

80651

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

**APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1**

Name of Applicant(s) Taylor Mountain Water and Sewer District Phone _____
Mailing address c/o HKHC, P.O. Box 50130, Idaho Falls, ID 83405 Email _____

- ☒ If applicant is not an individual and not registered to do business in the State of Idaho, attach documentation identifying officers authorized to sign or act on behalf of the applicant. Label it **Attachment #1**.
- ☒ Attach water right ownership documentation if Department records do not show the transfer applicant as the current water right owner. Label it **Attachment #2a**.
- ☐ If the ownership of the water right will change as a result of the proposed transfer to a new place of use, attach documentation showing land and water right ownership at the new place of use. Include documentation for all affected land and owner(s). Label it **Attachment #2b**.
- ☒ Attach documentation of authority to make the proposed change if the applicant is not the water right owner. Label it **Attachment #3**.

Provide contact information below if a consultant, attorney, or any other person is representing the applicant in this transfer process.

☐ No Representative

Name of Representative Robert L. Harris Phone 208-523-0620
Mailing address P.O. Box 50130, Idaho Falls, ID 83405 Email rharris@holdenlegal.com

- ☐ Send all correspondence for this application to the representative and not to the applicant.
OR
- ☒ Send original correspondence to the applicant and copies to the representative.
- ☐ The representative may submit information for the applicant but is not authorized to sign for the applicant.
OR
- ☒ The representative is authorized to sign for the applicant. Attach a Power of Attorney or other documentation providing authority to sign for the applicant and label it **Attachment #4**.

I hereby assert that no one will be injured by the proposed changes and that the proposed changes do not constitute an enlargement in use of the original right(s). 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.

Robert L. Harris
Signature of Applicant or Authorized Representative

Robert L. Harris, Attorney
Print Name and Title if applicable

January 11, 2016
Date

Signature of Applicant or Authorized Representative

Print Name and Title if applicable

Date

A. PURPOSE OF TRANSFER

1. ☒ Change point of diversion ☒ Add diversion point(s) ☒ Change place of use
☐ Change nature of use ☐ Change period of use ☐ Other _____
2. Describe your proposal in narrative form, including a detailed description of non-irrigation uses to justify amounts transferred (i.e. number of stock, etc.), and provide additional explanation of any other items on the application. Attach additional pages if necessary and label it **Part 1A.2**.
See attached sheet.
- _____

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1 Continued

B. DESCRIPTION OF RIGHTS AFTER THE REQUESTED CHANGES. IF THE RIGHTS ARE BEING SPLIT, DESCRIBE PORTIONS TO BE CHANGED AS THEY WOULD APPEAR AFTER THE REQUESTED CHANGES.

1.	Right Number	Amount (cfs/ac-ft)	Nature of Use	Period of Use	Source & Tributary
All or Part ☒ ☐	25-14287	0.02 / 3.8	Irrigation	04/01 to 11/01	Ground water
☒ ☐	25-14301	0.02 / 4.9	Irrigation	04/01 to 11/01	Ground water
☒ ☐	25-14304	0.02 / 4.2	Irrigation	04/01 to 11/01	Ground water
☒ ☐	25-14313	0.04 / 7	Irrigation	04/01 to 11/01	Ground water
☒ ☐	25-14383	.08 / 22.8	Irrigation	04/01 to 10/31	Ground water
☒ ☐	25-14385	.05 / 12.4	Irrigation	04/01 to 10/31	Ground water
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	

Total authorized under rights 0.23 cfs and/or 55.1 acre-feet.

2. Total amount of water proposed to be transferred or changed 0.23 cubic feet per second and/or 55.1 acre-feet per year.

3. Point(s) of Diversion:

- ☐ No changes to point(s) of diversion are proposed - the following chart is therefore not completed. (Proceed to #4.)
☒ Attach Eastern Snake Plain Aquifer analysis if this transfer proposes to change a point of diversion affecting the ESPA.
 Label it Attachment #5.

New ?	Lot	%	%	%	Sec	Twp	Rge	County	Source	Local name or tag #
N			SW	SE	21	1N	38E	Bonneville	Ground water	E0006070
N			SW	NE	28	1N	38E	Bonneville	Ground water	E0007187

4. Place of use: (If irrigation, identify with number of acres irrigated per ¼ ¼ tract.)

- ☐ No changes to place of use are proposed - the following chart is therefore not completed. (Proceed to #5.)

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Acre Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
1N	38E	21											1.4	8.5			13.8	14.4	38.1
1N	38E	28	6.7	7	8.2		7.7			5.6						0.1			35.3
1N	38E	29			4.1														4.1
Total Acres (for irrigation use)																			77.5

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT PART 1 Continued

5. General Information:

- a. Describe the complete diversion system, including how you will accommodate a measuring device and lockable controlling works should they be required now or in the future:

Wells and pumps into domestic water system. System can accommodate a measuring device and is lockable.

Diversions are measured by WD120.

- b. Who owns the property at the point(s) of diversion? Applicant

If other than the applicant, describe the arrangement enabling the applicant to access the property for the diversion system:

- c. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts?

If yes, ☐ attach a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes on official letterhead signed by an authorized representative. Label it **Attachment #6**. List the name of the entity and type of lien:

It is the applicant's responsibility to provide notice to lien holder, trustee, mortgagor, or contract holder of the proposed changes that may impact or change the value of the water rights or affected real property. Any misrepresentation of legal encumbrance on this application may result in rejection of the application or cancellation of an approval.

- d. Are any of the water rights proposed for transfer currently leased to the Water Supply Bank?

If yes, ☐ complete [Attachment WSB](#).

- e. Describe the effect on the land now irrigated if the place or purpose of use is changed pursuant to this transfer:

Portion of POU under T80201 is within subdivision service area, and will not change. 3.5 acres on Groth property will not be irrigated. Water Right Nos. 25-14383 and 25-14385 are appurtenant to land just outside of subdivision. Homes within subdivision and service area of TMWSD system will use water rights for irrigation.

- f. Describe the use of any other water right(s) for the same purpose or land, or the same diversion system as right(s) proposed to be transferred at both the existing and proposed point(s) of diversion and place(s) use:

25-7090.

- g. To your knowledge, has/is any portion of the water right(s) proposed to be changed:

Yes No

- | | | |
|-------------------------------------|-------------------------------------|---|
| ☒ | ☐ | undergone a period of five or more consecutive years of non-use, |
| ☐ | ☒ | currently leased to the Water Supply Bank, |
| ☐ | ☒ | currently used in a mitigation plan limiting the use of water under the right, or |
| ☐ | ☒ | currently enrolled in a Federal set-aside program limiting the use of water under the rights? |

If yes, describe:

The first 4 water rights were granted Requests for Extension of Time to Avoid Forfeiture with a deadline to resume use by September 30, 2015. With T80201 approved, the water rights have been used, and forfeiture is not an issue.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT

PART 3

A. PLAT MAP (See Part 3A of Instructions for application for transfer for complete requirements.)

- ☒ Attach a map of the diversion, measurement, control, and distribution system. Label it Attachment #7a.
- ☒ If the transfer application proposes to change the place or purpose of use of an irrigation right attach a Geographic Information System (GIS) shape file, or an aerial photo or other image clearly delineating the location and extent of existing acres and changes to the place of use. Label it Attachment #7b.

If the place of use currently consists of a permissible place of use, then the attachment is not required if the application contains a clear statement that the boundaries for the place of use are not proposed to be changed by the transfer and the total number of irrigated acres within the place of use before and after the transfer is clearly stated.

If any part of the irrigation water right is leased to the Water Supply Bank, you must also specify the location and number of acres that will remain idled for the duration of the lease contract at the new, proposed place of use.

B. CHANGES IN NATURE OF USE (Water Balance)

- ☐ If you propose to change the nature of use or period of use of all or part of the right(s) listed in this application, attach documentation describing the extent of historic beneficial use of the portion of the right(s) proposed to be changed. Also attach documentation showing that the portion of the right(s) to be changed will not be enlarged in rate, volume, or consumptive use through the proposed change. Label it **Attachment #8a**.

C. PLACE OF USE CHANGES TO SUPPLEMENTAL IRRIGATION RIGHTS

- ☐ If you propose to change the place of use of a supplemental irrigation right, answer below and attach supporting documentation. Label it **Attachment #8b**.

Describe how the supplemental water rights have been used historically in conjunction with other water rights at the existing place of use. Describe the time during the irrigation season that the supplemental rights have been used. Include information about the availability or reliability of the primary right(s) being supplemented, both before and after the change. If the applicant is proposing to change a supplemental irrigation right to a primary right, provide the information required on Part 3B above:

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper appears to be a standard notebook page or a sheet of stationery.

FOR DEPARTMENT USE ONLY

Transfer contains _____ pages and _____ attachments.

Received by _____ Date _____ Preliminary check by _____ Date _____

Fee paid \$ 200.00 Date 9/29/2015 Received by _____ Receipt # E041500

Add'l fee paid 300- Date 1/11/14 Received by SL Receipt # E041744

Check all that apply: Attachment WSB ☐ (copy sent to state office) Lessor Designation form ☐ &/or W-9 ☐ (originals to state office)

Part 1.A.2.

The applicant is the assignor of a contract to purchase water rights (Water Right Nos. 25-14287, 25-14301, 25-14304, and 25-14313) as well as under contract for other water rights (Water Right Nos. 25-14383 and 25-14385) after it was determined that the applicant is short of irrigation water rights for homes serviced by the applicant. The assignment document and purchase and sale documents are attached. Water Right Nos. 25-14287, 25-14301, 25-14304, and 25-14313 have been moved within the place of use of the subdivision's culinary water right (25-7090) through Transfer No. 83201. Water Right Nos. 25-14383 and 25-14385 are located just outside of the Applicant's water system.

This transfer places the water rights entirely with the applicant's service area as a permissible place of use. Because this is an irrigation water right to be used in association with domestic residences, a permissible place of use is requested that matches the following subdivision lots and individual lots that are all serviced by the TMWSD system (a map of these lots is included with this transfer):

PROPERTIES SERVED BY THE TMWSD SYSTEM

Holiday Hills Subdivision, Division No. 1

Holiday Hills Subdivision, Division No. 2

Holiday Hills Subdivision, Division No. 5

Holiday Hills, an Idaho Condominium Project

Country Club Hills, Division No. 1

Country Club Hills, First Amended Division No. 2

Country Club Hills, Division No. 3

Idaho Falls Country Club (domestic water only)

1 home located at 1759 E. 113 S., Idaho Falls, ID 83404 (this home is owned by Ron Dickemore)

1 home located at 11645 S. 10th E., Idaho Falls, ID 83402 (this home is owned by Robyn Longhurst)

Attachment No. 2a Water Right Ownership Documentation

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

1/9/2016

WATER RIGHT NO. 25-14287

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	M PATRICK DUFFIN
Current Owner	PATRICIA C DUFFIN 3270 E 17TH ST IDAHO FALLS, ID 83406-6758 (208)552-9805
Original Owner	ZEE M MC DANIEL 1677 S FOOTHILL RD IDAHO FALLS, ID 83401 (208)522-9148

Priority Date: 08/10/1966

Basis: Decreed

Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	11/01	0.02 CFS	3.8 AFA
Total Diversion			0.02 CFS	

Location of Point(s) of Diversion:

GROUND WATER|SWSWSE|Sec. 21|Township 01N|Range 38E|BONNEVILLE County

IRRIGATION Use:

80651

Acre Limit: 1.1

Place(s) of use:

Place of Use Legal Description: IRRIGATION BONNEVILLE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
01N	38E	21		SWSE	5.6									

Total Acres: 5.6

Conditions of Approval:

1. X27 This right is limited to the irrigation of 1.1 acres within the authorized place of use in a single irrigation season.
2. X35 Rights 25-14287, 25-14301, 25-14304 and 25-14313 when combined shall not exceed the irrigation of 5.6 acres.
3. R05 Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
4. R02 A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion.
5. 214 Prior to the diversion and use of water under Transfer approval 80201, the right holder shall install and maintain acceptable measuring device(s) at the authorized point(s) of diversion in accordance with Department specifications, or shall obtain an approved variance from the Department to determine the amount of water diverted from power records or to maintain an existing measuring device.
6. 213 Upon specific notification of the Department, the right holder shall install and maintain data loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.
7. R64 This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.
8. 004 This right does not grant any right-of-way or easement across the land of another.
9. T07 The right holder shall accomplish the change authorized by this transfer within one year of the date of this approval.
10. T08 Failure of the right holder to comply with the conditions of this transfer is cause for the Director to rescind approval of the transfer.
11. T19 Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.

Dates:

80651 1

Licensed Date:
Decreed Date: 09/30/2005
Enlargement Use Priority Date:
Enlargement Statute Priority Date:
Water Supply Bank Enrollment Date Accepted:
Water Supply Bank Enrollment Date Removed:
Application Received Date:
Protest Deadline Date:
Number of Protests: 0

Other Information:

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

IDAHO DEPARTMENT OF WATER RESOURCES

Water Right Report

1/9/2016

WATER RIGHT NO. 25-14301

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	IDAHO WATER CO LLC 1135 VALLEY RD S EDEN, ID 83325 (208) 312-1135
Original Owner	ZEE M MC DANIEL 1677 S FOOTHILL RD IDAHO FALLS, ID 83401 (208)522-9148

Priority Date: 07/27/1972

Basis: Decreed

Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	11/01	0.02 CFS	4.9 AFA
Total Diversion			0.02 CFS	

Location of Point(s) of Diversion:

GROUND WATER|SWSWSE|Sec. 21|Township 01N|Range 38E|BONNEVILLE County

IRRIGATION Use:

Acre Limit: 1.3

80651

Place(s) of use:

Place of Use Legal Description: IRRIGATION BONNEVILLE County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
01N	38E	21		SWSE	5.6									

Total Acres: 5.6

Conditions of Approval:

1. X27 This right is limited to the irrigation of 1.3 acres within the authorized place of use in a single irrigation season.
2. X35 Rights 25-14287, 25-14301, 25-14304 and 25-14313 when combined shall not exceed the irrigation of 5.6 acres.
3. R05 Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
4. R02 A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion.
5. 214 Prior to the diversion and use of water under Transfer approval 80201, the right holder shall install and maintain acceptable measuring device(s) at the authorized point(s) of diversion in accordance with Department specifications, or shall obtain an approved variance from the Department to determine the amount of water diverted from power records or to maintain an existing measuring device.
6. 213 Upon specific notification of the Department, the right holder shall install and maintain data loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.
7. R64 This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.
8. 004 This right does not grant any right-of-way or easement across the land of another.
9. T07 The right holder shall accomplish the change authorized by this transfer within one year of the date of this approval.
10. T08 Failure of the right holder to comply with the conditions of this transfer is cause for the Director to rescind approval of the transfer.
11. T19 Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.

Dates:

Licensed Date:

80651

Decreed Date: 09/30/2005

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number: 120

Generic Max Rate per Acre: 0.02

Generic Max Volume per Acre: 4

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

1/9/2016

WATER RIGHT NO. 25-14304

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	ALLEN RASMUSSEN
Current Owner	CHYANNE RASMUSSEN 560 RANDY DR IDAHO FALLS, ID 83401 (208)313-2112
Original Owner	ZEE M MC DANIEL 1677 S FOOTHILL RD IDAHO FALLS, ID 83401 (208)522-9148

Priority Date: 08/10/1966

Basis: Decreed

Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	11/01	0.02 CFS	4.2 AFA
Total Diversion			0.02 CFS	

Location of Point(s) of Diversion:

GROUND WATER|SWSWSE|Sec. 21|Township 01N|Range 38E|BONNEVILLE County

IRRIGATION Use:

80651

Acre Limit: 1.2

Place(s) of use:

Place of Use Legal Description: IRRIGATION BONNEVILLE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
01N	38E	21		SWSE	5.6									

Total Acres: 5.6

Conditions of Approval:

1. X27 This right is limited to the irrigation of 1.2 acres within the authorized place of use in a single irrigation season.
2. X35 Rights 25-14287, 25-14301, 25-14304 and 25-14313 when combined shall not exceed the irrigation of 5.6 acres.
3. R05 Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
4. R02 A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion.
5. 214 Prior to the diversion and use of water under Transfer approval 80201, the right holder shall install and maintain acceptable measuring device(s) at the authorized point(s) of diversion in accordance with Department specifications, or shall obtain an approved variance from the Department to determine the amount of water diverted from power records or to maintain an existing measuring device.
6. 213 Upon specific notification of the Department, the right holder shall install and maintain data loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.
7. R64 This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.
8. 004 This right does not grant any right-of-way or easement across the land of another.
9. T07 The right holder shall accomplish the change authorized by this transfer within one year of the date of this approval.
10. T08 Failure of the right holder to comply with the conditions of this transfer is cause for the Director to rescind approval of the transfer.
11. T19 Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.

Dates:

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Licensed Date:
Decreed Date: 09/30/2005
Enlargement Use Priority Date:
Enlargement Statute Priority Date:
Water Supply Bank Enrollment Date Accepted:
Water Supply Bank Enrollment Date Removed:
Application Received Date:
Protest Deadline Date:
Number of Protests: 0

Other Information:

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

IDAHO DEPARTMENT OF WATER RESOURCES

Water Right Report

1/9/2016

WATER RIGHT NO. 25-14313

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	KENNETH B NEIDER
Current Owner	MARGO Y NEIDER
	2387 PTARMIGAN WAY
	IDAHO FALLS, ID 83401
	(208)529-8928
Original Owner	ZEE M MC DANIEL
	1677 S FOOTHILL RD
	IDAHO FALLS, ID 83401
	(208)522-9148

Priority Date: 08/10/1966

Basis: Decreed

Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	11/01	0.04 CFS	7 AFA
Total Diversion			0.04 CFS	

Location of Point(s) of Diversion:

GROUND WATER|SWSWSE|Sec. 21|Township 01N|Range 38E|BONNEVILLE County

IRRIGATION Use:

80651

Acre Limit: 2

Place(s) of use:

Place of Use Legal Description: IRRIGATION BONNEVILLE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
01N	38E	21		SWSE	5.6									

Total Acres: 5.6

Conditions of Approval:

1. X27 This right is limited to the irrigation of 2.0 acres within the authorized place of use in a single irrigation season.
2. X35 Rights 25-14287, 25-14301, 25-14304 and 25-14313 when combined shall not exceed the irrigation of 5.6 acres.
Use of water under this right will be regulated by a watermaster with responsibility for the
3. R05 distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
4. R02 A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion.
Prior to the diversion and use of water under Transfer approval 80201, the right holder shall
5. 214 install and maintain acceptable measuring device(s) at the authorized point(s) of diversion in accordance with Department specifications, or shall obtain an approved variance from the Department to determine the amount of water diverted from power records or to maintain an existing measuring device.
Upon specific notification of the Department, the right holder shall install and maintain data
6. 213 loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.
7. R64 This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.
8. 004 This right does not grant any right-of-way or easement across the land of another.
9. T07 The right holder shall accomplish the change authorized by this transfer within one year of the date of this approval.
10. T08 Failure of the right holder to comply with the conditions of this transfer is cause for the Director to rescind approval of the transfer.
Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general
11. T19 provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.

Dates:

80651

Licensed Date:

Decreed Date: 09/30/2005

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal: S

Owner Name Connector: AND

Water District Number: 120

Generic Max Rate per Acre: 0.02

Generic Max Volume per Acre: 4

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Close

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

1/9/2016

WATER RIGHT NO. 25-14383

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	IDAHO WATER CO LLC C/O DEL KOHTZ 1135 VALLEY RD S EDEN, ID 83325 (208) 825-5617
Original Owner	ROBERT M YELLAND BLACKFOOT, ID 83221
Original Owner	HELEN L MARSHALL 185 BLAIR DR TWIN FALLS, ID 83301 (208)733-3983

Priority Date: 08/19/1952

Basis: Decreed

Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	10/31	0.08 CFS	22.8 AFA
Total Diversion			0.08 CFS	

Location of Point(s) of Diversion:

GROUND WATER | NWSWSE | Sec. 21 | Township 01N | Range 38E | BONNEVILLE County
GROUND WATER | SESWNE | Sec. 28 | Township 01N | Range 38E | BONNEVILLE County

GROUND WATER|SESENE|Sec. 28|Township 01N|Range 38E|BONNEVILLE County
 GROUND WATER|NESENW|Sec. 28|Township 01N|Range 38E|BONNEVILLE County

IRRIGATION Use:

Acre Limit: 5.7

Place(s) of use:

Place of Use Legal Description: IRRIGATION BONNEVILLE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
01N	38E	27		SWNW	40									
				NWSW	40									
		28		NENE	14		SENE	22						
				NENW	3		SENE	27						
				NESE	24		NWSE	18		SWSE	34		SESE	39

Total Acres: 261

Conditions of Approval:

1. X27 This right is limited to the irrigation of 5.7 acres within the authorized place of use in a single irrigation season.
2. X35 Rights 25-14383 and 25-14385 when combined shall not exceed the irrigation of 8.8 acres. Rights 25-14383 and 25-14385 are limited to the irrigation of a specific 8.8 acres within the 261.0 acre place of use authorized by this right in a single irrigation season. The specific 8.8 acres to be irrigated by the right holder shall be identified prior to use by submittal of a land list and a representative electronic shape file or by submittal of a land list and a map sufficiently
3. 206 detailed to allow creation of an electronic shape file to be associated with this right in the geographic information system component of the water rights database maintained by the department. Before changing the 8.8 acres to be irrigated within the 261.0 acre place of use, the right holder shall submit a new land list and representative electronic shape file or map to the Department prior to the irrigation season in which the change will occur.
Beginning on the date of approval of Transfer 77439, the irrigation uses under rights 25-14383 and 25-14385 when combined are limited to the following schedule of allowed use. The right holder shall file a notice of intent with the Department prior to the increased use of water under
4. 113 the rights each time an increase according to the schedule is sought. Year 2013 through 2017 the rights are limited to 0.03 cfs, 8.4 afa and 2.1 acres. Year 2018 through 2023 the rights are limited to 0.11 cfs, 28.8 afa and 7.2 acres. Year 2024 and beyond the rights are limited to 0.13 cfs, 35.2 afa and 8.8 acres.
Use of water under this right will be regulated by a watermaster with responsibility for the
5. R05 distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
A lockable device subject to the approval of the Department shall be maintained on the diverting

6. R02 works in a manner that will provide the watermaster suitable control of the diversion.

7. 214 Prior to the diversion and use of water under Transfer approval 77439, the right holder shall install and maintain acceptable measuring device(s) at the authorized point(s) of diversion in accordance with Department specifications, or shall obtain an approved variance from the Department to determine the amount of water diverted from power records or to maintain an existing measuring device.

8. 213 Upon specific notification of the Department, the right holder shall install and maintain data loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.

9. 201 The combination of changes under: Transfer approval 77438 as described under rights 29-14012 and 29-14013; Transfer approval 77439 as described under rights 25-14383 and 25-14385; Transfer approval 77440 as described under right 36-16917; Transfer approval 77441 as described under right 22-14018; Transfer approval 77443 as described under right 27-12235; Transfer approval 77444 as described under right 25-14347; provide the necessary mitigation for any increased depletion to connected reaches of the Snake River that would result from each individual transfer. These transfer approvals shall not require mutual dependence for ongoing mitigation. Any future action, including a subsequent transfer of this right or an order rescinding a transfer approval, which would result in a change to the point(s) of diversion under this right may require mitigation for the effects of the change. Such future action to change the point(s) of diversion under this right shall be analyzed for effects to connected reaches of the Snake River based on the priority date, point(s) of diversion and steady-state quantity as authorized for this right.

10. R64 This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.

11. 046 Right holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code and applicable Well Construction Rules of the Department.

12. 004 This right does not grant any right-of-way or easement across the land of another.

13. T07 The right holder shall accomplish the change authorized by this transfer within one years of the date of this approval.

14. T08 Failure of the right holder to comply with the conditions of this transfer is cause for the Director to rescind approval of the transfer.

15. T19 Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.

Dates:

Licensed Date:

Decreed Date: 01/31/2002

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number: 120

Generic Max Rate per Acre: 0.02

Generic Max Volume per Acre: 4

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

1/9/2016

WATER RIGHT NO. 25-14385

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	IDAHO WATER CO LLC C/O DEL KOHTZ 1135 VALLEY RD S EDEN, ID 83325 (208) 825-5617
Original Owner	RALPH MC QUAIN RT 2 RUPERT, ID

Priority Date: 08/19/1952

Basis: Decreed

Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	10/31	0.05 CFS	12.4 AFA
Total Diversion			0.05 CFS	

Location of Point(s) of Diversion:

GROUND WATER	NWSWSE	Sec. 21	Township 01N	Range 38E	BONNEVILLE County
GROUND WATER	SESWNE	Sec. 28	Township 01N	Range 38E	BONNEVILLE County
GROUND WATER	SESENE	Sec. 28	Township 01N	Range 38E	BONNEVILLE County
GROUND WATER	NESENW	Sec. 28	Township 01N	Range 38E	BONNEVILLE County

80651

IRRIGATION Use:

Acre Limit: 3.1

Place(s) of use:

Place of Use Legal Description: IRRIGATION BONNEVILLE County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
01N	38E	27		SWNW	40									
				NWSW	40									
		28		NENE	14		SENE	22						
				NENW	3		SENE	27						
				NESE	24		NWSE	18		SWSE	34		SESE	39

Total Acres: 261

Conditions of Approval:

1. X27 This right is limited to the irrigation of 3.1 acres within the authorized place of use in a single irrigation season.
2. X35 Rights 25-14383 and 25-14385 when combined shall not exceed the irrigation of 8.8 acres. Rights 25-14383 and 25-14385 are limited to the irrigation of a specific 8.8 acres within the 261.0 acre place of use authorized by this right in a single irrigation season. The specific 8.8 acres to be irrigated by the right holder shall be identified prior to use by submittal of a land list and a representative electronic shape file or by submittal of a land list and a map sufficiently
3. 206 detailed to allow creation of an electronic shape file to be associated with this right in the geographic information system component of the water rights database maintained by the department. Before changing the 8.8 acres to be irrigated within the 261.0 acre place of use, the right holder shall submit a new land list and representative electronic shape file or map to the Department prior to the irrigation season in which the change will occur.
Beginning on the date of approval of Transfer 77439, the irrigation uses under rights 25-14383 and 25-14385 when combined are limited to the following schedule of allowed use. The right holder shall file a notice of intent with the Department prior to the increased use of water under
4. 113 the rights each time an increase according to the schedule is sought. Year 2013 through 2017 the rights are limited to 0.03 cfs, 8.4 afa and 2.1 acres. Year 2018 through 2023 the rights are limited to 0.11 cfs, 28.8 afa and 7.2 acres. Year 2024 and beyond the rights are limited to 0.13 cfs, 35.2 afa and 8.8 acres.
Use of water under this right will be regulated by a watermaster with responsibility for the
5. R05 distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
6. R02 A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion.
Prior to the diversion and use of water under Transfer approval 77439, the right holder shall

7. 214 install and maintain acceptable measuring device(s) at the authorized point(s) of diversion in accordance with Department specifications, or shall obtain an approved variance from the Department to determine the amount of water diverted from power records or to maintain an existing measuring device.
8. 213 Upon specific notification of the Department, the right holder shall install and maintain data loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.
9. R64 This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.
10. 201 The combination of changes under: Transfer approval 77438 as described under rights 29-14012 and 29-14013; Transfer approval 77439 as described under rights 25-14383 and 25-14385; Transfer approval 77440 as described under right 36-16917; Transfer approval 77441 as described under right 22-14018; Transfer approval 77443 as described under right 27-12235; Transfer approval 77444 as described under right 25-14347; provide the necessary mitigation for any increased depletion to connected reaches of the Snake River that would result from each individual transfer. These transfer approvals shall not require mutual dependence for ongoing mitigation. Any future action, including a subsequent transfer of this right or an order rescinding a transfer approval, which would result in a change to the point(s) of diversion under this right may require mitigation for the effects of the change. Such future action to change the point(s) of diversion under this right shall be analyzed for effects to connected reaches of the Snake River based on the priority date, point(s) of diversion and steady-state quantity as authorized for this right.
11. 004 This right does not grant any right-of-way or easement across the land of another.
12. 046 Right holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code and applicable Well Construction Rules of the Department.
13. T07 The right holder shall accomplish the change authorized by this transfer within one years of the date of this approval.
14. T08 Failure of the right holder to comply with the conditions of this transfer is cause for the Director to rescind approval of the transfer.
15. T19 Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.

Dates:

Licensed Date:

Decreed Date: 01/31/2002

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal: S

Owner Name Connector:

80651

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

Close

Attachment No. 3
Documentation of Authority -
Applicant NOT Water Right
Owner

When recorded return to:

Instrument # 1511980

IDAHO FALLS, BONNEVILLE, IDAHO

11-16-2016 12:52:23 PM No. of Pages: 2

Recorded for : DELBERT KOHTZ

RONALD LONGMORE

Fee: 13.00

Ex-Officio Recorder Deputy

Index to: DEED, WARRANTY

OS

SPECIAL WARRANTY DEED FOR WATER RIGHT

M Patrick and Patricia C Duffin Husband and Wife o 6302 Sharptail Rd. Ammon, ID. 83401(Grantor) does hereby grant, bargain, sell, assign, and convey unto Idaho Water Company LLC (Grantee) of 1135 Valley Rd. So. Eden, ID 83325 and to Grantees heirs and assigns forever, all of Grantor's right title and interest in the Water Right 25-14287 and hereto (collectively the "Water Right"). Grantor retains no residual or reversionary interest in the Water Right(s) listed in the exhibits.

Grantor hereby covenants and warrants to Grantee as follows:

- (A) that Grantor is the owner or has the right to sell through an option contract with the original owner of the Water Rights;
- (B) that Grantor has not conveyed any of the Water Rights to anyone other than Grantee;
- (C) that each of the Water Rights is free from all liens, claims, or encumbrances at closing
- (D) that Grantor has the authority to convey the Water Rights to Grantee;
- (E) the Grantor has disclosed to Grantee in good faith all relevant information known to Grantor bearing on the validity and extent of the Water Rights.

Grantor makes no other covenants or warranties as to the Water Rights.

The Subject Water Rights are appurtenant to the real property described in Exhibit 1 consisting of a Water Right Report for Water Rights # 25-14287 and legal description of land the Water Rights are appurtenant to. **No Land is included in this Deed.**

Special Warranty Deed For Water Rights – 1

IN WITNESS WHEREOF, the undersigned authorized officers of Grantor, acting on behalf of Grantor, have caused their names to be hereunto subscribed on the date shown by each name.

Grantor: Mark & Patricia Duffin

Dated: Oct. 30, 2015 By: _____

Exhibits:

Exhibit 1: Water Right Report for Water Right # _____

There are _____ acre feet/anum of Water included in this agreement that are appurtenant to a portion of the land covered by the Water Right Reports.

STATE OF IDAHO

)
) S.
County of Bonner)

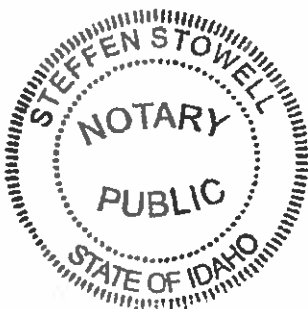
On this 30 day of Oct., 2015, before me the undersigned Notary Public in and for said state, personally appeared Mark & Patricia Duffin, and known or identified to me to be the persons whose name is subscribed to the within and foregoing instrument, and acknowledged to me that executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

[Signature]
Notary public for STATE OF IDAHO

Residing at 21634, ID

My commission expires 4/13/2021



SPECIAL WARRANTY DEED FOR WATER RIGHTS - 2

When recorded return to:

Instrument # 1511977

IDAHO FALLS, BONNEVILLE, IDAHO

11-16-2015 12:41:41 PM No. of Pages: 2

Recorded for : DELBERT KOHTX

RONALD LONGMORE

Fee: 13.00

Ex-Officio Recorder Deputy

Index to: DEED, WARRANTY

SPECIAL WARRANTY DEED FOR WATER RIGHT

^{Ad 10-24-07}
Allen and Chayanne Rasmussen Husband and Wife of 560 Randy Drive Idaho Falls, Idaho, 83401 (Grantor) does hereby grant, bargain, sell, assign, and convey unto Idaho Water Company LLC (Grantee) of 1135 Valley Rd. So. Eden, ID 83325 and to Grantees heirs and assigns forever, all of Grantor's right title and interest in the Water Right 25-14304 and hereto (collectively the "Water Right"). Grantor retains no residual or reversionary interest in the Water Right(s) listed in the exhibits.

Grantor hereby covenants and warrants to Grantee as follows:

- (A) that Grantor is the owner or has the right to sell through an option contract with the original owner of the Water Rights;
- (B) that Grantor has not conveyed any of the Water Rights to anyone other than Grantee;
- (C) that each of the Water Rights is free from all liens, claims, or encumbrances at closing
- (D) that Grantor has the authority to convey the Water Rights to Grantee;
- (E) the Grantor has disclosed to Grantee in good faith all relevant information known to Grantor bearing on the validity and extent of the Water Rights.

Grantor makes no other covenants or warranties as to the Water Rights.

The Subject Water Rights are appurtenant to the real property described in Exhibit 1 consisting of a Water Right Report for Water Rights # 25-14304 and legal description of land the Water Rights are appurtenant to. **No Land is included in this Deed.**

Special Warranty Deed For Water Rights – 1

IN WITNESS WHEREOF, the undersigned authorized officers of Grantor, acting on behalf of Grantor, have caused their names to be hereunto subscribed on the date shown by each name.

Grantor: Allen Lane Chy Ann Kasmir

Dated: 10-27-15 By: _____

Exhibits:

Exhibit 1: Water Right Report for Water Right # 25-14304

There are 4.2 acre feet/anum of Water included in this agreement that are appurtenant to a portion of the land covered by the Water Right Reports.

STATE OF IDAHO

County of Bonneville)
) S.

On this 27 day of Oct, 2015, before me the undersigned Notary Public in and for said state, personally appeared Allen Lane & Chy Ann Kasmir and known or identified to me to be the persons whose name is subscribed to the within and foregoing instrument, and acknowledged to me that executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Nedra Mitchell

Notary public for IDAHO

Residing at Tooth Falls

My commission expires 3/7/18



SPECIAL WARRANTY DEED FOR WATER RIGHTS - 2

When recorded return to:

Instrument # 1511978

IDAHO FALLS, BONNEVILLE, IDAHO

11-16-2015 12:49:53 PM No. of Pages: 2

Recorded for : DELBERT KOHTZ

RONALD LONGMORE

Fee: 13.00

Ex-Officio Recorder Deputy

Index to: DEED, WARRANTY

158

SPECIAL WARRANTY DEED FOR WATER RIGHT

Kenneth B and Margo Y Neider Husband and Wife of 2387 Ptarmigan Way, Idaho Falls ID. 83401(Grantor) does hereby grant, bargain, sell, assign, and convey unto Idaho Water Company LLC (Grantee) of 1135 Valley Rd. So. Eden, ID 83325 and to Grantees heirs and assigns forever, all of Grantor's right title and interest in the Water Right 25-14313 and hereto (collectively the "Water Right"). Grantor retains no residual or reversionary interest in the Water Right(s) listed in the exhibits.

Grantor hereby covenants and warrants to Grantee as follows:

- (A) that Grantor is the owner or has the right to sell through an option contract with the original owner of the Water Rights;
- (B) that Grantor has not conveyed any of the Water Rights to anyone other than Grantee;
- (C) that each of the Water Rights is free from all liens, claims, or encumbrances at closing
- (D) that Grantor has the authority to convey the Water Rights to Grantee;
- (E) the Grantor has disclosed to Grantee in good faith all relevant information known to Grantor bearing on the validity and extent of the Water Rights.

Grantor makes no other covenants or warranties as to the Water Rights.

The Subject Water Rights are appurtenant to the real property described in Exhibit 1 consisting of a Water Right Report for Water Rights # 25-14313 and legal description of land the Water Rights are appurtenant to. **No Land is included in this Deed.**

Special Warranty Deed For Water Rights – 1

IN WITNESS WHEREOF, the undersigned authorized officers of Grantor, acting on behalf of Grantor, have caused their names to be hereunto subscribed on the date shown by each name.

Grantor: [Signature] Margo J. Neider

Dated: Oct 26, 2015 By: Landry Harper

Exhibits:

Exhibit 1: Water Right Report for Water Right # 25-14313

There are 7.0 acre feet/anum of Water included in this agreement that are appurtenant to a portion of the land covered by the Water Right Reports.

STATE OF IDAHO

)
) S.
County of Bonneville)

On this 26th day of October, 2015, before me the undersigned Notary Public in and for said state, personally appeared Margo & Kenneth Neider, and known or identified to me to be the persons whose name is subscribed to the within and foregoing instrument, and acknowledged to me that executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

[Signature]

Notary public for Idaho

Residing at Bonneville County

My commission expires 12/18/2019



SPECIAL WARRANTY DEED FOR WATER RIGHTS - 2

AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHTS

THIS AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHTS (this "Agreement") is made and entered into this 23rd day of October, 2015 (the "Effective Date"), by and between **Idaho Water Company LLC**, an Idaho limited liability company, whose address is 1135 Valley Road South, Eden, Idaho 83325 (hereinafter "Seller"), and **Taylor Mountain Water and Sewer District**, a water and sewer district organized pursuant to Chapter 32 of Title 42 of the Idaho Code, whose address is c/o Robert L. Harris, Holden, Kidwell, Hahn & Crapo, P.L.L.C., 1000 Riverwalk Dr., Ste. 200, P.O. Box 50130, Idaho Falls, Idaho 83405 (hereinafter "Buyer"). Del Kohtz is a principal of Seller and hereby discloses that he is a licensed real estate agent acting herein as principal for his own account and not representing or acting as an agent for Buyer. Buyer and Seller are individually a "Party" and together the "Parties".

RECITALS:

A. Seller is the owner of Water Right Nos. 25-14383 and 25-14385 (the "Water Rights"), which are water rights that were decreed on January 31, 2002 in the Snake River Basin Adjudication by the District Court for the Fifth Judicial District of the State of Idaho. The Water Rights are more fully described in the reports obtained from the Idaho Department of Water Resources ("Department" or "IDWR") attached hereto as **Exhibit 1**.

B. The Water Rights have a restriction on their use such that they can only be used to irrigate 2.1 acres through the end of 2017, which is increased to 7.2 acres in 2018 through the end of 2023, and finally increased to 8.8 acres thereafter for 2024 and beyond.

C. Seller desires to sell and Buyer desires to buy the Water Rights.

IN CONSIDERATION of the mutual representations, warranties, and covenants contained herein, the Parties, intending to be legally bound hereby, agree as follows:

AGREEMENTS:

1. Property Purchased. Seller hereby agrees to sell to Buyer, and Buyer agrees to buy from Seller, on the terms and conditions herein specified, the Water Rights:

(1) WATER RIGHT NO. 25-14383

<u>Diversion Rate:</u>	.08 cfs
<u>Diversion Volume:</u>	22.8 acre-feet per year
<u>Irrigated Acres:</u>	5.7 acres

(2) WATER RIGHT NO. 25-14385

Diversion Rate: .05 cfs
Diversion Volume: 12.4 acre-feet per year
Irrigated Acres: 3.1 acres

The collective total portion of the Water Rights purchased equals .13 cfs and 35.2 acre-feet-per-annum for the irrigation of 8.8 acres, and are referred to hereafter as the "Purchased Water Rights."

2. Property Retained. Seller reserves and retains unto Seller all portions of any other water rights that may be appurtenant to the authorized place of use for the Water Rights other than the Purchased Water Rights. No land, easements, or other property interests are included in this Agreement.

3. Purchase Price and Potential Downward Adjustment.

(a) Purchase Price. The purchase price for the Purchased Water Rights is (the "Purchase Price"), which is based on the following unit values per acre foot of authorized annual volume of water to be conveyed to Buyer for each water right:

Water Right No.	Price per acre-foot	Acre-feet purchased	Total Price
25-14383		22.8	
25-14385		12.4	
	TOTALS	35.2	

(b) Adjustment to Purchase Price and Water Rights to be Purchased Due to Transfer Conditions. Seller and Buyer acknowledge that the Purchase Price is based upon the unit values (set forth in paragraph 3(a)) per acre-foot of water authorized by the Transfer (described in paragraph 6 below) to be available for Buyer's intended use. If due to acknowledged uncertainties in the final ESPA model configurations or otherwise, the Department approves the Transfer (as described in paragraph 6 below) but with conditions limiting the total annual diversion volume for irrigation to less than proposed in the Transfer, and provided Buyer has waived the condition precedent described in paragraph 7 below, and elected to close on the purchase of the lesser quantity of the Water Rights approved under the Transfer, then the Parties agree that the Purchase Price will be adjusted downward based on the reduced annual diversion volume (in units of acre-feet) that has been approved by the Transfer to Buyer's use for irrigation multiplied by the price per acre-foot unit values.

4. Earnest Money Deposit. Within twenty-one days (21) with the execution of this Agreement, Buyer shall deliver to Seller earnest money in the amount of (the "Earnest Money"). The Earnest Money shall be applied towards the Purchase Price at closing, or otherwise disposed of as provided herein.

5. Closing.

(a) Closing Date. Closing on the Purchased Water Rights shall occur within thirty (30) days of the date of a final order of the Department approving the Application for Transfer to be filed by Buyer (pursuant to paragraph 6 herein), and after the contingencies described in paragraph 7 are met. The closing shall occur at the offices of the Holden, Kidwell, Hahn & Crapo, PLLC, or another place mutually agreed to by the Parties.

(b) Documents to be Delivered at Closing. At closing, Buyer and Seller shall execute (with acknowledgements, as needed) and/or deliver all instruments, documents and the balance of the Purchase Price necessary to complete the purchase and sale in accordance with this Agreement. The documents Seller shall deliver to Buyer at closing shall: (i) a Special Warranty Deed (the "Deed") substantially in the form attached to this Agreement as **Exhibit 2**; and (ii) any lien release or other documents reasonably requested to confirm the conveyance of the Purchased Water Rights free and clear of encumbrances. The Parties understand that the result of the approved Transfer will be that the Purchased Water Rights (which are portions of the Water Rights) will be assigned new identification numbers by IDWR, and those numbers shall then be included in the Deed.

(c) Payment of Balance of Purchase Price. The Buyer shall deliver to Seller at closing. This amount represents the price per acre of the Purchased Water Rights which are usable beginning in 2018 (7.2 acres). The parties additionally agree that after closing, at any time on or before January 1, 2019, Seller shall deliver the balance of the Purchase Price of to Seller. This amount represents the price per acre of the Purchased Water Rights which are usable in 2024 and beyond.

(d) Fees and Costs of Closing. The cost of recording the Deed shall be paid by Buyer. All other expenses not specifically referenced in this Agreement but related to the Transfer and incurred by Seller or Buyer with respect to this transaction shall be borne and paid exclusively by the Party incurring the same, without reimbursement.

6. Transfer Application for Purchased Water Rights.

(a) Transfer Application to the Department. It is understood and agreed that within thirty (30) days after execution of this Agreement, Seller, on behalf of Buyer, shall file an application for transfer of a water right under Idaho law ("Application for Transfer" or "Transfer") of the Purchased Water Rights with the Department. Seller and Buyer agree to cooperate in obtaining Department approval of the Transfer. The Application for Transfer of the Purchased Water Rights shall identify the Buyer's proposed point of diversion for the Purchased Water Rights.

(b) Transfer Costs. Seller shall be responsible for the costs to prepare the Transfer, including all consultant fees for preparation of the Transfer application and calculation of mitigation, and Buyer shall be responsible for the costs of prosecuting and defending the Transfer application, including all attorney fees, in the event the Transfer is protested and the subsequent administrative process associated with such protest(s) begins. Buyer and Seller shall use best efforts to obtain timely Transfer approval. Buyer authorizes Seller to make needed changes to the Transfer to facilitate the process of transferring the water, provided such changes made will not materially change the amount of money Buyer has to pay, or the amount of water Buyer receives, provided that Seller provides notice to the Buyer of such changes.

(c) Seller's right to any transfer or mitigation credits. If the Transfer results in any river flow or mitigation credits recognized by the Department in any reach of the Snake River or any portion of the Eastern Snake Plain Aquifer, all such credits shall be retained by Seller.

7. Contingencies and Conditions Precedent.

(a) Satisfactory Transfer Approval Contingency. The Parties expressly acknowledge and agree that performance under this Agreement is fully contingent upon the approval of the Application for Transfer by the Department in a manner reasonably satisfactory to the Buyer, unless such contingency is waived by the Buyer. Upon such disposition of the Earnest Money and completion of such actions to be taken by Buyer, the Parties shall be relieved of further obligation hereunder. If the Application for Transfer is approved by the Department in a manner reasonably satisfactory to Buyer and Buyer fails to close hereunder (through no fault of Seller), Seller shall be entitled to one-half (1/2) the Purchase Price payable within thirty (30) days of the Transfer approval as liquidated damages. In either such instance, Buyer shall be required to undertake, at Buyer's expense, actions that may be necessary with the Department to ensure that the Purchased Water Rights are in the same condition on the Department's records as they were prior to the execution of this Agreement.

(b) Public Meeting Contingency. Buyer intends to schedule a public meeting to be held within thirty (30) days of the date of this Agreement to ensure it has support from the patrons of the TMWSD to purchase the Water Rights. Complete performance under this Agreement is contingent upon Buyer receiving public support from its patrons in a manner satisfactory to the TMWSD board to proceed with the purchase of the Water Rights. If patron support is received, then within fourteen (14) days of said public meeting, the Parties shall proceed with the process outlined in this Agreement. If patron support is not received in a manner satisfactory to the TMWSD board to proceed to close on the purchase of the Water Rights, then this Assignment is null and void and of no further effect, and Seller shall return the Earnest Money to Buyer within ninety (30) days of the date the public meeting is held.

8. Default. In addition to either Party's failure to perform any material term or condition of this Agreement or a Party's breach of any of such Party's representations or warranties (in which event the non-defaulting party may pursue any available remedy, including equitable relief), Buyer shall be deemed in default hereof if Buyer files a petition in bankruptcy or is adjudicated bankrupt or insolvent, Buyer makes an assignment for the benefit of its creditors, or consents to the appointment of a receiver of itself or of its property, or institutes proceedings for its reorganization, in which case, in addition to any other remedies or rights

Seller might have, Seller shall have the power and authority to notify the Department that the Application for Transfer has been withdrawn.

9. Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer, as of the effective date of this Agreement and again as of the closing as follows:

(a) Authority. Seller has the full legal right, power and authority to enter into and perform this Agreement, and will obtain good marketable title to the Purchased Water Rights in fee simple, and Seller (at its expense) shall remove, or cause to be removed, all liens, claims, or encumbrances, whether of record or not, upon or affecting the Purchased Water Rights on or before closing.

(b) Conveyance. Provided that the contingencies in Paragraph 7 are satisfied, Seller shall then convey the Purchased Water Rights free and clear of all liens, encumbrances and restrictions, except such restrictions on the use of water as may appear on the water right records contained in **Exhibit 1** and in the Transfer approved by the Department.

(c) Appurtenance. The Purchased Water Rights are appurtenant to and have been beneficially used as the water source to irrigate its place of use and/or been properly preserved for future use (i.e., placed in the Idaho water supply bank) consistent with Idaho law.

(d) Not Forfeited. The Purchased Water Rights have not been forfeited or abandoned in whole or in part.

(e) No Representation or Warranty Concerning Suitability for Buyer's Intended Use. Seller has not made, and hereby makes, no representation or warranty to Buyer except as expressly contained in this Agreement.

10. Buyer's Representations and Warranties. Buyer hereby represents and warrants to Seller as of the effective date of this Agreement and again as of the closing for the Purchased Water Rights, as follows:

(a) Authority. Buyer has the legal power, right and authority to enter into this Agreement and to perform Buyer's obligations hereunder.

(b) Buyer's Due Diligence. Buyer and Buyer's consultants and counsel have had a full opportunity to review all documents, records and other information made available to Buyer by Seller and/or otherwise reasonably available to Buyer through public or other sources, related to the nature and extent of the Purchased Water Rights, the laws and rules affecting their transfer and use by Buyer, and the suitability or fitness of the Purchased Water Rights for Buyer's intended purposes.

11. Warranties to Survive Closing. All representations and warranties made by the Parties herein are also covenants, and each Party shall take all such actions as may be required to satisfy said covenants and to cause the representations and warranties to be true on and as of the closing. The Parties' respective obligations to close and consummate the transaction contemplated herein are contingent upon the representations, warranties and covenants contained

in this Agreement being true, valid and satisfied on and as of the closing. All such representations and warranties shall survive the closing.

12. Miscellaneous.

(a) Attorneys' Fees. If either party commences any legal action or proceeding to enforce any of the terms of this Agreement (or for damages by reason of an alleged breach hereof), the prevailing party therein shall be entitled to recover from the other, in addition to any other relief granted, its reasonable attorney's fees, costs and expenses incidental to such legal action.

(b) Notices. Any notice under this Agreement shall be in writing and be delivered in person, by U.S. Mail, by private courier, or by facsimile. Notice shall be provided to the following:

Seller

Del Kohtz
Idaho Water Company LLC
1135 Valley Road S
Eden, ID 83325
(208) 825-5617

Buyer

Taylor Mountain Water and Sewer
District
c/o Robert L. Harris
Holden, Kidwell, Hahn & Crapo,
P.L.L.C.
1000 Riverwalk Dr., Ste. 200
P.O. Box 50130
Idaho Falls, Idaho 83405
(208) 523-0620

Seller's Representative

Buyer's Representative

Robert L. Harris
Holden, Kidwell, Hahn & Crapo,
P.L.L.C.
1000 Riverwalk Dr., Ste. 200
P.O. Box 50130
Idaho Falls, ID 83405
(208) 523-0620

(c) Merger. This Agreement supersedes any and all other written or verbal agreements between the Parties hereto regarding the Purchased Water Rights. Neither Buyer nor Seller shall be bound by any understanding, agreement, promise, representation or stipulation, express or implied, not specifically contained herein.

(d) Broker. It is understood and agreed by and between the Parties that the transaction herein contemplated does not involve a broker for either Seller or Buyer. To the extent any broker commissions are owed as a result of this transaction by Buyer, Buyer agrees to be solely liable therefore, and Buyer agrees to indemnify Seller from any such commissions. To the extent any broker commissions are owed as a result of this transaction by Seller, Seller agrees to be solely liable therefore, and Seller agrees to indemnify Buyer from any such commissions.

(e) Own Account. Seller discloses and Buyer acknowledges that Delbert G. Kohtz, Seller's managing member, is a licensed real estate agent acting herein as Seller's principal for his own account and is not representing or acting as an agent for Buyer.

(f) Remedies Cumulative. Upon any breach, any and all rights and remedies which either Party may have under this Agreement or by operation of law or equity, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other. No such right or remedy, whether exercised by said Party or not, shall be deemed to be in exclusion of any other right or remedy, any two or more of all such rights and remedies may be exercised at the same time or separately as desired.

(g) Further Documents. The Parties hereby agree that they shall sign such other and further documents as may be required to carry into effect the terms and conditions of this Agreement.

(h) Enforceability. The validity or enforceability of any term, phrase, clause, paragraph, restriction, covenant, agreement or other provision hereof, shall in no way affect the validity or enforcement of the remaining provisions, or any part hereof.

(i) Counterparts. This Agreement may be executed in any number of counterparts for all the convenience of the Parties, all of which, when taken together and after execution by all Parties hereto, shall constitute one and the same Agreement.

(j) Governing Law. This Agreement shall be governed by the laws of the State of Idaho.

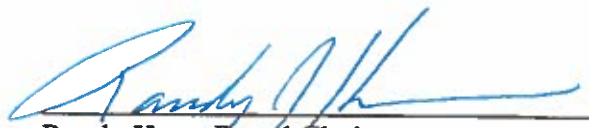
(k) Successors. This Agreement is for the benefit only of the Parties hereto and shall inure to the benefit of and bind their respective heirs, agents, personal representatives, successors and assigns.

(l) Essence of Time. Time is of the essence in this Agreement.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement effective on the date set forth above.

"BUYER"

**TAYLOR MOUNTAIN WATER AND SEWER
DISTRICT**

By: 

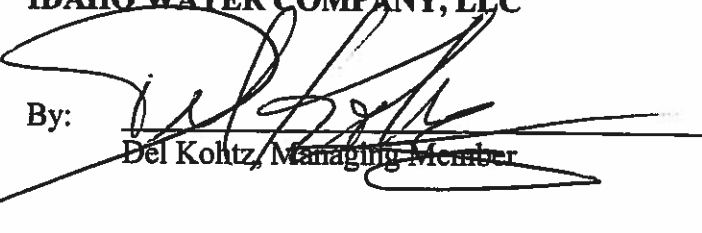
Randy Kern, Board Chairman

180651

"SELLER"

IDAHO WATER COMPANY, LLC

By:


Del Kohtz, Managing Member

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Exhibit 1
Water Right Reports

Exhibit 2—FORM OF DEED

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Robert L. Harris
Holden, Kidwell, Hahn & Crapo, P.L.L.C.
PO Box 50130
Idaho Falls, ID 83405

(Space Above for Recorder's Use)

SPECIAL WARRANTY DEED FOR WATER RIGHTS

Idaho Water Company LLC, an Idaho limited liability company whose address is 1135 Valley Road South, Eden, Idaho 83325, ("Grantor") does hereby grant, bargain, sell, assign, and convey unto **Taylor Mountain Water and Sewer District**, a water and sewer district organized pursuant to Chapter 32 of Title 42 of the Idaho Code, whose address is c/o Robert L. Harris, Holden, Kidwell, Hahn & Crapo, P.L.L.C., 1000 Riverwalk Dr., Ste. 200, P.O. Box 50130, Idaho Falls, Idaho 83405 ("Grantee") and to Grantee's heirs and assigns forever, all of Grantor's right title and interest in the Water Rights or portions thereof described in Exhibit A hereto (collectively the "Water Rights").

Grantor hereby covenants and warrants to Grantee as follows:

- (A) Grantor is the owner of the Water Rights;
- (B) Grantor has not conveyed any of the Water Rights to anyone other than Grantee;
- (C) The Water Rights are free from all liens, claims, or encumbrances; and
- (D) Grantor has the authority to convey the Water Rights to Grantee.

Grantor makes no other covenants or warranties as to the Water Rights.

IN WITNESS WHEREOF, the undersigned authorized officer of Grantor, acting on behalf of Grantor, has caused his name to be hereunto subscribed.

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DATED this _____ day of _____, 2015.

IDAHO WATER COMPANY, LLC

By: _____
Delbert G. Kohtz, Member

STATE OF IDAHO)

County of BONNEVILLE) ss.

On this _____ day of _____, 2015, before me, a Notary Public for said County and State, personally appeared DELBERT G. KOHTZ, known or identified to me, to be one of the members of the limited liability company of IDAHO WATER COMPANY, LLC, and the member or one of the members who subscribed said limited liability company name to the foregoing instrument, and acknowledged to me that he executed the same in said limited liability company name.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

NOTARY PUBLIC FOR IDAHO
Residing at: _____
My commission expires: _____

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EXHIBIT A
(WATER RIGHTS DESCRIPTION COMPLETED UPON TRANSFER APPROVAL)

Exhibit 1
Water Right Reports

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Close

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

9/15/2015

WATER RIGHT NO. 25-14383

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	IDAHO WATER CO LLC C/O DEL KOHTZ 1135 VALLEY RD S EDEN, ID 83325 (208) 825-5617
Original Owner	ROBERT M YELLAND BLACKFOOT, ID 83221
Original Owner	HELEN L MARSHALL 185 BLAIR DR TWIN FALLS, ID 83301 (208)733-3983

Priority Date: 08/19/1952

Basis: Decreed

Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	10/31	0.08 CFS	22.8 AFA
Total Diversion			0.08 CFS	

Location of Point(s) of Diversion:

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GROUND WATER|NWSWSE|Sec. 21|Township 01N|Range 38E|BONNEVILLE County
GROUND WATER|SESWNE|Sec. 28|Township 01N|Range 38E|BONNEVILLE County

GROUND WATER|SESENE|c. 28|Township 01N|Range 38E|BONNEVILLE County
 GROUND WATER|NESENW|Sec. 28|Township 01N|Range 38E|BONNEVILLE County

IRRIGATION Use:
 Acre Limit: 5.7

Place(s) of use:

Place of Use Legal Description: IRRIGATION BONNEVILLE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
01N	38E	27		SWNW	40									
				NWSW	40									
		28		NENE	14		SENE	22						
				NENW	3		SENW	27						
				NESE	24		NWSE	18		SWSE	34		SESE	39

Total Acres: 261

Conditions of Approval:

1. X27 This right is limited to the irrigation of 5.7 acres within the authorized place of use in a single irrigation season.
2. X35 Rights 25-14383 and 25-14385 when combined shall not exceed the irrigation of 8.8 acres. Rights 25-14383 and 25-14385 are limited to the irrigation of a specific 8.8 acres within the 261.0 acre place of use authorized by this right in a single irrigation season. The specific 8.8 acres to be irrigated by the right holder shall be identified prior to use by submittal of a land list and a representative electronic shape file or by submittal of a land list and a map sufficiently
3. 206 detailed to allow creation of an electronic shape file to be associated with this right in the geographic information system component of the water rights database maintained by the department. Before changing the 8.8 acres to be irrigated within the 261.0 acre place of use, the right holder shall submit a new land list and representative electronic shape file or map to the Department prior to the irrigation season in which the change will occur.
Beginning on the date of approval of Transfer 77439, the irrigation uses under rights 25-14383 and 25-14385 when combined are limited to the following schedule of allowed use. The right holder shall file a notice of intent with the Department prior to the increased use of water under
4. 113 the rights each time an increase according to the schedule is sought. Year 2013 through 2017 the rights are limited to 0.03 cfs, 8.4 afa and 2.1 acres. Year 2018 through 2023 the rights are limited to 0.11 cfs, 28.8 afa and 7.2 acres. Year 2024 and beyond the rights are limited to 0.13 cfs, 35.2 afa and 8.8 acres.
Use of water under this right will be regulated by a watermaster with responsibility for the
5. R05 distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
A lockable device subject to the approval of the Department shall be maintained on the diverting

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6. R02 works in a manner that will provide the watermaster suitable control of the diversion.
7. 214 Prior to the diversion and use of water under Transfer approval 77439, the right holder shall install and maintain acceptable measuring device(s) at the authorized point(s) of diversion in accordance with Department specifications, or shall obtain an approved variance from the Department to determine the amount of water diverted from power records or to maintain an existing measuring device.
8. 213 Upon specific notification of the Department, the right holder shall install and maintain data loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.
9. 201 The combination of changes under: Transfer approval 77438 as described under rights 29-14012 and 29-14013; Transfer approval 77439 as described under rights 25-14383 and 25-14385; Transfer approval 77440 as described under right 36-16917; Transfer approval 77441 as described under right 22-14018; Transfer approval 77443 as described under right 27-12235; Transfer approval 77444 as described under right 25-14347; provide the necessary mitigation for any increased depletion to connected reaches of the Snake River that would result from each individual transfer. These transfer approvals shall not require mutual dependence for ongoing mitigation. Any future action, including a subsequent transfer of this right or an order rescinding a transfer approval, which would result in a change to the point(s) of diversion under this right may require mitigation for the effects of the change. Such future action to change the point(s) of diversion under this right shall be analyzed for effects to connected reaches of the Snake River based on the priority date, point(s) of diversion and steady-state quantity as authorized for this right.
10. R64 This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.
11. 046 Right holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code and applicable Well Construction Rules of the Department.
12. 004 This right does not grant any right-of-way or easement across the land of another.
13. T07 The right holder shall accomplish the change authorized by this transfer within one years of the date of this approval.
14. T08 Failure of the right holder to comply with the conditions of this transfer is cause for the Director to rescind approval of the transfer.
15. T19 Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.

Dates:

Licensed Date:

Decreed Date: 01/31/2002

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

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Other Information:

State or Federal: S

Owner Name Connector:

Water District Number: 120

Generic Max Rate per Acre: 0.02

Generic Max Volume per Acre: 4

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

9/15/2015

WATER RIGHT NO. 25-14385

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	IDAHO WATER CO LLC C/O DEL KOHTZ 1135 VALLEY RD S EDEN, ID 83325 (208) 825-5617
Original Owner	RALPH MC QUAIN RT 2 RUPERT, ID

Priority Date: 08/19/1952

Basis: Decreed

Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	10/31	0.05 CFS	12.4 AFA
Total Diversion			0.05 CFS	

Location of Point(s) of Diversion:

GROUND WATER	NWSWSE	Sec. 21	Township 01N	Range 38E	BONNEVILLE County
GROUND WATER	SESWNE	Sec. 28	Township 01N	Range 38E	BONNEVILLE County
GROUND WATER	SESENE	Sec. 28	Township 01N	Range 38E	BONNEVILLE County
GROUND WATER	NESENW	Sec. 28	Township 01N	Range 38E	BONNEVILLE County

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IRRIGATION Use:

Acre Limit: 3.1

Place(s) of use:

Place of Use Legal Description: IRRIGATION BONNEVILLE County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
01N	38E	27		SWNW	40									
				NWSW	40									
		28		NENE	14		SENE	22						
				NENW	3		SENE	27						
				NESE	24		NWSE	18		SWSE	34		SESE	39

Total Acres: 261

Conditions of Approval:

1. X27 This right is limited to the irrigation of 3.1 acres within the authorized place of use in a single irrigation season.
2. X35 Rights 25-14383 and 25-14385 when combined shall not exceed the irrigation of 8.8 acres. Rights 25-14383 and 25-14385 are limited to the irrigation of a specific 8.8 acres within the 261.0 acre place of use authorized by this right in a single irrigation season. The specific 8.8 acres to be irrigated by the right holder shall be identified prior to use by submittal of a land list and a representative electronic shape file or by submittal of a land list and a map sufficiently
3. 206 detailed to allow creation of an electronic shape file to be associated with this right in the geographic information system component of the water rights database maintained by the department. Before changing the 8.8 acres to be irrigated within the 261.0 acre place of use, the right holder shall submit a new land list and representative electronic shape file or map to the Department prior to the irrigation season in which the change will occur.
Beginning on the date of approval of Transfer 77439, the irrigation uses under rights 25-14383 and 25-14385 when combined are limited to the following schedule of allowed use. The right holder shall file a notice of intent with the Department prior to the increased use of water under
4. 113 the rights each time an increase according to the schedule is sought. Year 2013 through 2017 the rights are limited to 0.03 cfs, 8.4 afa and 2.1 acres. Year 2018 through 2023 the rights are limited to 0.11 cfs, 28.8 afa and 7.2 acres. Year 2024 and beyond the rights are limited to 0.13 cfs, 35.2 afa and 8.8 acres.
Use of water under this right will be regulated by a watermaster with responsibility for the
5. R05 distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
6. R02 A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion.
Prior to the diversion and use of water under Transfer approval 77439, the right holder shall

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7. 214 install and maintain a portable measuring device(s) at the authorized point(s) of diversion in accordance with Department specifications, or shall obtain an approved variance from the Department to determine the amount of water diverted from power records or to maintain an existing measuring device.
8. 213 Upon specific notification of the Department, the right holder shall install and maintain data loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.
9. R64 This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.
10. 201 The combination of changes under: Transfer approval 77438 as described under rights 29-14012 and 29-14013; Transfer approval 77439 as described under rights 25-14383 and 25-14385; Transfer approval 77440 as described under right 36-16917; Transfer approval 77441 as described under right 22-14018; Transfer approval 77443 as described under right 27-12235; Transfer approval 77444 as described under right 25-14347; provide the necessary mitigation for any increased depletion to connected reaches of the Snake River that would result from each individual transfer. These transfer approvals shall not require mutual dependence for ongoing mitigation. Any future action, including a subsequent transfer of this right or an order rescinding a transfer approval, which would result in a change to the point(s) of diversion under this right may require mitigation for the effects of the change. Such future action to change the point(s) of diversion under this right shall be analyzed for effects to connected reaches of the Snake River based on the priority date, point(s) of diversion and steady-state quantity as authorized for this right.
11. 004 This right does not grant any right-of-way or easement across the land of another.
12. 046 Right holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code and applicable Well Construction Rules of the Department.
13. T07 The right holder shall accomplish the change authorized by this transfer within one years of the date of this approval.
14. T08 Failure of the right holder to comply with the conditions of this transfer is cause for the Director to rescind approval of the transfer.
15. T19 Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.

Dates:

Licensed Date:

Decreed Date: 01/31/2002

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal: S

Owner Name Connector:

180651

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

Close

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Exhibit 2—FORM OF DEED

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Robert L. Harris
Holden, Kidwell, Hahn & Crapo, P.L.L.C.
PO Box 50130
Idaho Falls, ID 83405

(Space Above for Recorder's Use)

SPECIAL WARRANTY DEED FOR WATER RIGHTS

Idaho Water Company LLC, an Idaho limited liability company whose address is 1135 Valley Road South, Eden, Idaho 83325, ("Grantor") does hereby grant, bargain, sell, assign, and convey unto **Taylor Mountain Water and Sewer District**, a water and sewer district organized pursuant to Chapter 32 of Title 42 of the Idaho Code, whose address is c/o Robert L. Harris, Holden, Kidwell, Hahn & Crapo, P.L.L.C., 1000 Riverwalk Dr., Ste. 200, P.O. Box 50130, Idaho Falls, Idaho 83405 ("Grantee") and to Grantee's heirs and assigns forever, all of Grantor's right title and interest in the Water Rights or portions thereof described in Exhibit A hereto (collectively the "Water Rights").

Grantor hereby covenants and warrants to Grantee as follows:

- (A) Grantor is the owner of the Water Rights;
- (B) Grantor has not conveyed any of the Water Rights to anyone other than Grantee;
- (C) The Water Rights are free from all liens, claims, or encumbrances; and
- (D) Grantor has the authority to convey the Water Rights to Grantee.

Grantor makes no other covenants or warranties as to the Water Rights.

IN WITNESS WHEREOF, the undersigned authorized officer of Grantor, acting on behalf of Grantor, has caused his name to be hereunto subscribed.

DATED this _____ day of _____, 2015.

IDAHO WATER COMPANY, LLC

By: _____
Delbert G. Kohtz, Member

STATE OF IDAHO)

) ss.
County of BONNEVILLE)

On this _____ day of _____, 2015, before me, a Notary Public for said County and State, personally appeared DELBERT G. KOHTZ, known or identified to me, to be one of the members of the limited liability company of IDAHO WATER COMPANY, LLC, and the member or one of the members who subscribed said limited liability company name to the foregoing instrument, and acknowledged to me that he executed the same in said limited liability company name.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

NOTARY PUBLIC FOR IDAHO

Residing at: _____

My commission expires: _____

EXHIBIT A
(WATER RIGHTS DESCRIPTION COMPLETED UPON TRANSFER APPROVAL)

ASSIGNMENT AND AMENDMENT OF AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHTS

THIS ASSIGNMENT AND AMENDMENT OF AGREEMENT FOR PURCHASE AND SALE OF WATER RIGHTS (this "Assignment") is made and entered into this 29th day of October, 2015 (the "Effective Date"), by and between **J. Rodney Hayes** (aka JR Hayes), an individual, whose address is 11366 S. Bellerive Dr., Idaho Falls, Idaho 83404 (hereinafter "Assignor"), **Taylor Mountain Water and Sewer District**, a water and sewer district organized pursuant to Chapter 32 of Title 42 of the Idaho Code, whose address is c/o Robert L. Harris, Holden, Kidwell, Hahn & Crapo, P.L.L.C., 1000 Riverwalk Dr., Ste. 200, P.O. Box 50130, Idaho Falls, Idaho 83405 (hereinafter "Assignee" or "TMWSD"), and **Idaho Water Company LLC**, an Idaho limited liability company, whose address is 1135 Valley Road South, Eden, Idaho 83325 (hereinafter "Seller"). Assignor, Assignee, and Seller are individually a "Party" and together the "Parties".

RECITALS:

A. Assignor and Seller originally entered into an *Agreement for Purchase and Sale of Water Rights* dated October 22, 2014 (the "Agreement"). A copy of the executed Agreement is attached hereto as **Exhibit 1**.

B. The Agreement concerned the purchase of the following water rights (the "Water Rights"):

Water Right No.	Diversion Rate (cfs)	Diversion Volume (AF)	Irrigated Acres
25-14287	.02	3.8	1.1
25-14301	.02	4.9	1.3
25-14304	.02	4.2	1.2
25-14313	.04	7	2.0
TOTALS	.1	19.9	5.6

C. The Water Rights were administratively amended pursuant to Transfer No. 80201, which was approved on September 25, 2015. The amendment to the Water Rights would

authorize construction of a new well from which the Water Rights would be diverted. A copy of the approval is attached as **Exhibit 2**.

D. In early September of 2015, while the transfer was being processed, Assignee was made aware of a possible forfeiture issue with the Water Rights because of *Notice to Resume* letters mailed to the owners of the Water Rights. An example of a *Notice to Resume* letter is attached as **Exhibit 3**.

E. Because of concerns relating to the possible forfeiture issues, and based upon warranties in the Agreement wherein Seller warranted that the Water Rights were not forfeited, Assignor now desires to assign the Agreement to the Assignee.

F. The Assignee has received assurances from agents of the Idaho Department of Water Resources ("Department" or "IDWR") that because the Water Rights were moved into the same quarter-quarter section, and because it was discovered during a recent visit from Water District 120 personnel (to measure diversions from the Assignee's well) that there are not sufficient water rights to cover the residential lots serviced by TMWSD, the Department has assured counsel for the Assignee that it will process a transfer application to amend the Water Rights to authorize diversion of water under the Water Rights in the Assignee's water system. The Assignee submitted a transfer application on September 29, 2015 for this very purpose. A copy is attached at **Exhibit 4**.

G. In addition, Assignee is willing to accept assignment of the Agreement from the Assignor, with additional provisions and protections relating to the possible forfeiture issue which will require amendments to the Agreement. Assignor is willing to make assignment of the Agreement provided that the money paid to Seller or incurred under the Agreement is returned to him.

H. Based on all of the foregoing, Assignor therefore desires to assign the Agreement to Assignee, and Assignee desires to receive assignment of the Agreement from Assignor, both of which are consented to herein by Seller.

IN CONSIDERATION of the mutual representations, warranties, and covenants contained herein, the Parties, intending to be legally bound hereby, agree as follows:

AGREEMENTS:

1. Assignment. Assignor does hereby assign, transfer, grant, convey, confirm, set over and deliver unto Assignee all of the right, title and interest of Assignor to the Agreement and the right to close on the purchase of the Water Rights described in the Agreement. In consideration of Assignor executing and delivering this Assignment, Assignee covenants with Assignor and its successors and assigns, that Assignee will duly keep, observe and perform all of the terms, conditions and provisions of the Agreement to be kept, observed and performed by Assignor, and that Assignee covenants and agrees to indemnify and hold Assignor and its successors and assigns, harmless from any and all claims, demands, liabilities, actions, suits or proceedings, together with costs and attorney fees incurred in defending against the same, arising or which may arise, from the said obligations assumed hereunder by Assignee. Assignee hereby acknowledges and agrees that Assignee has received and reviewed a full and complete copy of

the Agreement. This Assignment may be executed in counterparts, each of which is deemed an original but all of which constitute one and the same instrument. The signature pages may be detached from each counterpart and combined into one instrument. This Assignment may be signed and delivered by facsimile (fax or email) which shall be effective as an original.

2. Additional Provisions. In addition to the terms and provisions of this Assignment, the following provisions hereby amend the Agreement:

(a) Payment to Seller. Contemporaneous with the execution of this Agreement, Assignee shall pay to Seller _____ (the "TMWSD Earnest Money"), which shall be credited towards the original Purchase Price for the Water Rights of _____ closing.

(b) Public Meeting Contingency. Assignee intends to schedule a public meeting to be held within thirty (30) days of the date of this Assignment to ensure it has support from the patrons of the TMWSD to purchase the Water Rights. Complete performance under this Agreement is contingent upon Assignee receiving public support from its patrons in a manner satisfactory to the TMWSD board to proceed to close on the purchase of the Water Rights. If patron support is received, then within fourteen (14) days of said public meeting, the Parties shall close on the purchase of the Water Rights. The closing shall be held at the law offices of Holden, Kidwell, Hahn, & Crapo, P.L.L.C. If patron support is not received in a manner satisfactory to the TMWSD board to proceed to close on the purchase of the Water Rights, then this Assignment is null and void and of no further effect, and Seller shall return the TMWSD Earnest Money to Assignee within ninety (90) days of the date the public meeting is held.

(c) Return of Earnest Money At Closing. Assignor has already paid to Seller _____ (the "Earnest Money"). At closing, Seller shall return the Earnest Money to Seller in the form of a check or other readily available funds to Assignor for the same amount as the Earnest Money.

(d) Payment to Seller of Remaining Purchase Price Amount. At Closing, Assignor shall pay to Seller the remaining amount of the Purchase Price due and owing of _____

(e) Payment to Assignee of Attorney Fees Incurred. At Closing, Assignee shall pay to Assignor the amount of _____
to reimburse him for attorney fees previously incurred.

(f) Substitute Water Rights. In the event IDWR determines that the Water Rights have been forfeited or if there are sufficient forfeiture questions such that it will not process a transfer application substantially in the form of **Exhibit 4** to amend the Water Rights to be authorized for diversion from the TMWSD system, Seller shall substitute in a sufficient portion of Water Right Nos. 25-14383 and 25-14385 (which are located on land adjacent to land serviced by TMWSD), or other water rights acceptable to Assignee, to cover the same acreage as the Water Rights.

3. Miscellaneous.

(a) Attorneys' Fees. If either party commences any legal action or proceeding to enforce any of the terms of this Assignment (or for damages by reason of an alleged breach hereof), the prevailing party therein shall be entitled to recover from the other, in addition to any other relief granted, its reasonable attorney's fees, costs and expenses incidental to such legal action.

(b) Notices. Any notice under this Assignment or in the Agreement shall be in writing and be delivered in person, by U.S. Mail, by private courier, or by facsimile. Notice shall be provided to the following:

Seller

Del Kohtz
Idaho Water Company LLC
1135 Valley Road S
Eden, ID 83325
(208) 825-5617

Buyer

Taylor Mountain Water and Sewer
District
c/o Robert L. Harris,
Holden, Kidwell, Hahn & Crapo,
P.L.L.C.
1000 Riverwalk Dr., Ste. 200,
P.O. Box 50130, Idaho Falls,
Idaho 83405
Idaho Falls, Idaho 83404
(208) 523-0620

Seller's Representative

Michael C. Creamer
Givens Pursley, LLP
601 W. Bannock Street
Boise, ID 83702
(208) 388-1200

Buyer's Representative

Robert L. Harris
Holden, Kidwell, Hahn & Crapo,
P.L.L.C.
1000 Riverwalk Dr., Ste. 200,
P.O. Box 50130, Idaho Falls,
Idaho 83405
Idaho Falls, Idaho 83404
(208) 523-0620

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned have duly executed this Assignment effective on the date set forth above.

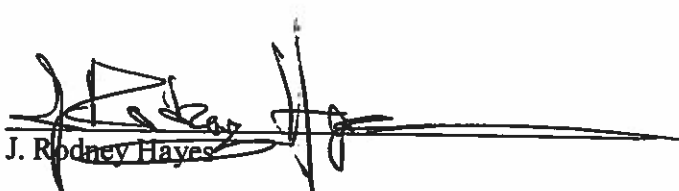
"SELLER"

IDAHO WATER COMPANY, LLC

By: 

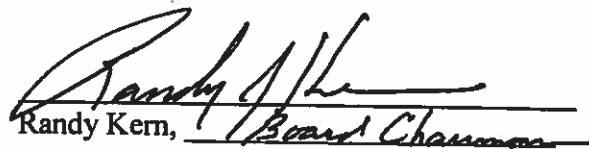
Del Kofitz, Managing Member

"ASSIGNOR"


J. Rodney Hayes

"ASSIGNEE"

TAYLOR MOUNTAIN WATER AND SEWER DISTRICT

By: 

Randy Kern, Board Chairman

Attachment No. 5

ESPA Analysis and Mitigation Plan

ESPA ANALYSIS

No ESPA analysis is required. Ground water modeling is not required if the current point(s) of diversion and the new point(s) of diversion are located within the same or adjacent model cells. See *Administrator's Memorandum*, Transfer Processing No. 24, December 21, 2009, at 13. As shown on the map included with the transfer, the current point of diversion for Water Right Nos. 25-14287, 25-14301, 25-14304, and 25-14313 is located within the same model cell as the proposed points of diversion. The point of diversion for Water Right Nos. 25-14383 and 25-14385 already includes the TMWSD wells and after this transfer, are the only two wells proposed to be authorized for diversion of these water rights.

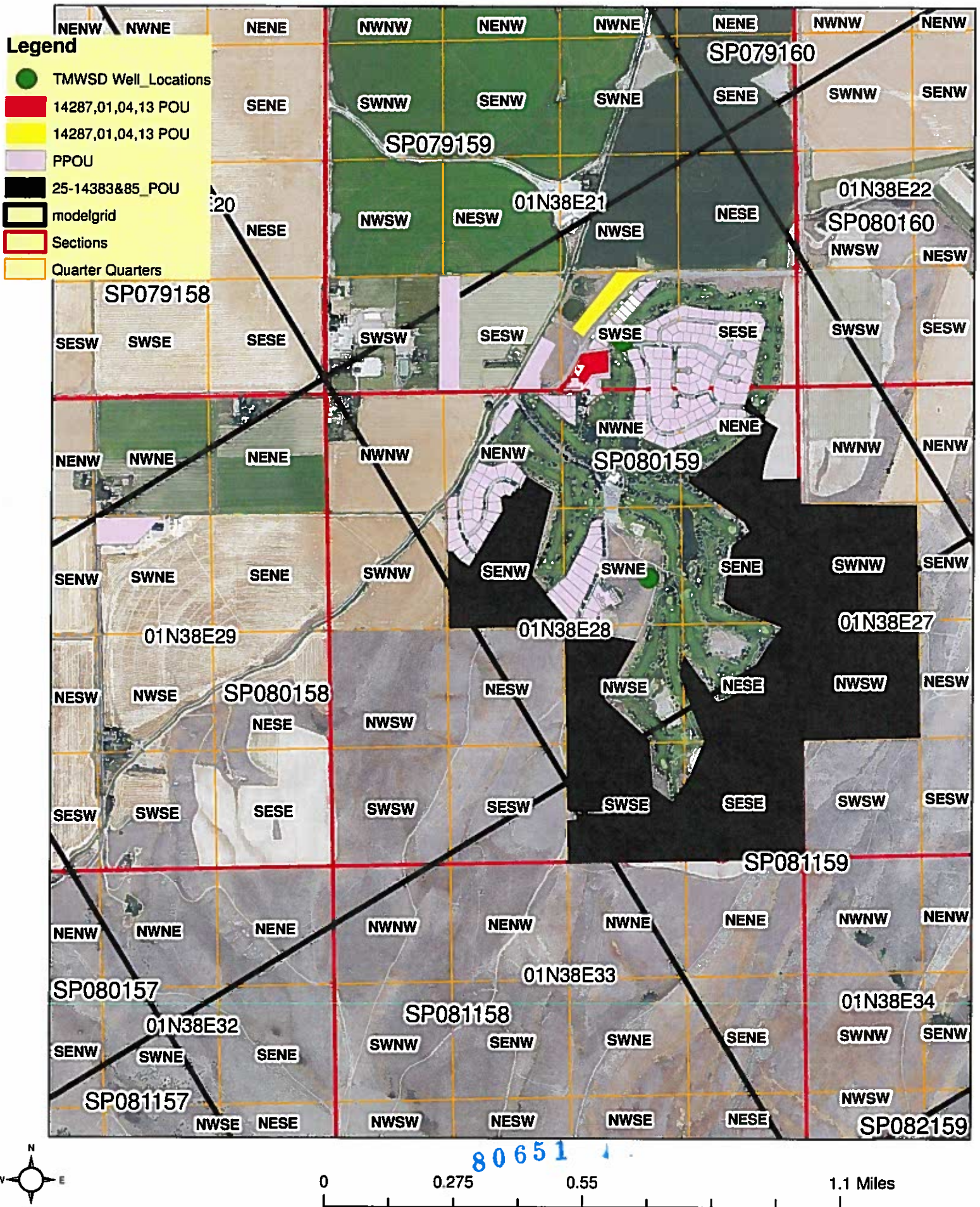
Attachment No. 7a Map

Legend

-

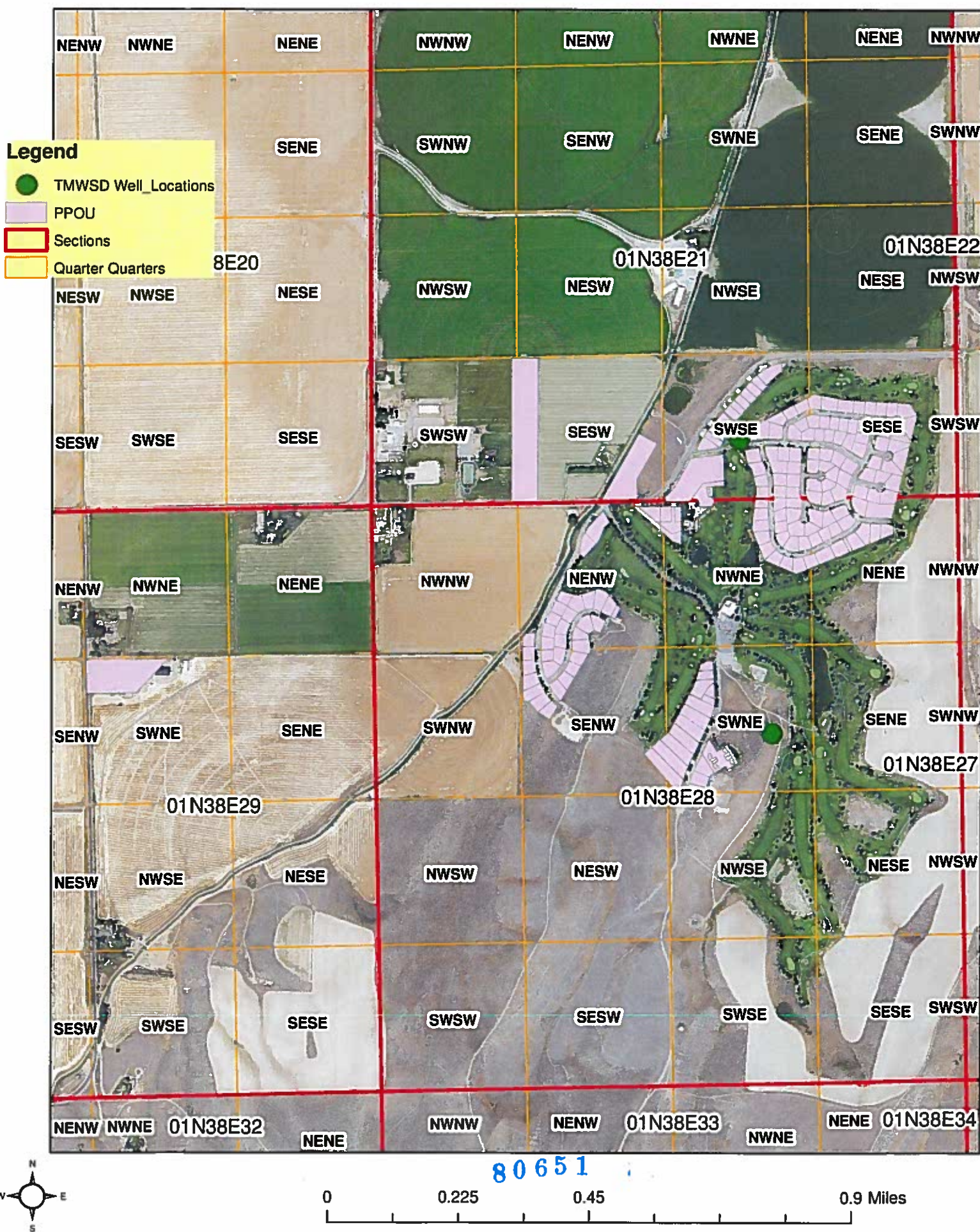


TAYLOR MOUNTAIN WATER AND SEWER DISTRICT



Attachment No. 7b
Map (GIS shapefile)

TAYLOR MOUNTAIN WATER AND SEWER DISTRICT



Attachment No. 10

Other

BONNEVILLE COUNTY
IDAHO

2015 AUG 17 PM 5:49

IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNEVILLE

IN THE MATTER OF THE
CONFIRMATION OF PROCEEDINGS
PURSUANT TO IDAHO CODE § 7-1304
RELATING TO THE PROPOSED DEBT TO
BE INCURRED BY THE TAYLOR
MOUNTAIN WATER AND SEWER
DISTRICT

Case No. CV-15-2374

**FINDINGS OF FACT, CONCLUSIONS
OF LAW, AND JUDGMENT OF
JUDICIAL CONFIRMATION**

This matter having come before the court upon the verified petition of the Taylor Mountain Water and Sewer District ("District" or "TMWSD") seeking judicial confirmation of the proceedings proposed to be undertaken by the District to enter into a loan with the Idaho Department of Environmental Quality ("IDEQ") and incur debt of up to One Million Seven Hundred Thousand Dollars (\$1,700,000.00) for the purpose of funding necessary sewer system improvements, and the court having examined the documents, pleadings, and evidence, and the undersigned Judge of said court having participated in a hearing on July 21, 2015 at 1:30 p.m. where no taxpayer, property owner, patron, or person having or claiming any right, title, or interest in any property or funds to be affected by the IDEQ loan either moved to dismiss or answer the

petition before the hearing or appeared at the hearing in opposition to the petition, the court hereby finds and concludes as follows.

FINDINGS OF FACT

1. The District is a duly organized water and sewer district existing by virtue of Chapter 32 of Title 42 of the Idaho Code. A copy of the *Order Establishing Taylor Mountain Water and Sewer District*, issued on September 2, 2014, and recorded as Instrument No. 1487066 in the records of Bonneville County, Idaho, is attached petition as Exhibit 1.
2. The District was formed upon the petition of a private utility, Country Club Hills Utilities, Inc. ("CCHU").
3. CCHU is an Idaho corporation formally organized in 1994—but which operated since the late 1960s—for the purpose of owning and operating a "domestic water distribution system and a domestic sewer system." *CCHU Articles of Incorporation* at Article V, available at [http://www.sos.idaho.gov/tiffpilot/tiffpilot.exe?FN=\\sosimg\corp\\$\%502041999%5CCORPARTICLE %23107190.tif](http://www.sos.idaho.gov/tiffpilot/tiffpilot.exe?FN=\\sosimg\corp$\%502041999%5CCORPARTICLE %23107190.tif)
4. Up until March 2, 2015, CCHU provided water and sewer services as a private utility. CCHU served residences near the Idaho Falls Country Club and one commercial enterprise. More specifically, CCHU served the following homes and business:

Holiday Hills Subdivision, Division No. 1

Holiday Hills Subdivision, Division No. 2

Holiday Hills Subdivision, Division No. 5

Holiday Hills, an Idaho Condominium Project

Country Club Hills, Division No. 1

Country Club Hills, First Amended Division No. 2

Country Club Hills, Division No. 3

Idaho Falls Country Club (domestic water only)

1 home located at 1759 E. 113 S., Idaho Falls, ID 83404
(home owned by Ron Dickemore)

1 home located at 11645 S. 10th E., Idaho Falls, ID 83402
(home is owned by Robyn Longhurst)

5. Because of certain deficiencies with its sewer system, and upon investigation by IDEQ, CCHU entered into a certain *Compliance Agreement Schedule Idaho Code § 39-116A* dated January 17, 2012 (hereinafter, "Compliance Agreement") with IDEQ to address needed infrastructure improvements to CCHU's sewer system. A copy of the compliance agreement is attached to the petition as Exhibit 2.
6. The purposes and reasons for the Compliance Agreement are more particularly described in CCHU's *Environmental Information Document*, which it submitted to IDEQ:

[CCHU] has entered into a Compliance Agreement with [IDEQ] to improve its wastewater facilities by January 1, 2016. Currently, CCHU treats wastewater from its system in two total containment lagoons. The lagoons are undersized and are leaking by more than what is allowed in the new wastewater rules. The result of the leaking lagoons is raw wastewater percolates into the Eastern Snake River Plain Sole Source Aquifer, thereby creating a significant hazard to public health. The Eastern Snake River Plain Aquifer is the sole source of drinking water for all of southeast Idaho, therefore it is essential work is complete[d] to eliminate potential contaminates such as the CCHU lagoons.

Eastern Idaho Regional Wastewater Authority (EIRWA) [sic] has constructed a new wastewater treatment plant in Shelley, Idaho with the capacity to treat wastewater from Shelley, Ammon, Bingham County, and Bonneville County. In addition to the treatment plant, there is also a large diameter sewer line in close proximity to Country Club Hills with the capacity to handle the additional wastewater flow from CCHU, therefore, the Recommended Alternative is to install two miles of 12-inch sewer line

and associated appurtenances in an existing paved county road to the existing Eastern Idaho Regional Wastewater Authority infrastructure, and turn over the responsibility of treating the wastewater to the Oxbow Wastewater Treatment Plant in Shelley, Idaho.

Environmental Information Document at 1-2.

A copy of the Environmental Information Document is attached to the petition as Exhibit 3.

7. In order to fund installation of the necessary infrastructure to connect to the EIRWWA facility described in the preceding paragraph, CCHU applied for a low-interest (1.25%) loan from IDEQ—under its State Revolving Fund (“SRF”) Program—in the amount of \$1,641,000.00 (hereinafter, the “Loan”). The sought-after Loan also included funds for payment of the required connection fees to the EIRWWA facility. See the CCHU SRF Submission attached to the petition as Exhibit 4.
8. As a condition of connection to the new wastewater treatment plant, EIRWAA required the formation of a sewer district before it would allow connection to its wastewater system because a sewer district has taxing authority:

As a condition of accepting and treating the wastewater from CCHU, the board of EIRWA [sic] is requiring CCHU to form a sewer district. CCHU management is currently taking steps to form the district and have hired an attorney to lead the effort. The name of the district will be the Taylor Mountain Water and Sewer District (TMWSD) and once it is formed and a Board of Directors named, the EIRWA [sic] Board will issue a “Will Serve” letter to TMWSD for their existing connections.

Environmental Information Document at 2.

9. On June 19, 2014, IDEQ awarded the Loan to CCHU. See Exhibits 5 and 6 attached to the petition.
10. However, rather than continue operation of the water and sewer system as a new non-profit water and sewer district, the president of CCHU (Michael Groth) decided that CCHU

should no longer continue to operate the water and sewer system, and indicated that the burdens placed upon him by IDEQ and the Compliance Agreement would bankrupt CCHU and Mr. Groth personally. As a result, Mr. Groth petitioned this court to form the District under the premise that the District would obtain and operate CCHU's water and sewer district system.

11. After CCHU's decision to no longer operate the water and sewer system, IDEQ encouraged the District "to continue to expedite the execution of the buy-sell agreement with the current owner of County Club Hills Utilities in order to facilitate the wastewater improvements needed . . ." See Exhibit 7 attached to the petition (Letter from William Teuscher PE (IDEQ) to Randy Kern (Board Chairman the District)).
12. Over a number of months, CCHU and the District negotiated a water and sewer system agreement to address the transfer of assets, property concerns, liability issues, water rights deficiency, use of the existing sewage lagoons, and other matters associated with the District's assumption of operation and ownership of the water and sewer system. A copy of the executed *Water and Sewer System Agreement* (the "Agreement") is attached to the petition as Exhibit 8.
13. A key component of the Agreement was CCHU's assignment of the Loan to the District because of the favorable terms associated with the Loan. *Agreement* ¶2.
14. Prior to execution of the Agreement on March 2, 2015, the District provided notice to all patrons of a public board meeting to be held on February 9, 2015, at 6:30 p.m. at the Idaho Falls Country Club clubhouse. The District's notice explained that the provisions of the Agreement were to be discussed, and copies of the Agreement were made available to all District patrons.

15. Many District patrons attended the meeting and actively participated in the meeting by asking questions of the District's board and its attorney. Minutes of the meeting are attached to the petition as Exhibit 9.
16. As described in the minutes, the District's board discussed, among other items, the Compliance Agreement, the Agreement, and the judicial confirmation process. Included within these major topics was discussion of the Loan and the desire and need for the District to have the Loan assigned to it as part of the Agreement.
17. After over two hours of thorough discussion at the public meeting, a motion to accept and enter into the Agreement—the provisions of which specifically call for assignment of the Loan to the District—was seconded and passed by a unanimous vote of 3-0.
18. Approximately one month later, on March 2, 2015, CCHU and the District executed the Agreement. Shortly thereafter, an *Assignment and Bill of Sale and Warranty Deed* were recorded as Instrument Nos. 1492290 and 1492291, respectively, in the records of Bonneville County, Idaho, which officially transferred possession and/or title to all of CCHU's assets (except for the existing sewage lagoons as described in the Agreement) to the District. A copy of the recorded *Assignment and Bill of Sale* is attached to the petition as Exhibit 10 and a copy of the recorded *Warranty Deed* is attached to the petition as Exhibit 11.
19. Since March 2, 2015, the District has operated and managed the water and sewer system.
20. Commencing after March 2, 2015, the District and IDEQ negotiated a revised compliance agreement (hereinafter, the "Revised Compliance Agreement"), a copy of which is attached to the *Affidavit of Robert L. Harris* at Exhibit 2 which was previously filed in this matter.

21. One of the requirements in the Revised Compliance Agreement is to petition this court for judicial confirmation of the District's actions concerning the Loan by May 1, 2015.
22. As part of the negotiations related to the Revised Compliance Agreement, it has been determined IDEQ may be able to increase the Loan amount to cover possible additional and/or increased costs. Therefore, it is possible that the Loan may be for up to—but no more than—One Million Seven Hundred Thousand Dollars (\$1,700,000.00). It is approval for a Loan of up to this amount that the District seeks judicial confirmation for.
23. The District has now received a revised loan offer from IDEQ, which is attached as Exhibit 1 to the *Affidavit of Robert L. Harris* previously filed in this matter.
24. Pursuant to Idaho Code § 7-1308(2), the court is required to make findings setting forth what legal authority the District bases its petition for judicial confirmation of the Loan.
25. The District possesses legal authority for the proposed sewer system improvements because Idaho Code § 42-3212(d) provides that the board of a water and sewer district may “enter into contracts and agreements . . . in building, erecting or constructing works, canals pipelines, sewage treatment plants, and other facilities within or without the district.”
26. In order to construct such improvements, the board—on behalf of the District—may “borrow money and incur indebtedness and evidence the same by certificate, notes or debentures, and to issue bonds, in accordance with the provision of this chapter,” Idaho Code § 42-3212(e), and associated with such debt, “may acquire dispose of and encumber real and personal property, water, water rights, water and sewage systems and plants, and any interest therein, including leases and easements within or without said district[.]” Idaho Code § 42-3212(f).

27. As to judicial confirmation, pursuant to Idaho Code § 7-1304, "a political subdivision may file or cause to be filed a petition at any time in the judicial district court in and for the district in which the political subdivision is located wholly or in part, praying a judicial examination and determination of the validity of any bond or obligation or of any agreement or security instrument related thereto, of the political subdivision, whether or not such bond or obligation agreement has been validly exercised, or executed."
28. The District is a "governmental subdivision of the state of Idaho and a body corporate with all the powers of a public or quasi-municipal corporation." Idaho Code § 42-3207; Exhibit 1 to the petition at 2. Thus, District is specifically included within the definition of a "political subdivision" under Idaho Code § 7-1303 (6) because it is a "water and/or sewer district."
29. The Loan is an "obligation" under Idaho Code § 7-1303(5) because it is "indebtedness of any political subdivision, other than a bond, . . ."
30. Idaho Code § 7-1304(1) provides that "[t]he filing of the petition shall have been authorized by the governing body having adopted a resolution or ordinance authorizing such filing after conducting a public hearing . . ." The February 9th meeting described herein was a public hearing wherein the District's board received public comment on and considered whether it should execute the Agreement, the, provisions of which included assignment of the Loan and the requirement from IDEQ to seek judicial confirmation.
31. Idaho Code § 7-1304(3) states that notice of a public hearing must be provided "[a]t least fifteen (15) days prior to the date set for the public meeting, notice of the time, place and summary of the matter shall be published in the official newspaper, or papers of general circulation within the jurisdiction." In place of publication notice, the District provided a

superior form of notice by hand delivering notices of the public hearing to each patron of the District.

32. While Idaho Code § 7-1304(3) requires newspaper publication notice, which was not undertaken, this court may still grant this petition because approval of the petition "shall not be defective for failure to strictly comply with this notice provision if compliance with the notice requirement is substantial and in good faith."
33. The District's extraordinary efforts to provide hand-delivered notice of the public hearing is substantial and in good faith, and indeed, is superior to publication notice, and is therefore in compliance with the notice requirements of Idaho Code § 7-1304(3).
34. After full public support to execute the Agreement was voiced at the public hearing, a motion was made by a board member to execute the Agreement. The motion passed with a unanimous vote of 3-0 by the board.
35. Acting consistent with the will of the District patrons, the Board signed the Agreement on March 2, 2015, the execution of which was a resolution of the District to be the assignee of the Loan. Said adoption of the resolution through execution of the Agreement was made more than fourteen (14) days after the public hearing held on February 9, 2015. Idaho Code § 7-1304(3).
36. In compliance with Code § 7-1304(2), the petition was "verified by the executive officer of the political subdivision" because it has been verified by Randy Kern, the chairman of the board of the District.
37. The District exists and operates entirely within Bonneville County, Idaho.
38. This is an *in rem* proceeding pursuant to Idaho Code § 7-1305.
39. Venue is proper pursuant to Idaho Code § 5-401.

40. Jurisdiction is proper pursuant to Idaho Code §§ 1-705 and 7-1305.
41. Publication of the hearing for this matter held on July 21, 2015 was performed in accordance with Idaho Code § 7-1306(2)(a) as evidenced by the *Proof of Publication* signed to Staci Dockery of The Post Register which was attached to the *Affidavit of Robert L. Harris* at Exhibit 3 of said affidavit previously filed in this matter.
42. Additionally, notice of the filing of this petition was posted in accordance with Idaho Code § 7-1306(2)(b) as evidenced by the *Affidavit of Lynn Melander* filed in this matter.
43. Finally, while not required to do so, on June 20, 2015, the District emailed those of its patrons included in an email list estimated to include 70% of its patrons. *Affidavit of Jan Grimmert*. In addition, the District included a copy of the notice of the hearing on this matter with its July billing to the District's patrons. *Affidavit of Jan Grimmert*.
44. Pursuant to Idaho Code §§ 7-1306(3) and 7-1308(1), the filing of the petition and publication and posting of notice in accordance with Idaho Code § 7-1306 and as described herein "shall be sufficient to give the court jurisdiction, and upon hearing the court shall examine into and determine all matters and things affecting each questions submitted, shall make such findings and reference thereto and render such judgment and decree thereon as the case warrants." Idaho Code § 7-1308(1).
45. No person moved to dismiss or answer the petition prior to the hearing on July 21, 2015.
46. No person appeared at the hearing held on July 21, 2015 in opposition to the petition.
47. Representatives from the District, EIRWAA, and IDEQ appeared at the hearing held on July 21, 2015 in support of the petition.
48. Construction of the sewer system upgrades is an ordinary and necessary expense for the District to undertake for the benefit of the residents to be benefitted thereby.

49. The court hereby finds that it has jurisdiction to rule on this matter, and hereby makes the following conclusions of law.

CONCLUSIONS OF LAW

1. As a matter of law, the District has complied with all procedural and notice requirements under Idaho law to obtain judicial confirmation in order to execute the Loan.
2. This is an *in rem* proceeding pursuant to Idaho Code § 7-1305.
3. Venue is proper pursuant to Idaho Code § 5-401.
4. Jurisdiction is proper pursuant to Idaho Code §§ 1-705 and 7-1305.
5. Idaho Code § 7-1306 provides that jurisdiction of all parties is accomplished by publication and posting as required by the judicial confirmation law. The District has caused a notice of hearing to be published in The Post Register for a period of three (3) consecutive weeks, in the form and in the manner required by Idaho Code § 7-1306. The District also posted the same notice near the main door of the Idaho Falls Country Club clubhouse—the current location of its administrative office—at least thirty (30) days prior to July 21, 2015. By virtue of the foregoing, the court has jurisdiction over the parties and subject matter of this petition.
6. Because no person moved to dismiss or answer the petition prior to the July 21, 2015 hearing, and because no person appeared in opposition to the petition at said hearing, the petition is hereby taken as confessed by all such persons who failed to appear pursuant to Idaho Code § 7-1307(2).
7. The court concludes that the sewer system upgrades as described herein are ordinary and necessary for the residents to be benefitted thereby.

8. The Loan is enforceable in accordance with its terms.
9. The District's petition is hereby granted confirming the proceedings undertaken by the District as being due and lawful under the requirements of Idaho Code § 7-1304.

Dated this 12th day of August, 2015.



Judge Alan C. Stephens
District Judge

CLERK'S CERTIFICATE OF MAILING

I hereby certify that I served a true copy of the foregoing document upon the following this 21 day of August, 2015, by mailing, with the necessary postage affixed thereto.

ATTORNEYS SERVED:

Robert L. Harris
Holden, Kidwell, Hahn & Crapo, P.L.L.C.
P.O. Box 50130
Idaho Falls, ID 83405

☐ Mail
☐ Hand Delivery
☐ Facsimile
☒ Courthouse Box

CLERK OF THE DISTRICT COURT

By: 

Deputy Clerk

R. Harris

BONNEVILLE COUNTY
IDAHO

2015 AUG 17 PM 5:45

IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNEVILLE

IN THE MATTER OF THE
CONFIRMATION OF PROCEEDINGS
PURSUANT TO IDAHO CODE § 7-1304
RELATING TO THE PROPOSED DEBT
TO BE INCURRED BY THE TAYLOR
MOUNTAIN WATER AND SEWER
DISTRICT

Case No. CV-15-2374

JUDGMENT

JUDGMENT IS ENTERED AS FOLLOWS:

1. The District's petition is hereby granted. The District is authorized to incur debt of up to One Million Seven Hundred Thousand Dollars (\$1,700,000.00) by entering into a loan with IDEQ;
2. The proceedings undertaken by the District are due and lawful under the requirements of Idaho Code § 7-1304 and other Idaho law;
3. The Loan is a valid, binding, and enforceable in accordance with its terms and under the laws of the State of Idaho; and

JUDGMENT

4. The petition is taken as confessed by all persons because no person moved to dismiss the petition or answered the petition prior to the hearing held on July 21, 2015, and no person appeared at the hearing in opposition to the petition.

Dated this 12th day of August, 2015.


Judge Alan C. Stephens
District Judge

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on August 18, 2015, I served a true and correct copy of the foregoing document to the following by mailing, with correct postage thereon, by facsimile, or by causing the same to be hand delivered.

Robert L. Harris PO Box 50130 Idaho Falls ID 83405	☒ Courthouse Box ☐ US Mail ☐ FAX ☐ Hand Delivery
---	---



Deputy Clerk