

WATER SUPPLY BANK LEASE CONTRACT

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

Lessor: TELFORD LANDS LLC
 1450 W HWY 24
 PAUL ID 83347
 (208)431-5957
 telfordsunvalleyseed@gmail.com

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed an application to lease the water rights described below into the Water Supply Bank.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to the conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

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

Water Right	Priority Date	Source	Tributary	Leased Rate	Annual Leased Volume	Total Leased Acres
34-7179	4/6/1982	Ground Water	NA	0.34 cfs	154.4 af	NA
34-2330B	6/1/1977	Ground Water	NA	0.23 cfs	55.9 af	16.0 ac
34-7077	9/5/1974	Ground Water	NA	1.04 cfs	91.2 af	26.1 ac
34-7080B	9/23/1974	Ground Water	NA	0.69 cfs	130.4 af	37.3 ac
34-7092	1/14/1975	Ground Water	NA	1.56 cfs	289.5 af	82.7 ac
34-7121A	1/9/1976	Ground Water	NA	0.06 cfs	22.0 af	37.3 ac
34-7121B	1/9/1976	Ground Water	NA	0.49 cfs	144.1 af	41.2 ac
34-12376	6/1/1977	Ground Water	NA	0.16 cfs	39.9 af	11.4 ac
34-13840	4/6/1982	Ground Water	NA	0.16 cfs	32.4 af	9.3 ac
34-13842	12/17/1975	Ground Water	NA	0.06 cfs	25.6 af	18.2 ac
Total Annual Combined Limit				4.82 cfs	905.1 af	276.7 ac

WR Nos. 34-618, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179, 34-12376, 34-13659, 34-13661, 34-13840, and 34-13842

SUPPORT DATA

IN FILE # 34-618

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

Annual Combined Lease Totals

5.26 cfs 988.1 af 276.7 ac

2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31, 2015.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

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

TELFORD LANDS LLC

1450 W HWY 24

PAUL ID 83347

By


Printed Name Mike Telford

Date

6-11-15
Title member

IDAHO WATER RESOURCE BOARD

322 East Front Street

P.O. Box 83720

Boise, ID 83720-0098

By


Brian Patton, Acting Administrator
Idaho Water Resource Board

Date

June 16, 2015

Lease approved by IDWR


Date 6/16/2015

Date

ATTACHMENT A

**WATER RIGHT NOS. 34-618, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B,
34-7179, 34-12376, 34-13659, 34-13661, 34-13840, and 34-13842**

WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water right or portion thereof leased to the bank is described as follows:

Lessor: **TELFORD LANDS LLC**
1450 W HWY 24
PAUL ID 83347
(208)431-5957

LOCATION OF POINT(S) OF DIVERSION for Rights 34-7080B, 34-7121A, 34-7077, 34-7179, 34-2330B, 34-7121B, 34-7092, 34-12376, 34-13840, 34-13842

GROUND WATER	NWNW	Sec. 21, Twp 05N, Rge 26E, BUTTE County
GROUND WATER	NWSE	Sec. 29, Twp 05N, Rge 26E, BUTTE County
GROUND WATER	SWNE	Sec. 32, Twp 05N, Rge 26E, BUTTE County
GROUND WATER	NWSE	Sec. 32, Twp 05N, Rge 26E, BUTTE County
GROUND WATER	L3 (NENW)	Sec. 5, Twp 04N, Rge 26E, BUTTE County
GROUND WATER	L2 (NWNE)	Sec. 4, Twp 04N, Rge 26E, BUTTE County
GROUND WATER	L2 (NWNE)	Sec. 4, Twp 04N, Rge 26E, BUTTE County

LOCATION OF POINT(S) OF DIVERSION for Right 34-618, 34-13659 and 34-13661

BIG LOST RIVER	SESE	Sec. 4, Twp 05N, Rge 26E, BUTTE County
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BENEFICIAL USE

IRRIGATION

SEASON OF USE

4/1 to 10/31 34-2330B, 34-12376, 34-13840
4/1 to 11/01 34-7077, 34-7080B, 34-7121B, 34-7179, 34-13842
4/15 to 10/15 34-7092, 34-7121A
5/1 to 10/15 34-618, 34-13659, 34-13661

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	25E	36	8.9	7.4	7	8.4	5.7	5.5	5.2	5.5	6.2	6.2	6.9	7.3	8	7.7	7.1	7.4	110.4
04N	25E	35	8	7		7.8									6.9		6.4	7	43.1
03N	25E	12	6.9	8.3	6.6	8.9	6.2	9	8.3	9.7				1.4	6.6	7.4	3.9	3.8	87
03N	26E	17						7.8	1.4										9.2
03N	26E	18	1	11.9	4.8	0.4	2.3		0.8			5.8							27

Total Acres: 276.7

CONDITIONS APPLICABLE TO ALL LEASED WATER RIGHTS

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department, even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, or the lease term expires. A right may be released from the bank upon request, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, nor does it improve the status of the right or accomplish the resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) leased to the bank are subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Use of water under this right is regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 34.
13. When combined with all other rights, the leased rights shall provide not more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the lands above.
14. Un-leased portions of rights 34-7179, 34-2330B, 34-7080B, 34-7121B, 34-7121A, 34-7092, 34-7077, 34-12376, 34-13840, 34-13842 are limited to irrigation of a combined total of 1,847.3 acres in a single irrigation season, a total combined diversion rate of 35.25 cfs, and a total combined annual diversion volume of 6,596.4 af.
15. The un-leased portions of rights 34-13659 and 34-13661 are limited to irrigation of a combined total of 37.4 acres in a single irrigation season, a total combined volume of 130.9.

16. The un-leased portion of rights 34-618 and the portion of ground water right 34-7179 associated with 34-618, when combined, shall not exceed a total annual maximum diversion volume of 423.1 af at the field headgate.
17. 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.
18. Rights 34-618, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179, 34-12376, 34-13659, 34-13661, 34-13840, and 34-13842 are delivered through the Moore Diversion and/or the Timberdome Canal.
19. The right holder shall make full beneficial use of all surface water rights available to the right holder for irrigation of the land authorized to be irrigated under this right. The right holder shall limit the diversion of ground water under this right to those times when the surface water supply is not available or the surface water supply is not reasonably sufficient to irrigate the place of use authorized under this right.
20. Should all or any portion of water right nos. 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-12376, 34-7179, 34-13840, and 34-13842 ever be curtailed as a result of a delivery call, the irrigated place of use for water right nos. 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-12376, 34-13840, 34-13842 (all describing a place of use of 258.6 acres) and water right no. 34-7179 (276.7 acres) shall be reduced by the number of irrigated acres authorized to be irrigated by the individual water right that is curtailed.

CONDITIONS APPLICABLE TO RIGHT(S) 34-618

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

CONDITIONS APPLICABLE TO RIGHT(S) 34-7092

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

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

DEC 15 2014

DEPARTMENT OF
WATER RESOURCESWATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLIST

An application to lease or sell a water right into the Water Supply Bank must be prepared in accordance with the minimum requirements listed below to be acceptable for processing by the Department. Use this checklist to ensure all necessary documentation has been provided. This checklist is part of the lease application and must be included with the lease application. **Incomplete applications will be returned to applicants for completion.**

Designated Applicant Telford Lands LLCWater Right No. 34-618

One water right per application

All items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*

YES

- ☒ Completed *Water Supply Bank Lease or Sale Application Checklist* (this form).
- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank* (pages 2-3).
- ☒ Application filing fee of \$250.00. If you are submitting more than one lease application and the water rights have a common place of use, or common diversion rate, or common diversion volume, the combined maximum fee is \$500.00.

Attachment N/A YES

- 1A ☒ ☐ Contact information for *all owners* of the water right that is being leased or sold on this application.
- 1B ☐ An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.
- 1C ☒ ☐ *Notice of Change in Water Right Ownership* form (accessible from www.idwr.idaho.gov).
- 1D ☒ ☐ Written consent from irrigation district or water delivery company.
- 1E ☐ ☒ Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.
- 2 ☐ ☒ Description of a water right portion offered to the Water Supply Bank.
- 3D ☒ ☐ Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.
- 4 ☐ ☒ A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. If you don't already have a detailed map, you can create one using IDWR's online General Mapping Tool (<http://maps.idwr.idaho.gov/mapall/>) to locate a water right place of use or point of diversion.

Department Use Only

Fee Amount \$ 500Received By: JMKDate Received: 12-15-14Receipt # C099694W-9 received? Yes ☐ No ☐ (Route W-9 to Fiscal)

Name on W-9:

SCANNED
JUN 18 2015

**STATE OF IDAHO
WATER RESOURCE BOARD**

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

1. CONTACT INFORMATION

- A. An application to sell or lease a water right to the Water Supply Bank must be completed by a Designated Applicant who is a recognized owner of the water right being sold or leased to the Water Supply Bank. If there are additional owners recorded for the property to which the water right is appurtenant, those individuals must authorize the Designated Applicant to represent them on this application by completing and signing Attachment 1A of this application package.

Designated Applicant Telford Lands LLC Email Address telfordsunvalleyseed@gmail.com
Mailing Address 1450 W. Hwy 24, Paul, ID 83347 Phone Number (208) 431-5957

☒ The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Applicant is representing additional water right holders who have completed Attachment 1A.

B. Has the designated applicant completed an IRS Form W-9 (Attachment 1B)? Yes ☒ No ☐

C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐
If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

D. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☒
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 1D).

E. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☒ No ☐
If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1E).

Name of Representative Robert L. Harris Organization Holden, Kidwell, Hahn & Crapo, P.L.L.C.
Professional Title Attorney Email Address rharris@holdenlegal.com
Mailing Address P.O. Box 50130, Idaho Falls, ID 83405 Phone Number (208) 523-0620

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

OR

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

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

Water Right Number 34-618 ☐ The full water right is being offered to the Bank.

OR

☒ A part of the water right is being offered to the Bank.
(If a portion of a water right is being offered, complete Attachment 2)

3. GENERAL INFORMATION

- A. Please provide a description of the current water diversion system.

Water is diverted into the Moore Canal and then into the Timberdome Canal System.

The Applicant is a shareholder in Timberdome. Water is then distributed through laterals.

- B. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank.
All water rights associated with the place of use are: 34-618, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179, 34-12376, 34-13659, 34-13661, 34-13840, and 34-13842.

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JUN 18 2015

C. Will the present place of use continue to receive water from any other source?

Yes ☐ No ☒

If yes, describe. _____

D. Has any portion of this water right undergone a period of five or more consecutive years of non-use?

Yes ☐ No ☒

If yes, describe and attach Watermaster records or other evidence to demonstrate that the water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code. _____

E. Is this water right involved in any other IDWR process such as an application for transfer or a mitigation plan? Yes ☐ No ☒

If yes, describe. _____

4. SALE/LEASE AGREEMENT

A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☒?

If lease, for a period from April 1, 2015 to October 31, 2019 (maximum lease period 5 years).
(Month / Day / Year) (Month / Day / Year)

B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.

Current rental rate. _____

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture provisions are stayed.
5. Acceptance of a water right into the bank does not, in itself, confirm the validity of the water right or any elements of the water right.

Signature of Designated Applicant

Printed Name

Date

Robert L. Harris
Signature of Authorized Representative

Robert L. Harris, Attorney
Printed Name

12/9/2014
Date

Mail to:

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

SCANNED
JUN 18 2015

DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

- 3. Point(s) of Diversion:**

[illegible]

- 4. Lands irrigated or place of use:**

[illegible]

If the water right is for irrigation, show total number of acres offered to the Bank. **Total Acres** _____

SCANNED

JUN 18 2015

Attachment 2

STELFORD LANDS LLC WATER RIGHTS FOR WATER SUPPLY BANK LEASE

Twn	Rng	Sec	QQQ	QQ	Q	Acres	Water Rights			34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661
4N	25E	36	NE	NE	NE	8.9	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		36	NW	NW	NE	7.4	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		36	SW	SW	NE	7	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		36	SE	SE	NE	8.4	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		36	NE	NE	NW	5.7	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		36	NW	NW	NW	5.5	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		36	SW	SW	NW	5.2	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		36	SE	SE	NW	5.5	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		36	NE	NE	SW	6.2	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		36	NW	NW	SW	6.2	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		36	SW	SW	SW	6.9	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		36	SE	SE	SW	7.3	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		36	NE	NE	SE	8	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		36	NW	NW	SE	7.7	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		36	SW	SW	SE	7.1	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		36	SE	SE	SE	7.4	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		35	NE	NE	NE	8	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		35	NW	NW	NE	7	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		35	SE	SE	NE	7.8	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
		35	SE	SE	NE	6.9	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
35	SE	SE	SE	6.4	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661			
35	SE	SE	SE	7	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661			
35	12	NE	NE	NE	6.9	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661		
35	12	NW	NW	NE	8.3	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661		
35	12	SW	SW	NE	6.6	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661		
35	12	SE	SE	NE	8.9	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661		
35	12	NE	NE	NW	6.2	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661		
35	12	NW	NW	NW	9	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661		
35	12	SW	SW	NW	8.3	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661		
35	12	SE	SE	NW	9.7	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661		
35	12	SE	SE	SW	1.4	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661		
35	12	NE	NE	SE	6.6	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661		
35	12	NW	NW	SE	7.4	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661		
35	12	SW	SW	SE	3.9	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661		
35	12	SE	SE	SE	3.8	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661		
35	17	NW	NW	NW	7.8	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661		
35	26E	17	SW	SW	NW	1.4	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
35	26E	18	NE	NE	NE	1	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
35	26E	18	NW	NW	NE	11.9	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
35	26E	18	SW	SW	NE	4.8	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
35	26E	18	SE	SE	NE	0.4	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
35	26E	18	NE	NE	NW	2.3	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
35	26E	18	SW	SW	NW	0.8	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
35	26E	18	NW	NW	SW	5.1	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
35	26E	18	NE	NE	NW	0.7	34-2330B	34-7077	34-7080B	34-7092	34-7121a	34-7121B	34-7179	34-12376	34-13840	34-13842	34-618	34-13659	34-13661	
Total						276.7														

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TELFORD LANDS LLC WATER RIGHTS

ORIGINAL WATER RIGHT AMOUNTS

WATER BANK AMOUNTS

Water Right No.	Basin	Priority Date	Source	Beneficial Use	Point of Diversion	Individual Diversion Rate Limitation (cfs)	Combined Diversion Rate Limitation (cfs)	Individual Volume Limitation (AFY)	Combined Volume Limitation (AFY)	Individual Acre Limitation	Total Piece of Use
34-616	Partial Decree	Sept. 1, 1984	Big Lost River	Irrigation	KWSESE, SN, 20E, Sec. 4	3.2	3.2	n/a	488.3	135	
34-7170 (Common)	Partial Decree	Apr. 6, 1982	Ground Water	Irrigation		0.17		n/a			
34-7170 (Common)	Partial Decree	Apr. 6, 1982	Ground Water	Irrigation		2.01		1182.5		none	
34-23308	Partial Decree	June 1, 1977	Ground Water	Irrigation	L2(MENHWE) 4N, 20E, Sec. 4 (Duck 3 Phase Well)	1.75		429		122.5	
34-7077	Partial Decree	Sept. 5, 1974	Ground Water	Irrigation	L3 (MENHWE) 4N, 20E, Sec. 5	0		700		200	
34-70608	Partial Decree	Sept. 23, 1974	Ground Water	Irrigation	(McIntire well) SWNWHW, SN, 20E, Sec. 21	9.33		1001		286	
34-7082	Partial Decree	Jan. 14, 1973	Ground Water	Irrigation	SEHWSE, SN, 20E, Sec. 29 (Burned Well)	12		2222.5		635	
34-7121A	Partial Decree	Jan. 9, 1978	Ground Water	Irrigation	SESWNE, SN, 20E, Sec. 32 (Babcock Well)	0.46		169		289	
34-7121B	Partial Decree	Jan. 9, 1978	Ground Water	Irrigation	SEHWSE, SN, 20E, Sec. 32 (H. McKee Well)	3.74		1106		316	
34-12376	Partial Decree	June 1, 1977	Ground Water	Irrigation	L2(MENHWE) 4N, 20E, Sec. 4 (River 2 Well)	1.25		308.3		87.5	
34-13640	Partial Decree	Apr. 6, 1982	Ground Water	Irrigation		1.26		248.5		71	
34-13642	Partial Decree	Dec. 17, 1975	Ground Water	Irrigation		0.46		198.2		140	
34-13650	Partial Decree	June 1, 1988	Big Lost River	Irrigation	KWSESE, SN, 20E, Sec. 4	0.97	None	None		43	
34-13661	Partial Decree	June 1, 1990	Big Lost River	Irrigation	KWSESE, SN, 20E, Sec. 4	1	None	None			
TOTALS						42.2	40.4	7564	7884.5	2326	2124

THE TOTAL ACRES LEASES IS 278.7 ACRES. AS A RATIO, 278.7/2124 = 130% OF THE TOTAL ACRES LEASED. THIS IS THE RATIO USED TO CALCULATE THE WATER BANK DIVERSION, VOLUME, AND ACREAGE AMOUNTS.

0.13027

The diversion rate limitation for 34-616 and the portion of 34-7170 was calculated after review of the preliminary order approving the prior transfer.

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**Attorney Roster Search - Individual Attorney Result
(as of 11/14/14)****Robert Lynn Harris**

Address PO Box 50130
Idaho Falls, ID 83405
Firm Holden, Kidwell, Hahn & Crapo, PLLC

Phone (208) 523-0620 Ext.
FAX (208) 523-9518

E-Mail Address rharris@holdenlegal.com
Website Address www.holdenlegal.com

ISB Membership Number 7018
Admittance Date Sep/30/2004
Status Active

Address Change Form

The information above is based on the Idaho State Bar records as of the date listed above. To send us an update on your own listing, please use the online Address Change Form or send an email to the Licensing Department. Please notify the Licensing Department if you find that another attorney's information is incorrect. Questions on attorney status and good standing should also be directed to the Licensing Department at (208) 334-4500.

Current Status Definitions

Contact the Bar Counsel's Office at (208) 334-4500 to request a disciplinary history on an attorney.

Information on former members of the Idaho State Bar is limited to name, admission date and status. The online records include former members going back to approximately 1994. Records on former members from before 1994 are not available online. Please contact the Licensing Department for more information on former members.

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

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JUN 18 2015

1 E

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Water Right Report

11/20/2014

WATER RIGHT NO. 34-618

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	TELFORD LANDS LLC 1450 W HWY 24 PAUL, ID 83347 (208)431-5957
Original Owner	EVERETT T ACOR JR 3196 N YELLOWSTONE HWY IDAHO FALLS, ID 83401 (208)524-5138

Priority Date: 09/01/1884

Basis: Decreed

Status: Active

Water Supply Bank Status: Active

<u>Source</u>	<u>Tributary</u>
BIG LOST RIVER	SINKS

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	05/01	10/15	3.2 CFS	
Total Diversion			3.2 CFS	

Location of Point(s) of Diversion:

BIG LOST RIVER|NWSESE|Sec. 04|Township 05N|Range 26E|BUTTE County

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Place(s) of use:

Place of Use Legal Description: IRRIGATION BUTTE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
03N	25E	12		NENE	39		NWNE	40		SWNE	40		SENE	39
				NENW	40		NWNW	40		SWNW	40		SENW	40
				NESW	31		NWSW	32		SWSW	31		SESW	32
				NESE	39		NWSE	40		SWSE	36		SESE	36
	26E	17		NENE	11		NWNE	25						
				NENW	37		NWNW	39		SWNW	13		SENW	5
		18		NENE	35		NWNE	39		SWNE	36		SENE	25
				NENW	38	1	NWNW	26	2	SWNW	37		SENW	40
				NESW	17	3	NWSW	10						
				NWSE	2									
04N	25E	35		NENE	40		NWNE	40		SWNE	40		SENE	40
				NESE	40		NWSE	40		SWSE	40		SESE	40
		36		NENE	38		NWNE	40		SWNE	40		SENE	39
				NENW	40		NWNW	40		SWNW	40		SENW	40
	26E	4		NESW	40		NWSW	40		SWSW	40		SESW	40
				NESE	39		NWSE	40		SWSE	40		SESE	39
			1	NENE	35	2	NWNE	36		SWNE	36		SENE	32

Total Acres: 2124

Conditions of Approval:

1. 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.
2. Water delivered through the Moore Diversion.
3. Rights 34-618, 34-02330B, 34-07080B, 34-07121A, 34-07121B, 34-07092, 34-07077, 34-7179, 34-12376, 34-13659, 34-13661, 34-13840 and 34-13842 when combined shall not exceed the irrigation of 2124 acres.
4. Rights 34-618 and that portion of ground water right no. 34-7179 associated with water right no. 34-618, when combined, shall not exceed a total diversion rate of 0.02 cfs per acre, and shall not exceed a total annual maximum diversion volume of 486.5 af at the field headgate.
5. T07 The right holder shall accomplish the change authorized by this transfer within one (1) year of the date of this approval.
6. R43 The right holder shall maintain a measuring device, or other suitable method of measurement, and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion.

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7. 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. 34.
8. 065 The right holder shall make full beneficial use of all surface water rights available to the right holder for irrigation of the lands authorized to be irrigated under this right prior to or in conjunction with beneficial use of associated ground water rights.
9. S34 The period of use for irrigation described above may be extended in seasons of unusual characteristics to a beginning date of 04/20 and an ending date of 10/31 at the discretion of the Director of the Idaho Department of Water Resources.
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.

Dates:

Licensed Date:

Decreed Date: 07/15/2002

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: 34

Generic Max Rate per Acre: 0.02

Generic Max Volume per Acre: 3.5

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

Water Supply Bank:

Lessor Name(s): TELFORD LANDS LLC

Lease Status: Active

Lease Amount: Part

Rental Availability: None

Date Received: 11/2/2009

Lease Begin Date: 11/2/2009

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Expiration Date: 12/31/2014

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JUN 18 2015



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

June 17, 2015

GARY SPACKMAN
Director

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

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 34-618, 34-7179, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-12376, 34-13840, 34-13842, 34-13659 AND 34-13661

Dear Lessor:

Water Rights 34-618, 34-7179, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-12376, 34-13840, 34-13842, 34-13659 AND 34-13661 were leased into the Water Supply Bank in accordance with the executed original Lease Contract enclosed. **Your water rights as described on the Lease Contract are considered leased into the Bank and should remain unused until they are formally released from the Bank.**

The rights will automatically be released from the Bank on **December 31, 2015**, unless the rights are released earlier by the Board, or upon your request. **Please note your rights may not be available for immediate release if they have been rented.** 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. This form is available from our public website at www.idwr.idaho.gov.

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,

for - Sandra Thiel
Senior Water Resource Agent

Enclosure: Executed Lease Contract

c: Robert Harris – Holden Kidwell Hahn & Crapo
James Cefalo – IDWR Eastern Region
Lucas Yockey – Water District #34



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 5, 2015

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

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 34-618, 34-7179, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-12376, 34-13840, 34-13842, 34-13659 AND 34-13661 TO THE WATER SUPPLY BANK

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water rights to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return 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 have both signed.

The rights will automatically be released from the Bank on **December 31, 2015**, 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."

PLEASE NOTE: you must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.

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

Sincerely,


PST - Sandy Thiel
Senior Water Resource Agent

Enclosure: Proposed Lease Contracts

c. Robert Harris – Holden Kidwell Hahn & Crapo PLLC

MEMORANDUM

To: Water Right Nos. 34-618, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179, 34-12376, 34-13659, 34-13661, 34-13840, and 34-13842

From: Sandy Thiel

Date: May 12, 2105

Re: Review of Water Supply Bank lease and rental application

PURPOSE/NARRATIVE: On December 15, 2014 Robert Harris of Holden, Kidwell, Hahn & Crapo, PLLC Submitted a lease/rental package on behalf of Telford Lands LLC. The 13 rights listed above have been in the bank since 2009. The proposed lease and rental includes the same points of diversion and place of use as the previous contract and agreement. Mr. Harris included an overlap analysis for the water rights that is almost identical to the existing contract. The Telfords plan to lease 5.26 cfs and 988.06 af to irrigate 276.70 acres. The lease application requested the agreement be for 5 years. As of the spring of 2015 we are only completing leases and rentals for 1 year in basin 34.

Through this lease/rental agreement Telford Lands will rent their own water. The water will be diverted from wells into the Moore Canal and the Timberdome Canal system. We received consent to use the canals from the the Big Lost River Irrigation District. Eight of the points of diversion are the same as the pod for the lease and the rental. There are two rental wells that are not part of the lease pods, Big Hole and Mark's Well. (see attached point of diversion list). There is no water right associated with the Big Hole well.

At the time of this memo right a portion of 34-7092 was leased into the bank until the end of 2016. The last rental for this right expired in 2014. A review of the lease place of use acres showed that those acres had been irrigated in 2014. On May 1, 2015 I emailed Mr. Harris asking if his clients would be willing to withdraw from the lease contract to allow right 34-7092 to be included in this lease rental. On May 4 I received an email from Mr. Harris. According to Mr. Harris he reviewed the backfile for the rental and found that it was voided. The lease was not voided during that time period. However, the water right has not been rented.

AUTHORITY TO FILE: Most of the acres at the place of use authorized by the above water rights, and included in the lease, belong to Telford Land. However there are 13.4 acres that according to our tax lot data belong to Mitchell Sorensen. I requested information from the consultant on the ownership discrepancy.

WATER RIGHT VALIDITY: These rights were leased into the bank in 2011. Forfeiture is not an issue.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE (lease): No enlargement is evident through the lease alone.

RENTAL: The water will only be used to supplement Telford's irrigated acres on the land commonly referred to 'Isom farm'. They will be adding two wells to the system and using the water to add more rate of flow. The headgate requirement and consumptive use are the same for the lease and the rental.

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 is subject to water district 34 water master review. Neither James Cefalo from Eastern nor the water master had any concerns. I solicited comment from Tim Luke, water compliance bureau, bureau chief. He requested that the lease/rental only be for the 2015 season. One year leases and rentals are now standard for the water supply bank in basin 34. Tim thinks a transfer would be more appropriate for the future.(see attachment)

To: Thiel, Sandra
Subject: Signed Water Bank Lease Agreement

Sandra:

Attached is a signed water bank lease agreement and cover letter (the Smith Trust). The original will be sent by mail. Please confirm that you received this email.

Thanks,



Robert L. Harris
HOLDEN, KIDWELL, HAHN & CRAPO, PLLC
1000 Riverwalk Drive, Suite 200
P.O. Box 50130
Idaho Falls, ID 83405-0130
Phone: (208) 523-0620
Fax: (208) 523-9518
E-Mail: rharris@holdenlegal.com

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Thiel, Sandra

From: Rob Harris [rharris@holdenlegal.com]
Sent: Monday, May 04, 2015 11:16 AM
To: Thiel, Sandra
Cc: telfordsunvalleyseed@gmail.com
Subject: RE: Signed Water Bank Lease Agreement

Sandra:

Thank you for the information. As to land ownership, I will check with my clients, but we also represent Mitch Sorensen and he was just fine with this before. The water right is in my client's name even though they are used on land owned by Mitch. Do you still need a consent from Mitch if my client has title to the water rights?

Finally, as to 34-7092, my review of the backfile shows that the prior rental was voided, and we wanted it to be voided. At the time of the rental, we added a well (the Big Hole) as an authorized POD to see if it could actually yield water on a consistent basis. We determined that it did, and used the Big Hole under other authorization since 2013 such that we did not need the water bank rental. The water from the Big Hole was used to supplement already existing water rights on the so-called "Isom Farm" (Water Right Nos. 34-2459, -2460, -2461, -2462, -7077 (and I think a few more)), so the POU was irrigated, but not illegally in 2014 without the water bank rental for 34-7092. I thought that we previously consented to terminate the lease of 34-7092, but certainly, if you need that again, you have our authorization to terminate the prior lease. I've copied my client on this email so he is fully aware of what is occurring.

Thank you for your attention to this. With tough water supply conditions, we know there is a lot on your plate, but we appreciate your attention to this application and we hope it can be issued and approved this week. If you think you need a consent from Mitch Sorensen, let me know, but because the water rights are owned by my client, I don't think a consent is necessary.

Thanks,

Rob Harris

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Friday, May 01, 2015 5:04 PM
To: Rob Harris
Subject: RE: Signed Water Bank Lease Agreement

Hello, I received the Smith Trust document. Thank you.

I am working on the Telford lease/rental and have a question about land ownership. The table included with the lease applications lists acres in T4N R25E Section 35, SWSE (6.4 acres) and SESE (7 acres). According to our tax records that land belongs to Mitchell Sorensen. Do you have an agreement between Telford Land and Mr. Sorensen that allows them to lease a portion of the water right?

Also, right 34-7092 is currently leased into the bank through 2016. There was a rental for that water but it expired in 2014. If you would like to keep this right in the current lease/rental group, I would like your client's consent to terminate the existing lease contract. I have also looked at the aerial photography and Landsat imagery. The place of use identified in the lease contract was irrigated in 2014.

From: Rob Harris [<mailto:rharris@holdenlegal.com>]
Sent: Friday, May 01, 2015 1:09 PM

Thiel, Sandra

From: Lucas Yockey [watermaster34@atcnet.net]
Sent: Thursday, May 14, 2015 2:06 PM
To: Thiel, Sandra
Subject: RE: Telford Land lease/rental

Hi Sandra,

After reviewing the attached documents and proposal I do not have any concerns regarding the Telford lease/rental.

Thanks

Lucas Yockey
Water District #34, Watermaster
P.O. Box 86
Mackay, ID 83251
Office (208)588-3137
Cell (208) 589-3138
Fax (208)588-3130

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Wednesday, May 13, 2015 3:54 PM
To: Cefalo, James; Yockey Lucas
Subject: Telford Land lease/rental

Hello, The attached documents help explain the proposed Telford lease/rental. I have included information in addition to the usual memo and map. Tim Luke has already looked at this and I have attached his comments. The other documents are an explanation of the points of diversion and the memo Dan Nelson wrote for the 2011 lease/rental. The 2011 rental was not identical to this but the issues are similar and I thought the background might be helpful. I realize this is more information than we usually send but I hope it helps. Please let me know if you have any concerns.

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

Thiel, Sandra

From: Cefalo, James
Sent: Thursday, May 14, 2015 9:02 AM
To: Thiel, Sandra
Subject: RE: Telford Land lease/rental

I don't have any comments or concerns about Telford's WSB lease/rental proposal.

James

From: Thiel, Sandra
Sent: Wednesday, May 13, 2015 3:54 PM
To: Cefalo, James; Yockey Lucas
Subject: Telford Land lease/rental

Hello, The attached documents help explain the proposed Telford lease/rental. I have included information in addition to the usual memo and map. Tim Luke has already looked at this and I have attached his comments. The other documents are an explanation of the points of diversion and the memo Dan Nelson wrote for the 2011 lease/rental. The 2011 rental was not identical to this but the issues are similar and I thought the background might be helpful. I realize this is more information than we usually send but I hope it helps. Please let me know if you have any concerns.

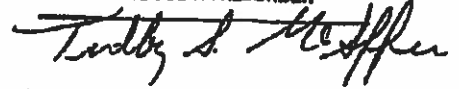
Sandra Beer Thiel
Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098
(208)287-4881
sandra.thiel@idwr.idaho.gov

Order No: 5767LRT

WARRANTY DEED

NO. 0045246
RECORDED

DEC 21 2007

A.M. 1:13 P.M.
BUTTE COUNTY RECORDER

For Valuable Consideration Received:

MICKELSEN PROPERTIES, LLC

the Grantor does hereby grant, bargain, sell, convey and warrant unto

TELFORD LANDS LLC

the Grantee whose current address is:

1450 W. Highway 24, Paul, ID 83347

the following described premises, to-wit:

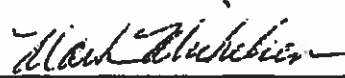
Township 4 North, Range 26 East of the Boise Meridian, Butte County, Idaho.

Section 4: Lots 1 and 2; and the S1/2NE1/4

EXCEPTING THEREFROM the county road right-of-way.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, his heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that he is the owner in fee simple of said premises; that said premises are free from all encumbrances and that he will warrant and defend the same from all lawful claims whatsoever.

MICKELSEN PROPERTIES, LLC



By Mark Mickelsen

20 Dec 2007
Date

STATE OF IDAHO)

)ss.

COUNTY OF BUTTE)

On this 20th day of December, 2007, before me, the undersigned, a Notary Public, in and for said State, personally appeared Mark Mickelsen, known to me, and/or identified to me to be the managing member of the limited liability company that executed the within instrument and acknowledged to me that such company executed the same.

WITNESS MY HAND AND OFFICIAL SEAL

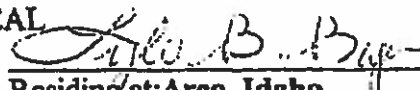

Residing at: Arco, Idaho

EXHIBIT "A"

TRACT 1:

Township 3 North, Range 26 East of the Boise Meridian, Butte County, Idaho.

Section 2: S1/2SW1/4; NW1/4SW1/4; W1/2NE1/4SW1/4; W1/2SE1/4NE1/4SW1/4

Section 3: E1/2SE1/4

Section 10: NE1/4NE1/4

Section 11: NW1/4 lying North of the State Highway

EXCEPTING THEREFROM: Beginning at a point on the North section line 254.5 feet East of the N1/4 corner of said Section 11, which is the Point Of Beginning; running thence South 89°50' West 400 feet; thence South 826.6 feet to the Northerly boundary line of State Highway 93; thence in a Northeasterly direction along a one degree curve on said Highway right-of-way 437.5 feet; thence North 649.1 feet to the Point Of Beginning.

TRACT 2:

Township 3 North, Range 26 East of the Boise Meridian, Butte County, Idaho.

That portion of Section 17 and 18 lying North of the Arco-Carey Highway.

TRACT 3:

Township 3 North, Range 25 East of the Boise Meridian, Butte County, Idaho.

Section 12: ALL

TRACT 4:

Township 4 North, Range 25 East of the Boise Meridian, Butte County, Idaho.

Section 36: ALL, EXCEPT the North 32 feet

TRACT 5:

A parcel of land generally described as a portion of the SE1/4SE1/4, Section 25, Township 4 North, Range 25 East of the Boise Meridian, Butte County, Idaho, being more particularly described as follows:

Beginning at the Southeast corner of said Section 25, thence North 0°30'04" East, along the East boundary of said Section 25, a distance of 205.17 feet; thence North 89°39'08" West, parallel to the South boundary of said Section 25, a distance of 529.88 feet; thence South 56°00'23" West 363.69 feet to the South boundary of said Section 25; thence South 89°39'08" East, along the South boundary of said Section 25, a distance of 829.63 feet to the Point Of Beginning.

SUBJECT TO a 43 feet wide county road Right-of-Way Easement parallel to and along the East boundary thereof.

TRACT 6:

Township 4 North, Range 25 East of the Boise Meridian, Butte County, Idaho.

Section 35: N1/2NE1/4; SW1/4NE1/4; SE1/4NE1/4; SE1/4; EXCEPTING THEREFROM a road easement across the North 32 feet of said NE1/4.

Includes the
SWSE 1/4 SESE



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

RECEIVED

DEC 15 2014

DEPARTMENT OF
WATER RESOURCES

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

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

Email: rharris@holdenlegal.com

December 12, 2014

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

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

Dear Remington:

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

The rates contained in the new applications match the ones contained in the old applications, and together request leasing a combined 5.18 cfs and 968.5 acre-feet for the irrigation of 276.7 acres. While this is the combined amount of water leased through the bank, the water will actually only be used to supplement the applicant's irrigated acres which it receives from a number of other water rights on what the applicant commonly refers to as the "Isom farm". The systems are connected and my client is going through estate planning that has not been completed and does not know exactly when a potential transfer could be filed to combine all of the water rights. For now, we wish to continue allowing some of the overflow water from the water rights listed above (which is commonly referred to as the "Mickelsen farm") to supplement irrigation on the Isom farm when that water is available. The use of the leased water is also proposed to be diverted through two wells that are located close to the Isom farm, one of which is the well developed under Permit No. 34-2486, and the other is what is known as the "Big Hole", the development of which was just completed last year.

We have separated out the rental application that will identify where the water is diverted, and most of them are already the authorized points of diversion for the existing water rights. In the prior rental review, we submitted modeling and a duty of water analysis, which should be in

Established in 1896

Remington Buyer
Idaho Water Supply Bank
Idaho Department of Water Resources
December 12, 2014
Page 2 of 2

your files. We have not submitted this information again because you should have this information in your files.

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

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

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

Best Regards,



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

Enclosures