

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 963

This is to certify that:

GIVENS PURSLEY LLP
C/O MICHAEL P LAWRENCE C/O
CHARLIE S BASER 601 W
BANNOCK ST PO BOX 2720
BOISE, ID 83701-2720

DAVID MCNAUL
3648 N CENTREPOINT WAY UNIT 2J
MERIDIAN, ID 83646-7254

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)
65-23566	6/8/1945	NORTH FORK FAWN CREEK	0.01	1.8	0.6	0.02	3.0
Combined Rental Totals			0.01	1.8	0.6	0.02	3.0

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 2025, whichever occurs last.

Annual Rental Fee:

2025 - 2029: \$59.40 annually

The full fee for the rental of the above-described right(s) is \$59.40 per year for years 2025 - 2029. The rental fee includes an administrative fee of \$5.94 per year for years 2025 - 2029.

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)
DOMESTIC	0.01	0.6

*** * The authorized water usage reflects a reduction from the water right portions rented to account for nature of use change.**

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

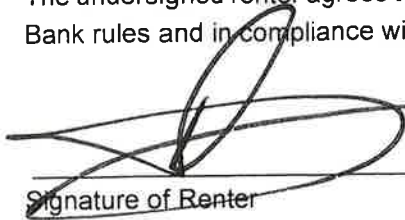
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SEP 29 2025

DEPT. OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 963

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:


Signature of Renter

9-25-2025

Date

DAVID W. MCNAUL
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 
BRIAN PATTON, Executive Manager
Idaho Water Resource Board

Date 11/10/25

Rental approved by IDWR 

Date 11/10/25

SCANNED
NOV 12 2025

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 963

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

NORTH FORK FAWN CREEK L3NWNW Sec. 3, Twp 12N, Rge 03E, VALLEY County

BENEFICIAL USE
DOMESTIC

DIVERSION RATE
0.01 CFS

VOLUME
0.6 AF

SEASON OF USE

Water Right No. 65-23566 **From** 4/15 **To** 10/15

RENTERS PLACE OF USE: DOMESTIC

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
13N	03E	35									X								X

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

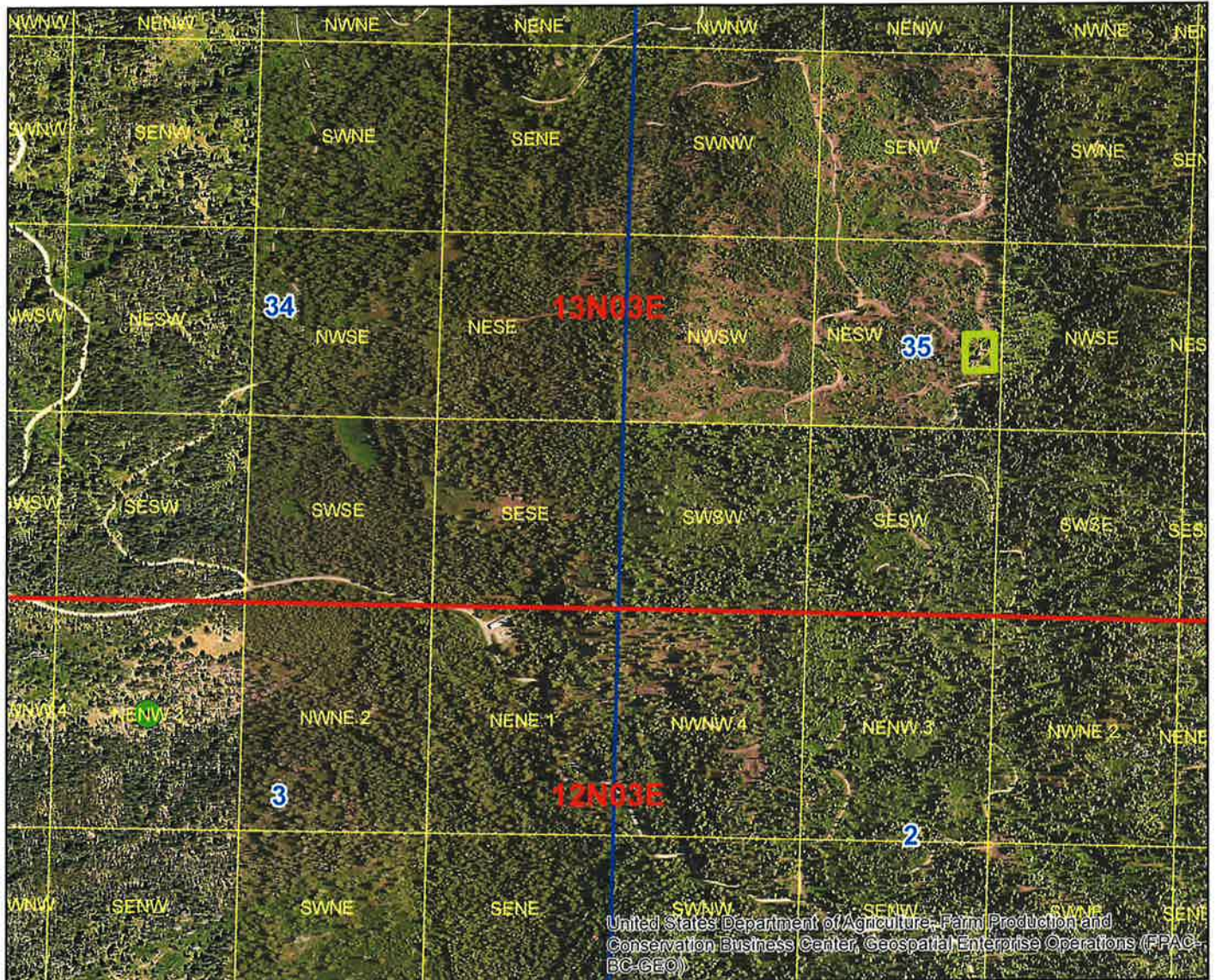
1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption 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.
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. The period of use for the domestic described in this approval may be extended to a beginning date of 04/01 and an ending date of 10/31 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 04/01 and after 10/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than April 15, 1902.
10. 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. 65.
11. Domestic use is for 1 home and does not include lawn, garden, landscape, or other types of irrigation.

Idaho Water Resource Board

Attachment to Water Supply Bank Rental Agreement No. 963

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.



Legend

- Water Supply Bank Rental POD
- Water Supply Bank Rental POU
- Township/Range
- Sections
- QQ



0 1,600 3,200 Feet

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANK

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DEPT. OF WATER RESOURCES

Applicant Name: David W. McNaull

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)

65-23566

3252

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**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

1. CONTACT INFORMATION

- A. Applicant David W. McNaul
- Mailing Address 3158 Wingspan Pt., Castle Rock, Colorado 80108
- Street City State Zip Code
- Email Address mcnauld@msn.com Phone Number _____
- 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**:
- No other water is available for domestic use in small cabin on property. Applicant proposes to use the rental water for standard domestic purposes, such as sanitation, bathing, cleaning, cooking, and (after filtration and treatment) domestic consumption. Use would be exclusively inside the cabin and no irrigation or stock watering would occur.

- 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)
0.009 CFS	1 AF	0.009 CFS	0.89 AF	N/A 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?	
04/15/2025		☐ 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.

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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):
See Attachment 3D

- 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
Solar pump	N. Fk Fawn Creek	None

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 _____ (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: Domestic from: 04/15 (mm/dd) to: 10/15 (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:
None. No water is available at applicant's property.

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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)
65-23566	Irrigation	0.009	1.0	0.5		0.009	1.0	N/A
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	0.009	1.0	N/A
						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**:
Minimal water is required to satisfy basic domestic, in-home uses of proposed rental.

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**:

65-23566 is currently used by Lessor Applicant to grow grass. Consumptive use of proposed domestic use of rented water by Rental Applicant should be substantially lower.

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**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:

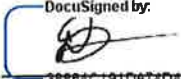
- C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☐ No ☒
If yes, describe the date and location of the NOV.

- D. Additional Information

Applicant desires to divert water from a ditch owned by L&J Land and Livestock LLC (the owner of 65-23566) that runs through applicant's property, for limited domestic, in-home purposes at a small cabin as no other water is available to applicant at that location.

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	David W. McNaul Printed Name of Applicant	7/13/2025 Date
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_____ Signature of Representative	_____ Printed Name of Representative	_____ Date
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Mail to:

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

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**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.

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Attachment 2

WSB Rental Application

65-23566



5/14/2025, 5:50:35 PM

-  Quarter Quarters
-  PLS Sections
-  Townships



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Esri, HERE, IPC, Esri, HERE, Garmin, IPC, Maxar

NOV 12 2025

ATTACHMENT 3D

Section 3(D):

Rented water will be diverted from a ditch that carries water diverted from the North fork of Fawn Creek pursuant to water right no. 65-12566 to its currently-authorized place of use (the “**Ditch**”). The Ditch crosses the southeast corner of Applicant’s property. Rented water will be collected by a 4-inch perforated pipe that will be laid into the Ditch on the ditch bed. This pipe will collect the water and direct it into a 15-gallon collection chamber. A low-flow solar pump (2gal/min max flow) will be used to divert water from this collection chamber to a 750-gallon storage tank located in the cabin. The rented water will be used to fill this storage tank. A float switch in the storage tank is triggered when the tank level reaches 450 gallons and will determine when water is diverted from the collection chamber to the storage tank using the solar pump. The float switch can be disabled when diversion of rental water is not authorized. The storage tank will then supply water to the cabin for domestic uses as provided herein.

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NOV 12 2025

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JUL 22 2025

DEPT. OF WATER RESOURCES

AGREEMENT TO RENT WATER RIGHT

This Agreement to Rent Water Right (this "**Agreement**") is made and entered into as of July 16, 2025 (the "**Effective Date**") by and between L&J Land and Livestock LLC, an Idaho limited liability company ("**L&J**") and David W. McNaul ("**McNaul**"). L&J and McNaul may each be referred to individually as a "**Party**" and, collectively, as the "**Parties**."

RECITALS

A. L&J is the owner of decreed Water Right No. 65-23566 (the "**Water Right**"). The Water Right provides for the irrigation of 92.5 acres on in Sections 25 and 36 of Township 13N, Range 3E, B.M., Valley County, Idaho (the "**L&J Property**").

B. L&J does not presently use 0.009 cfs and 0.89 acre-feet of the Water Right for the irrigation of 0.5 acres on the L&J Property and proposes to lease that unused amount to the Idaho Water Supply Bank (the "**WSB**") for a period of five (5) years from 2025 through 2029 (the "**Leased Water Right**").

C. McNaul is the owner of real property located in the NW and SW Quarters of Section 35, Township 13 North, Range 3 East, B.M., Valley County, Idaho (the "**McNaul Property**") and desires to rent the Leased Water Right to provide for domestic water on the McNaul Property for a period of five (5) years from 2025 through 2029, to be used only during the authorized period of use of the Leased Water Right.

D. The Parties have reached an agreement to accomplish their mutual goals with respect to the Leased Water Right on the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals, the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Simultaneous Filing of Applications to Lease Water Rights to Water Supply Bank, and to Rent Water Rights from the Water Supply Bank. L&J and McNaul agree to simultaneously file with the Idaho Department of Water Resources ("**IDWR**") as companion applications and as a lease/rental package (a) an application by L&J to lease the Leased Water Right to the WSB and (b) an application by McNaul to rent the Leased Water Right from the WSB (together, the "**Applications**"), copies of which are attached hereto as Exhibit A and Exhibit B, respectively, whereby L&J will lease to McNaul and McNaul will rent from L&J the Leased Water Right.

2. Term. The term of this Agreement shall be for five (5) years, commencing on the date that both the WSB lease and rental agreements resulting from the Applications are executed by all parties thereto and ending on December 31, 2029 (the "**Term**"). This Agreement will be null and void and of no force and effect if IDWR does not accept the Applications and issue WSB lease and rental agreements resulting therefrom.

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Page 1 of 7 2025

3. Consideration. Subject to and contingent upon the approval by IDWR of both of the Applications, McNaul agrees to pay to L&J the standard rental rate charged by the WSB for the rental of the Leased Water Right, which shall be paid directly to IDWR (the “**Payment**”).

4. Termination by L&J. If L&J determines, in its sole and complete discretion, that it will use the Leased Water Right, L&J shall have the right to terminate this Agreement with one (1) year’s advanced, written notice to McNaul, given in the form attached hereto as Exhibit C (the “**Termination Notice**”). If L&J provides McNaul with a Termination Notice, McNaul shall promptly terminate McNaul’s rental of the Leased Water Right with IDWR in accordance with the Termination Notice. Upon such termination, this Agreement shall be of no further force or effect, neither Party shall have any further rights or obligations hereunder, and McNaul shall have no further right to divert or use the Leased Water Right or any portion thereof.

5. Termination Due to Transfer of McNaul Property. This Agreement cannot be assigned or otherwise transferred to any subsequent owner of the McNaul Property, other than McNaul’s wife, Heather McNaul, or McNaul’s son, Michael McNaul (collectively with McNaul, the “**McNaul Parties**”). This Agreement is personal to the McNaul Parties. If any of the McNaul Parties sells, assigns, transfers, conveys, devises, or otherwise alienates the McNaul Property (except as expressly provided in this Section), this Agreement shall automatically terminate, McNaul (or the relevant McNaul Party) shall promptly terminate the rental of the Leased Water Right with IDWR, this Agreement shall be of no further force or effect, neither Party shall have any further rights or obligations hereunder, and none of the McNaul Parties shall have any further right to divert or use the Leased Water Right or any portion thereof. For the sake of clarity, no one other than the McNaul Parties shall have the right to rent the Leased Water Right.

6. No Change to McNaul Diversion System. McNaul may not alter or enlarge the diversion, storage, and/or distribution system (as it is currently designed and implemented as of the Effective Date) for the use of the Leased Water Rights on the McNaul Property (the “**McNaul System**”) without L&J’s prior written consent, which may be withheld in L&J’s sole discretion. In the event McNaul alters or enlarges the McNaul System without L&J’s prior written consent, this Agreement shall automatically terminate, McNaul shall promptly terminate McNaul’s rental of the Leased Water Right with IDWR, this Agreement shall be of no further force or effect, neither Party shall have any further rights or obligations hereunder, and McNaul shall have no further right to divert or use the Leased Water Right or any portion thereof.

7. No Interest Conveyed. McNaul understands and agrees that this Agreement does not convey any ownership interest in the Leased Water Right to McNaul and that, upon the expiration or earlier termination of this Agreement, L&J shall have full and complete use of the Leased Water Right.

8. Payment. McNaul shall be solely responsible for all costs, expenses, and fees associated with both this Agreement and McNaul’s rental of the Leased Water Right, including any and all costs, expenses, or fees incurred therewith by L&J, whether or not the WSB accepts the Applications and issues lease and rental contracts therefrom (collectively, the “**Costs**”). The Costs include but are not limited to any and all attorneys’ fees incurred by L&J or McNaul and all fees paid to the WSB for the Applications. The obligations of this Section shall survive the expiration or termination of this Agreement.

9. Necessary Acts. Each Party agrees to perform any further acts and execute any documents that may be reasonably necessary to effect the purpose of this Agreement.

10. Notice. All notices and communications under this Agreement shall be in writing and shall be (a) delivered in person, (b) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or by overnight express carrier, addressed in each case to the party's address set forth below, or (c) sent by electronic mail with the original to follow by mail in the manner described above. All notices sent pursuant to the terms of this section shall be deemed received (x) if sent by overnight or express carrier, on the next business day immediately following the day sent, (y) if sent by registered or certified mail, on the third (3rd) business day following the day sent, or (z) if sent by electronic mail on the date so sent.

L&J:

L&J Land and Livestock LLC
105 Lazy J Road
Garden City, Idaho 83522
E-mail: jbeq54@gmail.com

MCNAUL:

David W. McNaul
3158 Wingspan Pt.
Castle Rock, Colorado 80108
E-mail: mcnauld@msn.com

11. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

12. No Third-Party Beneficiaries. This Agreement is entered into by, and intended solely for the benefit of, L&J and McNaul, and no other person or entity, public or private, shall have any right, title, interest or benefit in this Agreement or the Leased Water Right leased hereby.

13. General. This Agreement is the entire agreement between the Parties with respect to the matters covered hereby and supersedes all prior agreements between them, written or oral. All Recitals and exhibits to this Agreement are hereby incorporated by reference as if set forth herein. The Parties agree that the facts set forth in the Recitals above are true and correct. However, in the event of a conflict between such Recitals or exhibits and the terms of this Agreement, the terms of this Agreement shall control. This Agreement may be executed in counterparts, each of which is deemed an original but all of which constitute one and the same instrument; the signature pages may be detached from each counterpart and combined into one instrument. This Agreement may be amended only by written agreement executed by both Parties. No waiver of any right or remedy in the event of default hereunder shall constitute a waiver of such right or remedy in the event of any subsequent default. The laws of the State of Idaho shall govern this Agreement. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof. The headings of the several sections contained herein are for convenience only and do not explain, define, limit, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

[Remainder of page intentionally blank; signature page follows]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the Effective Date.

L&J:

MCNAUL:

L&J Land and Livestock LLC,
an Idaho limited liability company

David W. McNaul

By: **Bequette LLC,**
an Idaho limited liability company

Its: Member

By: _____

Name: John Bequette

Its: Manager

SCANNED
NOV 12 2025

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the Effective Date.

L&J:

L&J Land and Livestock LLC,
an Idaho limited liability company

MCNAUL:

DocuSigned by:

38864C191DA74D4...
David W. McNaul

By: _____

Name: _____

Its: _____



IDAHO DEPARTMENT OF
WATER RESOURCES

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

Governor Brad Little

Director Mathew Weaver

November 12, 2025

DAVID MCNAUL
3648 N CENTREPOINT WAY UNIT 2J
MERIDIAN, ID 83646-7254

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO.65-25366, AGREEMENT 963**

Dear Renter:

Please find enclosed a receipt in the amount of **\$59.40** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 1.8 acre-feet of water for domestic use during 2025. 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 \$53.46 of the rental fee will be paid to the lessor(s) and 10% or \$5.94 will be retained by the department to offset administrative costs for 2026.

Sincerely,

Kris Margheim
for
Water Supply Bank

Enclosures: Receipt No. C123297
Rental Agreement (copy)

c: Sascha Marston – Fiscal
IDWR Western Regional Office (via email)
Rep: Charlie S. Baser (via email)
Water District 65

SCANNED

NOV 12 2025



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

September 22, 2025

DAVID MCNAUL
3648 N CENTREPOINT WAY UNIT 2J
MERIDIAN, ID 83646-7254

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO. 65-25366 AGREEMENT 963**

*****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 \$59.40 **per year** was calculated based on the current rental rate of \$33.00 per acre-foot times a diversion volume of 1.8 acre-feet. The annual rental fee for 2026 is due by December 31, 2025. The agreement will be void if payment is not received prior to the due date in a given year. 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 \$59.40 for 2025 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 \$53.46 of the rental fee will be paid to the lessor(s) and 10% or \$5.94 will be retained by the Department to offset administrative costs for **2025**

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

Sincerely,

Catalina Beck

for
Water Supply Bank

Enclosure(s)

c: IDWR Front Desk
Representative (via email)

SCANNED

NOV 12 2025

Beck, Catalina

From: Beck, Catalina
Sent: Tuesday, September 9, 2025 2:51 PM
To: csb@givenspursley.com
Subject: Water Supply Bank proposed lease contract 2039 for L& J Land and Livestock LLC and proposed rental agreement 963 for David Mcnaul
Attachments: Rental - 2025-2029.pdf; Rental Agreement .docx; Lease - 2025-2029.pdf; Lease Contract .docx; POU Lease -2025-2029.pdf

Good Afternoon,

Here is a copy of the proposed lease contract 2039 for L& J Land and Livestock LLC and proposed rental agreement 963 for David Mcnaul. The lease contract and rental agreement will be mailed out tomorrow



Catalina Beck
Water Resource Agent
208-287-4920
Catalina.beck@idwr.idaho.gov

Idaho Department of Water Resources State Office
322 E Front Street Boise, ID 83702

SCANNED

NOV 12 2025

Beck, Catalina

From: Beck, Catalina
Sent: Friday, August 15, 2025 7:06 AM
To: Miller, Nick
Cc: neil.waterdistrict65@gmail.com; Bank
Subject: Lease Rental Package for lease L&J Liverstock 3251 rental 3252 for David McNaul
Attachments: R2.8 Rental Review Memo .docx; Rental .pdf; Move Map .pdf; Lease - 2025-2029.pdf; L1.1 Lease Review Memo .docx; POU Lease -2025-2029.pdf

Good Morning Nick

We are seeking comments, regarding the Water Supply Bank (WSB) Lease Application 3251 for L&J Liverstock and Water Supply Bank Rental 3252 for David McNaul. I have attached a copy of the lease application, the lease review, a map for your reference, copy of the rental application, the rental review, move map and rental map for your reference. Please submit your comments within 7 days, no later than August 22, 2025. If we do not hear from you by that date, we will assume that no comment from you means you have no objection to, concerns about, or conditions about the lease.

Comments are preferred to be received by e-mail to catalina.beck@idwr.idaho.gov. However, comments by regular mail is acceptable.

If you have any questions, don't hesitate to contact me at the State Office at (208) 287-4920.



Catalina Beck
Water Resource Agent
208-287-4920
Catalina.beck@idwr.idaho.gov

Idaho Department of Water Resources State Office
322 E Front Street Boise, ID 83702

SCANNED

NOV 12 2025

Beck, Catalina

From: David McNaul <mcnauld@msn.com>
Sent: Thursday, August 14, 2025 3:08 PM
To: Charlie S. Baser
Cc: Beck, Catalina; jbeg54@gmail.com; Melissa Parpart
Subject: Re: Additional Information for Lease/ Rental Package for Water Right 65-23566

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

That is fine with me if it is fine for all parties.

Thank you.

Sent from my iPhone

On Aug 14, 2025, at 2:19 PM, Charlie S. Baser <charliebaser@givenspursley.com> wrote:

Hi Catalina,

That change in acreage and volume are fine with L&J Land and Livestock. I am copying the rental applicant David McNaul here as well for his consent.

Thanks!
Charlie

CHARLIE SUZANNAH BASER

GIVENS PURSLEY LLP

601 W Bannock St, Boise, ID 83702

main 208-388-1200

direct 208-388-1271

fax 208-388-1300

charliebaser@givenspursley.com

www.givenspursley.com

CONFIDENTIALITY NOTICE: This communication is confidential and may contain privileged information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

From: Beck, Catalina <Catalina.Beck@idwr.idaho.gov>
Sent: Thursday, August 7, 2025 12:02 PM
To: Charlie S. Baser <charliebaser@givenspursley.com>

SCANNED

NOV 12 2025

MEMORANDUM FOR AGREEMENT # 963

To: Water Right(s)
From: Catalina Beck Water Resource Agent
Date: August 14, 2025
Re: Review & Analysis of Application to Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: Rental application 3252 for water right 65-25366 was received on July 22, 2025, as part of a lease- rental package (lease application 3251). The lease- rental package is for a five-year period beginning in 2025. The original proposal was to lease 0.5 acres with a diversion rate of 0.01 cubic feet per second (cfs) and a volume of 0.9 acre-feet (af). To accommodate the requested rental amount, the lease applicant must lease 0.6 acres, maintaining the diversion rate of 0.01 cfs and a volume of 1.80 af. The applicant, L&J Livestock, has agreed via email to increase both the acreage and volume accordingly. Renter proposing to rent water from the point of diversion as the lease applicant as the renter wants to rent from the same conveyance ditch.

AUTHORITY TO FILE: The rental application is signed by David W McNaul. Valley County Assessor website indicated the parcel proposed as the place of use is owned by David W McNaul. Charlie S Baser with Givens Pursley is the representative for David W McNaul. No concerns with the authority to file.

INJURY TO OTHER WATER RIGHTS: The renter is proposing to rent water from the same point of diversion as the lease applicant, using the same conveyance ditch from the North Fork Fawn Creek. There are no concerns with injury to other water right holders.

ENLARGEMENT OF USE: The nature of use for water right 65-23566 will change from irrigation to domestic. The water right will be reduced in accordance with the standard of use for domestic purposes, as defined in the Administrator's Memorandum – Application Processing #22, "Definition of Domestic," with the rental amount decreasing from 1.8 acre-feet to 0.6 acre-feet. To prevent enlargement and limit consumptive use, the season of use of the rental agreement must match the water right season of use.

LOCAL PUBLIC INTEREST The proposed use is consistent with the local public interest.

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The location for the rental POD is within Water District 65. Western Region and the WD 65 watermaster were contacted on August 15, 2025 for comments. No comments were received.