

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 2226

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

LESSOR: FARMLAND RESERVE INC
60 E SOUTH TEMPLE STE 1600
SALT LAKE CTY, UT 84111-1029

RECEIVED

JUL 31 2026

DEPT. 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 February 17, 2026.
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)
35-7973	4/14/1981	GROUND WATER	0.0	0.0	119.0
Combined Limit Totals			1.81	476.0	119.0
Combined Lease Totals			1.81	476.0	119.0

[Click here to enter text.](#)

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, 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.

WATER SUPPLY BANK LEASE CONTRACT No. 2226

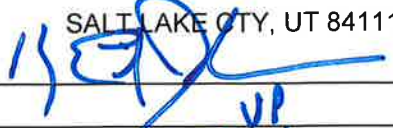
5. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right 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. 2226

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

LESSOR: FARMLAND RESERVE INC
60 E SOUTH TEMPLE STE 1600
SALT LAKE CITY, UT 84111-1029

By 
Title VP
Date 7/30/26

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 8/3/26

Lease approved by IDWR 

Date 8/3/26

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 2226

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): 35-7973

GROUND WATER SWSWSE Sec. 1 Twp 07S Rge 28E POWER County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
35-7973	IRRIGATION	04/01	to	11/01	1.81 cfs	476.0 AF
Totals:					1.81 cfs	476.0 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	
07S	28E	1									31.0	30.0	29.0	29.0					119.0

Total Acres: 119.0

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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 2226

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 4.0 afa per acre at the field headgate for irrigation of the place of use.
13. Rights 35-7973, 35-14240, and 35-14654 when combined shall not exceed a total diversion rate of 5.39 cfs
14. 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.
15. The use of water for irrigation under right 35-14907 may continue to as late as October 31, provided other elements of the right are not exceeded. The use of water after October 15th under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than March 22, 2004.

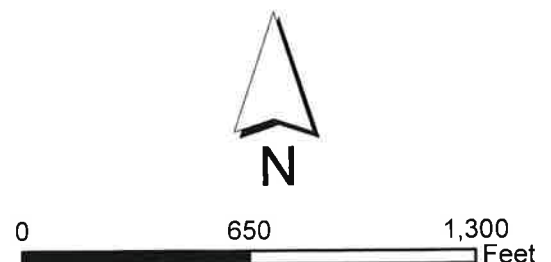
Idaho Water Resource Board
Water Supply Bank Proposed Lease

Water Right 35-7973
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.



-  Proposed Lease Place of Use
-  Proposed Lease Point of Diversion
-  Township/Range
-  Sections
-  QQ



STATE OF IDAHO
WATER RESOURCE BOARD

Print Form

RECEIVED

FEB 17 2026

DEPARTMENT OF
WATER RESOURCES

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

FARMLAND RESERVE INC

Water Right No. 35-7973

(One water right per application)

Applicant / Designated Lessor

(Select one owner – see item 1A on the 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

(Reserved.)



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, the application must 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: C124970

Receipt # 2-17-2026

3444

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 FARMLAND RESERVE INC
Mailing Address 60 E SOUTH TEMPLE STE 1600 SALT LAKE CTY UT 84111-1029
Street City State Zip Code
Email Address jcobell@cffarms.com 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 Applicant received payment from the Department for a rented right in the last 12 months? Yes ☒ No ☐
If no, include a valid email address in item 1A - Contact Information.
- 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, Idaho 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, mainline and delivery system.
- 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. These acres have been historically irrigated.
- 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 year when the use of water will be suspended under (new) contract: 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): <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.

Erik Jacobsen

Signature of Designated Lessor or Applicant

Erik Jacobsen

Printed Name

02/10/2026

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)
35-7973	Irrigation	1.81	476	119.0
	Total Amounts:			

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 #
07S	28E	1			SW	SE	Power	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 offered for sale or lease 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	
07S	28E	1									31	30	29	29					119.0



BROCKWAY
ENGINEERING
PLLC



0 500 1,000
Feet

FARMLAND RESERVE

2026 IRRIGATION WATER RIGHT
LEASE ACRES

Legend



Water Right Report : 35-7973(Decreed/Active)

Water Right Owners

Owner Type	Name	Address	City	State	Postal Code
Current Owner	FARMLAND RESERVE INC	60 E SOUTH TEMPLE STE 1600	SALT LAKE CTY	UT	84111-1029
Original Owner	PHILLIPS, MARILYN L	282 N 750 W	PAUL	ID	83347
Original Owner	PHILLIPS, VERNON C	282 N 750 W	PAUL	ID	83347
Previous Owner	FUNK, LANCE	2765 FAIRGROUNDS RD	AMERICAN FLS	ID	83211-5418
Previous Owner	U S BANK TRUST NATL ASSN AS CUSTODIAN/TTEE	C/O LEND LEASE AGRI BUSINESS INC PO BOX 411995	ST LOUIS	MO	63141

Water Right Status

Priority Date : 4/14/1981
Basis : Decreed
Status : Active

Water Source

Source	Source Qualifier	Tributary	Tributary Qualifier
GROUND WATER			

Points Of Diversion (Location)

Source	Township	Range	Section	Govt. Lot	QQQ	QQ	Q	County	Diversion Type
GROUND WATER	07S	28E	1	0	SW	SW	SE	POWER	

Water Uses

Beneficial Use	From	To	Diversion Rate	Volume
IRRIGATION	04/01	11/01	4.81 CFS	1264.00 AFA
TOTAL			4.81 CFS	1264.00 AFA

Places of Use

[Printable View](#) [Paged View](#)

Place of Use Legal Description : IRRIGATION (POWER county)

Show 10 entries

Search:

Township	Range	Section	Lot	QQQ	QQ	Q	Acres
07S	28E	1			NE	SW	31.0
07S	28E	1			NW	SW	30.0
07S	28E	1			SW	SW	29.0
07S	28E	1			SE	SW	29.0
07S	28E	1			NE	SE	31.0
07S	28E	1			NW	SE	31.0
07S	28E	1			SW	SE	29.0
07S	28E	1			SE	SE	29.0
07S	28E	12			NW	NW	16.0
07S	28E	12			SW	NW	30.0

Showing 1 to 10 of 11 entries

Previous 1 2 Next

Total Acres Acre Limit

316.00

Conditions

Code Conditions

- X35 Rights 35-7973 and 35-14240 when combined shall not exceed a total diversion rate of 4.81 cfs.
- X35 Rights 35-7973, 35-14240, and 35-14654 when combined shall not exceed a total diversion rate of 5.39 cfs.
- R05 Use of water under this right will 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.
- R02 A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion.
- 214 Prior to the diversion and use of water under Transfer approval 78039, the right holder shall install and maintain acceptable measuring device(s) at the authorized point(s) of diversion in accordance with Department specifications, or shall obtain an approved variance from the Department to determine the amount of water diverted from power records or to maintain an existing measuring device.
- 213 Upon specific notification of the Department, the right holder shall install and maintain data loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.
- R64 This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.
- T07 The right holder shall accomplish the change authorized by this transfer within one year of the date of this approval.
- T08 Failure of the right holder to comply with the conditions of this transfer is cause for the Director to rescind approval of the transfer.
- T19 Pursuant to Idaho Code § 42-1412(6), this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as determined by the Snake River Basin Adjudication court in the final unified decree entered 08/26/2014.

Dates

Licensed Date :
Decreed Date : 1/31/2002
Permit Proof Due Date : 6/1/1986
Permit Proof Made Date : 3/3/1986
Permit Approved Date : 6/4/1981
Permit Moratorium Expiration Date :
Enlargement Use Priority Date :
Enlargement Statute Priority Date :
Application Received Date: 4/14/1981
Protest Deadline Date:

Other Information

State or Federal : S
Water District Number : 120
Generic Max Rate Per Acre : 0.02
Generic Max Volume Per Acre : 4
Civil Case Number :
Decree Plaintiff :
Decree Defendant :
Swan Falls Trust or Nontrust :
Swan Falls Dismissed :
DLE Act Number :
Cary Act Number :
Mitigation Plan: False

IDAHO DEPARTMENT OF WATER RESOURCES

1/19/2026



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

August 4, 2026

FARMLAND RESERVE INC
60 E SOUTH TEMPLE STE 1600
SALT LAKE CITY, UT 84111-1029

**RE: WATER SUPPLY BANK LEASE CONTRACT(S) 2226
FOR WATER RIGHT(S) 35-7973**

Dear Lessor:

Water right **35-7973** 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 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
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

July 24, 2026

FARMLAND RESERVE INC
60 E SOUTH TEMPLE STE 1600
SALT LAKE CTY UT 84111-1029

**RE: APPLICATION TO LEASE WATER RIGHTS 35-7973 TO THE WATER SUPPLY BANK
CONTRACT 2226**

******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,

Darin Vrem
Water Supply Bank

Enclosures: Proposed Lease Contracts
Receipt C124970

CC: Representative

MEMORANDUM FOR APPLICATION # 3444

To: Water Right(s) 35-7973

From: David Graybill

Date: 6/22/2026

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

PURPOSE/NARRATIVE: Lease app 3444 was received Feb 17, 2025 and proposes to lease 119 acres of the total 316 acres of water right 35-7973. This application is part of a lease rental package to provide irrigation water for 38 acres under rental application 3445 and irrigation water for 81 acres under rental application 3446 rentals. The offered water right POD is administered by Water District 120 and is in the ESPA GWMA.

AUTHORITY TO FILE: Applications to lease were completed by the applicants' consultant, Greg Sullivan with Brockway Engineering, PLLC, and signed by Erik Jacobsen who is a recognized signatory on behalf of Farmland Reserve, Inc. Offered water rights are in the name of Farmland Reserve, Inc. No concerns with authority to file.

WATER RIGHT VALIDITY: Offered water right 35-7973 is the child right of 67-5243 because of a transfer in 2012. The water right offered has not been leased into the bank before. An analysis of the historical imagery showed that the POU has been consistently irrigated since the transfer in 2012. In accordance with Section 42-1764(2), Idaho Code, the water right offered has likely not been lost to forfeiture.

ENLARGEMENT OF USE: There are not any other water rights associated with the POU of the offered water right. The offered water right has an R64 condition not to exceed 0.02 CFS and 4.0 AF per acre. There is not a concern of enlargement.

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 location of the water right POD is within Water District 120. A request for comment regarding the proposed lease was sent on June 22, 2026. No concerns were received.



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED
FEB 17 2026
DEPARTMENT OF
WATER RESOURCES

February 12, 2026

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

Re: 119 Acre Lease and Rental Applications

Dear Water Supply Bank Specialist:

Farmland Reserve Inc desires to lease 119 acres of water right 35-7973 into the Water Supply Bank and rent 38.0 acres and 81.0 acres from the Water Supply Bank for the 2026 irrigation season. Attached to this letter is the lease application, the 38.0 acre rental application and the 81.0 acre rental application.

The 119.0 acres of 35-7973 have been irrigated annual for many years. During the 2026 irrigation season, the 119.0 acres will not be irrigated. The 119.0 acres will be planted in a grain crop and a crop will be harvested from the 119.0 acres.

The 38.0 acre rental will provide sufficient water to an existing pivot so that the pivot will be fully covered by water rights for 2026. No ESPA model analysis for this rental has been performed because the FROM POD and the TO POD are in adjacent ESPA Model cells.

The 81.0 acre rental will provide sufficient water to an existing pivot so that the pivot will be fully covered by water rights for 2026. ESPA model analysis for this rental has been performed and no mitigation is required due to this rental.

Sincerely,

Greg Sullivan, M.S., Engineer

Cc: Wyatt Shakespear via Email

Enc: Rental Application, Lease Application, Aerial Maps, ESPA Model Analysis, Farmland Reserve Inc Annual Report, Brockway Engineering Check # 18934 for \$250.00

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

BROCKWAYENG.COM

3444 - 3445 - 3446