

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

RECEIVED

MAY 11 2015

DEPARTMENT OF
WATER RESOURCES

This is to certify that: **GEORGE KELLEY**
PO BOX 25
ALBION ID 83311
208-673-5364

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

Summary of Water Rights or Portions Rented from the Bank

Water Right	Priority Date	Source	Tributary	Rented Rate	Annual Rented Volume	Acre Limit	Total Rented Acres
45-13998	2/26/1970	Ground Water	NA	0.64 cfs	110.3 af	NA	27.56 ac
45-14000	1/7/1975	Ground Water	NA	0.32 cfs	56.1 af	NA	14.04 ac
Combined Limit				0.96 cfs	166.4 af	NA	41.6 ac
45-11969	6/1/1939	Ground Water	NA	0.13 cfs	38.4 af	NA	9.6 ac

Annual Combined Rental Totals

1.09 cfs 204.8 af NA 51.2 ac

Term of Rental: February 20, 2015 to December 31, 2015
Rental Fee: \$3481.60

The fee for rental of the above-described water is \$3481.60 per year. Ten percent (\$348.16) will go to the Department for administrative costs, and the remainder will be paid to the lessor(s). No rental fees will be refunded once the fee is collected and the start date for a Rental Agreement has passed.

Detailed water right conditions are attached.

SUPPORT DATA

IN FILE # 45-11969

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT

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

George Kelley
Signature of Renter

George Kelley
Printed Name and Title*

5-8-15
Date

Signature of Renter

Printed Name and Title*

Date

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

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

Brian Patton
By
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date May 13, 2015

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

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER NE¼NE¼ Sec. 35 Twp 11S Rge 24E CASSIA County

BENEFICIAL USE

IRRIGATION

SEASON OF USE

04/01 TO 10/31

RENTER'S PLACE OF USE: 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	
11S	24E	25											25.6	25.6					51.2

Total Acres: 51.2

CONDITIONS APPLICABLE TO ALL RENTED WATER RIGHTS

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
6. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
7. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
8. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
9. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
10. This rental agreement does not authorize the construction of a well.
11. The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.

12. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
13. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 140.
14. The following rights are diverted through point(s) of diversion described above: 45-4084 and 45-4236.



APPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANKFEB 20 2015
DEPARTMENT OF
WATER RESOURCESApplicant Name: GEORGE KELLEYIs this application being submitted with a lease application as a lease/rental package? Yes ☐ No ☒

An *Application to Rent Water from the Board's Water Supply Bank* must be completed in accordance with the minimum requirement checklist below to be acceptable for processing by the Idaho Department of Water Resources (IDWR). This checklist is part of the rental application and must be included with the rental application. **Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.**

Applications to rent water should be submitted well in advance of the desired start date for the use of water. Rental applications may be submitted as early as November 1 of the year prior to the intended use of rental water. Rental applications submitted more than one year in advance of the proposed start date for water use will not be accepted and will be returned to applicants. Rental applications will not be processed if they are received after the end of the rental season of use.

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

For additional instructions on completing a rental application, visit the Department's website at www.idwr.idaho.gov.

Checked All Items as Either Attached (Yes) or Not Applicable (N/A)			
YES			
	☒	Completed <i>Application to Rent Water from the Board's Water Supply Bank</i>	
Attachment	N/A	YES	
2	☒	A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request	
3A	☒	☐	Detailed information on a proposed use of rental water
3E	☒	☐	Authorization from the owner/operator of the rental point(s) of diversion
3G	☒	☐	Water modeling to account for the impacts of the rental request
3J	☒	☐	Documents justifying a need to rent water for irrigation at a rate of flow greater than 0.02 cfs/acre
3K	☒	☐	Authorization from the owner/operator of the property at the proposed rental place(s) of use
4B	☒	☐	Explanation of how the rental water will sufficiently accomplish your rental purposes
4C	☒	☐	Explanation of consumptive use amounts for water rights experiencing a change in nature of use

Department Use Only – Proposed Water Right(s)

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant GEORGE KELLEY

Mailing Address P.O. BOX 25, ALBION, IDAHO 83311

Email Address _____ Phone Number 208-673-5364

B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☒ No ☐

If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative PAUL ARRINGTON Professional Title ATTORNEY

Organization BARKER RSHOLT & SIMPSON Relationship to Applicant ATTORNEY

Mailing Address 195 RIVER VISTA PLACE, SUITE 204, TWIN FALLS ID 83301

Email Address PLA@IDAHOWATERS.COM Phone Number 208-733-0700

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use, and water diversion, delivery and distribution systems. Make sure the place of use is outlined with an obvious, bolded line. For irrigation purposes, note that the place of use outlined on your map cannot exceed the number of acres you are proposing to rent. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe the purpose of your rental request. Include any anticipated rates of water application, water use practices or number of stock (if any). If the proposed use is not for irrigation, please provide a detailed description of the proposed use and how you determined the amount of rental water required. Attach additional sheets if required and label it **Attachment 3A**:

WATER WILL BE USED TO ALLOW FOR COMPLETE IRRIGATION UNDER EXISTING PIVOTS. WATER WILL BE COMINGLED WITH APPLICANT'S EXISTING WATER RIGHTS TO COMPLETE PIVOTS.

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

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Acres (if applicable) (Acre)
CFS	AF	CFS	AF	291 AC

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

C. Enter the proposed start date and latest possible start date for using rental water. Also provide the number of years you would like to rent water:

Proposed Start Date (month/day/year)	Latest Possible Start (month/day/year)	* Proposed Rental Duration (Max 5 Years)	** For multi-year rentals, indicate whether you desire to rent water for remaining years if a rental request cannot be approved for the first year?	
4/15/2015	5/15/2015	12/31/2020	☒ Yes, approve rental for all remaining future years.	☐ No, return rental request if first year is unapprovable.

- * The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.
- ** Subject to the availability of rentable water. A multi-year rental that cannot begin during the first year requested may be approved for some or all remaining years, depending on availability. Rental requests will be returned if no water is available to rent in the first and/or subsequent years of the rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- D. Refer to the map you created in item 2 and specify the location of the point(s) of diversion (POD) from which rental water is proposed to be diverted:

Water Source	TWP	RGE	SEC	¼	¼	¼	County	Other water rights for the same purpose diverted from this POD
GROUNDWATER	11S	24E	35		NE	NE	CASSIA	45-4084 & 45-4236

The entry in this grid must match the map from item 2 on the application.

- E. Do you own and/or possess the authority to divert water from the above POD(s)? Yes ☒ No ☐
If no, provide documentation from the owner/operator confirming your authorization to use the POD(s) and label it **Attachment 3E**.
- F. Do any POD(s) identified in Question 3D divert from a water source that may require water modeling? Yes ☐ No ☒
Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.
- G. Has water modeling been provided with your rental request? Yes ☐ No ☒
If yes, include as **Attachment 3G**. Otherwise please explain why modeling was not provided:

Rental applications that require modeling will be returned if modeling is not provided.

- H. Specify the proposed beneficial use: ☒ Irrigation ☐ Commercial ☐ Industrial ☐ Municipal
☐ Groundwater Recharge ☐ Mining ☐ Stockwater ☐ Other: _____
- I. Refer to the map you created in item 2 and specify below the places you propose to use water. If for irrigation, specify the number of acres to be irrigated per ¼ ¼ tract. Otherwise indicate usage by marking the ¼ ¼ tracts with the first letter of your proposed use identified above:

TWP	RGE	SEC	NE				NW				SW				SE				TOTALS
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
11S	24E	25									25	26	27.5	27.5					106
		36					1.5	.5	30	30	31.5	30	30	31.5					185
The entry in this grid must match the map from item 2 on the application.																			Total Acres (for irrigation)
																			291

- J. For irrigation uses, do you propose a water diversion rate greater than 0.02 cfs/acre? N/A ☐ Yes ☐ No ☒
If yes, explain the justification for this rate of flow and attach any supporting documents as **Attachment 3J**:

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

- L. Describe your water distribution system and how water will be delivered from the POD(s) to the proposed POU(s):

WATER IS PUMPED FROM THE WELL AND PIPED TO A SPRINKLER SYSTEM

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

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

SEE D, ABOVE. EXISTING WATER RIGHTS DO NOT COVER ENTIRE PIVOT SYSTEM. ADDITIONAL WATER IS NEEDED TO COVER ALL ACRES.

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights?

Yes ☐ No ☒

If yes, specify below the water rights you are requesting to rent. Otherwise continue to Section 5 of this application form.

Please note: Diversion rates and volumes to be rented from a leased water right must be proportionate to the per acre diversion rates and per acre volume limits of the water right leased to the Bank. Applicants should query a water right's rental availability by reviewing active lease and rental documents, searchable via [IDWR's website](#), to ensure all elements of a water right remain available in sufficient quantity to satisfy a rental request.

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany the rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request.**

For leased rights with combined limits, applicants should request to rent against the combined limit diversion rate, volume or acre limits.

Elements of Water Rights Leased to the Bank (Contract Details)								Rental Request		
Water Right Number	Nature of Use	Water Source	Rate (CFS)	Volume (AF)	Acres (AC)	Start (year)	End (year)	Rate (CFS)	Vol. (AF)	Acres (AC)
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre that have been leased to the Water Supply Bank								TOTAL		
									CFS	AF
										AC

Leased totals minus water actively engaged in rental agreement equals rental availability

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

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

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- C. Does your rental request propose to change the nature of use for any water right(s) being requested? Yes ☐ No ☐
If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented, as well as the new consumptive use amount for your proposed beneficial use. Attach a separate page if space is insufficient and label it **Attachment 4C**:

5. ADDITIONAL INFORMATION

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

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

WATER RENTED FROM BANK LAST YEAR. APPLICANT HAS ATTEMPTED TO PURCHASE WATER FROM
NEIGHBORING WATER USERS BUT HAS NOT BEEN SUCCESSFUL IN FINDING A WILLING SELLER.
APPLICANT ALSO ATTEMPTED TO COVER ACRES WITH A CLAIM IN THE SRBA COURT THAT WAS DENIED.

- B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes ☐ No ☒

If yes, describe: _____

- C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☐ No ☒

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

DECLARATION

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws.

George Kelley
Signature of Applicant

George Kelley
Printed Name of Applicant

2-17-15
Date

Signature of Representative

Printed Name of Representative

Date

Mail to:

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





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 13, 2015

GEORGE KELLEY
PO BOX 25
ALBION ID 83311-0025

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 45-13998, 45-14000, AND 45-11969**

Dear Renter:

Please find enclosed a receipt in the amount of **\$3,481.60** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 204.8 acre-feet of water for irrigation of 51.2 acres during 2015. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$3,133.44 of the rental fee will be paid to the lessor(s) and 10% or \$348.16 will be retained by the Department to offset administrative costs.

If you have any questions, please contact me at (208) 287-4946.

Sincerely,

Fbr -Michele Edl
Senior Water Resource Agent

Enclosure(s): Receipt No. C100425
Rental Agreement (copy)

c: Sascha Marston – Fiscal
Allen Merritt– IDWR Southern Regional Office
Brian Higgs – State Water District No. 140
Paul Arrington – Barker Rosholt & Simpson



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 4, 2015

GEORGE KELLEY
PO BOX 25
ALBION ID 83311-0025

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 45-13998, 45-14000 AND 45-11969**

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

Dear Applicant:

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

A rental fee of \$3,481.60 was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 204.8 acre-feet.

Please send a check for \$3,481.60 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing. Pursuant to the Water Supply Bank Rules, 90% or \$3,133.44 of the rental fee will be paid to the lessor(s) and 10% or \$348.16 will be retained by the Department to offset administrative costs.

If you have any questions, please contact me at (208) 287-4946.

Sincerely,

Michele Edl
Senior Water Resource Agent

Enclosure(s): Rental Agreement

c: IDWR Front Desk
Paul Arrington—Barker Rosholt & Simpson LLC

MEMORANDUM

To: Right(s): 45-11969 and 1-10443, 45-43998 and 45-40000
From: Michele Edl
Date: April 29, 2015
Re: Review & Analysis of George Kelley's Application to Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: On February 17, 2015, Paul Arrington of Barker Rosholt & Simpson LLP submitted an application to rent water from the State Water Supply Bank on behalf of George Kelley. The application proposed to rent water for five years to irrigate a field located in sec 25, of Twp 11S, Rge 24E.

The rented water will be used to irrigate acres under an existing pivot. Only 57 acres under the pivot is currently covered by a water right. The available rental water in Basin 45 limits the rental to 1 year.

The proposed point-of-diversion is an existing well utilized by the applicant's current system. That well is identified in WMIS as A0016835. It diverts water for water rights 45-4084 and 45-4236.

AUTHORITY TO FILE: According to available Cassia County taxlot information, George Bill Kelley owns the proposed place-of-use. Mr. George Kelley signed the application.

WATER RIGHT VALIDITY: Water right pairs 45-13998 and 45-14000, and 45-11969 and 1-10443 are valid and are leased to the State Water Supply Bank. As a group they are available to be rented through December 31, 2015.

A review of aerial photography shows that the water rights, or sufficient portions of these water rights appear to have been idled at the authorized places-of-use.

INJURY TO OTHER WATER RIGHTS: No injury is apparent. Although the rights recommended for this rental are within the ESPA, the proposed place-of-use is outside the ESPA. (Refer to the attached screenshot). This application moves water withdrawals from the ESPA, to a POD which does not withdraw directly from the ESPA. The rental should provide an accrual to the ESPA. I confirmed that assumption by a rough cut modeling run using the ETransfer v 3.1 utility.

ENLARGEMENT OF USE: No enlargement is evident through the rental.

45-13998 and 45-14000 were for commercial and/or stockwater uses, therefore no acre counts were assigned when the rights were leased to the Water Supply Bank. The applicant requests water for irrigation use which required consideration of a change in the nature-of-use. I assumed that the commercial portions were fully consumptive and converted leased acre-feet to irrigation acres based on the standard headgate requirement.

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 rental appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: Southern Region is not opposed to the rental. Watermaster of WD 140 has been consulted and is not opposed to a 1 year rental.

I limited my search for water rights to fill this request to those originating in Basin 45. There is insufficient water available in Basin 45 to fill Mr. Kelley's request for water to irrigate 291 acres. A package of four rights covering approximately 51 acres is the best offer that the WSB can make at this time.

Out-of-basin rental water is available, but I have not been authorized to search for or to model those rentals. Mr. Kelley has chosen not to hire a consultant to locate and model additional water rights to fill his full request.

April 29, 2015

I phoned WD 140 watermaster's office this morning and briefly discussed concerns Jaxon Higgs had expressed related to the Pickett Ranch leases. Transfer 72692 converted the water use to commercial and stockwater use for feedlot which has yet to be developed. The continued lease to and rental from the bank will need to be reconsidered. Meanwhile, Jaxon Higgs was not opposed to a one-year rental of the remaining portion of the rights to Mr. Kelley.

Water Right No.	Rented Vol (AF)	Lessor Fee (90%)	Administrative Fee (10%)	Total Fee @ \$17 (2013-2017)	Rental Amounts		Lessor Fee (90%)	Administrative Fee (10%)	Total Fee @ \$20 (2018-2022)
					Rate (cfs)	Acres			
45-13998	110.26	\$1,686.98	\$187.44	\$1,874.42	0.64	27.56	0	0	0.00
45-14000	56.14	\$858.94	\$95.44	\$954.38	0.32	14.04	0	0	0.00
45-11969	38.4	\$587.52	\$65.28	\$652.80	0.13	9.60	0	0	0.00
	0	\$0.00	\$0.00	\$0.00	0.00	0.00	0	0	0.00
	0	\$0.00	\$0.00	\$0.00	0.00	0.00			
Total	204.80	\$3,133.44	\$348.16	\$3,481.60	1.09	51.20	0	0	0.00
	vol	rate	ac	rate/ac	vol/ac	assumed	% vol		
45-13998	119.80	0.93	29.95	0.0311	4		0.662610619		
45-14000	61	0.48	15.25	0.0315	4		0.337389381		
limits	180.8	1.04	45.2	0.0230	4				
already committed	14.40	0.08	3.6		LDS Church 2015				
available	166.40	0.96	41.60	0.0231	4				
45-13998	110.26	0.64	27.56	0.0231	4	portions of both			
45-14000	56.14	0.32	14.04	0.0231	4	portions of both			
	166.40	0.96	41.60			Cherie & I disagree by 0.5 acre			
recommended				0.0231	Kelley 2015				
	0.00	0.00	0.00	ALL GONE					
45-11969	378.4	1.26	94.6	0.0133	4	lease index in 2010			
1-10443	174	0.87	43.5	0.0200	4				
limits	378.4	1.89	94.6	0.0200	4				
already committed	260	0.87	65	0.0134	2014-16 Wickel primary gw right				
available	118.40	1.02	29.60	0.0345	rate is high				
already committed	80	0.27	20	0.0135	self serve 2015 primary gw right				
nominally available	38.40	0.75	9.60	0.0781					
adjusted available	38.40	0.127	9.60	0.0132	4				
recommended	38.40	0.127	9.60	0.0132	Kelley 2015	last of primary gw			
				consider BOTH RIGHTS GONE					
	204.80	1.09	51.20	2015 offer for Kelley					

Edl, Michele

From: Edl, Michele
Sent: Wednesday, April 22, 2015 5:31 PM
To: 'Jaxon Higgs'
Cc: Palmer, Cherie
Subject: RE: George Kelley WSB rental 2015

Jaxon, Brian,

Here is a table of the calculations I used to recommend rental water for Mr. Kelley. I accounted for the existing rentals against each of the leased rights.

Please let me know if you can't read it. I would be happy to send it to you in another format.

The Water Supply Bank assumes that the lessor is not using a right if they have leased to the bank, so it could be a problem if the Pickett rights have not been idled. We don't want to double the water use.

The Ranch Prop primary ground water right is what is really being rented. The junior surface water right is just tagging along. With Mr. Kelley's rental they are both fully committed.

I really appreciate your speedy response.

Michele

	vol	rate	ac	rate/ac	vol/ac	assumed
45-13998	119.80	0.93	29.95	0.0311	4	
45-14000	61	0.48	15.25	0.0315	4	
limits	180.8	1.04	45.2	0.0230	4	
already committed	14.40	0.08	3.6			LDS Church 2015
available	166.40	0.96	41.60	0.0231	4	
45-13998	110.26	0.64	27.56	0.0231	4	portions of both
45-14000	56.14	0.32	14.04	0.0231	4	portions of both
	166.40	0.96	41.60			Cherie & I disagree by 0.5 acre
recommended				0.0231		Kelley 2015
	0.00	0.00	0.00	ALL GONE		
45-11969	378.4	1.26	94.6	0.0133	4	lease indef in 2010
1-10443	174	0.87	43.5	0.0200	4	
limits	378.4	1.89	94.6	0.0200	4	
already committed	260	0.87	65	0.0134		2014-16 Wickel primary gw right
available	118.40	1.02	29.60	0.0345		rate is high
already committed	80	0.27	20	0.0135		self serve 2015 primary gw right
nominally available	38.40	0.75	9.60	0.0781		
adjusted available	38.40	0.127	9.60	0.0132	4	
recommended	38.40	0.127	9.60	0.0132		Kelley 2015 last primary gw
	204.80	1.09	51.20	consider BOTH RIGHTS GONE		
				= total 2015 offer for Kelley		

From: Jaxon Higgs [<mailto:jaxon@waterwellconsultants.com>]
Sent: Wednesday, April 22, 2015 4:39 PM
To: Edl, Michele
Cc: 'Brian Higgs'
Subject: RE: George Kelley WSB rental 2015

Hi Michele,

I appreciate you getting our comments on this. A few questions and comments.

On the Ranch Properties rights, could you give me a rundown of who is renting what and how much the Kelly's would be renting from this specific right? I remember that Ranch Prop. is renting some of their own water and that Wickel's might have some of that water as well. Also, I don't believe Ranch Prop. is a member of any ground water district and thus they are not participating in any of the proposed solutions for the Hagerman Valley and Surface Water Coalition calls and have not participated in any mitigation up to this point. I'm not sure if it would affect them, but we should probably ask Tim Luke if that could cause a problem. Their right is very senior as far as ground water goes, so it might not be a problem.

On the Pickett water rights. The well on that property has been used for stock in the past year. I am not sure of the volume, but there was some diversion. I will talk to Dave Pickett in the next day or two and see if they are still using it for stock and how much. I will get back with you within a day or two.

Un-related to this application, I see that the V & R Farms right is listed online under the supply bank rented rights. Has Mr. Gibby not requested to have that right removed from the bank yet? He was asked to by SWID last year and the year before.

Thanks for your help!

Jaxon Higgs
WWC Inc.

From: Brian Higgs [<mailto:brian@waterwellconsultants.com>]
Sent: Wednesday, April 22, 2015 3:51 PM
To: Jaxon Higgs
Subject: Fw: George Kelley WSB rental 2015

From: [Edl, Michele](#)
Sent: Wednesday, April 22, 2015 10:44 AM
To: brian@waterwellconsultants.com
Subject: George Kelley WSB rental 2015

Watermaster Brian Higgs,

It was great to catch up with you this morning.

As I stated over the phone, the Water Supply Bank can now offer Mr. Kelley approximately 51 acres worth of water for the 2015 irrigation season. This is more than the 36 acres worth that was offered to him only a few days ago but comes from the same 4 water rights. The rental agreement will be for either 50.7 or 51.2 acres. There is a data rounding issue that must be resolved first.

I have amended my review memo and have attached it along with a new map of the proposed place-of-use. Please let me know if you have issues about this rental as soon as possible.

Thank you very much.

Edl, Michele

From: Edl, Michele
Sent: Wednesday, April 22, 2015 10:45 AM
To: 'brian@waterwellconsultants.com'
Subject: George Kelley WSB rental 2015
Attachments: Kelly Rental Review Memo.docx; Amended POU Map.pdf

Watermaster Brian Higgs,

It was great to catch up with you this morning.

As I stated over the phone, the Water Supply Bank can now offer Mr. Kelley approximately 51 acres worth of water for the 2015 irrigation season. This is more than the 36 acres worth that was offered to him only a few days ago but comes from the same 4 water rights. The rental agreement will be for either 50.7 or 51.2 acres. There is a data rounding issue that must be resolved first.

I have amended my review memo and have attached it along with a new map of the proposed place-of-use. Please let me know if you have issues about this rental as soon as possible.

Thank you very much.

Michele Edl

Edl, Michele

From: Paul Arrington [pla@idahowaters.com]
Sent: Wednesday, April 22, 2015 9:14 AM
To: Edl, Michele
Subject: RE: additional water for Mr. Kelley
Attachments: Amended POU Map.pdf

They will take that water too. Attached is a revised map.

Paul L. Arrington
Barker Rosholt & Simpson, LLP
208-733-0700 – Office
208-404-9436 – Cell
208-735-2444 – Fax

From: Edl, Michele [<mailto:Michele.Edl@idwr.idaho.gov>]
Sent: Tuesday, April 21, 2015 6:49 PM
To: Paul Arrington
Subject: additional water for Mr. Kelley

Mr. Arrington,
It was after 5 when I tried to call. So I am using this media to get a message out to you and your client George Kelley.

I have some good news for Mr. Kelley. One of the rights that I recommended for his use has a more unrestricted water that I had expected. Some of the WSB data has been clarified and I believe that the WSB can now offer him approximately 51 acres worth of water for the 2015 irrigation season.

I am assuming that he will accept it and put it to use and so I am drafting an agreement. (It will be for either 50.7 or 51.2 acres. There is a rounding issue that must be resolved.) If my assumption is not true let me know a.s.a.p. so I can alter the agreement back to the 36 acres.

If my assumption is true, then the bad news is that I need another map showing the place-of-use for the ~51 acres to replace the map if the 36-acre PoU.

Southern Region has been contacted and is not opposed to the rental.

I have not heard back from the watermaster yet. I am not sure that he would find a ring of dry-farmed grain encircling an irrigated central crop, easy to ok. (Am I interpreting the previous image you sent correctly?)

I am attending meetings most of the morning tomorrow 4/22/2015. If you or your client have questions, I will be at (208)287-4946 between 10:00 and 11:00 or anytime after 12:30.

Sincerely,
Michele Edl

George Kelley Pivots Second Edition

Pivots do not include end guns that extend out 75 feet. Instead the circumference of the pivots are being dry farmed with grain. -per phone conversation w/ Paul Arrington and Mr. Kelley.

57 acres under base rights

51 acres under water bank

End Guns

thru

Off-Bearing

another 25'

NWSE

NESE

CREATED 7/2/14 BY CPALMER, IDWR

2014 Aerial Imagery-LandSat

Edl, Michele

From: Merritt, Allen
Sent: Monday, April 20, 2015 3:13 PM
To: Edl, Michele
Subject: RE: George Kelly 2015 WSB rental

I do not have an issue as long as the WM actually monitors the acres under the pivot.

From: Edl, Michele
Sent: Monday, April 20, 2015 2:52 PM
To: Merritt, Allen; brian@waterwellconsultants.com
Subject: George Kelly 2015 WSB rental

Allen Merritt, Brian Higgs,

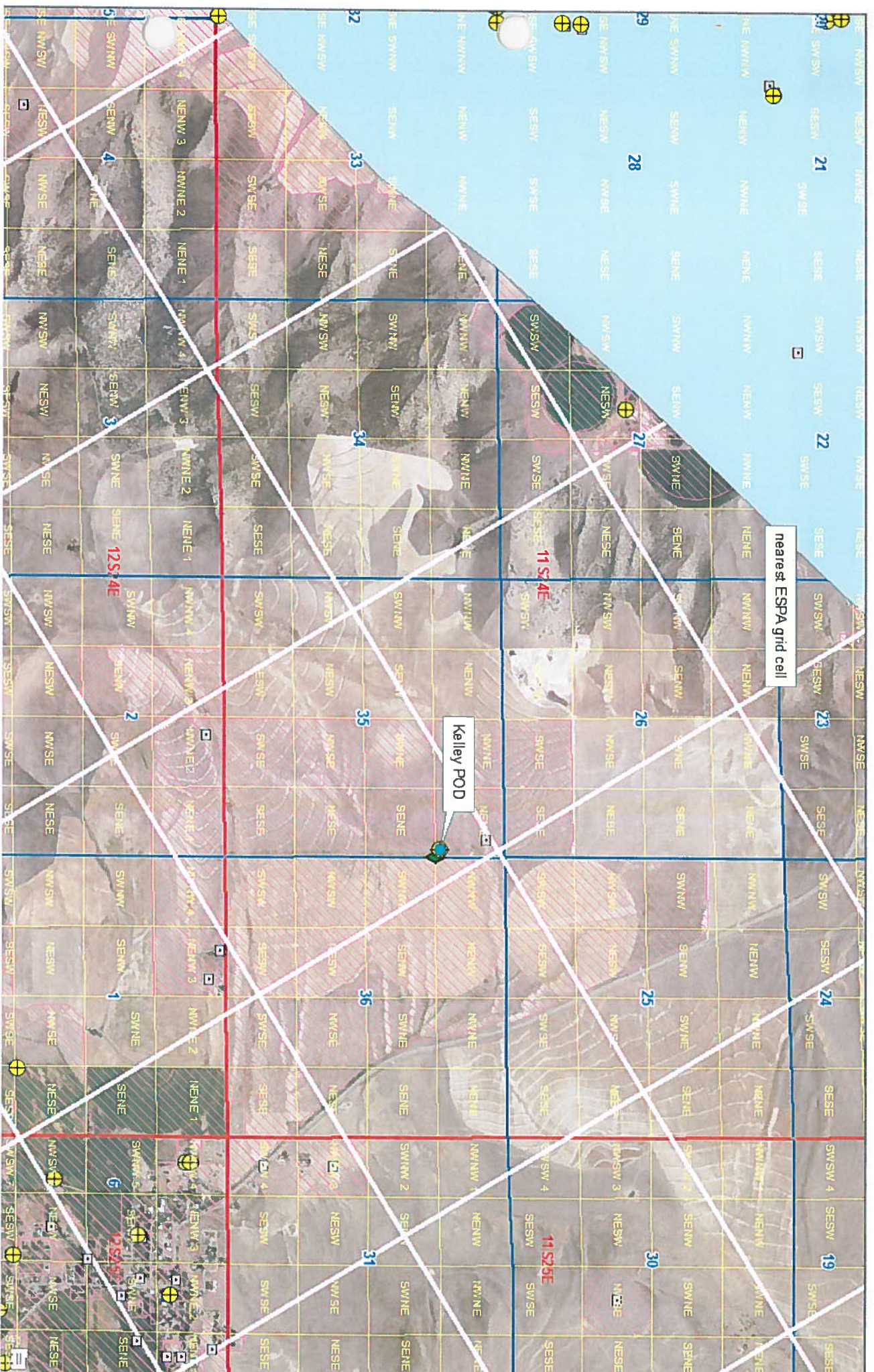
I have completed my review of a rental application submitted by George Kelley, (Paul Arrington, consultant) for 2015. I could not satisfy his full request. But the WSB has 36 acres worth of water available for rent that will not be curtailed.

The PPU already had water rights appurtenant to it. I did not analyze the WMIS records from the POD. I understand that Mr. Kelley may have received a cease and desist for unauthorized irrigation last year.

I modeled impacts to the ESPA and confirmed that no additional mitigation is needed.

I have attached my review memo, and a pdf map from Paul Arrington which shows the general locations of the rental acres. Please give me your feedback about this application.

Thank you.
Michele



Edl, Michele

From: Paul Arrington [pla@idahowaters.com]
Sent: Monday, April 20, 2015 11:40 AM
To: Edl, Michele
Subject: RE: The last rental water in basin 45
Attachments: Amended POU Map.pdf

Will this work?

Paul L. Arrington
Barker Rosholt & Simpson, LLP
208-733-0700 – Office
208-404-9436 – Cell
208-735-2444 – Fax

From: Edl, Michele [<mailto:Michele.Edl@idwr.idaho.gov>]
Sent: Monday, April 20, 2015 11:31 AM
To: Paul Arrington
Subject: RE: The last rental water in basin 45

Mr. Arrington,
I need a map of Mr. Kelley's proposed place-of-use for the 36-acre rental water. Can you provide it?
Michele Edl

From: Paul Arrington [<mailto:pla@idahowaters.com>]
Sent: Monday, April 20, 2015 9:22 AM
To: Edl, Michele
Cc: Paul Arrington
Subject: RE: The last rental water in basin 45

My clients will take that water.

Paul L. Arrington
Barker Rosholt & Simpson, LLP
208-733-0700 – Office
208-404-9436 – Cell
208-735-2444 – Fax

From: Edl, Michele [<mailto:Michele.Edl@idwr.idaho.gov>]
Sent: Thursday, April 16, 2015 5:37 PM
To: Paul Arrington
Subject: The last rental water in basin 45

Mr. Arrington, Mr. Kelley,

Because the WSB has recently refused to accept into the bank some Basin 45 water rights, I believe that the rental availability of water from Basin 45 for the 2015 irrigation has solidified. The WSB can't fill your full request for rental water.

However, there are portions of three rights which have some rental value for irrigation and whose use we do not expect to be curtailed.

The total rental value of those rights is 143.8 AF, diverted at 1.04 cfs to cover 36.0 acres.

Because this is considerably less than your application requested, you have two options. You may either:

- 1) rent the available water rights
- 2) or withdraw your application

If I don't hear back from you before May 1, 2015, I will assume you are not interested in renting water for the 2015 irrigation season, and your application will be returned unprocessed.

Sincerely,
Michele Edl

Pivots do not include end guns that extend out 75 feet. Instead the circumference of the pivots are being dry farmed with grain. -per phone conversation w/ Paul Arrington and Mr. Kelley.

Boosters off on end guns to reduce acreage

57 acres under base rights

36 acres from water bank

26.9, **28.9**, **11 S24E**, **26.9**, **29.9**, **27**, **28.3**, **28.8**, **27.5**

208, **35**, **30**

End Guns turned off - bring in another 25'

CREATED 7/2/14 BY CPALMER, IDWR

2014 Aerial Imagery-LandSat

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base rights

36 acres from
water bank

End Guns turned
Off - Being in
another 25.

CREATED 7/2/14 BY CPALMER, IDWR

2014 Aerial Imagery-LandSat

Edl, Michele

From: Edl, Michele
Sent: Thursday, April 16, 2015 5:37 PM
To: 'pla@idahowaters.com'
Subject: The last rental water in basin 45

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- 1) rent the available water rights
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If I don't hear back from you before May 1, 2015, I will assume you are not interested in renting water for the 2015 irrigation season, and your application will be returned unprocessed.

Sincerely,
Michele Edl

Edl, Michele

From: Paul Arrington [pla@idahowaters.com]
Sent: Friday, March 13, 2015 8:26 AM
To: Edl, Michele
Subject: RE: George Kelly's 2015 WSB application to rent water

Thanks. I will call them today.

Paul L. Arrington
Barker Rosholt & Simpson, LLP
208-733-0700 – Office
208-404-9436 – Cell
208-735-2444 – Fax

From: Edl, Michele [<mailto:Michele.Edl@idwr.idaho.gov>]
Sent: Friday, March 13, 2015 8:25 AM
To: Paul Arrington
Subject: RE: George Kelly's 2015 WSB application to rent water

Good morning Mr. Arrington,
Thank you for responding so promptly.

As a group, they are only good through 2015. The largest available lease is a portion of 45-2746. It has a rental value of 1.23 cfs and 131.3 ac for 2015 & 2016.
The other rights are smaller and the lease contract on one of them will expire at the end of this season. So if packaged together, the rental will be limited to the shortest lease.
Michele Edl

From: Paul Arrington [<mailto:pla@idahowaters.com>]
Sent: Friday, March 13, 2015 7:38 AM
To: Edl, Michele
Subject: RE: George Kelly's 2015 WSB application to rent water

What is the available term on those Basin 45 rights?

Paul L. Arrington
Barker Rosholt & Simpson, LLP
208-733-0700 – Office
208-404-9436 – Cell
208-735-2444 – Fax

From: Edl, Michele [<mailto:Michele.Edl@idwr.idaho.gov>]
Sent: Thursday, March 12, 2015 4:38 PM

To: Paul Arrington

Subject: George Kelly's 2015 WSB application to rent water

Mr. Arrington,

I have been assigned to review and if possible, to process Mr. George Kelley's 2015 application to rent water from the State Water Supply Bank (WSB). You may remember that in June 2014, I was assigned to process Mr. Kelley's 2014 application to rent from the WSB. So I have some familiarity with the issues and the water availability in that area of the state.

Several Basin 45 water rights were withdrawn from the WSB since 2014 because those rights are now involved in mitigation efforts. So there is less water from Basin 45 available to rent this year than was available last year.

All of the available Basin 45 rights have a total rental value of approximately, 2.27 cfs, and 632.9 af, for irrigation of 167 acres. This is less water and for a shorter time-frame than Mr. Kelley requested.

Water rights from other basins are still in the WSB, but a rental of those rights would require modeling of the impact to the Eastern Snake Plain Aquifer (ESPA). Because Mr. Kelley's application was silent about which water rights to use to fill his request, I restricted the selection to those that would not require modeling.

At this time, there are no other water rights from Basin 45 waiting to be accepted into the WSB.

The irrigation season is approaching fast. Your client has several options and the water rights package option I have outlined above may not suit at all.

Please consult with your client and respond back as soon as possible, either by email or by phoning me at 208-287-4946.

I will hold the Basin 45 water rights for Mr. Kelley's use for 14 days. If I don't hear from you or your client before March 26, 2015, I will assume that your client is no longer interested in renting water from the WSB for the 2015 season and the application will be returned unprocessed.

Sincerely,
Michele Edl

Edl, Michele

From: Edl, Michele
Sent: Thursday, March 12, 2015 4:38 PM
To: 'pla@idahowaters.com'
Subject: George Kelly's 2015 WSB application to rent water

Mr. Arrington,

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Sincerely,
Michele Edl

*Albert P. Barker
John A. Rosholt
John K. Simpson
Travis L. Thompson
Shelley M. Davis
Paul L. Arrington
Scott A. Magnuson*



195 River Vista Place, Suite 204
Twin Falls, Idaho 83301-3029
(208) 733-0700 telephone
(208) 735-2444 facsimile

1010 W. Jefferson St., Suite 102
Post Office Box 2139
Boise, Idaho 83701-2139
(208) 336-0700 telephone
(208) 344-6034 facsimile
brs@idahowaters.com

RECEIVED

FEB 20 2015

DEPARTMENT OF
WATER RESOURCES

February 17, 2015

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

Re: *Application to Rent Water from the Board's Water Supply Bank (George Kelley)*

To Whom it May Concern:

Enclosed, please find the signed Application to Rent Water from the Board's Water Supply Bank from George Kelley.

Should you have any questions, please contact Paul L. Arrington at (208) 733-0700.

Thank you,


Jessica Nielsen
Assistant for Paul L. Arrington

Enclosure

PLA/jn