

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 2161

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

LESSOR: NATURAL GUARDIAN LLC
PO BOX 50277
IDAHO FALLS, ID 83405-0277

RECEIVED
MAY 08 2020
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 December 11, 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)
35-14867	2/6/1963	GROUND WATER	4.460	1,192.00	298.00
Lease Totals			4.460	1,192.00	298.00

Summary of Water Rights Elements Rentable From the Bank

Water Right	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (Limited) (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
35-14867	4.42	1,180.0	295.0	0.015	4.0
Combined Limit Totals	4.42	1,180.0	295.0	0.015	4.0

** The water right elements rentable have been reduced from the water right elements leased to account for mitigation by non use.*

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

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WATER SUPPLY BANK LEASE CONTRACT No. 2161

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2026 to December 31, 2026. This Lease shall bind the parties and take effect when both parties have signed it.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
5. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right is administratively changed due to a water right split and renumbering, this lease may be reduced by an equal amount to reflect the water right elements as legally defined under the water right. If a lease contract cannot be reduced sufficient to reflect the legal definition of a water right as amended through a water right split and/or water right transfer, the Board may release the water right from the Water Supply Bank.
6. **ASSIGNMENT OF CONTRACT:** This lease is between the Board and the Lessor, who is the recognized owner or designated representative of the recognized owners of water rights described herein. Should ownership of any part of a water right herein described change during the term of this lease, either through a water right split, a water right transfer, sale of property to which the water right is appurtenant, or through any other recognized water right reassignment, the lease benefits and obligations to the conditions of acceptance for any such water rights will be assigned to the new owners.
7. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

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WATER SUPPLY BANK LEASE CONTRACT No. 2161

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

LESSOR: NATURAL GUARDIAN LLC
PO BOX 50277
IDAHO FALLS, ID 83405-0277

By [Signature]
Title PRESIDENT OF MANAGIA
Date 4/30/26

IDAHO WATER RESOURCE BOARD

322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By [Signature]
Brian Patton, Executive Manager
Idaho Water Resource Board

Date 5/8/26

Lease approved by IDWR [Signature]

Date 5/8/26

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 2161

ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water rights or portions thereof leased to the bank are described as follows:

Source and Location of Point(s) of Diversion for Water Right No(s): 35-14867

GROUND WATER NESE Sec. 15 Twp 04N Rge 35E JEFFERSON County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
35-14867	IRRIGATION	4/01	to	10/31	4.46 cfs	1,192.0 AF
Totals:					4.46 cfs	1,192.0 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	
04N	35E	15	23.0	37.0	40.0	40.0									40.0	40.0	39.0	39.0	298.0

Total Acres: 298.0

ADDITIONAL CONDITIONS OF ACCEPTANCE

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

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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 mitigates for the depletion of water resulting from the diversion and use of water under Right 35-14787. To prevent injury to other water right holders, the right holder shall cease diverting 12 af and 3 acres of this right from groundwater. If the mitigation portion of this right is not deliverable due to a shortage of water or a priority call, then the amount of water authorized for diversion under the uses of Right 35-14787 that are being mitigated shall be reduced by the same proportion as the reduction to this right.
13. Use of water under this right may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 2161

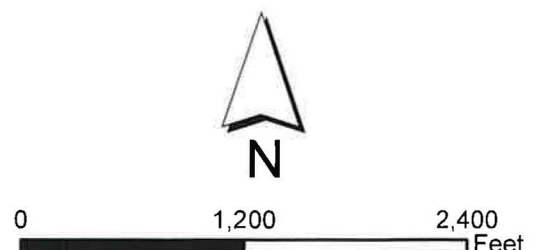
35-14867

Effective until December 31, 2026

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.



-  Approved Lease POD
-  Approved Lease POU
-  Township/Range
-  Sections
-  QQ



RECEIVED
12/11/2025

STATE OF IDAHO
WATER RESOURCE BOARD

Print Form

DEC 11 2025

DEPT. OF WATER RESOURCES

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

Applicant / Designated Lessor Natural Guardian, LLC
(Select one owner – see item 1A on the application)

Water Right No. 35-14867
(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: 12/11/2025 Receipt # C124353
W-9 received? Yes ☐ No ☐ (Route W-9 to Fiscal) Name on W-9:

3387

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 Natural Guardian, LLC

Mailing Address <u>P.O. Box 50277</u>	Idaho Falls	ID	83405-0277
Street	City	State	Zip Code

Email Address _____ Phone Number _____

☒ 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 Luke H. Marchant Organization Darrington Marchant Law

Professional Title Attorney Email Address luke@waterlawidaho.com

Mailing Address P.O. Box 536 Rupert, ID 83350 Phone Number (208) 944-9310

☒ 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 Steel Land Holdings
- 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.
Well, pump, and pressurized pipeline.
- 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. _____
- 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. There will be no irrigation on the current place of use. However, Water Right No. 35-14848, a stockwater right owned by Steel Land Holdings, LLC, which has the same place of use as 35-14867, may be utilized.
- 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. Water Right No. 35-2721 (the parent right to this water right) was entered into the CREP program through 2021. Per Idaho Code 42-223(1), the five year forfeiture window is tolled while a water right is contracted in a federal cropland set-aside program. Given that the CREP contract expired at the end of 2021, there are only four years of non-use not subject to a statutory defense (2022-2025).
- 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. The water right has not been utilized since the CREP contract expired.
- 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
Three acres of this water right are set-aside for non-use to mitigate for depletions resulting from the diversion and use of water under Right No. 35-14787.

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	<u>Other Term Length (# of years):</u> <i>*Prior IWRB approval required</i>

- 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

Printed Name

Date

Signature of Co-Applicant

Printed Name

Date

Luke H. Marchant
Signature of Authorized Representative

Luke H. Marchant
Printed Name

December 8, 2025
Date

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)
35-14867	Irrigation	4.42	1180	295
	Total Amounts:	4.42	1180	295

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 #
04N	35E	15			NE	SE	Jefferson	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	
04N	35E	15	20	37	40	40									40	40	39	39	295

IDAHO DEPARTMENT OF WATER RESOURCES

3/11/2024

Proof Report

Water Right 35-14867

Owner Type **Name and Address**
 Current Owner NATURAL GUARDIAN LLC
 PO BOX 50277
 IDAHO FALLS, ID 83405-0277
 (208) 528-6635

Priority Date: 2/6/1963**Basis:** Decreed**Status:** Active**Source**

GROUND WATER

Tributary**Beneficial Use**

IRRIGATION

From

4/01

To

10/31

Diversion Rate

4.460 CFS

Volume

1,192.0 AF

MITIGATION BY NON-USE

04/01

10/31

12.0 AF

Total Diversion

4.460 CFS

1,192.0 AF

Source and Point(s) of Diversion:

GROUND WATER

NESE

Sec. 15, Twp 04N, Rge 35E, JEFFERSON County

Place Of Use:

MITIGATION BY NON-USE within JEFFERSON County

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	35E	15																	

IRRIGATION within JEFFERSON County

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	35E	15	23.0	37.0	40.0	40.0									40.0	40.0	39.0	39.0	298.0

POU Total Acres: 298.0

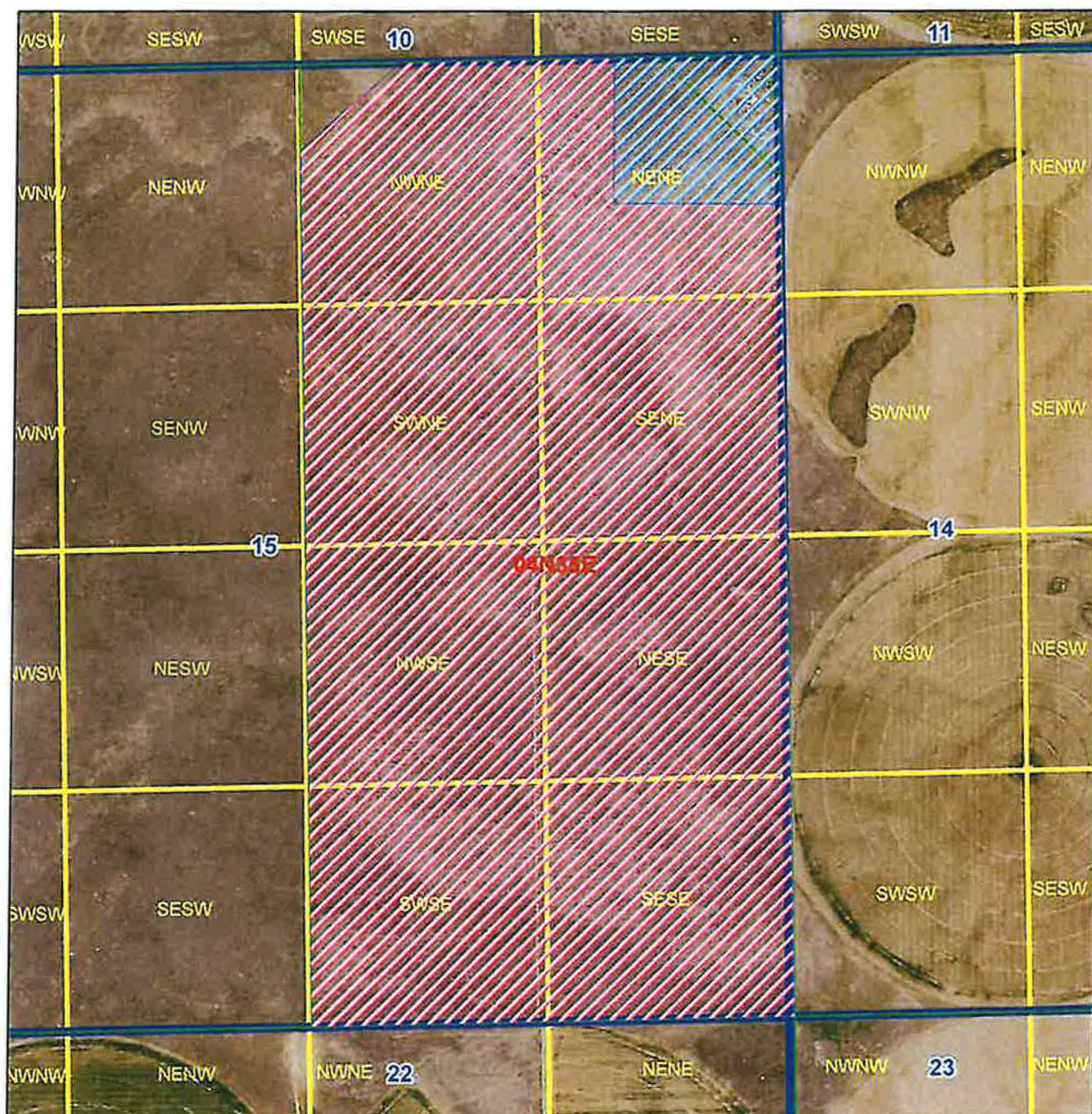
Conditions of Approval:

1. C18 THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. SECTION 42-1412(6), IDAHO CODE.
2. 193 This right mitigates for the depletion of water resulting from the diversion and use of water under Right 35-14787. To prevent injury to other water right holders, the right holder shall cease diverting 12 af and 3 acres of this right from groundwater. If the mitigation portion of this right is not deliverable due to a shortage of water or a priority call, then the amount of water authorized for diversion under the uses of Right 35-14787 that are being mitigated shall be reduced by the same proportion as the reduction to this right.

Comments:

2 jbailey 3/11/2024 Ownership Change
 Water right 35-2721 was split into 35-2721 and 35-14867.

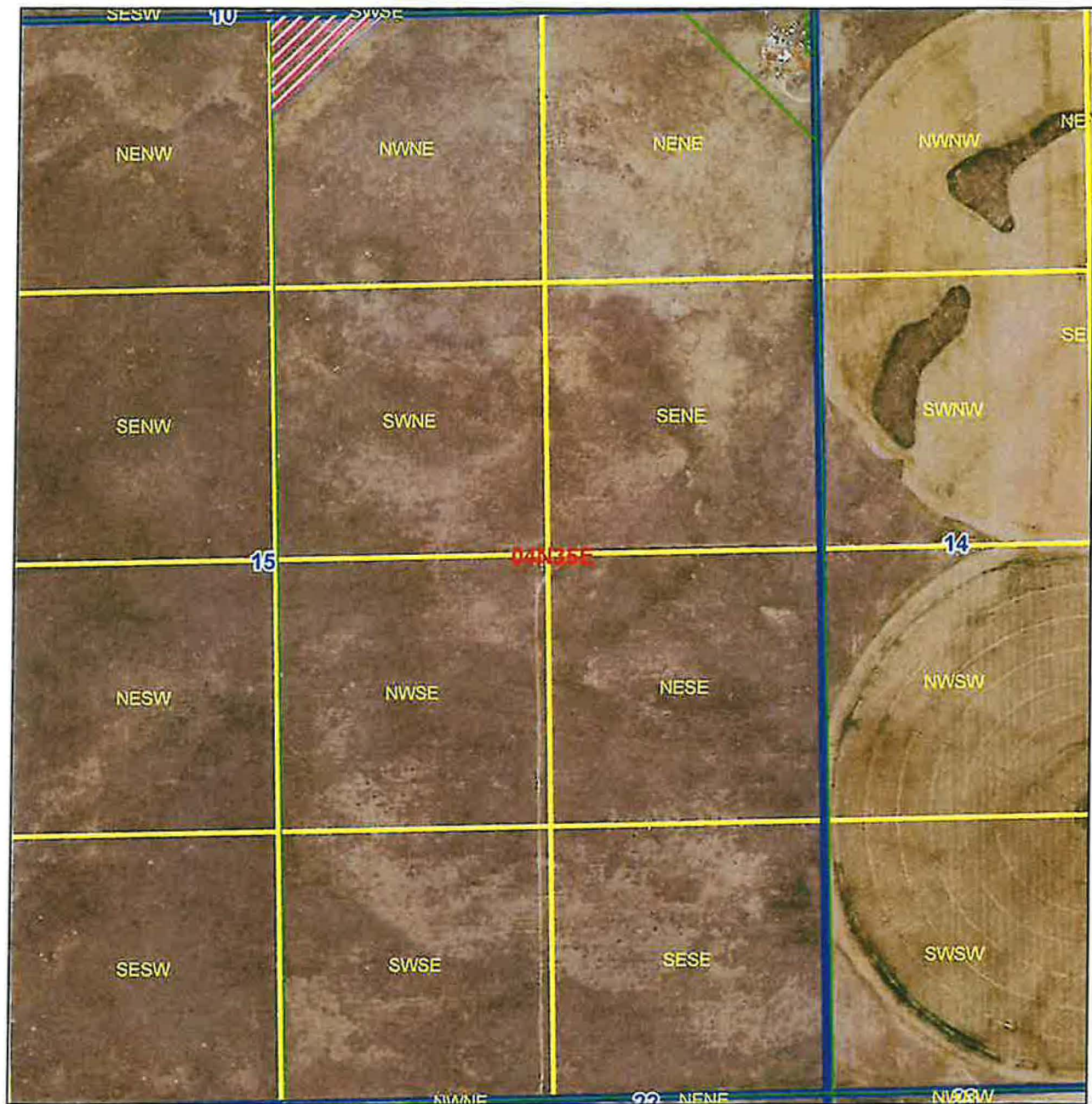
Idaho Department of Water Resources



Legend

-  POU 35-14867
-  POU 35-2721 After Split
-  Parcels
-  Township/Range
-  Sections
-  QQ

Idaho Department of Water Resources



Legend

- 35-14867 Mitigation by non-use
- Parcels
- Township/Range
- Sections
- QQ

IDAHO DEPARTMENT OF WATER RESOURCES

3/11/2024

Proof Report

Water Right 35-14867

Owner Type **Name and Address**
 Current Owner NATURAL GUARDIAN LLC
 PO BOX 50277
 IDAHO FALLS, ID 83405-0277
 (208) 528-6635

Priority Date: 2/6/1963**Basis:** Decreed**Status:** Active**Source**

GROUND WATER

Tributary**Beneficial Use**

IRRIGATION

MITIGATION BY NON-USE

From

4/01

04/01

To

10/31

10/31

Diversion Rate

4.460 CFS

4.460 CFS

Volume

1,192.0 AF

12.0 AF

1,192.0 AF

Source and Point(s) of Diversion:

GROUND WATER

NESE

Sec. 15, Twp 04N, Rge 35E, JEFFERSON County

Place Of Use:

MITIGATION BY NON-USE within JEFFERSON County

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	35E	15		X															

IRRIGATION within JEFFERSON County

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	35E	15	23.0	37.0	40.0	40.0									40.0	40.0	39.0	39.0	298.0

POU Total Acres: 298.0

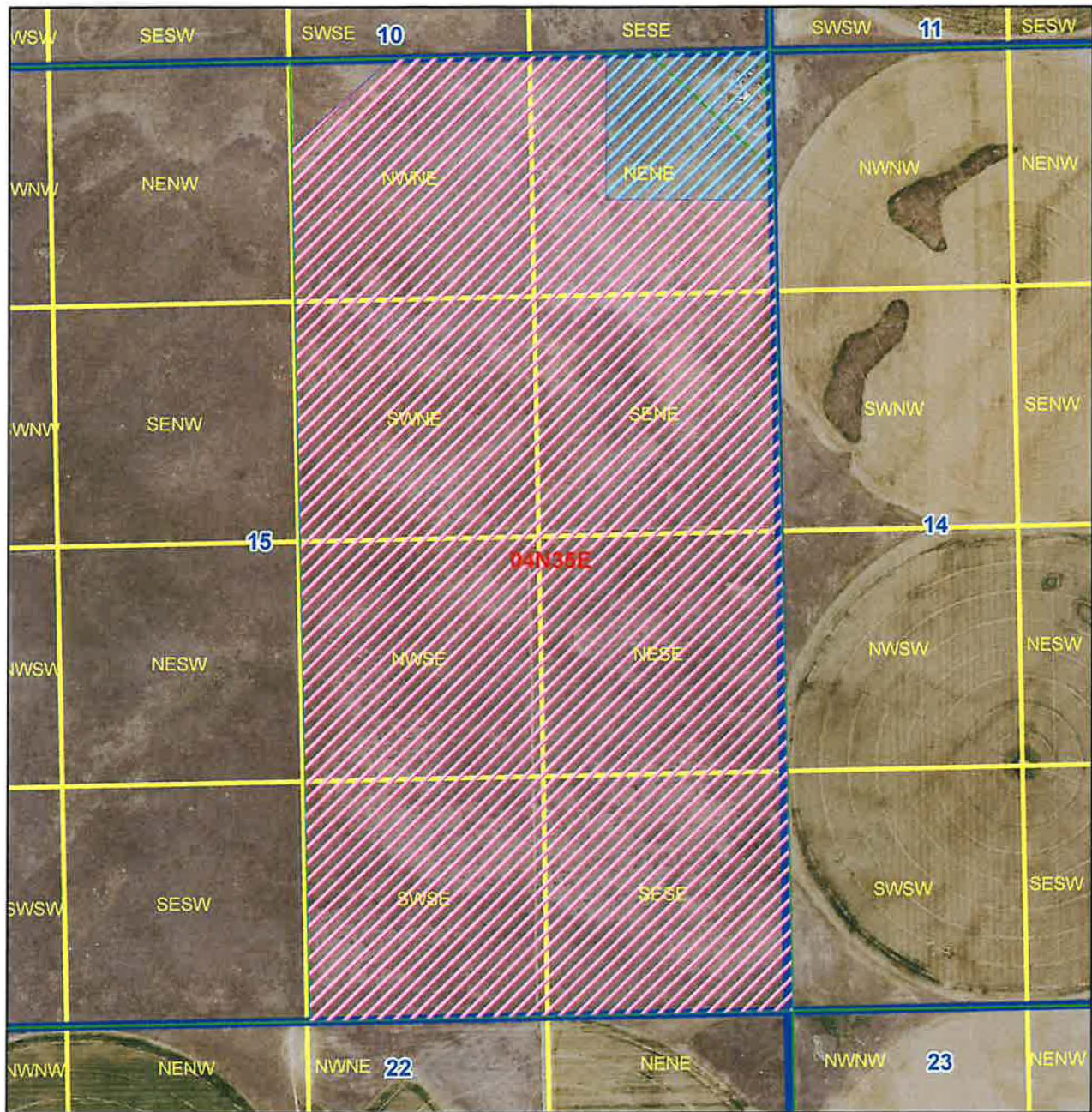
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Comments:

2 jbailey 3/11/2024 Ownership Change
 Water right 35-2721 was split into 35-2721 and 35-14867.

Idaho Department of Water Resources



Legend

-  POU 35-14867
-  POU 35-2721 After Split
-  Parcels
-  Township/Range
-  Sections
-  QQ



- 2



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

May 11, 2026

NATURAL GUARDIAN LLC
PO BOX 50277
IDAHO FALLS ID 83405-0277

**RE: WATER SUPPLY BANK LEASE CONTRACT 2161
FOR WATER RIGHTS 35-14867**

Dear Lessor:

Water rights **35-14867 are/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, 2026**, 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 www.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,

Jean Hersley
Technical Records Specialist II

Enclosure: Executed Lease Contract

c: IDWR- Eastern Region Office
Darrington Marchant Law
Water District No.120
Bonneville-Jefferson Ground Water District



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

April 16, 2026

NATURAL GUARDIAN LLC
PO BOX 50277
IDAHO FALLS ID 83405-0277

**RE: APPLICATION TO LEASE WATER RIGHTS 35-14867 TO THE WATER SUPPLY BANK
CONTRACT 2161**

******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, 2026** 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,

for 
Water Supply Bank

Enclosures: Proposed Lease Contracts

CC: Darrington Marchant Law



Outlook

WSB Lease Contract for Natural Guardian LLC

From Hersley, Jean <Jean.Hersley@idwr.idaho.gov>**Date** Wed 4/15/2026 3:08 PM**To** luke@waterlawidaho.com <luke@waterlawidaho.com> 1 attachment (937 KB)

Natural Guardian LLC WSB Lease Contract.pdf;

The contracts will go out in tomorrow's mail. Please let me know if you have any questions. Thank you.



Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942



Outlook

WSB Lease Contract for 35-14867

From Hersley, Jean <Jean.Hersley@idwr.idaho.gov>

Date Wed 4/15/2026 2:55 PM

To Jordan, Blake <Blake.Jordan@idwr.idaho.gov>

2 attachments (121 KB)

Lease Application Review 35-14867.xls; Lease Contract - 2161.docx;

Natural Guardian LLC is placing the irrigation portion of this right in the Bank. Please let me know if you have any comments or concerns. The contract and review memo are attached.



*Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942*

WATER SUPPLY BANK

Quick Tools

Lease Review Checklist

Applicant(s) Name: Natural Guardian LLC

Memo Date: April 15, 2026

Water Right Number(s): 35-14867

Reviewers Name: Jean

Lease Start (6th year)	Last Year of Use or Concluded Contract
2026	2020
2027	2021
2028	2022
2029	2023
2030	2024

	Check box	COMMENTS/CONCERNS:
1 Fill out WSB Data Entry Checklist for Leases (Front of File)	x	
2 Reason for lease of water rights (Brief description of lease proposal in narrative)		
Portion of right		
All of right	x	
3 Complete Application (note amendments & issues in narrative)		
4 Check GWMA/CGWA/ADC & B63 Areas of Concern in ArcPro (note in comment column)		
5 Authority to file (current owner, designated applicant, SOS business search)	x	
6 Water Right validity		
Previous lease within 5 years or continual renewal (put prior contract & year in comments)	x	
Recent irrigation (consider POU if proposing only a portion)		
Agreement not to divert or other defense per IC 42-223 (describe in detail in narrative)	x	
7 Injury to other water rights	Yes No	
Delivery through canal by delivery entity and consent provided?	x	
Conveyance holdback requested? (percentage in comments)	x	%
8 Enlargement concerns		
Complete a POD/ POU comparison overlap analysis	x	
Complete a combined limits review	x	
Full lease or correct portions	x	
Are there overlapping rights that need to be placed in the bank also?	Yes No	
Will the place of use continue to receive water? (if yes explain in comments)	x	
9 Local Public Interest		
Does the processor know of any problems this action will cause for the local public?	x	
10 Regional office & Watermaster request for comment sent	x	
Comments received?		
11 Water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments	x	

Narrative: The Department received this application on December 11, 2025. The applicant wishes to place the entire irrigation portion in the Bank. The application was signed by Luke Marchant, attorney for applicant. This right is located in the ESPA GWMA and Water District 120. This right was split from 35-2721, which was decreed in 2002 and was in the CREP program from 2006 to 2021. No land was conveyed in the deed. Aerial imagery suggests the POU was irrigated from 2002-2006 when it was placed in the CREP program. The water right hasn't been utilized since the CREP contract expired. No issues with forfeiture. There are no other irrigation rights that need to be placed in the Bank. There is a stockwater right owned by Steel Land Holdings LLC that has the same POU and may be utilized. Mitigation by non-use was added to the right which was 12 af and 3 acres however the irrigation portion of the right was not reduced. The entire 298 acres will be placed in the Bank but only 295 will be available to rent.