

JUN 02 2015

DEPARTMENT OF
WATER RESOURCES**WATER SUPPLY BANK LEASE CONTRACT**

This Lease Contract ("Lease") is effective January 5, 2015, between the Idaho Water Resource Board ("Board"), and

Lessor: TARGHEE HILL ESTATES WATER CO
10 B PINEBROOK RD
PARK CITY UT 84098
(435)901-3600

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 a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources.
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 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

<u>Water Right</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
22-13628	0.61 CFS	Not Stated	66.3 AC	73.7 AC
22-13630	1.32 CFS	Not Stated	73.7 AC	73.7 AC
Combined Lease Totals:	1.93 CFS	Not Stated	73.7 AC	73.7 AC

The water rights described herein shall be available for rental from the Bank as follows:

Authorized Period of Use under Lease: 4/15 to 10/31

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.

SUPPORT DATA

IN FILE # 22-13628

5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

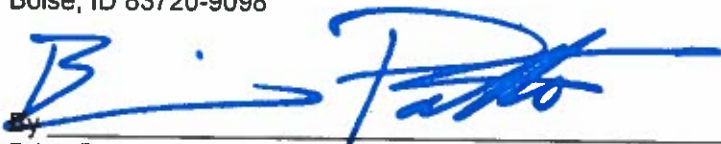
IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

TARGHEE HILL ESTATES WATER CO
10 B PINEBROOK RD
PARK CITY UT 84098

By 
Printed Name William H. Coleman

Date May 28, 2015
Title 9:50 AM /MANAGER

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-9098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date June 3, 2015

Lease approved by IDWR 

Date 6/3/2015

ATTACHMENT A
WATER RIGHT NO. 22-13628
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: TARGHEE HILL ESTATES WATER CO
 10 B PINEBROOK RD
 PARK CITY UT 84098
 (435)901-3600

Priority Date: 9/1/1891

Source: TETON CREEK

Tributary to: TETON RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	to 10/31	0.56 CFS	Not Stated
AESTHETIC STORAGE	01/01	to 12/31		10.0 AF
DIVERSION TO STORAGE	04/15	to 10/31	0.05 CFS	12.5 AF
	Total:		0.61 CFS	Not Stated

LOCATION OF POINT(S) OF DIVERSION:

TETON CREEK L2(SWNE) Sec. 20, Twp 05N, Rge 46E, TETON County

PLACE OF USE TO BE IDLED UNDER THIS LEASE:

AESTHETIC STORAGE

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05N	46E	20											X	X			X		
																	L4		

IRRIGATION

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05N	46E	20											15.7	31.3			26.7		
																	L4		73.7

Total Acres: 73.7

Limited to acres within place of use described above: 66.3 AC

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
22-13628 and 22-13630,	NA	Not Stated	73.7 AC	73.7 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

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, the lease term expires, or upon request from the lessor to change the term of the lease, 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.
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, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
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.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank 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. This right is limited to the irrigation of 66.3 acres within the place of use in a single irrigation season.
13. Rights 22-13628 and 22-13630 when combined shall not exceed the irrigation of 73.7 acres
14. 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. 01.
15. Right(s) 22-13628 and 22-13630 authorize the diversion of an annual total of 13.8 acre-feet to be used for the initial filling of the pond(s) and for the replacement of losses caused by evaporation.
16. The 4 pond(s) established by the storage of water under rights 22-13628 and 22-13630 shall not exceed a total capacity of 10.0 acre-feet or a total surface area of 2.28 acres.
17. The quantity of water diverted under this water right shall be from the portion awarded to Wyoming and deducted there from as set forth in *Roxana Canal Co. v Daniels*, Equity. 2447 (D. Wy. Feb. 4, 1941)
18. This water right is subject to the delivery provisions contained in *Roxana Canal Co. v Daniels* Equity No. 2447 (D. Wy. Feb. 4, 1941) ("Roxana decree"). Nothing in this Partial Decree is intended to relieve or alter the State of Idaho nor the State of Wyoming from their obligations contained in the Roxana decree.

19. The point of diversion for this water right is in Wyoming, T44N, R118W, Sec. 20 SESESE, 6PM. The point of diversion shown above is where the conveyance system enters Idaho.
20. Water is delivered through the Waddell Ditch.
21. To prevent injury, any rental of this right shall be diverted through the Waddell Ditch
22. Place of use is located within the Targhee Hills Estates Subdivision.
23. This right when combined with all other rights shall provide no more than 3.5 afa per acre at the field headgate for irrigation of the lands above.

ATTACHMENT A
WATER RIGHT NO. 22-13630
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: TARGHEE HILL ESTATES WATER CO
 10 B PINEBROOK RD
 PARK CITY UT 84098
 (435)901-3600

Priority Date: 1/22/1916

Source: TETON CREEK

Tributary to: TETON RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	to 10/31	1.22 CFS	Not Stated
AESTHETIC STORAGE	01/01	to 12/31		10.0 AF
DIVERSION TO STORAGE	04/15	to 10/31	0.10 CFS	13.8 AF
Total:			1.32 CFS	Not Stated

LOCATION OF POINT(S) OF DIVERSION:

TETON CREEK L2(SWNE) Sec. 20, Twp 05N, Rge 46E, TETON County

PLACE OF USE TO BE IDLED UNDER THIS LEASE:

AESTHETIC STORAGE

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05N	46E	20											X	X			X		
																	L4		

IRRIGATION

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
05N	46E	20											15.7	31.3			26.7		
																	L4		73.7

Total Acres: 73.7

Limited to acres within place of use described above: 73.7 AC

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
22-13628 and 22-13630,	NA	Not Stated	73.7 AC	73.7 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

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, the lease term expires, or upon request from the lessor to change the term of the lease, 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.
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, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
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.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank 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. Rights 22-13628 and 22-13630 when combined shall not exceed the irrigation of 73.7 acres.
13. 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. 01.
14. Right(s) 22-13628 and 22-13630 authorize the diversion of an annual total of 13.8 acre-feet to be used for the initial filling of the pond(s) and for the replacement of losses caused by evaporation.
15. The 4 pond(s) established by the storage of water under rights 22-13628 and 22-13630 shall not exceed a total capacity of 10.0 acre-feet or a total surface area of 2.28 acres.
16. The quantity of water diverted under this water right shall be from the portion awarded to Wyoming and deducted there from as set forth in *Roxana Canal Co. v Daniels, Equity*. 2447 (D. Wy. Feb. 4, 1941)
17. This water right is subject to the delivery provisions contained in *Roxana Canal Co. v Daniels Equity* No. 2447 (D. Wy. Feb. 4, 1941) ("Roxana decree"). Nothing in this Partial Decree is intended to relieve or alter the State of Idaho nor the State of Wyoming from their obligations contained in the Roxana decree.
18. The point of diversion for this water right is in Wyoming, T44N, R118W, Sec. 20 SESESE, 6PM. The point of diversion shown above is where the conveyance system enters Idaho.

19. Water is delivered through the Waddell Ditch.
20. To prevent injury, any rental of this right shall be diverted through the Waddell Ditch.
21. Place of use is located within the Targhee Hills Estates Subdivision.
22. This right when combined with all other rights shall provide no more than 3.5 afa per acre at the field headgate for irrigation of the lands above.

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

JAN 05 2015

DEPARTMENT OF
WATER RESOURCES

WATER 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 Targhee Hill Estates LLCWater Right No. 22-13628

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 <i>all owners</i> of the water right that is being leased or sold on this application. |
| 1B | | ☒ | An <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant. |
| 1C | ☒ | ☐ | <i>Notice of Change in Water Right Ownership</i> 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 \$ <u>250-</u>	Received By: <u>SR</u>	Date Received: <u>1-5-15</u>	Receipt # <u>C099788</u>
W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)		Name on W-9: <u>Targhee Hill Estates, LLC</u>	

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

JAN 05 2015

DEPARTMENT OF
WATER RESOURCESAPPLICATION 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 Targhee Hill Estates LLC Email Address bill@billcoleman.com
Mailing Address 10-B Pinebrook Road, Park City, Utah 84098 Phone Number 435-901-3600

☒ 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 William H. Coleman Organization Targhee Hill Estates, LLC
Professional Title Managing Member / General Partner Email Address bill@billcoleman.com
Mailing Address 10-B Pinebrook Road, Park City, Utah 84098 Phone Number 435-901-3600

☐ 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 22-13628 ☒ 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.

The point of diversion for the is located in Wyoming (T44N, R118 W, Sec. 20 SESESE). Water is diverted through a single headgate structure and in then conveyed through the Waddell Ditch to the legal place of use in Idaho

- 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.
Water right 22-13630 is used for the same purposes and at the same place of use. Water right # 22-13630 is also being leased into the Idaho Water Supply Bank

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 01/01/2015 to 12/31/2015 (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.

The minimum payment acceptable to the Lessor shall be the current rental rate, as established by the IWRB

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 ank does not, in itself, confirm the validity of the water right or any elements of the water right.


Signature of Designated Applicant

William H. Coleman, General Partner
Printed Name

12/31/2014
Date

Signature of Authorized Representative

Printed Name

Date

Mail to:

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

List all individuals or business entities that are owners of the property to which the water right on this application is appurtenant. All water right holders must be signatories to a Water Supply Bank Lease Application however only the Designated Applicant needs to provide a completed IRS Form W-9 (Attachment 1B). All correspondence and any financial payment associated with the rental of this water right will be directed to the Designated Applicant. If additional space is needed to list any other water right holders, attach a second copy of Attachment 1A.

Water Right No. 22-13628

	Designated Applicant	Applicant #2	Applicant #3
Name	Targhee Hill Estates, LLC		
Mailing Address	10-B Pinebrook Road, Park City, Utah, 84098		
Phone Number	435-901-3600		
Email Address	bill@billcoleman.com		
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			



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

TARGHEE HILL ESTATES WATER CO
10B PINEBROOK RD
PARK CITY UT 84098-5384

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 22-13628 AND 22-13630

Dear Lessor:

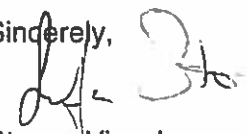
Water Rights **22-13628 & 22-13630** were leased into the Water Supply Bank on January 5, 2015 in accordance with the executed original Lease Contract enclosed. **Your water rights as described on the Lease Contract are considered leased into the Bank and should remain unused until they are formally 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 287-4933.

Sincerely,

Steven Visosky

Water Resource Agent

Enclosure: Executed Lease Contract

c: James Cefalo – IDWR Eastern Region
Lyle Swank – Water District #1

Visosky, Steven

From: Field, Christine
Sent: Tuesday, May 26, 2015 9:11 AM
To: Visosky, Steven
Subject: FW: W9 for Lease Application
Attachments: 002.JPG

Steve,

Targhee Hills Holdings LLC submitted a new W9, which I have forwarded to fiscal, this is for W/R 22-13628.

Did you find out if the company needs to submit a Change of Ownership?

If you need to have additional paperwork submitted, please send your request through Sherri Connery, their CPA. Sherry's contact information is listed below.

Christine

From: Sherri Connery [<mailto:sherri@connerycpa.com>]
Sent: Monday, May 25, 2015 7:53 PM
To: Field, Christine
Cc: 'Bill Coleman'
Subject: RE: W9 for Lease Application

As requested.
Sherri Connery

Sherri A. Connery, CPA
Connery & Associates PC
435-655-9933 - office
678-626-9933 - fax

From: Field, Christine [<mailto:Christine.Field@idwr.idaho.gov>]
Sent: Friday, May 22, 2015 9:45 AM
To: Sherri Connery
Subject: RE: W9 for Lease Application

Sherri,

We did not receive an updated W9 that was requested below.

Please fill out the attached W9 form and scan the form to me for processing.

Thank you for taking care of the W9 form for Targhee Hill Holdings.

Christine

From: Sherri Connery [<mailto:sherri@connerycpa.com>]
Sent: Friday, May 22, 2015 9:28 AM

Field, Christine

From: Sherri Connery [sherri@connerycpa.com]
Sent: Friday, May 22, 2015 9:28 AM
To: Field, Christine
Subject: RE: W9 for Lease Application

Hello Christine,

Just following up to see if you ever received the information you requested below. Targhee Hill Estates should no longer receive the checks, instead they should go to Targhee Hill Holdings, LLC and their tax ID is 45-3996358. Let me know if you have further questions.

Sherri A. Connery, CPA
Connery & Associates PC
435-655-9933 - office
678-626-9933 - fax

From: Bill Coleman [mailto:Bill@billcoleman.com]
Sent: Thursday, May 21, 2015 6:17 PM
To: Sherri Connery
Subject: FW: W9 for Lease Application

Sherri, I found this dated email, and don't think I took care of it. Can you check? thanks



Bill Coleman
Senior Vice President, Commercial & Development Services
Associate Broker
Berkshire Hathaway HomeServices Utah Properties
2200 Park Avenue Bldg B
Park City, Utah 84060
Ph: 435-901-3600
Email: bill@billcoleman.com
Website: commercial.bhhsutah.com

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From: Field, Christine [mailto:Christine.Field@idwr.idaho.gov]
Sent: Tuesday, January 6, 2015 3:33 PM
To: Bill Coleman
Subject: W9 for Lease Application

Dear Mr. Coleman,

My name is Christine and I am writing to you in regards to the W9 you submitted on behalf of Targhee Hill Estates LLC for the Lease Application of W/R 22-13628.

Our Financial Specialist has notified me that the social security number listed on the W9 for Targhee Hill Estates does not match the records in the IRS database.

Please re-submit the W9 with either the name of the person whose social security number is listed on the form, or provide an EIN number for Targhee Hill Estates.

A new W9 for you to make the necessary corrections.

Sincerely,

Christine Field
Water Supply Bank Support
ID Dept of Water Resources



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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

May 19, 2015

TARGHEE HILL ESTATES LLC
10B PINEBROOK RD
PARK CITY UT 84098-5384

**RE: REQUEST FOR RETURN OF SIGNED WATER SUPPLY BANK LEASE CONTRACTS FOR
WATER RIGHT(S) 22-13628 AND 22-13630**

*****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 24, 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 287-4933.

Sincerely,


For - Steven Visosky
Water Resource Agent



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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

April 24, 2015

TARGHEE HILL ESTATES WATER CO
10 B PINEBROOK RD
PARK CITY UT 84098

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 22-13628 AND 22-13630 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 have both signed.

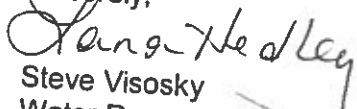
The rights will automatically be released from the Bank on **December 31, 2015**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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."

If you have questions regarding this matter, please contact me at 287-4933.

Sincerely,

607 
Steve Visosky
Water Resource Agent Senior

Enclosure: Proposed Lease Contracts
Receipt #C099789

MEMORANDUM

To: Water Right No(s). 22-13628 and 22-13630
From: Steven Visosky
Date: 4/24/15
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: These applications were received on January 5, 2015 from Targhee Hill Estates LLC. The full water right is being offered to the bank for both water rights from 1/5/15 to 12/31/15.

AUTHORITY TO FILE: The designated applicant is William Coleman. The Department received a letter on January 29, 2014 that gave him authority to direct the company's business affairs. Targhee Hill Estates Water CO is the current owner of the water rights.

WATER RIGHT VALIDITY: The decreed date of both rights is 11/24/2008. These rights were both put into the water supply bank for the 2013 and 2014 seasons with one year agreements.

INJURY TO OTHER WATER RIGHTS: This lease is conditional to the recommendation of Lyle Swank to limit rental to surface water uses of Waddell Canal. This Point of Diversion limitation should prevent injury to other water rights on Teton Creek.

ENLARGEMENT OF USE: No enlargement is evident. 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: The leased rights are subject to Water District #01. Lyle Swank, the watermaster for District 1, was emailed the review of the application for lease on 4/16/15 and as of 4/24/15, did not indicate an objection to the lease.



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

January 15, 2015

TARGHEE HILL ESTATES LLC
10-B PINEBROOK RD
PARK CITY UT 84098

RE: IRS FORM W-9 REQUEST – LESSORS OF WATER RIGHT NO(S). 22-13628 AND 22-13630

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

Dear Lessor:

The water right(s) referenced above lease applications were received January 5, 2015.

The W9 that was submitted with your lease application does not match the records with the State Controller's Office. The name on the W9 is listed as Targhee Hill Estates, LLC with a social security number ending in 5084.

We will be unable to process your lease applications into the Water Supply Bank without the required Internal Revenue Service Form W-9 (enclosed).

Generally the name of the lessor and the name on the W-9 match. However, if they do not match in your case, you will need to provide documentation of authority to receive payment.

Please return this form within ten (10) days from the date of this notice, along with any additional documentation to my attention. If you have any questions or no longer have an interest in the water right, please contact me at (208) 287-4910.

Sincerely,

for Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure(s): W-9