



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

June 25, 2015

VANDERVEGT DAIRY LLC
4098 HIDDEN LAKES DR
KIMBERLY ID 83341-4003

**RE: WATER SUPPLY BANK LEASE APPLICATION(S) FOR WATER RIGHT
NO(S). 36-7517 AND 36-2257**

Dear Applicant:

On January 9, 2015 the Idaho Department of Water Resources (Department) received your application(s) to lease water right no(s). 36-7517 and 36-2257 to the Water Supply Bank (Bank).

The Department of Water Resources (Department) mailed **two original Water Supply Bank Lease Contracts for your review and signature** on April 20, 2015. The Department has sent two separate letters dated May 5 and 19, 2015 requesting the signed Lease Contracts to be returned. The signed contracts have not been returned to the Department.

Without the signed Lease Contract(s) the Bank cannot execute the contract(s), and complete the lease process to accept the rights into the Bank. Please discard the drafted Lease Contract(s) since they are no longer valid. This letter is notice that **the attached application(s) to lease water to the Bank are returned.**

Please note the forfeiture period is not tolled unless a right is accepted into the Bank, or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. If forfeiture is a concern, you may consider filing an Application for Extension of Time to Avoid Forfeiture of a Water Right form.

You can reapply to lease the water right(s) in the future by submitting new application form(s) along with applicable fees. Water right forms are available from the Department's web site at www.idwr.idaho.gov.

If you have questions regarding this matter, please contact me at 287-4881.

Sincerely,


fol - Sandra Thiel
Sr Water Resource Agent

Enclosure(s): Lease Application(s)

c: Greg Sullivan – Brockway Engineering PLLC



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GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

May 19, 2015

VANDERVEGT DAIRY LLC
4098 HIDDEN LAKES DR
KIMBERLY ID 83341-4003

**RE: REQUEST FOR RETURN OF SIGNED WATER SUPPLY BANK LEASE CONTRACTS FOR
WATER RIGHT(S) 36-2257 AND 36-7517**

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

Dear Applicant,

The Department of Water Resources (Department) mailed **two original Water Supply Bank Lease Contracts for your review and signature** on April 20, 2015. The signed contracts have not been returned to the Department.

Please sign both original Lease Contracts and return them to the Department within ten (10) days of this letter to complete processing. The Lease Contract is not considered final until both you and the Department have signed.

If the signed lease contracts are not received by the Department within the 10-day period, the lease application(s) will be returned, and the application fee will not be refunded. You can reapply to lease the water right(s) in the future by submitting new application form(s) along with applicable fees.

Please note the forfeiture period is not tolled unless a right is accepted into the Bank, or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. If forfeiture is a concern, you may consider filing an Application for Extension of Time to Avoid Forfeiture of a Water Right form. This and other water right forms are available from the Department's web site at www.idwr.idaho.gov.

If you have questions regarding this matter, please contact me at 287-4881.

Sincerely,

FTL Sandra Thiel
Senior Water Resource Agent

C: Greg Sullivan – Brockway Engineering



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GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

May 5, 2015

VANDERVEGT DAIRY
4098 HIDDEN LAKES DR
KIMBERLEY ID 83341

**RE: REQUEST FOR RETURN OF SIGNED WATER SUPPLY BANK LEASE CONTRACTS FOR
WATER RIGHT(S) 36-02257 AND 36-07517**

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

Dear Applicant,

The Department of Water Resources (Department) mailed **two original Water Supply Bank Lease Contracts for your review and signature** on April 20, 2015.. The signed contracts have not been returned to the Department.

Please sign both original Lease Contracts and return them to the Department within ten (10) days of this letter to complete processing. The Lease Contract is not considered final until both you and the Department have signed.

If the signed lease contracts are not received by the Department within the 10-day period, the lease application(s) will be returned, and the application fee will not be refunded. You can reapply to lease the water right(s) in the future by submitting new application form(s) along with applicable fees.

Please note the forfeiture period is not tolled unless a right is accepted into the Bank, or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. If forfeiture is a concern, you may consider filing an Application for Extension of Time to Avoid Forfeiture of a Water Right form. This and other water right forms are available from the Department's web site at www.idwr.idaho.gov.

If you have questions regarding this matter, please contact me at 287-4910.

Sincerely,

for Sandra Thiel
Sandra Thiel
Water Resource Agent

C. Greg Sullivan – Brockway Engineering



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

C.L. "BUTCH" OTTER

Governor

GARY SPACKMAN

Director

April 20, 2015

VANDERVEGT DAIRY
4098 HIDDEN LAKES DR
KIMBERLY ID 83341

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 36-2257 AND 36-7517 TO THE WATER SUPPLY BANK

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right(s) to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return BOTH Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department has both signed.

The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your rights may not be available for immediate release if they have been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"While a right is in the bank, the lessor may **not** use the right without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

If you have questions regarding this matter, please contact me at 287-4881.

Sincerely,

Sandra Thiel
Water Resource Agent Senior

Enclosure: Proposed Lease Contracts
Receipt # C099833

c. Greg Sullivan -- Brockway Engineering

MEMORANDUM

To: Water Right Nos. 36-2257 and 36-7517
From: Sandy Thiel
Date: April 10, 2015
Re: Review of Water Supply Bank lease application

PURPOSE/NARRATIVE: On January 9, 2015, Greg Sullivan of Broackway Engineering submitted a lease application on behalf of Vandervegt Dairy LLC. According to the application Vandervegt plans to lease a portion of rights 36-2257 and 36-7517 into the bank from 2015 through 2019. The portion intended for the bank includes 14.5 acres, mostly pivot corners, in Minidoka County.

The application didn't entirely match the enclosed map. On February 18, 2015, I sent an email to Greg requesting confirmation that 1.7 of the leased acres should be in T9S R22E Section 5 SWNE and not the SENE quarter quarter. Greg confirmed the correct location via email.

There was a lengthy discussion between the water master Cindy Yenter and Greg (see attached emails). It was difficult to determine if the acres in T9S R22E Section 5 SWSW had actually been irrigated since 2009. The lessor did not submit concrete evidence to prove that irrigation had taken place. Ultimately the lease was for 7.3 acres rather than the 14.5; the 7.2 acres in the SWSW quarter quarter were excluded from the lease.

AUTHORITY TO FILE: The authorized place of use for rights 36-2257 and 36-7517 includes the land identified in the lease application. However, the taxlot data shows this property as belonging to Drew and Tami Morgan. The lease package included a warranty deed that conveys the land to Irene Vandervegt. Since the rights are already appurtenant to this property, no change of ownership is required.

WATER RIGHT VALIDITY: Both rights were decreed in 2001. The imagery below shows evidence of irrigation in 2010 and 2011. Forfeiture is not an issue.

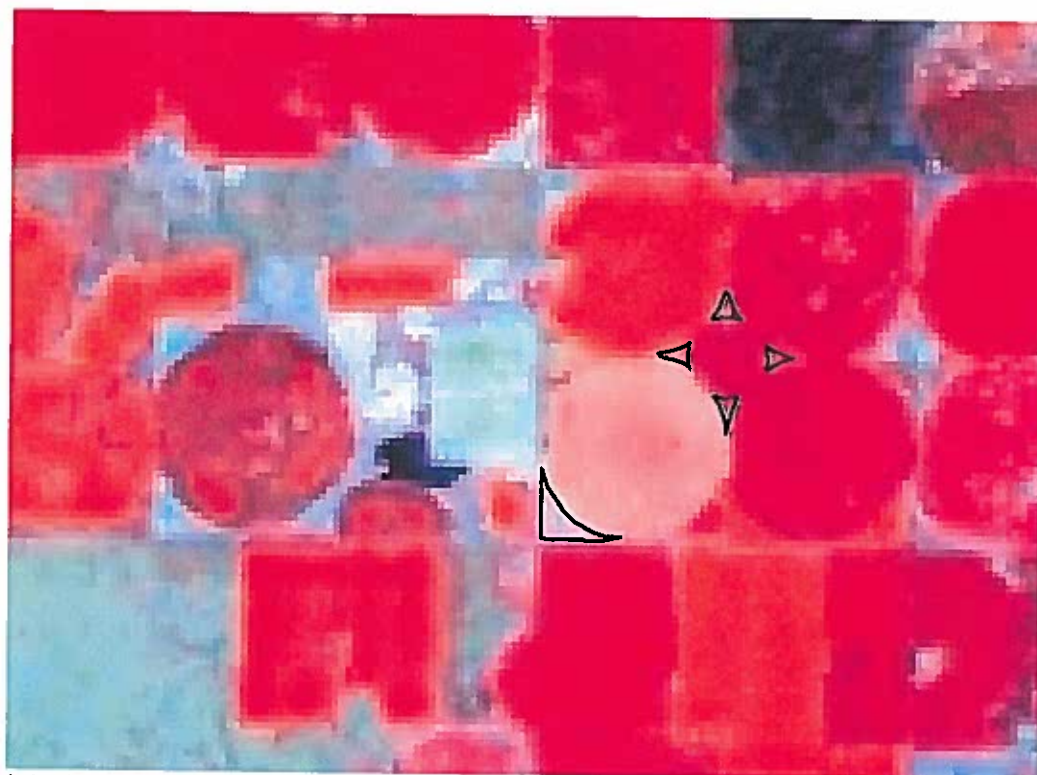
INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: No enlargement is evident through the lease alone. Proper rental review should protect against enlargement.

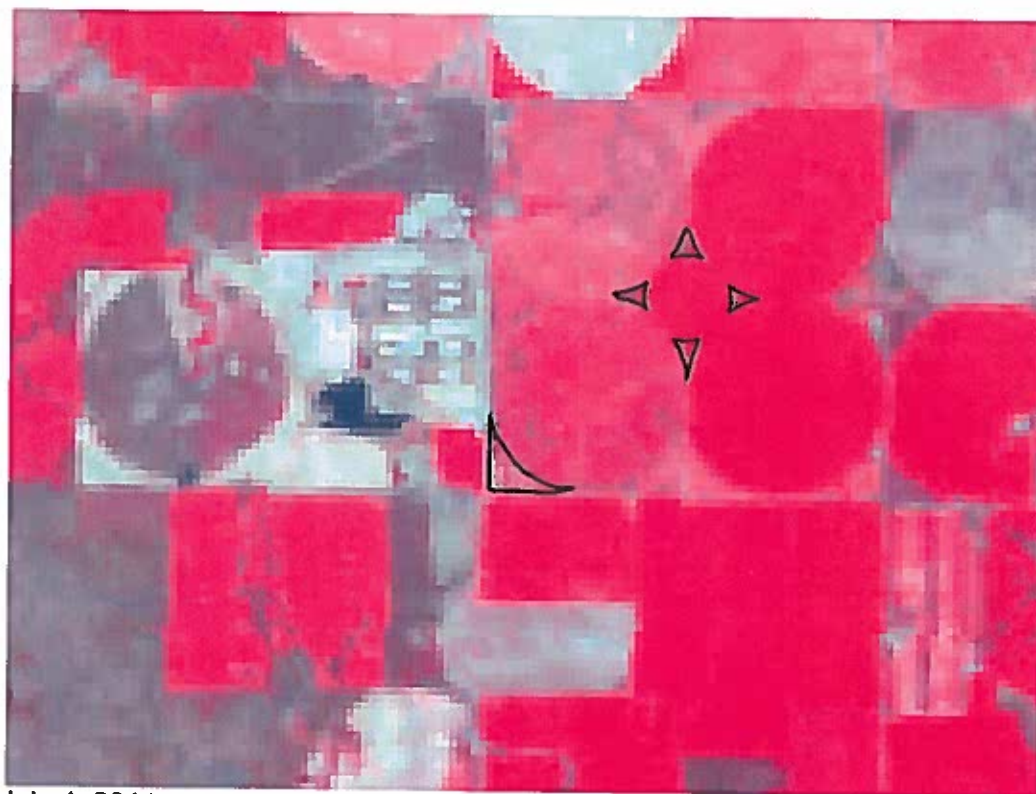
LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The lease appears consistent with the conservation of water resources in Idaho.

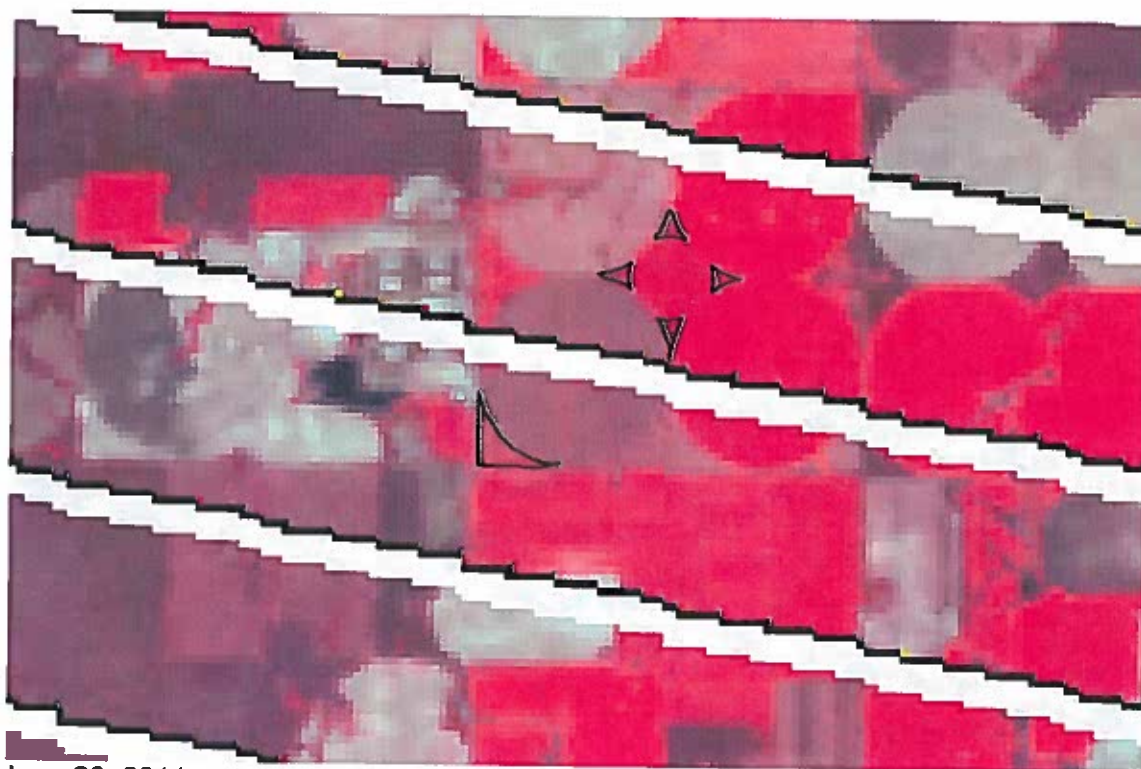
DEPARTMENT STAFF OR WATERMASTER COMMENTS: This lease falls within water district 130. Please see attached emails for water master comments.



July 17, 2010



July 4, 2011



June 26, 2011

NWNW 4

NENW 3

NWNE 2

NENE 1



Lease Acres

SWNW

SENW

SWNE

SENE

09S22E5

NWSW

NESW

NWSE

NESE

SWSW

SESW

SWSE

SESE

Thiel, Sandra

From: Yenter, Cindy
Sent: Thursday, April 09, 2015 8:34 AM
To: Greg Sullivan; Thiel, Sandra
Cc: Palmer, Cherie; Buyer, Remington
Subject: RE: Vandervegt lease 36-2257 and 36-7517

Greg

It is not the obligation of IDWR or the watermaster to obtain evidence relative to a potential water bank lease. It is the burden of the applicant to provide evidence of use, if that use is in question.

And again, I am not making this final decision. The Water Supply Bank will consider my watermaster recommendation but ultimately has the responsibility to determine whether the acres are eligible for lease entry.

I am finished with this discussion. The Bank has offered a lease. Please address all other questions to Water Bank staff.

*Cindy Yenter
Watermaster, Water District 130
Twin Falls, ID
cindy.yenter@idwr.idaho.gov
208-736-3033*

From: Greg Sullivan [mailto:greg.sullivan@brockwayeng.com]
Sent: Monday, April 06, 2015 9:03 AM
To: Yenter, Cindy; Thiel, Sandra
Cc: Palmer, Cherie
Subject: RE: Vandervegt lease 36-2257 and 36-7517

Cindy,

I would like a response to the questions I asked you in my March 24th email.

Greg Sullivan
Brockway Engineering
2016 N. Washington St. Suite 4
Twin Falls, Id 83301
208-736-8543

From: Yenter, Cindy [mailto:Cindy.Yenter@idwr.idaho.gov]
Sent: Monday, April 06, 2015 8:43 AM
To: Greg Sullivan; Thiel, Sandra
Cc: Palmer, Cherie
Subject: RE: Vandervegt lease 36-2257 and 36-7517

Greg, I have returned watermaster comments to IDWR state office. The ball is in the Bank's court at this time to make the decision regarding the lease.

Cindy Yenter
Watermaster, Water District 130
Twin Falls, ID
cindy.yenter@idwr.idaho.gov
208-736-3033

From: Greg Sullivan [<mailto:greg.sullivan@brockwayeng.com>]
Sent: Monday, April 06, 2015 8:42 AM
To: Yenter, Cindy; Thiel, Sandra
Subject: RE: Vandervegt lease 36-2257 and 36-7517

Cindy,

It has almost been two week since I emailed you the below email message. I have not received a response from the Water Supply Bank or you concerning the below email. The issue regarding the irrigation in the SWSW of Section 5 in 2014 needs to move forward. Please responded by email or written letter.

Thank you,

Greg Sullivan
Brockway Engineering
2016 N. Washington St. Suite 4
Twin Falls, Id 83301
208-736-8543

From: Greg Sullivan [<mailto:greg.sullivan@brockwayeng.com>]
Sent: Tuesday, March 24, 2015 8:57 AM
To: 'Yenter, Cindy'; 'Thiel, Sandra'
Subject: RE: Vandervegt lease 36-2257 and 36-7517

Cindy,

What other evidence or data does the Department of Water Resources accept to prove that irrigation has occurred other than aerial photographs and Landsat imagery?

We have the owner of the water rights stating that irrigation has occurred. We have a third party individual (Mr. Ohlensehlen) who visited the site, confirmed that irrigation has occurred, took photographs and is willing to testify that hand lines were used to irrigate the SWSW corner. I believe that farm owners did indeed irrigated that crop and obtained a beneficial use from it.

Each of the photographs have a clear and readable date and time stamp on them in the bottom right corner. Photograph #4 was taken at 10:19 AM June 19, 2014. Photograph #5 was taken at 10:21 June 19, 2014.

Are you basing your decision of whether or not irrigation as occurred on the Landsat image? The SWSW corner is more red or colored than the entire pivot located in the NE quarter of Section 5. Does this mean that no irrigation occurred in 2014 on this NE pivot because one Landsat image shows that the pivot was dry when the photo was taken? I think not. The SWSW corner is also a lot more red or colored than neighboring dry desert ground. I think it is rather clear that irrigation did occur in 2014.

Is this Landsat image the only evidence that the Department has to whether irrigation occurred 2014? Because if it is, it is not a very strong case. There are two professional consultants stating that this 7.2 acres were indeed irrigated in 2014. Documentation has been provided by one of the consultants based on actual in the field data through photographic evidence and would be willing to testify that irrigation did occur. The farm owners and farm managers would be willing to testify regarding the irrigation that occurred in the SWSW corner.

Does IDWR have any evidence that was obtained by a staff member or Watermaster from a site visit to this field? Has IDWR staff members or the Watermaster visited this location to verify if mainlines are currently installed that would allow irrigation from hand lines?

Greg Sullivan
Brockway Engineering
2016 N. Washington St. Suite 4
Twin Falls, Id 83301
208-736-8543

From: Yenter, Cindy [<mailto:Cindy.Yenter@idwr.idaho.gov>]
Sent: Tuesday, March 24, 2015 8:10 AM
To: Thiel, Sandra
Cc: Greg Sullivan
Subject: RE: Vandervegt lease 36-2257 and 36-7517

Sandy – Mr. Ohlenselen's photos do provide some evidence of cropping. The photos alone do not provide convincing evidence of irrigation as there is no irrigation equipment visible. They are also not dated so it is not clear what time of year they were taken. It is pretty obvious to me that the acres offered to the bank were planted with short-season crops and possibly irrigated early in the season specifically to make them eligible for the water bank. I don't have an issue with that, but I do need to be convinced that irrigation actually occurred.

The landsat infrared image below, dated 6-10-2014, is the only image I can find which corroborates a claim of irrigation during 2014 for a portion of the subject acres. The four small corners around the center mini-pivot show strong color, and provide convincing evidence that water was applied to a crop. I see no such evidence in the SWSW corner, beyond the edge of the pivot.

My watermaster recommendation remains unchanged. I recommend that the lease be limited to the 7.2 acres in the center corners.

Cindy Yenter
Watermaster, Water District 130
Twin Falls, ID
cindy.yenter@idwr.idaho.gov
208-736-3033

Thiel, Sandra

From: Greg Sullivan [greg.sullivan@brockwayeng.com]
Sent: Tuesday, March 31, 2015 12:06 PM
To: Thiel, Sandra
Subject: RE: Global Ag rentals

Sandy,

I still would like the Vandervegt lease approved. I have not received a response from Cindy Yenter regarding my concerns and my question about her analysis of the SWSW corner.

Greg Sullivan
Brockway Engineering
2016 N. Washington St. Suite 4
Twin Falls, Id 83301
208-736-8543

-----Original Message-----

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Monday, March 30, 2015 8:40 AM
To: Greg Sullivan
Subject: FW: Global Ag rentals

Good Morning, How do you want me to proceed with the Vandervegt lease?

-----Original Message-----

From: Edl, Michele
Sent: Friday, March 27, 2015 12:38 PM
To: greg.sullivan@brockwayeng.com
Cc: Thiel, Sandra; Palmer, Cherie
Subject: Global Ag rentals

Greg Sullivan,

Cindy Yenter provided this shp file, which she said is based on her review of 2014 imagery. The shapes may be a little skinnier than the jpg image you emailed me but it amounts to 2421.4 acres.

The 16 water rights held by Global Ag and appurtenant to the main farm (not the North farm) authorize 2238 acres.

One active WSB rental from 2014-2018 authorizes an additional 99.8 acres.

I have recommended a rental for 121.6 acres to begin this year and continue through 2016.

Therefore the total acreage covered by water rights & WSB is

now: $2238.0 + 99.8 + 121.6 = 2459.4$ acres.

Compared to the shape file acreage from watermaster Yenter, Global Ag has their irrigation covered with some to spare.

$2421.4 \text{ ac} < 2459.4 \text{ ac}$

I see no need for processing the Global Ag rental request for 14.5 more acres. So I am recommending that we return that rental request unprocessed.

That does not relieve us all of continued discussion about the Vandervegt lease. But it does eliminate a processing pause on the rental side of things.

Sincerely,
Michele Edl

-----Original Message-----

From: Yenter, Cindy

Sent: Friday, March 27, 2015 9:59 AM

To: Edl, Michele

Subject: RE: Emailing: Wickle Jerome Farm 2013 Irrigation analysis.jpg

Here's the shape. I just called it something different. Do your magic!

Thanks.
cy

No virus found in this message.

Checked by AVG - www.avg.com

Version: 2012.0.2250 / Virus Database: 4311/8914 - Release

Date: 03/30/15

Thiel, Sandra

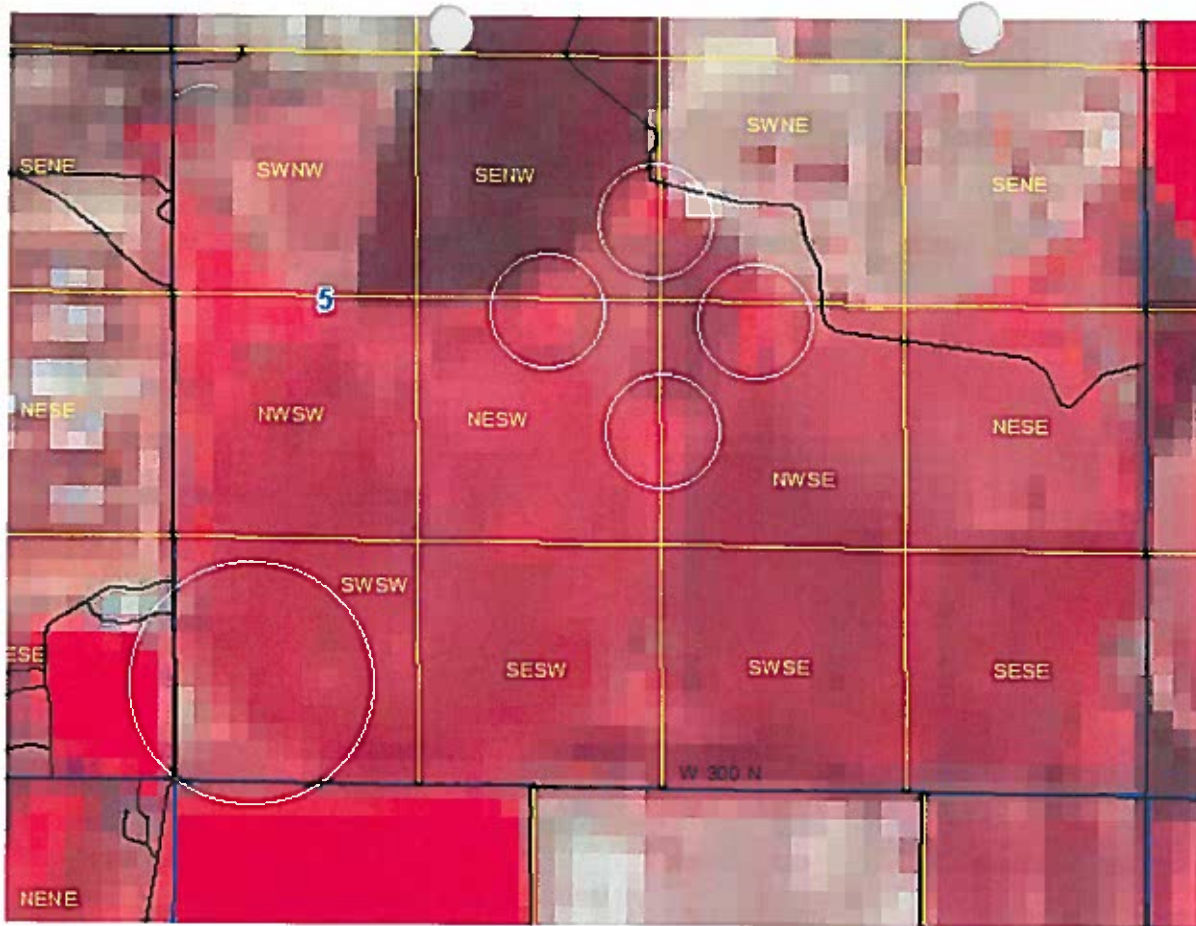
From: Yenter, Cindy
Sent: Tuesday, March 24, 2015 8:10 AM
To: Thiel, Sandra
Cc: Greg Sullivan
Subject: RE: Vandervegt lease 36-2257 and 36-7517

Sandy – Mr. Ohlenselen's photos do provide some evidence of cropping. The photos alone do not provide convincing evidence of irrigation as there is no irrigation equipment visible. They are also not dated so it is not clear what time of year they were taken. It is pretty obvious to me that the acres offered to the bank were planted with short-season crops and possibly irrigated early in the season specifically to make them eligible for the water bank. I don't have an issue with that, but I do need to be convinced that irrigation actually occurred.

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My watermaster recommendation remains unchanged. I recommend that the lease be limited to the 7.2 acres in the center corners.

*Cindy Yenter
Watermaster, Water District 130
Twin Falls, ID
cindy.yenter@idwr.idaho.gov
208-736-3033*



From: Greg Sullivan [<mailto:greg.sullivan@brockwayeng.com>]

Sent: Friday, March 20, 2015 2:20 PM

To: Thiel, Sandra

Cc: Yenter, Cindy

Subject: RE: VADERVEGT lease 36-2257 and 36-7517

Sandy,

Information regarding the irrigation that occurred in 2014 was provided with the lease application when it was submitted to the Water Supply Bank. Bob Ohlenselen of Nutrient Management Solutions acted as a third party regarding this farm and provided the photographs of the SWSW of Section 5. Bob identified photographs 4 and 5 as pictures of the SWSW corner of Section 5.

Photograph 4 was taken on 300 North Road looking west. In this photograph you can see the Dairy and cattle carrels on the right hand side of the picture. Also identified in the picture is a house located on the south side of the 300 North Road and on the west side of 1250 West Road. A second house is located on the north side of 300 North Road and on the west side of 1250 West Road.

Photograph 5 was taken on 1250 West Road looking south. This photograph depicts the grain crop and the house previously identified in Photograph 4 that is located on the south side of the 300 North Road and on the west side of 1250 West Road.

The Vandervegts have recently purchased this farm and associated water rights. The irrigation in 2014 is believed to be the second year of ownership of this farm. It is evident from the public domain site of Google Earth that in 2013 this

particular corner was used for storage of equipment and not much else. The pictures provided as evidence of irrigation with the lease application is a stark contrast to the 2013 aerial photographs. It is clear and evident that the current owners of the farm and water rights had indeed planted, irrigated and grown a crop in the SWSW corner of Section 5 during 2014.

I called and talked with Bob Ohlenselen today about these pictures. He indicated to me that spring grain was planted in this corner and that hand lines were used to irrigated the 7.3 acres in 2014. The grain foliage was used a forage feed for cattle.

I encourage the Water Supply Bank to accept the lease of these 7.3 acres into the Water Supply Bank.

Greg Sullivan
Brockway Engineering
2016 N. Washington St. Suite 4
Twin Falls, Id 83301
208-736-8543

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Thursday, March 19, 2015 12:56 PM
To: Greg Sullivan
Subject: FW: Vadervegt lease 36-2257 and 36-7517

Hello Greg, Please let me know how you would like to proceed.

From: Yenter, Cindy
Sent: Thursday, March 19, 2015 12:14 PM
To: Thiel, Sandra
Subject: Vadervegt lease 36-2257 and 36-7517

My comments are as follows:

I see no evidence of irrigation within the past 5 years on the 7.2 proposed acres in SWSW Sec 5, 9S22E. Landsat images are not conclusive but the 2011 and 2013 NAIP images clearly show trails through this section and no crops. 2014 photos submitted of the area indicate spotty growth which could be attributed to pivot overspray, and no irrigation equipment visible.

Photos submitted of the remaining 7.3 acres do show what appear to be a small grain crop, and these acres appear irrigated on the 6.10.2014 landsat image.

I recommend limiting this lease to the 7.3 acres found in the center corners.

Cindy Yenter
Watermaster, Water District 130
Twin Falls, ID
cindy.yenter@idwr.idaho.gov
208-736-3033

Thiel, Sandra

From: Greg Sullivan [greg.sullivan@brockwayeng.com]
Sent: Tuesday, March 24, 2015 8:57 AM
To: Yenter, Cindy; Thiel, Sandra
Subject: RE: Vandervegt lease 36-2257 and 36-7517

Cindy,

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Greg Sullivan
Brockway Engineering
2016 N. Washington St. Suite 4
Twin Falls, Id 83301
208-736-8543

From: Yenter, Cindy [mailto:Cindy.Yenter@idwr.idaho.gov]
Sent: Tuesday, March 24, 2015 8:10 AM
To: Thiel, Sandra
Cc: Greg Sullivan
Subject: RE: Vandervegt lease 36-2257 and 36-7517

Thiel, Sandra

From: Greg Sullivan [greg.sullivan@brockwayeng.com]
Sent: Friday, March 20, 2015 2:20 PM
To: Thiel, Sandra
Cc: Yenter, Cindy
Subject: RE: VADERVEGT lease 36-2257 and 36-7517

Sandy,

Information regarding the irrigation that occurred in 2014 was provided with the lease application when it was submitted to the Water Supply Bank. Bob Ohlenselen of Nutrient Management Solutions acted as a third party regarding this farm and provided the photographs of the SWSW of Section 5. Bob identified photographs 4 and 5 as pictures of the SWSW corner of Section 5.

Photograph 4 was taken on 300 North Road looking west. In this photograph you can see the Dairy and cattle carrels on the right hand side of the picture. Also identified in the picture is a house located on the south side of the 300 North Road and on the west side of 1250 West Road. A second house is located on the north side of 300 North Road and on the west side of 1250 West Road.

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Greg Sullivan
Brockway Engineering
2016 N. Washington St. Suite 4
Twin Falls, Id 83301
208-736-8543

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Thursday, March 19, 2015 12:56 PM
To: Greg Sullivan
Subject: FW: VADERVEGT lease 36-2257 and 36-7517

Hello Greg, Please let me know how you would like to proceed.

From: Yenter, Cindy
Sent: Thursday, March 19, 2015 12:14 PM
To: Thiel, Sandra
Subject: VADERVEGT lease 36-2257 and 36-7517

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Photos submitted of the remaining 7.3 acres do show what appear to be a small grain crop, and these acres appear irrigated on the 6.10.2014 landsat image.

I recommend limiting this lease to the 7.3 acres found in the center corners.

Cindy Yenter
Watermaster, Water District 130
Twin Falls, ID
cindy.yenter@idwr.idaho.gov
208-736-3033

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Edl, Michele

From: Yenter, Cindy
Sent: Thursday, March 19, 2015 2:20 PM
To: Thiel, Sandra; Edl, Michele
Subject: Global Ag Rentals 36-2257 and 36-7517; AND 36-2254A, 2284, 8401 and 4179

My comments are as follows:

This farm was originally owned by Kechter and most recently by Ardel Wickel. Wickel also acquired a smaller farm to the north of the main farm and connected that well into his system (NENW S9), resulting in an interconnected diversion system of 8 wells. Global Ag acquired both farms, less 4 acres which was retained by Jason Carlson around a residence in NENW Section 9. Since 2003 this farm has pretty regularly been operated in excess of authorized acres, and in recent years has relied on the water supply bank for make-up water rights. Unfortunately this creates a moving target for regulation. The last transfer was prior to 2010 and so did not include Condition 206 for the authorized PPU. In these current rentals, I would like to impose an additional condition of approval which will assist WD130 in keeping track of the current authorized acres plus any rented acres.

First, the acreage analysis:

Based on a range of 2014 imagery, I digitized **2421** acres irrigated last irrigation season on the main farm. Authorized acres under the 16 appurtenant water rights (Not including 36-16501 on the north parcel) is 2238 acres. I find one active rental within the farm, 36-16467/16469/16471, term 2014 through 2018, for 99.8 acres. A prior rental of 36-2254A/2284/8401 for 136 acres expired in 2014. There were a total of 2474 acres authorized for 2014.

I also digitized 283.7 irrigated acres on the north parcel (36-16501). Total water rights are 307.9 ac. This system is not over acres. The balance of the acres have not been irrigated since about 2006 so are not eligible for bank or transfer to the main farm.

The proposed rental of 36-2254A/2284/8401 plus 36-4179 for 2015 and 2016 is 121.6 acres. This rental alone, combined with the existing 36-16467/16469/16471 would authorize 2459.4 acres for 2015 and 2016, and 2337.8 acres for 2017 and 2018.

The proposed rental of 36-2257/7517 requests 14.5 acres, although I have recommended the accompanying lease for only 7.3 acres. At the full 14.5 acres the authorized rentals would have again been 2474 acres. At the reduced acres, and in combination with the above rentals, there would be a total of 2466.7 acres authorized for 2015 and 2016, and 2345.1 acres for 2017 and 2018. Unless a significant number of acres is planned to be irrigated in 2015, this rental does not appear to be necessary but could be included in the package.

RECOMMENDATION:

I recommend approval of both rentals, pending the final lease amount of 36-2257/7517.

HOWEVER,

I recommend both rentals be held and not approved until IDWR receives a digitized map from Global Ag depicting the total irrigated area which is planned for 2015, along with the specific location of all rental acres.

MEASUREMENT REQUIRED. Please add standard approved flow meter conditions to the rentals.

Also, please note that some of the 2014 irrigated area appears slightly outside the boundary of the current water right shape, and may be encroaching upon BLM lands. This may be due to rectification issues and it is not a large area. I have included all irrigated acres under the system in my analysis, even those which appear outside the water right shape.

Thiel, Sandra

From: Greg Sullivan [greg.sullivan@brockwayeng.com]
Sent: Monday, February 23, 2015 1:47 PM
To: Thiel, Sandra
Subject: RE: Vandervegt lease

Sandy,

Water rights 36-2339, 36-8403, 36-2340, 36-2360, 36-2431, 36-15165, 36-2346, 36-2389, 36-2451, 36-2363, 36-4200, 36-16419, 36-16423, 36-16425, 36-16417 and 36-16421 show a POD in 08S 21E Section 9 NWNW. So I think the NEWNW is supposed to be NENWNW.

Greg Sullivan
Brockway Engineering
2016 N. Washington St. Suite 4
Twin Falls, Id 83301
208-736-8543

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Friday, February 20, 2015 12:03 PM
To: Greg Sullivan
Subject: RE: Vandervegt lease

Hello, I have another question. You provided a list of both the water rights that would share the point of diversion with the rented water and the well locations. I don't see a point of diversion in T8S R21E Section 9 NENW with any of those water right numbers. Maybe I missed it. Can you confirm the location of the well? Thanks.

From: Greg Sullivan [<mailto:greg.sullivan@brockwayeng.com>]
Sent: Thursday, February 19, 2015 12:11 PM
To: Thiel, Sandra
Subject: RE: Vandervegt lease

Sandra,

The 1.7 acres should be in the SWNE.

Thank you.

Greg Sullivan
Brockway Engineering
2016 N. Washington St. Suite 4
Twin Falls, Id 83301
208-736-8543

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Wednesday, February 18, 2015 1:27 PM
To: Greg Sullivan
Subject: Vandervegt lease

Hello Greg, Hope you are doing well. I have a question about the Vandervegt Dairy lease applications. According to the lease application attachment 2 there should be 1.7 acres leased in T9S R22W Section 5 SENE. The map shows those acres as being in the SWNE. I think they are supposed to be in the SWNE. Can you confirm that for me?

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

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Checked by AVG - www.avg.com
Version: 2012.0.2249 / Virus Database: 4257/8648 - Release Date: 02/20/15

Thiel, Sandra

From: Yenter, Cindy
Sent: Thursday, March 19, 2015 8:09 AM
To: Thiel, Sandra
Subject: Vandervegt lease

I am reviewing the lease this morning. Unfortunately I am finding no images which support that irrigation has occurred on these acres in 2014 or any other recent year. The landsat photos from 2010 and 2011 are not really conclusive. If you look at the color NAIP for 2011 and 2013 there are roads visible in that SWSW corner and I just don't believe there was irrigation those years. Any spring cultivation would have taken the trails out. I see Ohlenselen's photos from 2014 but they don't totally convince me either. They are in black and white in your scans and appear to be oats or some other small grains in those small center corners (photos 13-17). Those would have required maybe one application of water. But I still don't see anything but mowed weeds or spotty alfalfa from pivot overspray in the SWSW corner (photos 4 & 5). I don't see any handlines or other irrigation equipment. Am I missing that?

How convinced were you? Were the photos submitted in color?

Thiel, Sandra

From: Greg Sullivan [greg.sullivan@brockwayeng.com]
Sent: Monday, February 23, 2015 1:42 PM
To: Thiel, Sandra
Subject: RE: Vandervegt lease

Sandy,

Yes, lease and rent the water through 2019. Less work for you and me in the upcoming years.

Greg Sullivan
Brockway Engineering
2016 N. Washington St. Suite 4
Twin Falls, Id 83301
208-736-8543

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Friday, February 20, 2015 1:16 PM
To: Greg Sullivan
Subject: RE: Vandervegt lease

Hello, I just noticed that on the lease letter, and both lease and rental applications the agreement is through 2019. However on the rental letter you say that the rental application is 2015-2018. Are both the lease and rental through 2019?

From: Greg Sullivan [<mailto:greg.sullivan@brockwayeng.com>]
Sent: Thursday, February 19, 2015 12:11 PM
To: Thiel, Sandra
Subject: RE: Vandervegt lease

Sandra,

The 1.7 acres should be in the SWNE.

Thank you.

Greg Sullivan
Brockway Engineering
2016 N. Washington St. Suite 4
Twin Falls, Id 83301
208-736-8543

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Sent: Wednesday, February 18, 2015 1:27 PM

Thiel, Sandra

From: Greg Sullivan [greg.sullivan@brockwayeng.com]
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Greg Sullivan
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To: Greg Sullivan
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Sent: Thursday, February 19, 2015 12:11 PM
To: Thiel, Sandra
Subject: RE: Vandervegt lease

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The 1.7 acres should be in the SWNE.

Thank you.

Greg Sullivan
Brockway Engineering
2016 N. Washington St. Suite 4
Twin Falls, Id 83301
208-736-8543

To: Greg Sullivan
Subject: Vandervegt lease

Hello Greg, Hope you are doing well. I have a question about the Vandervegt Dairy lease applications. According to the lease application attachment 2 there should be 1.7 acres leased in T9S R22W Section 5 SENE. The map shows those acres as being in the SWNE. I think they are supposed to be in the SWNE. Can you confirm that for me?

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

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08S22E31

SWSW

SESW

08S22E32

SWSE

SESE

08S22E33

NENE 1

NWNW 4

NENW 3

NWNE 2

NENE 1

NWNW

Should these 1.7 acres be in the SWNE?
The application puts them in the SENE

SENE

SWNW

SENW

SWNE

SENE

SWNE

09S22E6

09S22E5

2.1

1.6

1.9

1.7

09S22E4

NESE

NWSW

NESW

NWSE

NESE

NWSW

SESE

SWSW

SESW

SWSE

SESE

SWSW

7.2

09S22E7

NWNW

NENE

09S22E8

NENE

09S22E9



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED

JAN 20 2015

DEPARTMENT OF
WATER RESOURCES

January 15, 2015

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

Re: Lease Applications for 36-7517 and 36-2257

Dear Mrs. Palmer:

Two lease applications for 14.5 acres from water rights 36-7517 and 36-2257 have previously been submitted to the Idaho Water Supply Bank. The lease application period is from 1/01/2015 through 12/31/2019.

The attached check will cover the processing fee in which IDWR requires.

Please contact me if you have questions regarding these lease applications.

Sincerely,

Greg Sullivan, M.S., Engineer

Cc: Irene Vandervegt

Enc: Brockway Engineering Check # 12422 for \$500.00

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

January 12, 2015

VANDERVEGT DAIRY LLC
4098 HIDDEN LAKES DR
KIMBERLY ID 83341

RE: LEASE APPLICATION FEE REQUEST TO LEASE WATER RIGHT NO(S). 36-2257 AND 36-7517 TO THE WATER SUPPLY BANK

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

Dear Applicant:

Effective April 8, 2011, Water Supply Bank Rule 25.02 (also known as IDAPA 37.02.03.025.02.f) requires a \$250.00 fee be submitted with all Water Supply Bank (Bank) lease applications. The fee for a set of overlapping rights is a maximum of \$500.00. To clarify, Bank lease applications seek to place water rights into the Bank.

The Department of Water Resources (Department) received your application(s) to lease water right(s) 36-2257 AND 36-7517 to the Bank on January 9, 2015 without the required fees. **Please submit the \$500.00 lease application fee within 14 days.** Without the lease fee your application(s) is considered incomplete and will not be processed.

Once the application fee is received, your application(s) will be reviewed. If the right(s) is determined to be eligible for acceptance into the Bank, the right will be entered as of the date of receipt of the application. The acceptance date may be adjusted if additional information is required.

Please note the forfeiture period is not tolled unless a right is accepted into the Bank, or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. If forfeiture is a concern, you may consider filing an Application for Extension of Time to Avoid Forfeiture of a Water Right. This and other water right forms are available from the Department's web site, <http://www.idwr.idaho.gov>.

Please contact me if you have any questions at (208) 287-4910.

Sincerely,

for Clay Webster
Water Right Agent
WSB Process Point of Contact

c: Greg Sullivan – Brockway Engineering



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED

JAN 09 2015

DEPARTMENT OF
WATER RESOURCES

January 8, 2015

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

Re: Lease Applications for 36-7517 and 36-2257

Dear Mrs. Palmer:

I have prepared two lease applications for 14.5 acres from water rights 36-7517 and 36-2257. The lease application period is from 1/01/2015 through 12/31/2019.

Irrigation water was applied on the 14.5 acres during the 2014 irrigation season. Photographic evidence of the irrigation and the crops grown is provided by Bob Ohlenselen of Nutrient Management Solutions.

Please contact me if you have questions regarding these lease applications.

Sincerely,

Greg Sullivan, M.S., Engineer

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506

Cc: Irene Vandervegt
Enc: Lease Applications, Aerial Map, W-9 Form, Photographs of 14.5 acres