

From: Skyler Cheever – Water Resource Agent, Sr – State Office

Date: 2/9/2026

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

POURPOSE/NARRITIVE

Application 3322 was sent in by Flying H. Farms Partnership and received by the Idaho Dept. of Water Resources on October 20th, 2025. This application is part of a lease/rental package with lease application 3321 for Water Right No. (WR) 2-7065C. The applicant proposed to rent 895 acres of irrigation from the Water Supply Bank with 431 acres from lease contract 2110. The applicant did not have additional WR's within the package or proposed to fill the remaining 464 acres. Lease contract 2102 was found to fulfill the remaining request but the rentable duration is 4 years (2026-2029). After speaking with the applicant on December 18th, 2025, they indicated they would like to change this lease and the rental duration to 4 years (2026-2029).

After reviewing the rental proposal, it was noted 382 acres of the rental proposal would be covered by authorization under 2-7065C. After speaking with the applicant, they confirmed those acres would be irrigated and therefore would not need to be leased. The applicant also confirmed remaining 49 acres would not be irrigated and would be leased and rented. However, this change would not affect the number of additional acres rented from contract 2102. It will reduce the number of acres rented from contract 2110 from 431 to 49 acres. The breakdown of current WR authorizations and acres requiring rental water are depicted in table 1. The applicant is the current owner of WR 2-7065C according to records. Therefore, they are only obligated to pay the administrative rental fee 49 acres from contract 2110. The proposed point of diversion (POD) is within the Snake River Basin Moratorium Area and Trust Water Area. This is the first time this rental has been proposed.

Rental Agreement 978 was mailed to the applicant on February 3rd, 2026. The applicant contacted me February 6th, 2026. They indicated they would like to find another other water rights to rent reducing the overall rental fee. The overall rental fee was greater because the applicant requested a larger diversion rate and volume than the previous lease contract authorized. Lease contract 2119 would fit the applicants proposal and would not require the applicant to rent additional acres to achieve a greater rate/acre and volume/acre reducing the overall rental fee. The applicant agreed to the new proposal via the same phone conversation on February 6th, 2026.

AUTHORITY TO FILE:

Jeff Harper signed the application. Mr. Harper has the authority to sign this application on behalf of the partnership because he is a partner according to the Idaho Secretary of States Office Database.

INJURY TO OTHER WATER RIGHTS:

The proposed rental point of diversion (POD) is roughly 21 miles upstream, not taking into account meanders, of the new lease POD. The lease POD is the starting point for the Bybee Canal. However, since the rental point of diversion is not located within the canal system written consent is not required. Although there is a modest distance between the lease and rental POD since the move is upstream the proposed water would normally flow downstream to the lease POD and not be used by in between users. Therefore, it's unlikely this move will cause impacts to users in between the lease and rental POD's.

ENLARGEMENT OF USE:

Water rights 2-7157C and 2-7062 are on the same lease contract but are not limited when combined nor have overlapping places of use (POU). Therefore, they can be rented separately without causing an enlargement. Water right 2-7062 authorizes 5.0 af/acre. Overlapping water right 2-7369 diverting from the proposed rental POD's to 4.0 af/acre. Therefore, the authorized rental volume will be reduced to 4.0 af/acre to prevent an enlargement. There are no other enlargement concerns.

LOCAL PUBLIC INTEREST:

The proposed rental of water is in the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES:

The proposed rental is consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS:

A request for comment was sent to the Watermaster for Basin 2 and the IDWR Western Regional Manager on January 14th, 2026. Because the proposed lease POD has changed a new request for comment was sent on February 10th, 2026. No concerns were received.

Table 1. Breakdown of current water right authorization for Flying H. Farms Partnership existing rights and what would require a rental. Note all acre amounts and names are derived from documents provided with the rental application.

Current Water Right Authorization					
WR #	Rate (CFS)	Volume (AF)	Acres	Rate/Acre	Volume/Acre
2-7065C	8.62	2155.0	431.0	0.02	5.00
2-7369	7.70	1540.0	385.0	0.02	4.00
WR Totals	16.32	3695.0	816.0	0.02	4.53
Acres Covered by Current Authorization					
Field	Acres	Covered By			
Farris 1	108.0	2-7369			
Farris 2	114.0	2-7369			
Farris 3	64.0	2-7369			
Farris Corners	23.0	2-7369			
Wilson 14	86.0	2-7369			
Totals	395.0	2-7369			
Remaining	-10.0	Note: 10 acres over authorization			
Wilson 4	122.0	2-7065C			
Wilson 5	125.0	2-7065C			
Wilson 6	122.0	2-7065C			
Half Wilson 9	13.0	2-7065C			
Totals	382.0	2-7065C			
Remaining	49.0				
Acres Requiring Rental					
Remaining Half of Wilson 9	13.0				
Wilson 7	125.0				
Wilson 10	151.0				
Wilson 11	133.0				
Wilson Gravel Pit	35.0				
Wilson Calving Ground	35.0				
Wilson 12	11.0				
Remaining Farris Corners	10.0				
Totals	513.0				
Rented from 2-7065C	49.0				
Remaining Rented from Contract # 2102	464.0				

Cheever, Skyler

From: Cheever, Skyler
Sent: Wednesday, January 14, 2026 8:39 AM
To: Scott King; Smith, Kellie
Cc: Erling, Jes
Subject: Water Supply Bank Lease/Rental Package Flying H. Farms Partnership
Attachments: Lease Approval Map 2110.pdf; Lease Review Memo 3321.pdf; Rental Agreement 978.pdf; Rental Approval Map 978.pdf; Rental Review Memo 978.pdf

Hello Scott and Kellie,

I have completed my review of Water Supply Bank Lease Application 3321 with the proposed points of diversion within Administrative Basin 2 and Water District 2. This application is part of a lease/rental package with Rental Application 3322. The applicant for both applications is Flying H. Farms Partnership. They propose to rent the entirety of lease contract 2110 and a 464-acre portion of lease contract 2102 from the Water Supply Bank from 2026-2029. Attached is a copy of the rental agreement, review memos, and maps of the place of use. If you have any comments regarding the applicant's proposal or my review, please let me know within 7 days. If you have any questions or concerns, please let me know.

Thank you,

Skyler

 **Skyler Cheever**
Water Resource Agent, Sr - State Office
(208)-287-4913
Skyler.cheever@idwr.idaho.gov

Idaho Dept. of Water Resources

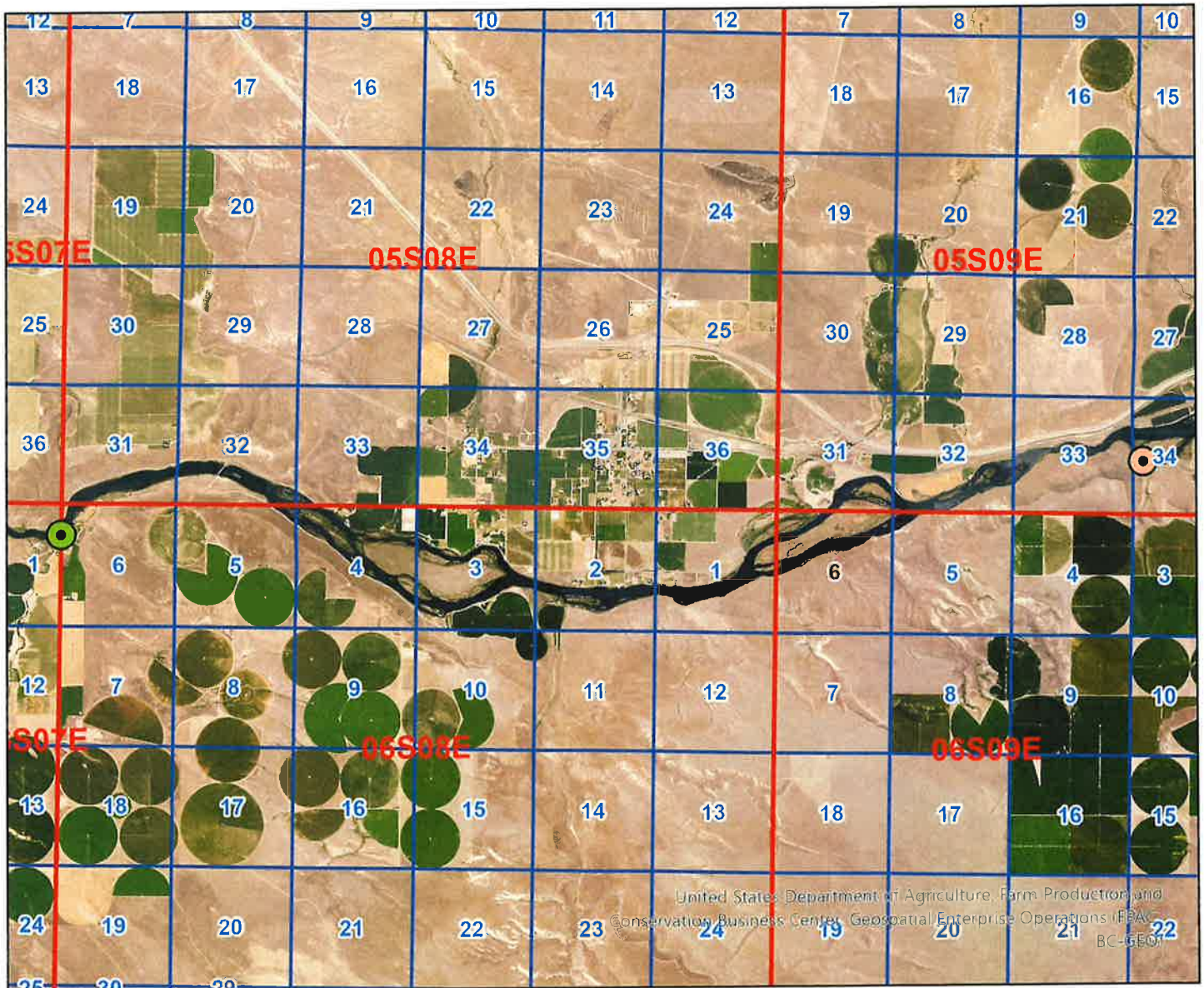
322 E. Front St., P.O. Box 83720 Boise, ID
83720

Idaho Water Resource Board

WSB Move Map

2-7065C, 2-10579

2026-2029



Legend

-  Water Supply Bank Rental Point of Diversion
-  Water Supply Bank Lease Point of Diversion
-  Township/Range
-  Sections



Attachment to Water Supply Bank Rental Agreement No. 978

Effective until December 31, 2029

This map depicts the **rental place of use** pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



United States Department of Agriculture, Farm Production and Conservation Business Center, Geospatial Enterprise Operations

Legend

-  Water Supply Bank Rental Point of Diversion
 Water Supply Bank Rental Place of Use
 Township/Range
 Sections





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

February 2, 2026

FLYING H FARMS PARTNERSHIP
518 OLD HIGHWAY 30
MOUNTAIN HOME, ID 83647

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 2-7065C AND 2-10579 AGREEMENT 978**

*****TIME SENSITIVE RESPONSE REQUIRED*****

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of **\$91,677.30 per year** was calculated based on the current rental rate of \$33.00 per acre-foot times a diversion volume of 2,998.60 acre-feet. The annual rental fee for 2027 is due by December 31, 2026. The agreement will be void if payment is not received prior to the due date in a given year. Since you are both the lessor and the renter of water right 2-7065C, **you are only obligated to pay the 10% administrative fee or \$808.50** for that water right. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check in the amount of \$91,677.30 for 2026 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing.

Pursuant to the Water Supply Bank Rules, 90% or \$81,781.92 of the rental fee will be paid to the lessor(s) and 10% or \$9,895.38 will be retained by the Department to offset administrative costs for **2026.**

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

Sincerely,

Skyler Cheever
Water Resource Agent, Sr – State Office
Idaho Dept. of Water Resources

Enclosure(s) Proposed Rental Agreement 978

c: IDWR Front Desk (via email), WSB (via email)