

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT NO. 143

RECEIVED

MAY 04 2017

DEPARTMENT OF
WATER RESOURCES

This is to certify that:

TELFORD LANDS LLC
1450 W HIGHWAY 24
PAUL ID 83347-8666

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
34-618	9/1/1884	BIG LOST RIVER	0.42	63.4	18.1
34-13659	6/1/1889	BIG LOST RIVER	0.13	43.0	5.6
34-13661	6/1/1896	BIG LOST RIVER	0.13	43.0	5.6
Combined Limit Totals			0.13	43.0	5.6
34-7077	9/5/1974	GROUND WATER	1.04	91.3	26.1
34-7080B	9/23/1974	GROUND WATER	0.70	130.5	37.3
34-7092	1/14/1975	GROUND WATER	1.56	289.8	82.8
34-13842	12/17/1975	GROUND WATER	0.06	25.6	18.3
34-7121A	1/9/1976	GROUND WATER	0.06	22.0	37.3
34-7121B	1/9/1976	GROUND WATER	0.49	144.2	41.2
34-12376	6/1/1977	GROUND WATER	0.16	39.9	11.4
34-2330B	6/1/1977	GROUND WATER	0.23	55.9	16.0
34-13840	4/6/1982	GROUND WATER	0.16	32.4	9.3
34-7179	4/6/1982	GROUND WATER	0.36	154.5	276.7
Combined Limit Totals			4.82	914.2	276.7
Combined Rental Totals			5.05	967.5	276.7

Term of Rental: This rental shall take effect when all parties have signed it and shall continue in effect until December 31, 2021

Annual Rental Fee:

2017	\$1,644.75
2018:	\$1,935.00
2019:	\$1,935.00
2020:	\$1,935.00
2021:	\$1,935.00

The fee for rental of the above-described water rights is \$16,447.50 for 2017 and \$19,350.00 annually for years 2018-2021. Because you own the above referenced water right you are obligated to pay ten percent (\$1,644.75/\$1,935.00) to the Department for administrative costs only. An annual payment shall be received by the Department prior to January 1 each year for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. To terminate the agreement prior to the end of the rental period, written notice must be received by the Department at least 30 days prior to the rental fee due date.

Detailed water right conditions are attached.

SUPPORT DATA

IN FILE # 34-618

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT NO. 143

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

Telford Lands LLC mm 4-24-17
Signature of Renter _____ Date _____
TEL FORD LANDS LLC
Mike TEL FORD mm _____
Printed Name _____ Title _____

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By Brian Patton 5/5/2017
BRIAN PATTON, Acting Administrator Date _____
Idaho Water Resource Board

Rental approved by IDWR Ch. Webb 5-5-2017
Date _____

WATER SUPPLY BANK RENTAL AGREEMENT NO. 143**WATER USE DETAILS****LOCATION OF POINT(S) OF DIVERSION****34-618, 34-13659 and 34-13661****BIG LOST RIVER****SESE****Sec. 4, Twp 05N, Rge 26E, BUTTE County****34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179, 34-12376, 34-13840, and 34-13842****GROUND WATER****NWNW****Sec. 21, Twp 05N, Rge 26E, BUTTE County****GROUND WATER****NWSE****Sec. 29, Twp 05N, Rge 26E, BUTTE County****GROUND WATER****SWNE****Sec. 32, Twp 05N, Rge 26E, BUTTE County****GROUND WATER****NWSE****Sec. 32, Twp 05N, Rge 26E, BUTTE County****GROUND WATER****L3 (NENW)****Sec. 5, Twp 04N, Rge 26E, BUTTE County****GROUND WATER****L2 (NWNE)****Sec. 4, Twp 04N, Rge 26E, BUTTE County****GROUND WATER****L2 (NWNE)****Sec. 4, Twp 04N, Rge 26E, BUTTE County****Beneficial Use****Diversion Rate****Volume****IRRIGATION****5.05 CFS****967.5 AF****BENEFICIAL USE & SEASON OF USE**

Water Right No.	From	To	Diversion Rate
34-13840	4/1	10/31	0.16 CFS
34-618	5/1	10/15	0.42 CFS
34-7179	4/1	11/1	0.36 CFS
34-2330 B	4/1	10/31	0.23 CFS
34-7080 B	4/1	11/1	0.70 CFS
34-7121 B	4/1	11/1	0.49 CFS
34-7121 A	4/15	10/15	0.06 CFS
34-7092	4/15	10/15	1.56 CFS
34-7077	4/1	11/1	1.04 CFS
34-12376	4/1	10/31	0.16 CFS
34-13842	4/1	11/1	0.06 CFS
34-13659	5/1	10/15	0.13 CFS
34-13661	5/1	10/15	0.13 CFS

RENTERS PLACE OF USE: 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	
03N	26E	15						30.0											30.0
03N	26E	16	30.2	30.0	31.0	31.0									31.0	31.2	31.1	31.2	246.7

Total Acres: 276.7**RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE**

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.

3. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
4. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
5. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
6. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date. This rental for mitigation by non-use may be ineffective if the mitigating water right is not in priority.
7. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
8. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the lands above.
9. The right holder shall make full beneficial use of all surface water rights available to the right holder for irrigation of the lands authorized to be irrigated under this right. The right holder shall limit the diversion of ground water under this right to those times when the surface water supply is not available or the surface water supply is not reasonably sufficient to irrigate the place of use authorized under this right.
10. 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.
11. This rental agreement does not authorize the construction of a well.
12. The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.
13. This rental is contingent upon the renters filing an application for transfer. The rental may be terminated beyond 2017 if a transfer application is not filed.
14. Use of water under this agreement 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. 34.
15. Rights 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179, 34-12376, 34-13840, and 34-13842 may only be rented for use as a supplemental right in conjunction with a primary surface water right.
16. Rights 34-618, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179, 34-12376, 34-13659, 34-13661, 34-13840, and 34-13842 are delivered through the Moore Diversion and/or the Timberdome Canal.
17. Should all or any portion of water right nos. 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-12376, 34-7179, 34-13840, and 34-13842 ever be curtailed as a result of a delivery call, the irrigated place of use for water right nos. 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-12376, 34-13840, 34-13842 (all describing a place of use of 258.6 acres) and water right no. 34-7179 (276.7 acres) shall be reduced by the number of irrigated acres authorized to be irrigated by the individual water right that is curtailed.

CONDITION APPLICABLE TO RIGHT 34-618

18. The of use for irrigation described above may be extended in seasons of unusual period characteristics to a beginning date of 04/20 and an ending date of 10/31 at the discretion of the Director of the Idaho Department of Water Resources.

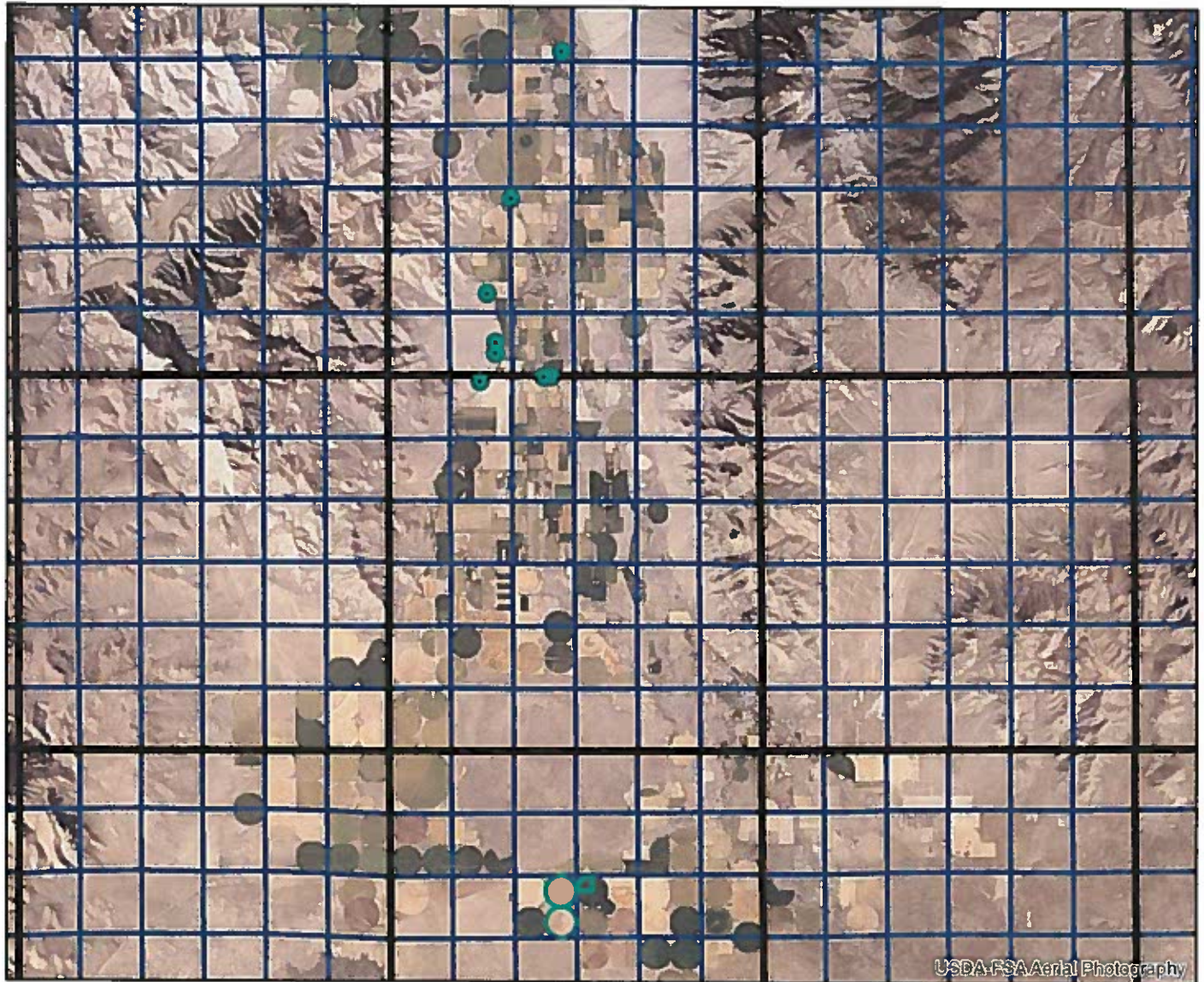
CONDITIONS APPLICABLE TO RIGHT 34-7092

19. The period of use for the irrigation described in this approval may be extended to a beginning date of 4/1 and an ending date of 10/31 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/15 and after 10/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than 7/15/2002.

Idaho Water Resource Board
Water Supply Bank Rental Agreement No. 143

Effective until December 31, 2021

This map depicts the **rental place of use** pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



-  Authorized Rental Point of Diversion
-  Authorized Rental Place of Use
-  Townships
-  PLS Sections



0 1 2 3 4 5 Miles

STATE OF IDAHO
WATER RESOURCE BOARD

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

RECEIVED

DEC 13 2016

**DEPARTMENT OF
WATER RESOURCES**

Applicant Name: Telford Lands LLC

Is this application being submitted with a lease application as a lease/rental package?

Yes ☒ No ☐

If yes, specify companion water rights in Section 4

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

		Yes	
		☒	Completed <i>Application to Rent Water from the Board's Water Supply Bank</i>
		☒	Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank
Attachment	N/A	Yes	
2	☒	☐	A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request
3A	☒	☐	Detailed information on a proposed use of rental water
3F	☒	☐	Authorization from the owner/operator of the rental point(s) of diversion
3H	☒	☐	Water modeling to account for the impacts of the rental request
3J	☒	☐	Documents justifying a rate of flow greater than 0.02 cfs/acre
3K	☒	☐	Authorization from the owner/operator of the property at the proposed rental place(s) of use
4B	☒	☐	Explanation of how the rental water will sufficiently accomplish your rental purposes
4C	☒	☐	Explanation of consumptive use amounts for water rights experiencing a change in nature of use

Department Use Only – Proposed Water Right(s)

**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Telford Lands LLC

Mailing Address <u>1450 W. Hwy 24</u>	Paul	ID	83347
Street	City	State	Zip Code
Email Address <u>telfordsunvalleyseed@gmail.com</u>	Phone Number <u>(208) 431-5957</u>		

B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☒ No ☐
If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative <u>Robert L. Harris</u>	Professional Title <u>Attorney</u>
Organization <u>Holden, Kidwell, Hahn & Crapo, P.L.L.C.</u>	Relationship to Applicant <u>Attorney</u>
Mailing Address <u>PO Box 50130, Idaho Falls, ID 83405</u>	
Email Address <u>rharris@holdenlegal.com</u>	Phone Number <u>(208) 523-0620</u>

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to irrigate. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:

Water will be used to supplement the current water rights used on the "Isom Farm" which authorize the irrigation of 1980 acres. No new acres will be irrigated under this rental.

B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
5.26 CFS	988.1 AF	CFS	AF	276.7 AC

* Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.

C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
1/1/2017	6/1/2017	☐ 1	☐ 2	☐ 3	☐ 4	☒ 5	☒ Process application as soon as possible	☐ Return application to applicant

* The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.

** Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):

Wells and pumps into ditch system, and Moore Canal for Big Lost River water right, all under existing transport agreements. The ditch where the rental water will be diverted to the Isom Farm is owned by the Applicant.

- E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
SEE ATTACHED	SPREADSHEET	

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

- F. Has documented consent from all relevant water delivery entities been obtained? Yes ☐ N/A ☒
If yes, include documented consent as Attachment 3F.

- G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☒ No ☐
Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

- H. Has water modeling been provided with your rental request? Yes ☐ N/A ☒
If yes, label modeling Attachment 3 H.
Rental applications that require modeling will be returned if modeling is not provided.

- I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

- ☒ Irrigation 276.7 (number of acres) Duration: Subject to IDWR standard seasons of use
☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)
☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)
☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)
☐ Other: _____ from: _____ (mm/dd) to: _____ (mm/dd)

- J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☐ Yes ☐ No ☒
If yes, justify the rate of flow and attach any supporting documents as Attachment 3J. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

- K. Do you own the land at the proposed rental place of use (POU)? Yes ☒ No ☐
If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it Attachment 3K.

- L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

Water rights already appurtenant to the place of use (WR Nos. 34-2459, 34-2460, 34-2461, 34-2462, 34-10925, 34-7037, and 34-7138). Existing rights at POU not enough, and shrink losses in canals are why H2O is required.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights?

Yes ☒ No ☐

If yes, specify below the elements of the water rights you are requesting to rent. If no, continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via [IDWR's website](#).

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request. For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
	SEE ATTACHED	SPREAD	SHEET			SEE ATTA	CHED SPR	EADSHEET
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL	CFS	AF	AC

**Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.*

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

It will increase the current water right rate per acre at the place of use from .012 cfs to .015 cfs. This will aid with the overall irrigation of the property.

C. Does your rental request propose to change the nature of use for any water right(s) being rented?

Yes ☐ No ☒

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

- A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☐ No ☒

If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

The manager of the LLC will file a transfer within the next 30 days, a component of which will be changes allowing for the use of water requested under this rental (and companion) lease applications. Other issues may arise with other aspects of the transfer, which is why this application is also being submitted for 2017.

- B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental?

If yes, describe:

Yes ☐ No ☒

- C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV?

Yes ☐ No ☒

If yes, describe the date and location of the NOV.

- D. Additional Information

This lease/rental application was previously approved. See attached lease and rental documents for 2016 irrigation season.

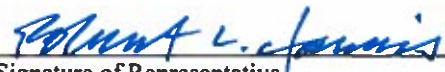
DECLARATION

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.

Signature of Applicant

Printed Name of Applicant

Date


Signature of Representative

Robert L. Harris

Printed Name of Representative

December 7, 2016

Date

Mail to:

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

Attorney Robert Lynn Harris Search - Individual Attorney (as of 11/22/16)

Robert Lynn Harris

Address: PO Box 50130

Idaho Falls, ID 83405

Firm: Holden, Kidwell, Hahn & Crapo, PLLC

Phone: (208) 523-0620

Phone Ext:

Fax: (208) 523-9518

E-Mail Address: rharris@holdenlegal.com

Website Address: www.holdenlegal.com

ISB Membership Number: 7018

Admittance Date: Sep/30/2004

Status: Active

Address Change Form

The information above is based on the Idaho State Bar records as of the date of the online Address Change Form or send an email to the Licensing Department if attorney's information is incorrect. Questions on attorney status and good standing call 334-4500.

Current Status Definitions

Contact the Bar Counsel's Office at (208) 334-4500 to request a disciplinary action.

Information on former members of the Idaho State Bar is limited to names going back to approximately 1994. Records on former members from before 1994 are in the Department for more information on former members.

P.O. Box 895 Boise Idaho 83701 ph:(208) 334-4500 fax:(208) 334-4515

RENTAL proposed Points of Diversion	Comments
NWSESE, 5N, 26E, Sec. 4	This POD is the <u>same</u> surface water POD as the companion lease application water rights. Surface water diversion (diversion of surface water at this point will stay the same--water will go from the end of the delivery system over to the former Isom farm.
L2(NENWNE) 4N, 26E, Sec.4 (Dad's Place Well) L3 (NENENW), 4N, 26E, Sec. 5 (Niederer well) SWNWNW, 5N, 26E, Sec. 21 (Burnett Well) SENWSE, 5N, 26E, Sec. 29 (Babcock Well) SESWNE, 5N, 26E, Sec. 32 (N. McAfee Well) SENWSE, 5N, 26E, Sec. 32 (S. McAfee Well) L2(NWNWNE) 4N, 26E, Sec.4 (River 2 Well)	These PODs are the <u>same</u> as the PODs in the companion lease application water rights. Water will still be diverted from these wells, but will go to supplement already irrigated acres on Telford's other farm (the former Isom farm) through the end of the delivery system over to the former Isom farm.

TELFORD RENTAL PLACE OF USE	
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99	
100	

TOTAL IRRIGATED ACRES	1,980
------------------------------	--------------

WATER BANK AMOUNTS

[illegible]

11.10.2017

The design was selected by 34-412 and the panels of 34-717 on choosing the system of the preliminary tests during the year 2000.

TELFORD LANDS LLC WATER RIGHTS FOR WATER SUPPLY BANK LEASE

[illegible]

ATTACHMENT 2

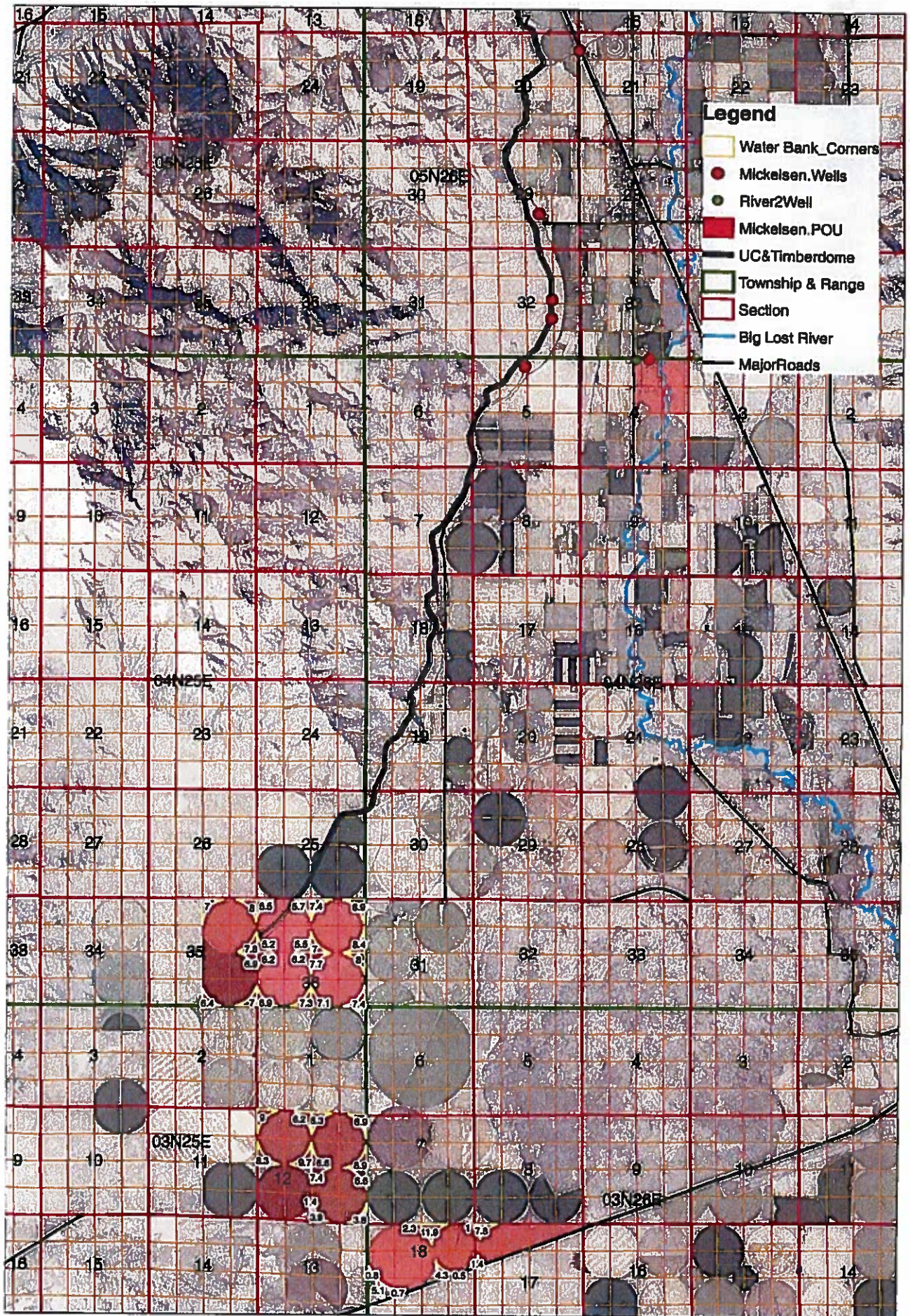
GIS Map

TELFORD LANDS LLC WATER BANK RENTAL

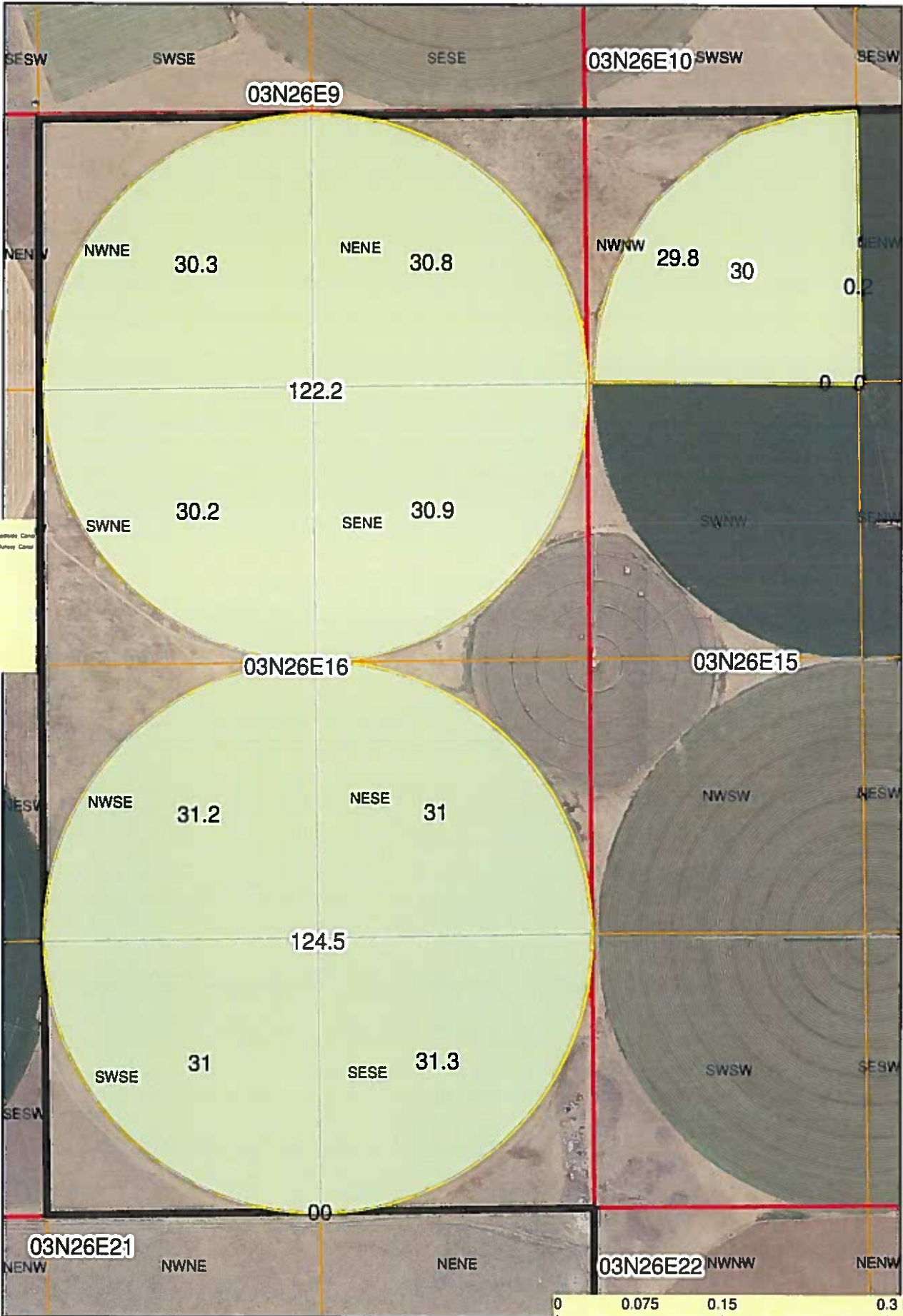
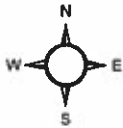
0 2,550 5,100 10,200 Feet



Prepared by:
Robert L. Harris
Sept. 29, 2011



TELFORD LANDS, LLC WATER BANK



STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT RECEIVED

This is to certify that: **TELFORD LANDS LLC**
1450 W HWY 24
PAUL ID 83347
(208)431-5957
telfordsunvalleyseed@gmail.com

MAR 18 2016
DEPARTMENT OF
WATER RESOURCES

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right	Priority Date	Source	Tributary	Leased Rate	Annual Leased Volume	Total Leased Acres
34-618	9/1/1884	Big Lost River	Sinks	0.42 cfs	NA	18.1 ac
34-7179	4/6/1982	Ground Water	NA	0.02 cfs	NA	18.1 ac
Total Annual Combined Limit				0.44 cfs	63.4 af	18.1 ac

Water Right	Priority Date	Source	Tributary	Leased Rate	Annual Leased Volume	Total Leased Acres
34-7179	4/6/1982	Ground Water	NA	0.34 cfs	154.4 af	NA
34-2330B	6/1/1977	Ground Water	NA	0.23 cfs	55.9 af	16.0 ac
34-7077	9/5/1974	Ground Water	NA	1.04 cfs	91.2 af	25.0 ac
34-7080B	9/23/1974	Ground Water	NA	0.69 cfs	130.4 af	37.3 ac
34-7092	1/14/1975	Ground Water	NA	1.56 cfs	289.5 af	82.7 ac
34-7121A	1/9/1976	Ground Water	NA	0.06 cfs	22.0 af	37.3 ac
34-7121B	1/9/1976	Ground Water	NA	0.49 cfs	144.1 af	41.2 ac
34-12376	6/1/1977	Ground Water	NA	0.16 cfs	39.9 af	11.4 ac
34-13840	4/6/1982	Ground Water	NA	0.16 cfs	32.4 af	9.3 ac
34-13842	12/17/1975	Ground Water	NA	0.06 cfs	25.6 af	18.2 af
Total Annual Combined Limit				4.82 cfs	905.1 af	276.7 ac

Water Right	Priority Date	Source	Tributary	Leased Rate	Annual Leased Volume	Total Leased Acres
34-13659	6/1/1889	Big Lost River	Sinks	0.13 cfs	NA	NA
34-13661	6/1/1896	Big Lost River	Sinks	0.13 cfs	NA	NA
Total Annual Combined Limit				0.13 cfs	19.6 af	5.60 ac

Annual Combined Lease Totals **5.26 cfs 988.1 af 276.7 ac**

Term of Rental: This rental is in effect from the day the Idaho Water Resource Board signs the rental agreement and shall be in effect until December 31, 2016.

Rental Fee: **\$1,679.77**

The fee for rental of the above-described water is \$16,797.70. Because you own the above referenced water rights you are obligated to pay ten percent (\$1,679.77) to the Department for administrative costs only. No rental fees will be refunded once the fee is collected and the start date for a Rental Agreement has passed.

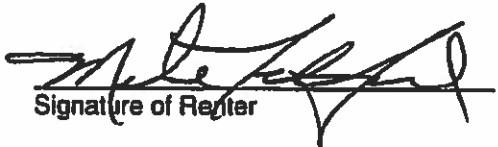
Detailed water right conditions are attached.

SUPPORT DATA

IN FILE # 34-668

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

 Mike F. H. D. Mangin, Jr. 3-16-16
Signature of Renter Printed Name and Title Date

Signature of Renter Printed Name and Title* Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By  Date 3/18/2016
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Rental Approved by IDWR  Date 3-18-2016

6. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
7. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
8. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
9. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
10. 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.
11. This rental agreement does not authorize the construction of a well.
12. **The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.**
13. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the lands above.
14. Use of water under this agreement 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. 34.
15. Rights 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179, 34-12376, 34-13840, and 34-13842 may only be rented for use as a supplemental right in conjunction with a primary surface water right.
16. Rights 34-618, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179, 34-12376, 34-13659, 34-13661, 34-13840, and 34-13842 are delivered through the Moore Diversion and/or the Timberdome Canal.
17. The right holder shall make full beneficial use of all surface water rights available to the right holder for irrigation of the land authorized to be irrigated under this right. The right holder shall limit the diversion of ground water under this right to those times when the surface water supply is not available or the surface water supply is not reasonably sufficient to irrigate the place of use authorized under this right.
18. Should all or any portion of water right nos. 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-12376, 34-7179, 34-13840, and 34-13842 ever be curtailed as a result of a delivery call, the irrigated place of use for water right nos. 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-12376, 34-13840, 34-13842 (all describing a place of use of 258.6 acres) and water right no. 34-7179 (276.7 acres) shall be reduced by the number of irrigated acres authorized to be irrigated by the individual water right that is curtailed.

CONDITION APPLICABLE TO RIGHT 34-618

19. The of use for irrigation described above may be extended in seasons of unusual period characteristics to a beginning date of 04/20 and an ending date of 10/31 at the discretion of the Director of the Idaho Department of Water Resources.

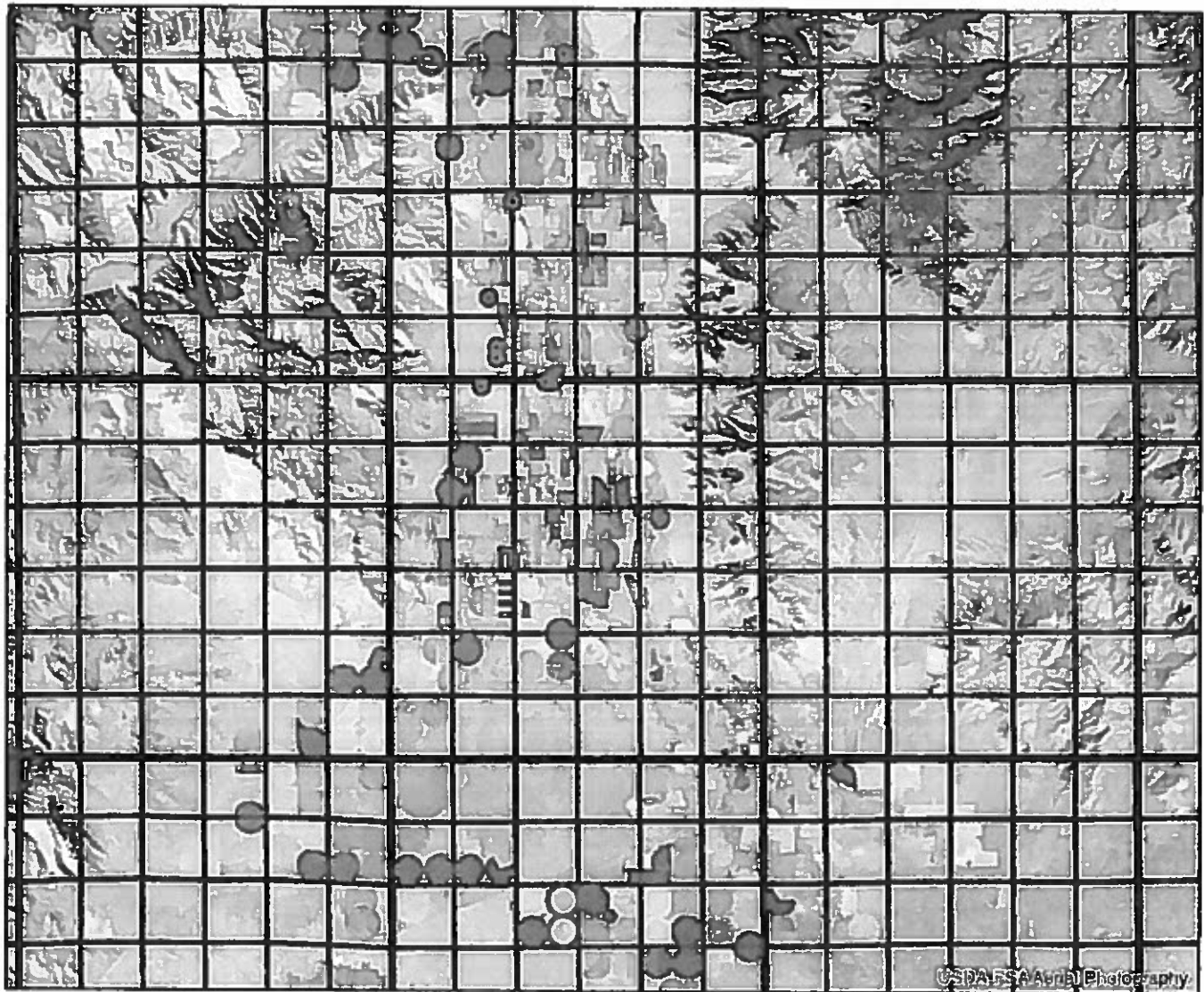
CONDITIONS APPLICABLE TO RIGHT 34-7092

20. The period of use for the irrigation described in this approval may be extended to a beginning date of 4/1 and an ending date of 10/31 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/15 and after 10/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than 7/15/2002.

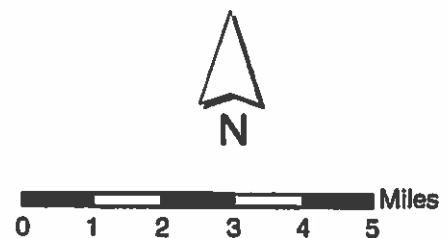
Idaho Water Resource Board
Water Supply Bank Rental Agreement

Effective until December 31, 2016

This map depicts the rental place of use pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



- Authorized Rental Point of Diversion
- Authorized Rental Place of Use
- Townships
- PLS Sections





State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

May 8, 2017

TELFORD LANDS LLC
1450 W HIGHWAY 24
PAUL ID 83347-8666

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK WATER RIGHT NOS.
34-618, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179,
34-12376, 34-13659, 34-13661, 34-13840 and 34-13842**

Dear Renter:

Please find enclosed a receipt in the amount of **\$1,644.75** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 967.5 acre-feet of water for irrigation of 276.7 acres during 2017. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, the rental fee will be retained by the Department to offset administrative costs since you are the owner of the rights.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,


Jebbi Seidl
Water Supply Bank

Enclosures: Receipt No. C103487
Rental Agreement (copy)

c: Sascha Marston – Fiscal
James Cefalo – IDWR Eastern Regional Office
Lucas Yockey – State Water District No. 34
Robert Harris – Holden Kidwell Hahn & Crapo



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

April 21, 2017

TELFORD LANDS LLC
1450 W HIGHWAY 24
PAUL ID 83347-8666

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 34-618, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A,
34-7121B, 34-7179, 34-12376, 34-13659, 34-13661, 34-13840 and 34-13842**

*****TIME SENSITIVE RESPONSE REQUIRED*****

Dear Applicant:

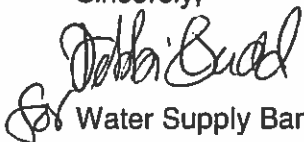
The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of **\$16,447.50** was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 967.5 acre-feet. Since you are both the lessor and the renter of the rights, **you are only obligated to pay the 10% administrative fee or \$1,644.75.** An annual payment shall be received by the Department prior to the execution of this agreement and prior to January 1 in all subsequent years for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check for \$1,644.75 made payable to the Idaho Department of Water Resources, together with the signed rental agreement, within 14 days so I can complete processing.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,



John B. Buerd
Water Supply Bank

Enclosure

c: IDWR Front Desk
Robert Harris – Holden Kidwell Hahn & Crapo



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

April 21, 2017

TELFORD LANDS LLC
1450 W HIGHWAY 24
PAUL ID 83347-8666

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 34-618, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A,
34-7121B, 34-7179, 34-12376, 34-13659, 34-13661, 34-13840 and 34-13842**

*****TIME SENSITIVE RESPONSE REQUIRED*****

Dear Applicant:

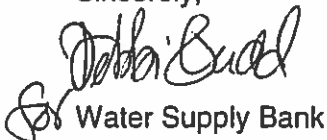
The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of **\$16,447.50** was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 967.5 acre-feet. Since you are both the lessor and the renter of the rights, **you are only obligated to pay the 10% administrative fee or \$1,644.75.** An annual payment shall be received by the Department prior to the execution of this agreement and prior to January 1 in all subsequent years for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check for \$1,644.75 made payable to the Idaho Department of Water Resources, together with the signed rental agreement, within 14 days so I can complete processing.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,


Water Supply Bank

Enclosure

c: IDWR Front Desk
Robert Harris – Holden Kidwell Hahn & Crapo



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

April 21, 2017

TELFORD LANDS LLC
1450 W HIGHWAY 24
PAUL ID 83347-8666

RE: APPLICATION TO LEASE WATER RIGHTS 34-618, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179, 34-12376, 34-13659, 34-13661, 34-13840 and 34-13842 TO THE WATER SUPPLY BANK

******TIME SENSITIVE RESPONSE REQUIRED******

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water rights 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.

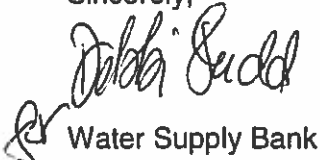
The rights will automatically be released from the Bank on **December 31, 2021**, unless the rights are released earlier by the Board, or upon your request. To release the rights from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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 rights may not be available for immediate release if they have 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 287-4800.

Sincerely,



Water Supply Bank

Enclosures: Proposed Lease Contracts
Receipt # C102781

c: Robert Harris – Holden Kidwell Hahn & Crapo

Memorandum Water Supply Bank Rental Agreement No. 143

TO: Water Rights File 34-618, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179, 34-12376, 34-13659, 34-13661, 34-13840, and 34-13842

FROM: Sandra Thiel

DATE: February 12, 2016 with updates on April 11, 2017

SUBJECT: Telford Lands LLC Water Bank Lease Application

PURPOSE/NARRATIVE: Robert Harris of Holden, Kidwell, Hahn and Crapo submitted a lease/rental package to the Department on December 13, 2016 . Through the lease and rental agreements, Telford Lands will rent their own water. They will divert water from wells into the Moore Canal and the Timberdome Canal system.

Eight of the points of diversion are the same for both the lease and the rental. Previous rentals included two wells that are not part of the lease points of diversion, Big Hole and Mark's Well. There is no water right associated with the Big Hole well. These wells are not included in this package (see conversation notes below about the status of these wells).

The Department accepted a lease for the above rights for years 2009 through 2014. These same rights were leased again into the bank for the 2015 – 2017 irrigation seasons. The lease/rental process allowed the Telfords to move water from one farm to another. Tim Luke, with the Department, expressed concerns that the rental may allow the Telfords to avoid the transfer process and that a transfer would be more appropriate. Based on his comments we emphasized the condition *The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement* on the 2015 lease. We also limited the lease and rental to one year rather than the requested five. Given the uncertainty associated with this transaction, the current lease/rental will also be limited to one year.

According to the rental application submitted for the 2017 season they intend to file a transfer within 30 days of submitting the rental application. At the time of this memo, I did not find a recorded transfer application. The rental states that a component of the transfer will be changes allowing for the use of water requested under the rental and companion lease. They further state that other issues may arise with the transfer and that is the reason for the rental application. Evidently they would like the rental if the transfer can't be approved in time for the 2017 irrigation season.

Several water rights are already appurtenant to the rental place of use: 34-2459, 34-2460, 34-2461, 34-2462, 34-10925, 34-7037 and 34-7138. According to the rental application the existing rights are not enough, and canal losses are the reason they require more water. The additional water will increase the rate per acre from 0.12 to 0.15 cfs.

This lease/rental is identical to the one approved for the 2015 and 2016 irrigation seasons. Portions of the rights have also been leased into the Bank since 2009. On the application it states that

the manager of the LLC continues to work through estate planning discussions, and does not want a permanent transfer to interfere with that process. Also, the manager is involved with the current discussion/actions to improve conveyance loss issues, so it is possible that it will not be necessary to perform a transfer or further WB filings.

Conversation with Rob Harris 3/2/2016:

This past year the Telfords filed transfer 80155 for the Big Hole and Marks Well. These wells are points of diversion for rights 34-10925, 34-2459 and 34-2460. The intent of the current, water supply bank transaction is to move water that is not used on the Mickleson Farm where they are not irrigating the pivot corners, to the Isom farm. No new land will be irrigated and the water will be carried through the same canals. Mr. Telford is in the process of estate planning for his family and he hopes this will be the last year they need to make use of the Bank for these farms.

AUTHORITY TO FILE: Robert Harris of Holden, Kidwell, Hahn and Crapo, signed the applications on behalf of Telford Lands LLC.

WATER RIGHT VALIDITY: Telford first leased these rights into the Bank in 2009. They have remained in the bank since. Forfeiture is not an issue.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The lease /rental is subject to water district 34. They did not respond with comments. Eastern region had no concerns.

Thiel, Sandra

From: Cefalo, James
Sent: Monday, January 23, 2017 10:34 AM
To: Thiel, Sandra
Subject: RE: Telford lease/rental

Sandra,

I don't have any comments or concerns about the proposed WSB Lease/Rental.

James

From: Thiel, Sandra
Sent: Monday, January 23, 2017 9:22 AM
To: Cefalo, James <James.Cefalo@idwr.idaho.gov>
Subject: Telford lease/rental

Good Morning, We received a lease/rental package from Mike Telford. It appears that this is the same transaction he has engaged in for the past two years. According to the most current bank application he intends to file a transfer to make this change permeant. I have attached an updated version of my memo and a copy of the most recent application. Please let me know if you have any questions or concerns.

Sandra Beer Thiel
Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098
(208)287-4881
sandra.thiel@idwr.idaho.gov

Thiel, Sandra

From: Rob Harris <rharris@holdenlegal.com>
Sent: Monday, March 27, 2017 11:49 AM
To: Thiel, Sandra
Subject: RE: Telford lease/rental

Sandra:

Sorry I missed this. Yes, Telford intends to file a transfer as soon as the water bank approval is issued for this year. We put 2021 if it was an option to lease it past one year in the event the transfer is protested.

Rob Harris

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Thursday, March 9, 2017 9:57 AM
To: Rob Harris <rharris@holdenlegal.com>
Subject: RE: Telford lease/rental

Good morning, I see on the Telford lease application they want their rights in the Bank until 2021. Do they still intend to file a transfer?

Sandra Beer Thiel
Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098
(208)287-4881
sandra.thiel@idwr.idaho.gov

From: Rob Harris [<mailto:rharris@holdenlegal.com>]
Sent: Wednesday, March 08, 2017 9:19 AM
To: Thiel, Sandra <Sandra.Thiel@idwr.idaho.gov>
Subject: RE: Telford lease/rental

Sandra:

The Big Lost River Irrigation District finally had a meeting and signed the consent. My client is scanning and emailing it to me today, and I will forward it to you. You should have it by the end of today.

Thanks,

Rob Harris

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Tuesday, January 31, 2017 2:16 PM
To: Rob Harris <rharris@holdenlegal.com>
Subject: Telford lease/rental

Hello, We are processing the lease and rental applications for Telford Lands and require consent from the Big Lost Irrigation District. I believe Jean Hersley sent you an email on January 12th requesting the consent. We will be unable to complete the processing without that document. Please send us the updated consent within the next 30 days.

Sandra Beer Thiel

Idaho Department of Water Resources

322 East Front Street

Boise, Idaho 83720-0098

(208)287-4881

sandra.thiel@idwr.idaho.gov



Holden Kidwell
Hahn & Crapo P.L.L.C.
L A W O F F I C E S

1000 Riverwalk Drive, Suite 200
PO Box 50130
Idaho Falls, Idaho 83405

Tel: (208) 523-0620
Fax: (208) 523-9518
www.holdenlegal.com

Email: rharris@holdenlegal.com

December 7, 2016

RECEIVED

DEC 13 2016

DEPARTMENT OF
WATER RESOURCES

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

RE: Telford Lands LLC Applications to Rent and Lease Water from the Water Supply Bank, Water Right Nos. 34-618, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179, 34-12376, 34-13659, 34-13661, 34-13840, and 34-13842.

Dear Remington:

Enclosed for processing are combined *Applications to Rent and Lease* portions of the above enumerated water rights submitted on behalf of Telford Lands LLC. These combined applications are effectively a request to continue a prior approved water bank rental from this past irrigation season (2016). The previous water supply bank rental agreement and lease acceptance documents are enclosed with this letter. All of the water right amounts from the prior rental are the same. Enclosed is a map showing the existing water rights and the corners that will be dried up under the rental. A list by quarter-quarter section is contained in the water supply bank lease acceptance.

The rates contained in the new applications match the ones contained in the old applications, and together request leasing a combined 5.18 cfs and 968.5 acre-feet for the irrigation of 276.7 acres. While this is the combined amount of water leased through the bank, the water will actually only be used to supplement the applicant's irrigated acres which it receives from a number of other water rights on what the applicant commonly refers to as the "Isom farm". The systems are connected.

My client intends to file a transfer application to combine all of its water rights, and one of the proposed changes will be for what is being proposed through this combined water supply bank lease/rental. To ensure that my client is able to continue to use water as he has done for the past number of years through the water supply bank, we wish to continue allowing some of the overflow water from the water rights listed above (which is commonly referred to as the "Mickelsen farm") to supplement irrigation on the Isom farm when that water is available. The rental will also continue to protect the water rights on the pivot corners from forfeiture based on our understanding of the Department's current policy on partial forfeiture.

Remington Buyer
Idaho Water Supply Bank
Idaho Department of Water Resources
December 7, 2016
Page 2 of 2

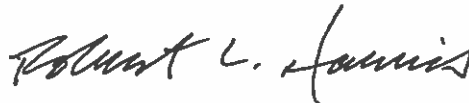
We have separated out the rental application that will identify where the water is diverted, and most of them are already the authorized points of diversion for the existing water rights. In the prior rental review, we submitted modeling and a duty of water analysis, which should be in your files. We have not submitted this information again because you should have this information in your files.

We have also not submitted a completed W-9 form because it is a combined lease-rental and the W-9 is not needed.

We have also submitted the required \$500.00 fee for the combined lease applications.

If you have any questions or concerns, please do not hesitate to give me a call.

Best Regards,



Robert L. Harris
HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

Enclosures