

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 2124

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

LESSOR: 2 HBG LLC
707 E 600 N
RUPERT, ID 83350-9466

RECEIVED

MAR 09 2026

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 18, 2025.
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)
17-7076	4/6/1976	GROUND WATER	0.11	30.1	8.6
Lease Totals			0.11	30.1	8.6

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

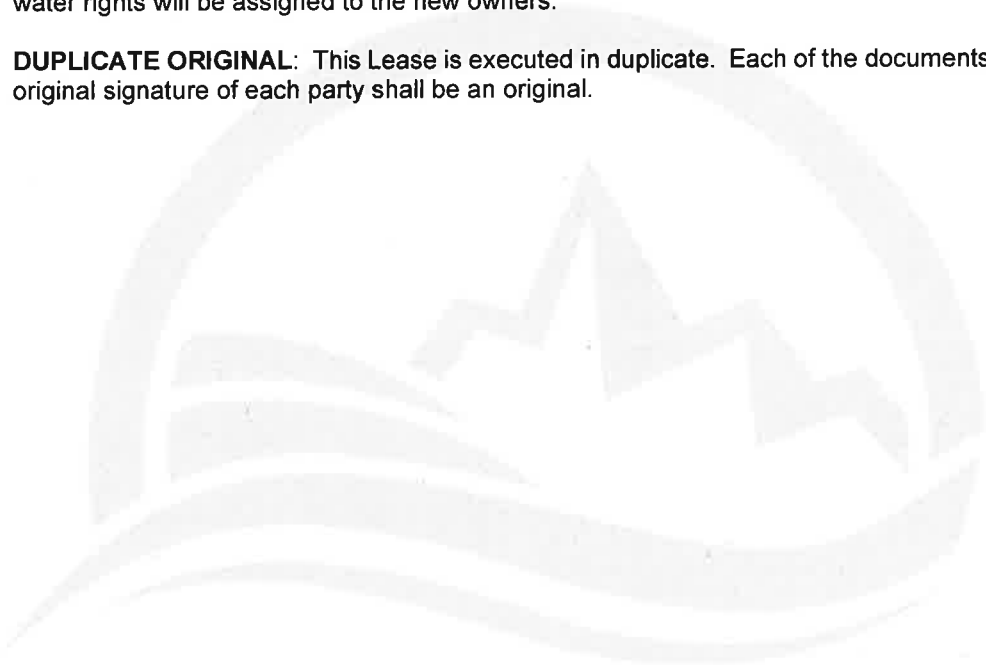
Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2026 to December 31, 2030. 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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 2124

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.

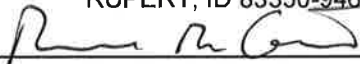


STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 2124

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

LESSOR: 2 HBG LLC
707 E 600 N
RUPERT, ID 83350-9466

By 
Title Duane R. Grant, Member
Date 3-2-2026

Type text here

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

By 
Brian Patton, Executive Manager
Idaho Water Resource Board

Date 3/10/26

Lease approved by IDWR 

Date 3/10/26

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 2124

**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): 17-7076

GROUND WATER NWNE Sec. 5 Twp 15S Rge 30E ONEIDA County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
17-7076	IRRIGATION	4/01	to	11/01	0.11 cfs	30.1 AF
Totals:					0.11 cfs	30.1 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	
14S	30E	33											6.7	1.9					8.6

Total Acres: 8.6

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. 2124

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. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the place of use.
13. The unleased portion of water right when combined shall not exceed a total diversion rate of 1.93 cfs, a total annual maximum diversion volume of 522.9 af at the field headgate, and the irrigation of 149.4 acres.
14. Water right 17-7008A and the unleased portions of 17-7076 when combined shall not exceed a total diversion rate of 4.97 cfs.

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 2124

17-7076

Effective until December 31, 2030

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



Legend

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



09/2024

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STATE OF IDAHO
WATER RESOURCE BOARD

Print Form

NOV 17 2025

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

DEPT. OF WATER RESOURCES

Applicant / Designated Lessor

2 HBG LLC

Water Right No.

17-7076

(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 ☐

If yes, include renter and rental fee payment information as attachment 5B.

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

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

Yes

Completed *Application to Sell or Lease a Water Right to the Water Supply Bank*, printed **single sided**, per requirement of the Water Supply Bank.

Application filing fee of \$250.00 per water right. If you are submitting more than one lease application and the water rights have an overlapping, common place of use, or a common diversion rate or volume, the total fee for all water rights is \$500.00. For places of use, multiple water rights must be used to irrigate the same lands in order to qualify for the joint filing fee. Individual filing fees are required for water rights that share a common permissible place of use but which cover separate acres within the permissible place of use.

N/A

Yes

Attachments



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 Applicant / Designated Lessor.

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 Applicant on this application. If the Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.



2

Description of a water right portion offered to the Water Supply Bank.



3

A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. You have the option of printing a map using the map tool on IDWR's website at: www.idwr.idaho.gov.



4A

Written consent from irrigation district or water delivery company.



4G

Evidence demonstrating the water right has not been forfeited pursuant to [Section 42-222\(2\), Idaho Code](#).



5B

Rental rate and owner payment agreement between lessor and renter for lease/rental packages.

Department Use Only

Fee Amount \$ 250.00

Received By: KW

Date Received: 11/17/2025

Receipt # C124087

W-9 received? Yes ☐ No ☐ (Route W-9 to Fiscal)

Name on W-9:

3321

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

1. CONTACT INFORMATION

- A. The applicant or designated lessor must be listed as a current owner of the water right offered for sale or lease to the Water Supply Bank. If there are multiple current owners, choose one owner as the Designated Lessor. Complete and attach the Designated Lessor - Attachment 1A of this application package with the signatures of all current owners.

Applicant / Designated Lessor 2 HBG LLC
Mailing Address 707 E 600 N Rupert, Idaho 83350-9466
Street City State Zip Code
Email Address grant@pmt.org Phone Number 208-531-5149

☒ The Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Lessor is representing additional water right holders who have completed Attachment 1A.

- B. Has the Designated Lessor / Applicant submitted an [IRS Form W-9](#) to this Department within 6 months? 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 Water Right Holder? Yes ☒ No ☐
If yes, representatives (includes employees of Water Right Holder companies) must complete this section and submit documentary proof of their authority to represent the Water Right Holder (Attachment 1D).

Name of Representative Greg Sullivan Organization Brockway Engineering
Professional Title Engineer Email Address greg.sullivan@brockwayeng.com
Mailing Address 2016 N Washington St Ste 4 Twin Falls, Id 83301 Phone Number 208-736-8543

☐ Send all correspondence for this application to the representative and not to the Designated Lessor / Applicant.

OR

☐ Send original correspondence to the Designated Lessor / 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 and none will still be used.

OR

☒ A portion of the water right is being offered to the Bank and a portion will still be used.

If a portion of the water right is being offered, complete Attachment 2.

3. MAP

Attach a map The map must locate the point of diversion from the source of water and the location of the lands to be idled or the place where the water will no longer be used. The map must also show townships, ranges, sections, and government lots. **For irrigation purposes**, mark the number of acres for lease per 40-acre tract (1/4-1/4). If the water right proposed for lease is located within a permissible place of use (PPU) and portions of the PPU will continue to receive water from non-leased water rights, clearly outline on a map the acres within the PPU that will continue to be irrigated, as well as acres that will be idled during the lease term. Label the map **Attachment 3**.

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

- A. Identify the owner of the water delivery system or well the applicant
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](#). (Label Attachment 4A)
- B. Please provide a description of the current water diversion and delivery system, including source, pump, pipeline or diversion.
Existing well, pump and mainlines.
- C. Describe any other water sources, including municipal, irrigation company shares, or water rights with combined limits to the water right offered to the bank, which are used for the same purpose at the same place of use as the water right being offered to the Bank. none
- D. Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes ☐ No ☒
Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands, and usually have combined limits in the conditions of the water rights. 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, including those listed in 4C? Yes ☐ No ☒
If yes, explain the relationship between the different water sources and how enlargement of the authorized use will not occur if this water right is leased. _____
- F. 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 (Label Attachment 4G). See [Section 42-223, Idaho Code](#) for exceptions to forfeiture, including lease into the Bank. Your application may be denied if forfeiture concerns are not addressed. _____
- G. Identify annual volumes and/or rates of water diverted (used) in the last 5 years to accomplish the beneficial use authorized by this water right. Attached historical records indicate productive crop have been grown at this location.
- 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 CONTRACT

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

If lease, specify the first calendar year when the use of water will be suspended: 2026

All lease contracts are for a calendar year from January 1st to December 31st (year)

*Mark Desired Lease Duration (Calendar Years)					
☐ 1	☐ 2	☐ 3	☐ 4	☒ 5	Other Term Length (# of years): *Prior IWRB approval required

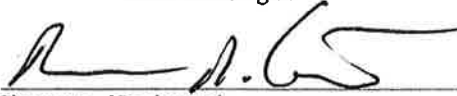
B. Show the minimum payment acceptable to the seller/lessor. If lease, the minimum payment may be shown as the "current rental rate" as established by the IWRB, or a negotiated rental rate with submittal of an agreement between the lessor and the renter. *The owner payment is 90% of the rental fee. The administrative fee retained by the IWRB is 10% of either the current rental rate or the negotiated rental fee, whichever is higher. Include the method of determining the minimum payment if submitted as a companion lease rental package, and whether the owner payment will be paid directly to the lessor from the renter or if owner payment should be collected by the Department from the renter for payment to the lessor. (Label attachment 5B).*

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 Lessor / Applicant acknowledges the following:

1. Payment to the Designated Lessor / 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 Lessor / Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture is stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any element of the water right.


Signature of Designated Lessor or Applicant

Duane R. Grant
Printed Name

11/10/2025
Date

Signature of Co-Applicant

Printed Name

Date

Signature of Authorized Representative

Printed Name

Date

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

Print Form

STATE OF IDAHO
WATER RESOURCE BOARD

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

ATTACHMENT 2

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

1. <u>Water Right Number</u>	<u>Nature of Use</u>	<u>Leased Rate</u> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
17-7076	Irrigation	0.11	30.1	8.6
				8.6
Total Amounts:		0.11	30.1	8.6

2. Source of water Ground Water tributary to _____

3. **Point(s) of diversion.** Locate the point of diversion within each 40-acre tract and/or the U.S. Government Lot of the Public Land Survey System. Spring sources should be described to the nearest 10-acre tract. Identify the county where the point of diversion is located.

TWP	RGE	SEC	GOVT LOT	1/4	1/4	1/4	County	Source	Local name or tag #
15S	30E	5			NW	NE	Oneida	Ground Water	

4. Place of Use to be idled. Mark the idled place of use within each 40-acre tract in the appropriate box using the number of acres for irrigation, or the symbol listed below for other uses.

D - domestic, S - stockwater, M - municipal, C - commercial, I - industrial, X - other.

TWP	RGE	SEC	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
14S	30E	33											8.6						8.6

RECEIVED

FEB 10 2025

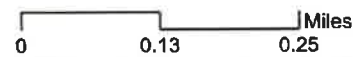
GWS Date: 2/10/2025

Department of Water Resources

Path: F:\Projects\Grant\Juniper Farm\ArcPro\2026 Water Right Analysis.aprx



BROCKWAY
ENGINEERING
LLC



2HBG LLC
LEASE ACRES

JUNIPER FARM
NAIP 2023 AERIAL

- Legend
-  Lease Acres
 -  Lease POD



0 0.125 0.25 Miles

2 HBG LLC LEASE ACRES

NAIP 2023 AERIAL

Legend

-  Lease POD
-  Lease Acres





0006431519

**STATE OF IDAHO***Office of the secretary of state, Phil McGrane***ANNUAL REPORT**

Idaho Secretary of State
PO Box 83720
Boise, ID 83720-0080
(208) 334-2301
Filing Fee: \$0.00

*For Office Use Only***-FILED-**

File #: 0006431519

Date Filed: 9/8/2025 6:15:30 PM

B1047-6420 09/08/2025 6:15 PM Received by Office of the Idaho Secretary of State

Entity Name and Mailing Address:

Entity Name: 2-HBG, LLC
The file number of this entity on the records of the Idaho Secretary of State is: 0005950404
Address: 707 E 600 N
RUPERT, ID 83350-9466

Entity Details:

Entity Status: Active-Existing
This entity is organized under the laws of: IDAHO
If applicable, the old file number of this entity on the records of the Idaho Secretary of State was:

The registered agent on record is:

Registered Agent: DUANE R GRANT
Registered Agent
Physical Address
707 E 600 N
RUPERT, ID 83350
Mailing Address

Agent or Address Change

☐ Select if you are appointing a new agent.

Limited Liability Company Managers and Members

Name	Title	Business Address
■ Grant 4-D Properties, LLC	Managing Member	DUANE GRANT 707 E 600 N RUPERT, ID 83350
■ JV Family LLC	Managing Member	JOHN HANSEN 277 E 700 N RUPERT, ID 83350
■ Monster Mule LLC	Managing Member	RIGGIN HOLMGREN PO BOX 51, 5150 N 4700 W BEAR RIVER CITY, UT 84301
■ J-B Enterprises, LLC	Managing Member	JOSE BARBOZA 1525 SOD FARM RD POCATELLO, ID 83204

The annual report must be signed by an authorized signer of the entity.

Job Title: Member

Duane R Grant

Sign Here

09/08/2025

Date



Canton Farm

Field	Farmed Acre
JC-7	134
JC-8	50.8
JC-9 WL	35.8
JC-11	52.6
JC-12	181
JC-12 WL&HL	18
JC-13	15
JC 13&14 WL	8.4
JC-14	17.5
JC-15	133
JC-16	38.3
JC 20 HL	45.6
JC DryLand	97
Total	827



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

2 HBG LLC
707 E 600 N
RUPERT, ID 83350-9466

**RE: WATER SUPPLY BANK LEASE CONTRACT 2124
FOR WATER RIGHT(S) 17-7076**

Dear Lessor:

Water right 17-7076 is leased into the Water Supply Bank (Bank) as of January **2026** 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, 2030**, unless the rights are released earlier by the Water Resource Board (Board). 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 bank@idwr.idaho.gov. **Please note your water rights may not be available for immediate release if they are rented.**

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

Sincerely,

Kris Margheim

Kris Margheim
Technical Records Specialist

Enclosure: Executed Lease Contract

c: IDWR- Eastern Region Office



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

February 27, 2026

2 HBG LLC
707 E 600 N
RUPERT, ID 83350-9466

**RE: APPLICATION TO LEASE WATER RIGHTS 17-7076 TO THE WATER SUPPLY BANK
CONTRACT 2124**

******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, 2030**, 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,

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

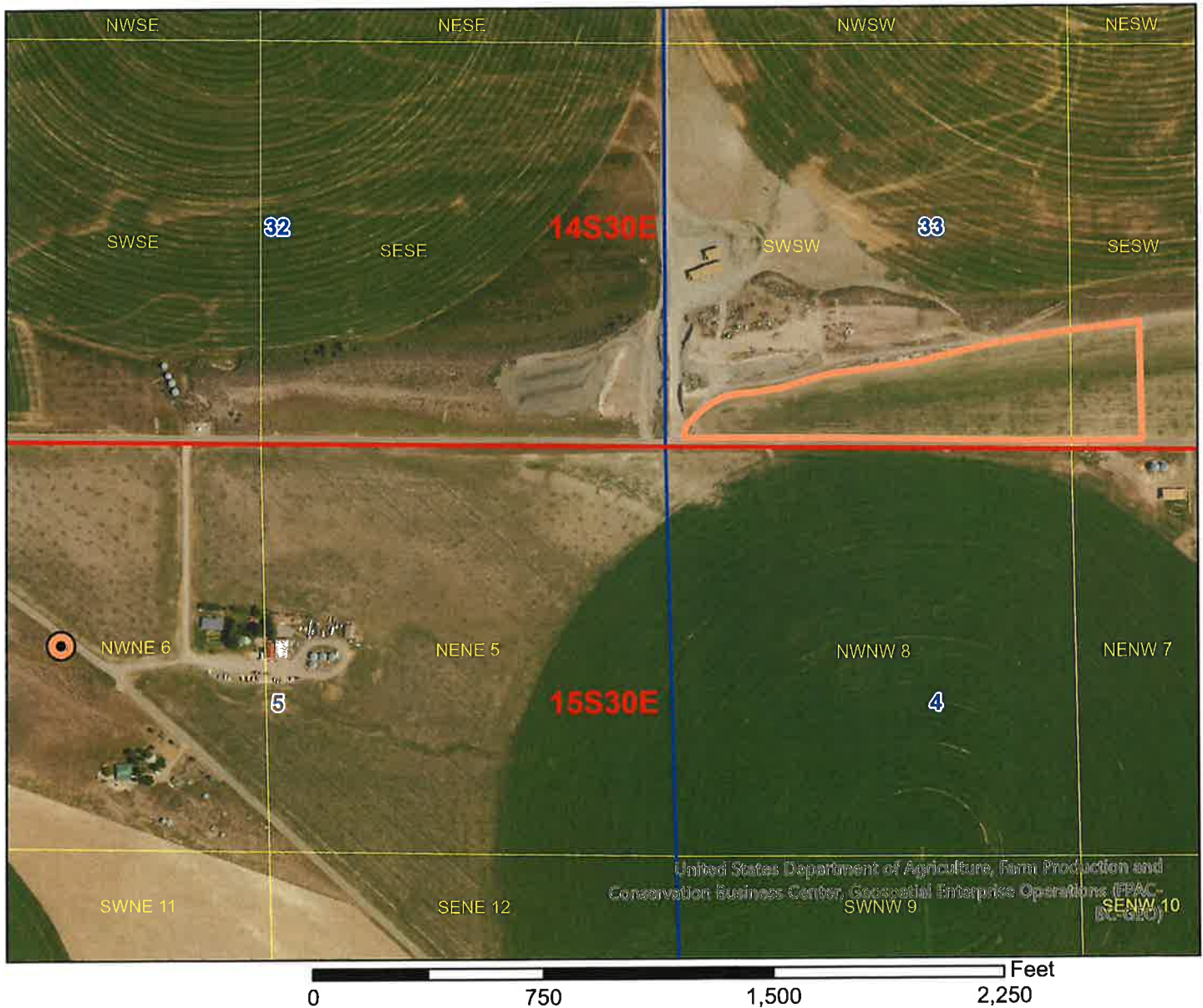
Enclosures: Proposed Lease Contracts, Receipt No. C124087
CC: Representative: Brockway Engineering (via email)

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 2124

17-7076

Effective until December 31, 2030

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



Legend

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

Cheever, Skyler

From: Cheever, Skyler
Sent: Thursday, February 19, 2026 4:23 PM
To: Cefalo, James
Subject: Water Supply Bank Lease/Rental Application Package 3351/3352 2 HBG LLC
Attachments: Lease Approval Map 2124.pdf; Lease Review Memo 3351.pdf; Rental Agreement 988.pdf; Rental Approval Map 988.pdf; Rental Review Memo 988.pdf

Hello James,

I have completed my review of Water Supply Bank Lease 3351 and Rental 3352 Application package with the proposed points of diversion within Administrative Basin 17. The applicant is 2 HBG LLC. The applicant proposes to lease an 8.6-acre portion of water right 17-7076 into the WSB from 2026-2030. They propose to rent the entirety of the same lease contract from the Water Supply Bank from 2026-2030. Attached is a copy of the rental agreement, review memos, and maps of the place of use. If you have any comments regarding the applicants' proposals or my reviews, 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 LEASE APPLICATION # 3351

To: Water Right No(s). 17-7076

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

Date: 2/9/2026

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

PURPOSE/NARRATIVE:

Application 3352 was sent in by 2 HBG LLC and received by the Idaho Dept. of Water Resources on November 17th, 2025, with the correct fee payment received the same date. The applicant proposes leasing an 8.6-acre portion of Water Right No. (WR) 17-7076 into the Water Supply Bank (WSB) from 2026-2030. This application is part of a lease/rental application package with rental application 3352. According to the application all of the proposed acres are within the SWSW Quarter/Quarter. After reviewing May 2025 Google Earth Aerial Imagery, it was determined only 6.7 acres were irrigated within the same Quarter/Quarter. The representative was contacted and submitted a new map in which the remaining 1.9 acres of irrigation is located in the SESW Quarter/Quarter on February 10th, 2026. This is the first time this lease/rental application package has been received by the Department.

AUTHORITY TO FILE:

Duane Grant signed the application. Mr Grant had the authority to sign on behalf of the LLC because he is a managing member of 2 HBG LLC according to the Idaho Secretary of States Office Database. 2 HBG LLC is the current owner of WR 17-7076 according to Department records.

WATER RIGHT VALIDITY:

WR 17-7076 was licensed by IDWR in 1988. Administrative Basin 17 has yet to be adjudicated yet. According to May 2025 Google Earth Aerial Imagery the proposed place of use to be leased (POU) was irrigated. Therefore, there is enough information available to the bank to conclude WR 17-7076 has likely not been lost to forfeiture and can be leased into the WSB.



Figure 1. May 2025 Google Earth Aerial Imagery depicting the proposed place of use to be leased.

ENLARGEMENT OF USE:

There are no other WR overlapping the proposed POU. WR 17-7008A overlaps the proposed POD and is limited when combined with 17-7076 to a diversion rate of 4.97 cfs which is less than the combined total between the two rights. However, since these WR's POU's do not overlap they would not need to be leased or made rentable together. However, the same combined limit condition should be added to the contract to prevent an enlargement. To prevent an enlargement of the unleased portions a condition should be added to the contract limiting the unleased portion of WR 17-7076 to 1.93 cfs, 522.9 af, and the irrigation of 149.4 acres. There are no other enlargement concerns.

LOCAL PUBLIC INTEREST:

Accepting valid rights into the water supply bank to provide water for new and supplemental uses is in the local public interest.

DEPARTMENT STAFF OR WATERMASTER COMMENTS:

The proposed POD is within Administrative Basin 17 and not within a Water District. A request for comment was sent to the IDWR Eastern Regional Office on February 19th, 2025. No concerns were received.



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DEPT. OF WATER RESOURCES

November 11, 2025

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

Re: 2 HBG LLC Lease and Rental

Dear Water Supply Bank Specialist:

2 HBG LLC desires to lease 8.6 acres from water right 17-7076 to the Idaho Water Supply Bank.

2 HBG LLC desires to rent 8.6 acres from 17-7076 for the industrial use of washing gravel for construction purposes.

It is proposed to turn dry up the 8.6 acres for the 2026, 2027, 2028, 2029 and 2030 irrigation seasons. Alfalfa was grown in this pivot in the last five years and has a consumptive use of 2.6 ft/acre based on the Malad Agrimet data. A total of 22.4 acre feet would then be provided to the gravel washing facility.

It is expected that 2 HBG LLC will pay the 10% processing fee to the Water Supply Bank for the rental.

Please copy our office on all correspondence regarding this application.

Sincerely,

Greg Sullivan, M.S., Engineer

Cc: Duane Grant

Enc: Lease Application, Rental Application, Aerial Maps, FSA Records. Brockway Engineering Check # 18802 for \$250.00

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