

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 2236

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

LESSOR: SALMON FALLS LAND & LIVESTOCK CO INC
C/O MICHAEL J HENSLEE
95A BELL RAPIDS RD
HAGERMAN, ID 83332-6039

RECEIVED

AUG 06 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 March 19, 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)
2-7462	9/29/1969	SNAKE RIVER, tributary to COLUMBIA RIVER	1.25	Not Stated	63.0
2-7249	2/7/1977	SNAKE RIVER, tributary to COLUMBIA RIVER	1.87	Not Stated	101.5
Combined Limit Totals			1.87	Not Stated	152.1

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)
2-7462	1.25	252.0	63.0	0.020	4.00
2-7249	1.87	406.0	101.5	0.018	4.00
Combined Limit Totals	1.87	608.4	152.1	0.021	4.00

** The water right elements rentable have been reduced from the water right elements leased to account for combined limits.*

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DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 2236

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, 2028. 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. 2236

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

LESSOR: SALMON FALLS LAND & LIVESTOCK CO INC
C/O MICHAEL J HENSLEE
95A BELL RAPIDS RD
HAGERMAN, ID 83332-6039

By Michael J. Henslee V.P.
Title Vice President
Date 8/3/2026

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

By Brian Patton
Brian Patton, Executive Manager
Idaho Water Resource Board

Date 8/7/26

Lease approved by IDWR Patton

Date 8/7/26

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 2236

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): 2-7249, 2-7462

SNAKE RIVER NESE Sec. 7 Twp 08S Rge 14E TWIN FALLS County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From	to	To		
2-7249	IRRIGATION	04/01	to	10/31	1.87 cfs	406.0 AF
2-7462	IRRIGATION	04/01	to	10/31	1.25 cfs	252.0 AF
Totals:					1.87 cfs	608.0 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	
08S	13E	11											23.0	12.0			15.0	11.6	61.6
08S	13E	13		15.0				20.0	14.0										49.0
08S	13E	14	9.5			18.0	14.0												41.5

Total Acres: 152.1

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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

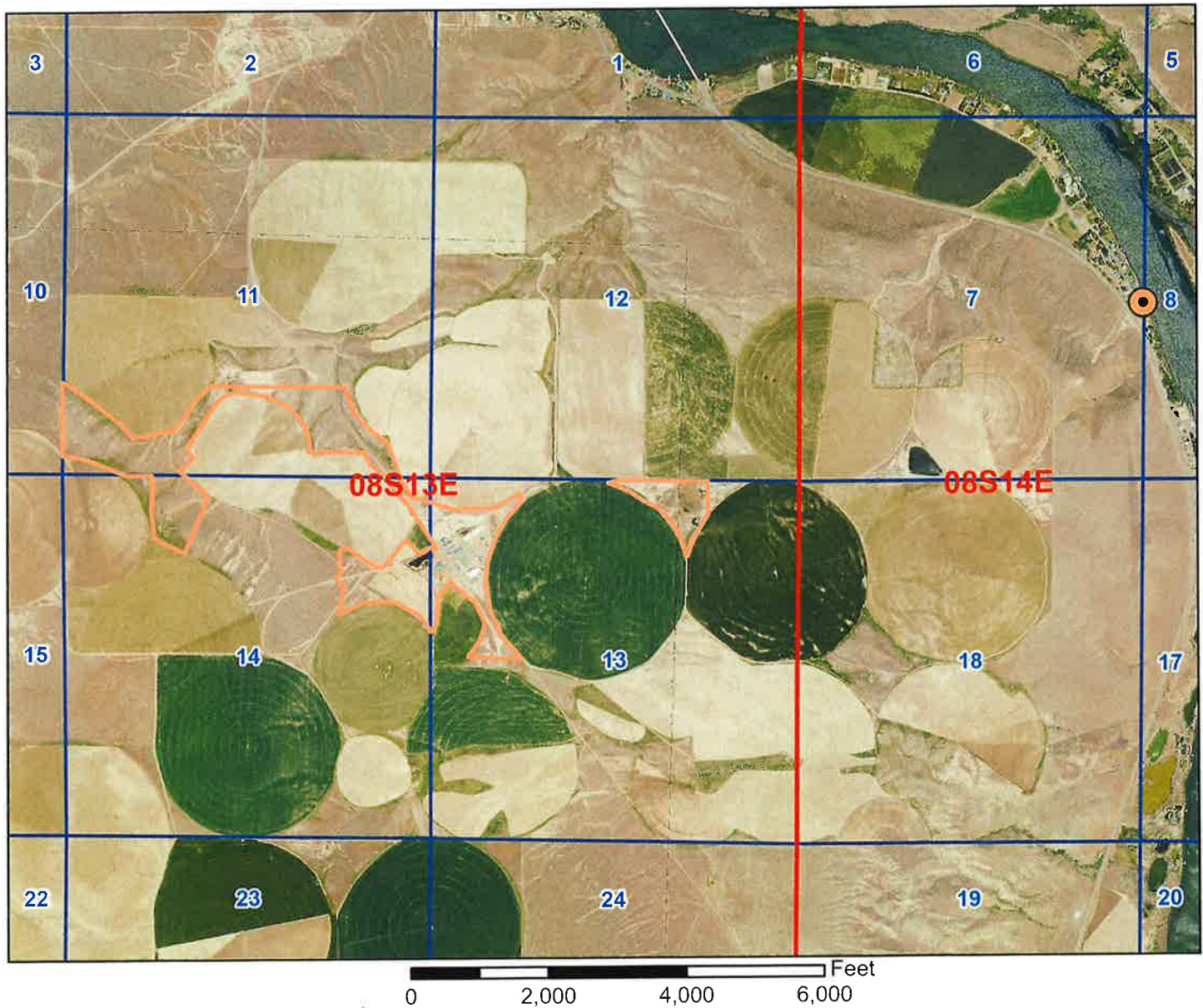
WATER SUPPLY BANK LEASE CONTRACT No. 2236

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.
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. After specific notification by the Department, the right holder shall install a suitable measuring device or shall enter into an agreement with the Department to use power records to determine the amount of water diverted and shall annually report the information to the Department.
13. The unleased portions of rights 2-7249 and 2-7462 when combined shall not exceed a total diversion rate of 28.02 cfs, a total annual maximum diversion volume of 9,120.6 af at the field headgate, and the irrigation of 2,279.9 acres.
14. The unleased portion of right 2-7249 shall not exceed a total diversion rate of 28.02 cfs and the irrigation of 1,522.5 acres.
15. The unleased portion of right 2-7462 shall not exceed a total diversion rate of 18.75 cfs and the irrigation of 944.2 acres.
16. 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.
17. Water shall not be diverted under this right unless the flow of the Snake River exceeds flows required by prior downstream minimum stream flow rights.
18. The period of use for the irrigation described in this approval may be extended to a beginning date of 3/15 and an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/31 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than 12/10/2010.
19. Use of water under this right may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 02.

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 2236

2-7249 and 2-7462
Effective until December 31, 2028

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



Legend

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



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED
MAR 19 2026
DEPARTMENT OF
WATER RESOURCES

Print Form

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

Applicant / Designated Lessor Salmon Falls Land & Livestock Co. INC
(Select one owner – see item 1A on the application)

Water Right No. 2-7249
(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 <i>Application to Sell or Lease a Water Right to the Water Supply Bank</i> , 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 <i>all owners</i> of the water right to be leased or sold on this application.
☒	☐	1B	(Reserved.)
☐	☒	1C	<i>Notice of Change in Water Right Ownership</i> 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. <i>If the Applicant is a business, partnership, municipality, organization or association, the application must include</i> 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 \$ <u>250.00</u>		Received By: <u>KW</u>	Date Received: <u>3-19-2026</u> Receipt # <u>C125371</u>

3494

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 Salmon Falls Land & Livestock Co. Inc
Mailing Address 95A Bell Rapids Rd. Hagerman, ID 83332
Street City State Zip Code
Email Address _____ Phone Number 208-837-6053

☒ 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 Zach Latham Organization Brockway Engineering PLLC
Professional Title Hydrologist Email Address zach.latham@brockwayeng.com
Mailing Address 2016 Washington Ave. N Suite #4 Twin Falls ID 83301 Phone Number 208-736-8543

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

OR

☒ Send original correspondence to the Designated Lessor / Applicant and copies to the representative.

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

☐ The full water right is being offered to the Bank and none will still be used.

OR

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

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

3. MAP

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

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

- A. Identify the owner of the water delivery system or well 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 pump station and buried mainlines convey water water to place of use.

- 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. Portions of 2-7249 and 7462 are being offered for lease to the Water Supply 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. Un-leased portions of 2-7249 and 2-7462 will continue to be used at present POU.

- 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. N/A.

- 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. See approved IDWR Lease Contract No.1852 (2024-2025).

- 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

N/A.

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: _____

(year)

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

*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.

Salmon Falls Land & Livestock Co.
by Michael G. Henslee K.P.

Signature of Designated Lessor or Applicant

Mike Henslee

Printed Name

3/13/2026

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)
2-7249	Irrigation	1.87	406.0	101.5
	Total Amounts:	1.87	406.0	101.5

2. Source of water Snake River tributary to Columbia River

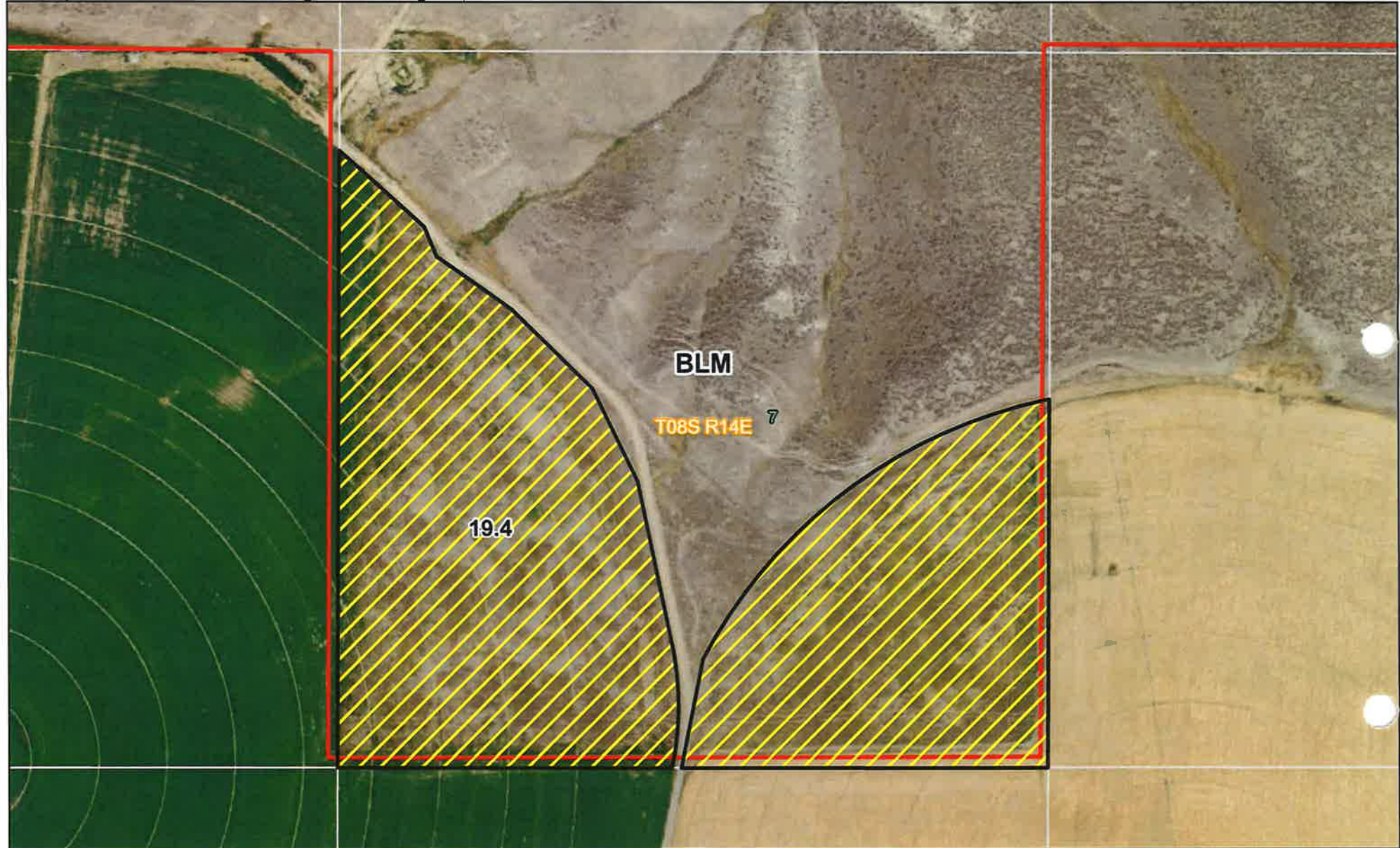
3. **Point(s) of diversion.** Locate the point of diversion within each 40-acre tract and/or the U.S. Government Lot of the Public Land Survey System. Spring sources should be described to the nearest 10-acre tract. Identify the county where the point of diversion is located.

TWP	RGE	SEC	GOVT LOT	¼	¼	¼	County	Source	Local name or tag #
08S	14E	7	6	NE	NE	NE	TWIN FALLS	SNAKE RIVER	RIVER PUMP STATION

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	
08S	13E	11							23.0	12.3							15.7	10.1	61.1
08S	13E	14	10.4			18.0	12.0												40.4



BROCKWAY
ENGINEERING
PLLC



0 200 400
Feet

SALMON FALLS LAND & LIVESTOCK CO INC

WATER SUPPLY BANK RENTAL 2026-2028

2023 NAIP AERIAL

Legend

-  WSB Rental Area - 19.4 ac.
-  Salmon Falls L&L- PPU



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 7, 2026

SALMON FALLS LAND & LIVESTOCK CO INC
C/O MICHAEL J HENSLEE
95A BELL RAPIDS RD
HAGERMAN, ID 83332-6039

**RE: WATER SUPPLY BANK LEASE CONTRACTS 2236
FOR WATER RIGHTS 2-7249 AND 2-7462**

Dear Lessor:

Water rights **2-7249 AND 2-7462** are leased into the Water Supply Bank (Bank) as of January 1, 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, 2028**, 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,

Darin Vrem
Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Western Region Office
Zach Latham, Brockway Engineering PLLC
Water District No. 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

July 28, 2026

SALMON FALLS LAND & LIVESTOCK CO INC
C/O MICHAEL J HENSLEE
95A BELL RAPIDS RD
HAGERMAN, ID 83332-6039

**RE: APPLICATION TO LEASE WATER RIGHTS 2-7249 AND 2-7462 TO THE WATER SUPPLY
BANK CONTRACT 2236**

******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, 2028**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your right may not be available for immediate release if it has been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:
"While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

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

Sincerely,

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

Enclosures: Proposed Lease Contracts 2236, Receipt No. C125371
CC: Representative: Zach Latham, Brockway Engineering (via email)

Cheever, Skyler

From: Cheever, Skyler
Sent: Tuesday, July 14, 2026 8:35 AM
To: Smith, Kellie; Skinner, Corey
Cc: Erling, Jes
Subject: Water Supply Bank Lease/Rental Application Package 2236/1049
Attachments: Lease Approval Map 2236.pdf; Lease Review Memo 3494.pdf; Rental Agreement 1049.pdf; Rental Approval Map 1049.pdf; Rental Review Memo 1049.pdf

Hello Corey and Kellie,

I have completed my review of Water Supply Bank Lease 3494 and Rental 3495 Application package with the proposed points of diversion within Administrative Basin 2 and Water District 2. The lease and rental applicant are the Salmon Falls Land and Livestock Co. The applicant proposes to lease a 152.1-acre portion of water rights 2-7249 and 2-7462 into the WSB from 2026-2028. They propose to rent a 19.4-acre portion of the same lease contract 2236 from the Water Supply Bank from 2026-2028. Attached is a copy of the rental agreement, review memos, and maps of the place of use. If you have any comments regarding the applicant's proposals or my reviews, please let me know within 7 days. If you have any questions or concerns, please let me know.

Best,

Skyler



Skyler Cheever

Water Resource Agent, Sr - State Office

(208)-287-4913

skyler.cheever@idwr.idaho.gov

Idaho Dept. of Water Resources

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

(208)-287-4800 or www.idwr.idaho.gov

MEMORANDUM FOR LEASE APPLICATION # 3494

To: Water Right No(s). 2-7249 and 2-7462

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

Date: 7/10/2026

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

PURPOSE/NARRATIVE:

Application 3494 was sent in by the Salmon Falls Land and Livestock Co. and received by the Idaho Dept. of Water Resources on March 19th, 2026, with the correct fee payment received the same date. This application is part of a lease/rental application package with rental application 3495 under the same applicant. The applicant proposes to lease a 152.1-acre portion of Water Rights (WR) 2-7249 and 2-7462 into the Water Supply Bank (WSB) from 2026-2028. The proposed point of diversion (POD) is within the Snake River Basin Moratorium Area, Blue Gulch Critical Groundwater Management Area, and Trust Water Area. This application is intended as a renewal of lease contract 1852 which expired on December 31st, 2025.

AUTHORITY TO FILE:

Mike Henslee signed the application. Mr. Henslee has the authority to sign the application on behalf of Salmon Falls Land and Livestock Co. because he is a vice president with the company according to the Idaho Secretary of States Office Database. The Salmon Falls Land and Livestock Co. is the current owner of the proposed WR's according to Department records.

WATER RIGHT VALIDITY:

WR's 2-7249 and 2-7462 were decreed by the SRBA court in 2010. The proposed portion has been leased to the WSB from 2016 – December 31st, 2025. According to Idaho Code §42-1764 if a WR is leased into the WSB the forfeiture clock resets once the lease expires. Therefore, enough information available to the bank to conclude the proposed WR's are likely not lost to forfeiture and can be leased into the WSB.

ENLARGEMENT OF USE:

WR's 2-7249 and 2-7462 are limited when combined to 29.89 cfs, 9,728.0 af, and the irrigation of 2,432.0 acres. If the WR's were leased a rented separately more rate, volume, and acre would be utilized than historically leading to an enlargement. Therefore, both WR's must be leased and rented together. To prevent an enlargement of the unleased portions of either WR or when combined conditions will be added to the agreement limiting future use during the lease duration to unleased portions. There are no other enlargement concerns.

LOCAL PUBLIC INTEREST:

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS:

The proposed POD is within Administrative Basin 2 and Water District 2. The proposed POU is within Administrative Basin 47. A request for comment was sent to the Watermaster and Southern Regional Manager on July 14th, 2026. No concerns were received.



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED
MAR 19 2026
DEPARTMENT OF
WATER RESOURCES

March 16th, 2026

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

Re: WSB Lease and Rental Applications; Portions of 2-7249 and 2-7462 on
Behalf of Salmon Falls Land & Livestock Co Inc.

Dear Aaron,

On behalf of Salmon Falls Land & Livestock Co Inc., Brockway Engineering is submitting two water supply bank lease applications which propose to lease 101.5 acres of water right 2-7249 and 63.0 acres of water right 2-7462 for a combined total of 152.0 acres, to the Water Supply Bank for the 2026 through 2028 irrigation seasons. Additionally, Salmon Falls Land & Livestock Co. Inc. seeks to rent back 19.4 acres of both previously mentioned water rights, to allow irrigation on a wet pivot crossing on lands owned by the BLM during the same years. Identical lease and rental requests were approved by IDWR in the consecutive years 2019 through 2025.

Also enclosed is a check for \$500.00 to cover the cost of the two lease applications. Please copy our office on all correspondence regarding these lease and rental applications. Thank you for your assistance and if you have questions or comments, please don't hesitate to call.

Regards,

 For Zach Latham
Zach Latham, M.S., Hydrologist

Enc: (2) Salmon Falls Land & Livestock Co Inc. WSB Lease
Applications and Map.
(1) Salmon Falls Land & Livestock Co Inc. WSB Rental Application
and Map.
(1) BLM Letter of Consent; Pivot Crossing.
(1) Brockway Engineering PLLC Check # 18984.

Cc: Mike Henslee

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WASHINGTON
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BROCKWAYENG.COM

3494 + 3495