

## AGREEMENT

This Agreement is made this 7<sup>th</sup> day of October, 2015, by and between A&B Irrigation District (“A&B”) and the Idaho Ground Water Appropriators, Inc., Aberdeen-American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Carey Valley Ground Water District, Jefferson-Clark Ground Water District, Madison Ground Water District, Magic Valley Ground Water District, North Snake Ground Water District, and Fremont-Madison Irrigation District (referred to collectively herein as the “Ground Water Districts”).

## RECITALS

WHEREAS, all members of the Surface Water Coalition, except A&B Irrigation District, and all eight Ground Water Districts and Fremont-Irrigation District, executed the *Settlement Agreement* (Ex. A) by August 1, 2015; and

WHEREAS, disputes have arisen concerning the scope of A&B’s participation in the *Settlement Agreement*; and

WHEREAS, the parties wish to address and resolve these issues in this Agreement.

## COVENANTS

NOW THEREFORE, in consideration of the above recitals and the mutual agreements contained herein, the parties agree as follows:

**1. Incorporation of Recitals.** The Recitals set forth above are an integral part of this *Agreement* and are fully incorporated herein by this reference.

**2. A&B Irrigation District Surface Water Delivery Call.** A&B agrees to participate in the *Settlement Agreement* as a surface water right holder only. The obligations of the Ground Water Districts set forth in Paragraphs 2 – 4 of the *Settlement Agreement* do not apply to A&B and its ground water rights. A&B agrees to not make a surface water delivery call against junior-priority ground water rights held by participating members of the Ground Water Districts as set forth in Paragraph 6 of the *Settlement Agreement*.

**3. A&B Irrigation District Ground Water Delivery Call.** A&B further agrees to not make a ground water delivery call against junior-priority ground water rights held by participating members of the Ground Water Districts.

**4. A&B Irrigation District “Soft Conversions.”** A&B agrees to implement approximately 3,000 acres of “soft conversions” within its project. A&B has already developed approximately 1,500 acres and is currently in the process of developing an additional 1,500 acres to receive water through a new pumping plant and pipeline project to be completed in the future.

5. **Ground Water Districts' Implementation of Settlement Agreement.** The safe harbor identified above is conditioned upon the Ground Water Districts implementing the *Settlement Agreement* in accordance with its terms.

6. **Ground Water Districts' Delivery Calls.** The safe harbor provided by A&B above shall be null and void against any Ground Water District and/or against any participating member of a Ground Water District that files a surface or ground water delivery call against A&B's ground water rights.

7. **Ground Water Recharge Projects.** A&B and the Ground Water Districts agree to cooperate and work together to identify and implement recharge projects within or near A&B's irrigation project that benefit aquifer levels, and the sentinel wells identified in the *Settlement Agreement*.

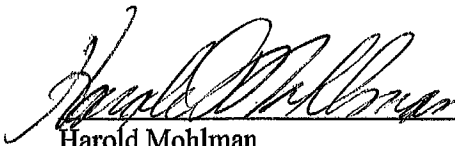
8. **Binding Effect.** This Agreement shall bind and inure to the benefit of the respective successors of the parties.

9. **Entire Agreement.** This Agreement sets forth all understandings between the parties. There are no other understandings, covenants, promises, agreements, conditions, either oral or written between the parties other than those contained herein. The parties expressly reserve all rights not settled by this Agreement.

10. **Effect of Headings.** Headings appearing in this Agreement are inserted for convenience and reference and shall not be construed as interpretations of the text.

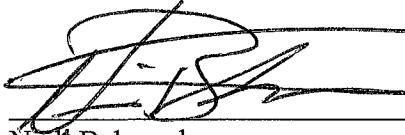
The parties have executed this Agreement on the date following their respective signatures.

A&B IRRIGATION DISTRICT

  
Harold Mohlman                      10-12-15  
Chairman                                      Date

**IDAHO GROUNDWATER APPROPRIATOR'S, INC.:**

ABERDEEN-AMERICAN FALLS GROUND WATER DISTRICT



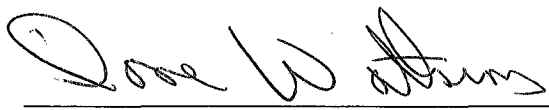
10-7-15

Nick Behrend  
Chairman

Date



BONNEVILLE-JEFFERSON GROUND WATER DISTRICT

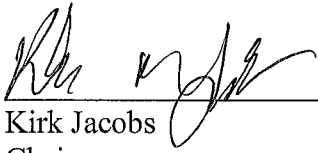
Dane Watkins  
Chairman

Date

CAREY VALLEY GROUND WATER DISTRICT

Leta Hansen      10/7/15  
Leta Hansen                      Date  
Chairman

JEFFERSON CLARK GROUND WATER DISTRICT

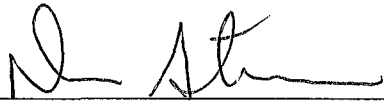
 10/13/15  
Kirk Jacobs Date  
Chairman

MADISON GROUND WATER DISTRICT

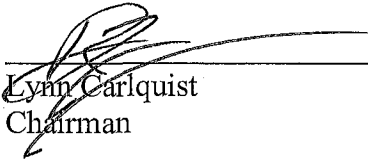
Jason Webster      10-19-15  
Jason Webster      Date  
Chairman



MAGIC VALLEY GROUND WATER DISTRICT

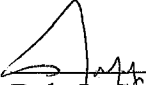

 10/7/2015  
\_\_\_\_\_  
Dean Stevenson Date  
Chairman

NORTH SNAKE GROUND WATER DISTRICT

  
\_\_\_\_\_  
Lynn Carlquist  
Chairman

10/7/2015  
Date

FREEMONT MADISON IRRIGATION DISTRICT

   
\_\_\_\_\_  
Dale L. Swenson      Jeff Raybould      Date  
Manager              Chairman