

RECEIVED

JUN 03 2014

Summary of Water Rights or Portions Rented from the Bank

Page 1 of 3

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

WATER USE DETAILS

LOCATION OF RENTER'S POINT(S) OF DIVERSION:

GROUND WATER	SE¼NW¼SW¼	Sec. 34	Twp 05N	Rge 26E	BUTTE County
GROUND WATER	NE¼SE¼NW¼	Sec. 03	Twp 04N	Rge 26E	BUTTE County
GROUND WATER	SE¼NE¼SW¼	Sec. 02	Twp 03N	Rge 26E	BUTTE County
GROUND WATER	SW¼SE¼NW¼	Sec. 02	Twp 03N	Rge 26E	BUTTE County

BENEFIAL 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	
03N	26E	14					39	36	40	40	40	40	40	40					315
03N	26E	15	39	40	40	40	39	39	40	40	40	40	40	40	40	40	40	40	637
03N	26E	16	39	39	40	40									40	40	39	39	158
03N	26E	22	40	40	40	40	40	40	40	40									320
03N	26E	23					40	40	40	40	40			33	39	40	40	40	392

Total Acres: 1980.0

Limited to acres within place of use described above: 476.0

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. This rental agreement does not authorize the construction of a well.
6. 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.
7. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
8. 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.
9. 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.

10. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
11. 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. 34.
12. Pursuant to a call, in times of scarcity, the diversion of water under this right from the two wells in T05N, R26E, S34 SENWSW and T04N, R26E, S3 NESENW have a priority date of May 18, 1982.
13. The rights listed below are limited to a total combined diversion rate of 20.34 cfs at the two wells located in T05N, R26E, S34 SENWSW and T04N R26E S3 NESENW. Combined Right Nos.: 34-2459, 34-2460 and 34-7037.
14. The rights listed below are limited to a total combined annual diversion volume of 5,000.0 AF from the two wells located in T05N, R26E, S34 SENWSW and T04N, R26E, S3 NESENW. Combined Right Nos.: 34-2459, 34-2460 and 34-7037.
15. Under this rental, the water right holder shall make full use of available surface water rights and divert ground water from the wells located in T03N, R26E, S2 SWSW and T03N, R26E, S2 SENESW (the "Airport Wells") prior to diversion of ground water from the two wells located in T05N, R26E, S34 SENWSW and T04N, R26E, S3, NESENW (the "Island Wells").
16. Use of this right with Right Nos. 34-2460, 34-2461, 34-2462 and 34-7037 is limited to the irrigation of a combined total of 1664 acres in a single irrigation season.
17. Use of this right with the rights listed below is limited to the irrigation of a combined total of 1980 acres in a single irrigation season. Combined Right Nos.: 34-7138, 34-2460, 34-2461, 34-2462, 34-7037 and 34-10925.
18. Use of this right with Right Nos. 34-2460, 34-2461, 34-2462 and 34-10925 is limited to a total combined diversion rate of 12.5 cfs.
19. Use of this right with the rights listed below is limited to a total combined annual diversion volume of 8441.5 AF. Combined Right Nos.: 34-7138, 34-2460, 34-2461, 34-2462, 34-7037 and 34-10925.

RECEIVED
MAY 15 2014
DEPT OF WATER RESOURCES
REVISED

Water Supply Bank No. _____
(For Department Use Only)

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK

Name of Renter Telford Lands LLC Phone (208) 431-5957

Mailing address 1450 W. Hwy 24 Paul, ID 83347 Email telfordsunvalleyseed@gmail.com

A. DESCRIPTION OF WATER SOUGHT FOR RENT

1. Maximum Flow Rate (cfs) Maximum Volume (ac-ft) Nature of Use Period of Use
8.34 cfs 1666 Irrigation 4/1 to 11/1
 _____ to _____
 _____ to _____
 Total: 8.34 1666

2. Source of water Ground water tributary to _____

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
5N	26E	34		SE	NW	SW	BUTTE
4N	26E	3		NE	SE	NW	BUTTE
3N	26E	2		SW	SE	NW	BUTTE
3N	26E	2		SE	NE	SW	BUTTE

4. Lands to be irrigated or place of use: Revised 5/15/2014 RLH

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	25E	14					39	36	40	40	40	40	40	40					315
		15	39	40	40	40	39	39	40	40	40	40	40	40	40	40	40	40	637
		16	39	39	40	40									40	40	39	39	158
		22	40	40	40	40	40	40	40	40	40								320
		23					40	40	40	40	40			33	39	40	40	40	392

If the use is for irrigation, show total number of acres proposed through rental. Total Acres 476 ac. w/in POU

B. OWNERSHIP

1. Do you own the land at the proposed point of diversion? Yes ☒ No ☐
 If no, list owner, contact information, and provide documentation of the authority to use the proposed point of diversion. _____
2. Do you own the land at the proposed place of use? Yes ☒ No ☐
 If no, list owner, contact information, and provide documentation of the authority to use the proposed place of use. _____

C. MAP

Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described by this application in section A. Include legal description labels.

Water Supply Bank No. _____
(For Department Use Only)

RECEIVED

STATE OF IDAHO
WATER RESOURCE BOARD

NOV 29 2013

APPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK

DEPARTMENT OF
WATER RESOURCES

Name of Renter Telford Lands LLC Phone (208) 431-5957

Mailing address 1450 W. Hwy 24 Paul, ID 83347 Email telfordsunvalleyseed@gmail.com

A. DESCRIPTION OF WATER SOUGHT FOR RENT

1. Maximum Flow Rate (cfs) 8.34 cfs Maximum Volume (ac-ft) 1666 Nature of Use Irrigation Period of Use 4/1 to 11/1

Total: 8.34 1666

2. Source of water Ground water tributary to _____

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
5N	26E	34		SE	NW	SW	BUTTE
4N	26E	3		NE	SE	NW	BUTTE
3N	26E	2		SW	SE	NW	BUTTE
3N	26E	2		SE	NE	SW	BUTTE

4. Lands to be irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	25E	14					39	36	40	40	40	40	40	40					315
		15	39	40	40	40	39	39	40	40	40	40	40	40	40	40	40	40	637
		16	39	39	40	40									40	40	39	39	316
		22					40	40	40	40	40			33	39	40	40	40	392
		23					40	40	40	40	40			40	39	40	40	40	399

If the use is for irrigation, show total number of acres proposed through rental. **Total Acres** 476 ac. w/in POU

B. OWNERSHIP

1. Do you own the land at the proposed point of diversion? Yes ☒ No ☐
If no, list owner, contact information, and provide documentation of the authority to use the proposed point of diversion. _____
2. Do you own the land at the proposed place of use? Yes ☒ No ☐
If no, list owner, contact information, and provide documentation of the authority to use the proposed place of use. _____

C. MAP

Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described by this application in section A. Include legal description labels.

D. GENERAL INFORMATION

1. Please provide a description of the proposed diversion system. Diversion of water from the Island Wells goes through the Island, Eastside, and Munsey Canals down to pump stations on the Munsey Canal that divert water to the authorized place of use.
2. Describe any other water rights diverted through the same point(s) of diversion or used for the same purpose(s) as described above. 34-7037.
3. Will the proposed place of use receive water from any other source? Yes ☒ No ☐
If yes, describe. From Water Right Nos. 34-2460, 34-2461, 34-2462, 34-10925, 34-7037, and 34-7138.
4. If the proposed use is not for irrigation, please provide a detailed description of the proposed use and how you determined the amount of water required. Attach additional sheets if needed. N/A
5. Are there any other applications pending before the Department, such as an application for permit or transfer, for the same use(s) proposed by this rental? Yes ☐ No ☒
If yes, describe. _____
6. Was this rental application submitted in response to a Notice of Violation or a pending Notice of Violation? Yes ☐ No ☒
If yes, describe. _____

E. RENTAL TERM

1. Do you wish to rent water from the Board's bank for more than one (1) year? Yes ☒ No ☒
If yes, please specify the number of years desired through proposed rental. 1

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.

If this application is approved, the applicant agrees to the following:

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Renter shall comply with all applicable state and federal laws while using water under this agreement.
3. Renter shall hold the Board, the Director, and the state of Idaho harmless from all liability on account of negligent acts of the renter.
4. 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.
5. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
6. Renter is not authorized to use water proposed by this application until the rental fees are paid in full and the renter receives an executed copy of the agreement signed by the Director.

Robert L. Harris
Signature of Applicant

Robert L. Harris, Attorney
Printed Name and Title*

November 26, 2013
Date

Signature of Applicant

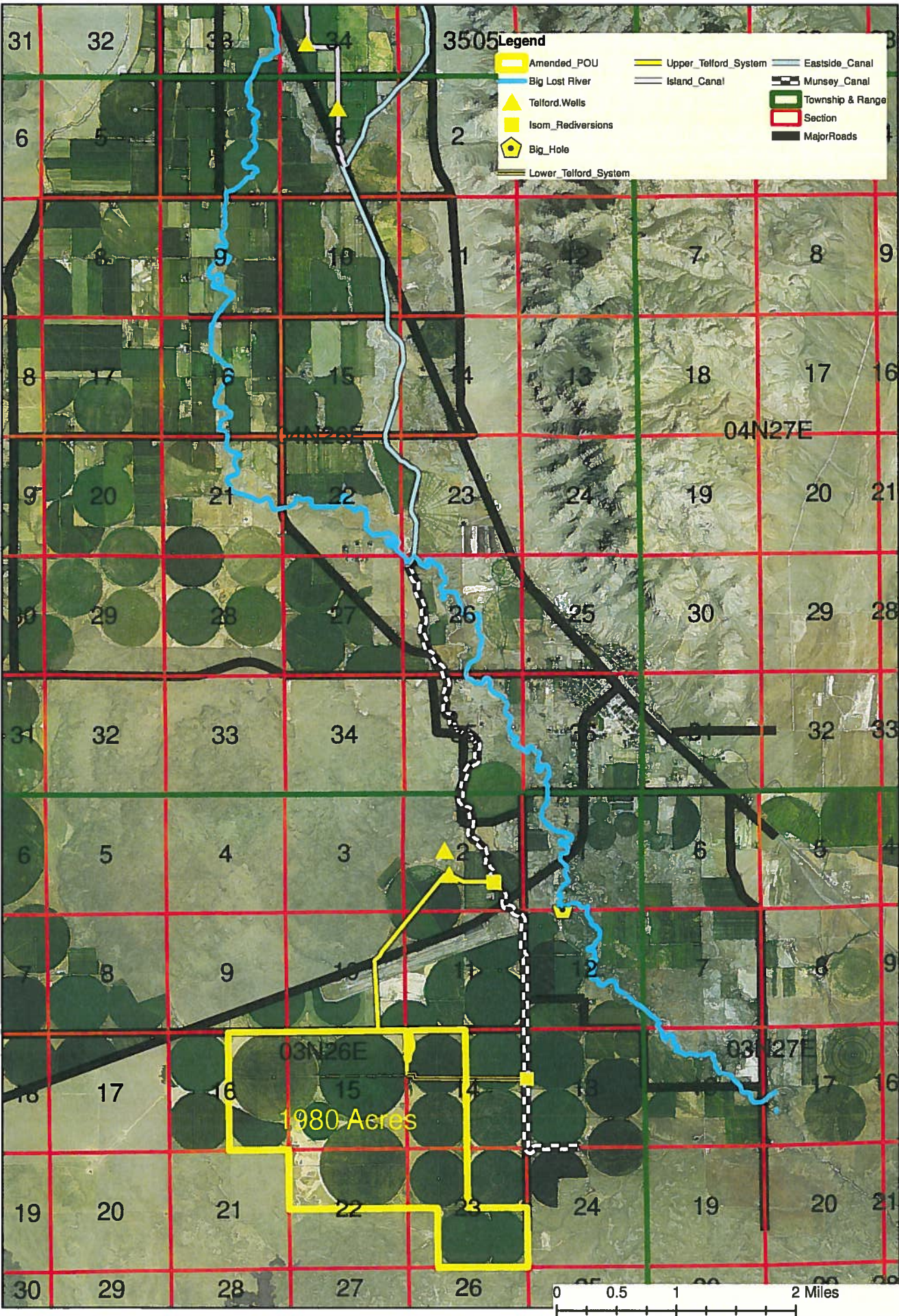
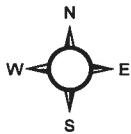
Printed Name and Title*

Date

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

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

TELFORD LANDS, LLC TRANSFER





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

November 19, 2014

Telford Lands LLC
1450 W HWY 24
PAUL, ID 83347

COPY

**RE: EXPIRATION OF RENTAL AGREEMENT FOR WATER RIGHT NO(S). 34-2459
and 34-2460 FROM THE WATER SUPPLY BANK**

Dear Renter:

This letter is to inform you that your Rental Agreement for rental of water from the Water Supply Bank has expired. You applied for the rental of water on 6 /4 /2014 and the subsequent Rental Agreement authorized diversion of water under Water Right No(s). 34-2459 and 34-2460 through the 2014 season only.

The Rental Agreement is expired, or will be expired by the end of the season of use, and the water use in connection with the rental will no longer be in effect. Any diversion or use of water associated with this rental agreement is not authorized and, if occurring, will be subject to any necessary enforcement action.

If you wish to rent water in the future, please reapply using new forms from the Department's website at www.idwr.idaho.gov. If you have any questions regarding this matter, please contact me at (208) 287-4944.

Sincerely,

Cherie Palmer
Water Rights Supervisor
WSB Process Point of Contact

c: Holden Kidwell Hahn Crapo
Robert Harris



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

June 3, 2014

TELFORD LANDS LLC
1450 W HWY 24
PAUL ID 83347

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 34-02459 AND 34-02460**

Dear Renter:

Please find enclosed a receipt in the amount of **\$2,832.20** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 833 acre-feet of water for irrigation of 476 acres during 2014. 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, the rental fee will be retained by the Department to offset administrative costs since you are the owner of the right(s).

If you have any questions, please contact me at (208) 287-4944.

Sincerely,

Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure(s): Receipt No. C098932
Rental Agreement (copy)

c: Sascha Marston – Fiscal
James Cefalo – IDWR Eastern Regional Office
M Todd Perkes – State Water District No. 34
Robert L Harris – Holden Kidwell Hahn & Crapo



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 22, 2014

TELFORD LANDS LLC
1450 W HWY 24
PAUL ID 83347

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 34-02459 AND 34-02460

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 \$28,322.00 was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 1,666 acre-feet. Since you are both the lessor and the renter of the right(s), **you are only obligated to pay the 10% administrative fee or \$2,832.20.**

Please send a check for \$2,832.20 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing.

If you have any questions, please contact me at (208) 287-4944.

Sincerely,

Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure(s)

c: IDWR Front Desk
Robert L Harris – Holden, Kidwell, Hahn and Crapo PLLC

Palmer, Cherie

From: Holliday, Michael
Sent: Tuesday, May 20, 2014 1:33 PM
To: Palmer, Cherie
Subject: RE: Telford Lands Water Supply Bank Rental Application
Attachments: telford_xfr.pdf; telford lands 2014.docx

Hi Cherie.

Attached is a copy of a temporary transfer application and the order approving the change, which will probably be signed by Lyle today or tomorrow. I wanted to keep you in the loop, since I know you are working on a couple of these rights for the WSB. Let me know if you have questions. Thanks. michael

From: Cefalo, James
Sent: Thursday, May 15, 2014 3:45 PM
To: Holliday, Michael
Subject: FW: Telford Lands Water Supply Bank Rental Application

From: Palmer, Cherie
Sent: Thursday, May 15, 2014 10:54 AM
To: watermaster34@atcnet.net
Cc: Cefalo, James
Subject: Telford Lands Water Supply Bank Rental Application

Todd,

I left a message with your office today to call me but I wanted to provide some background information on why I called. I work in the Water Supply Bank at the IDWR state office and am required to get your feedback for bank transactions when they are in your district.

I have attached an application to rent water that was filed by Telford Lands LLC. In 2012 and 2013 they had an approved rental and are now asking for the same approval for 2014. What they essentially would like to do is add points of diversion under water rights 34-2459 and 34-2460 from "Island Wells". I attached an approval document that I drafted up, their application, and a couple review memos for your reference.

If you have any concerns with us going forward with this rental please let me know as soon as you can. And please let me know if you have any questions.

Thanks for your time,

*Cherie Palmer, Sr. Water Resource Agent
Idaho Dept of Water Resources
Water Allocation Bureau
322 E. Front Street (Front St. & Broadway Ave)
Mail: PO BOX 83720 Boise, ID 83720-0098
email: cherie.palmer@idwr.idaho.gov
phone: (208) 287-4944
fax: (208) 287-6700*

MEMORANDUM

To: Right(s) 34-2459 and 34-2460

From: Cherie Palmer

Date: May 15, 2014

Re: Review & Analysis of Application to Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: On November 29, 2013, the Department received an Application to Rent Water from the applicant's attorney. The applicant is proposing to rent water their own water rights for one year. The rental duplicates a rental that took place in 2012 and 2013 (approved April 23, 2012). Please refer to Monica Van Bussum's April 16, 2012 review memo for historic information regarding these water rights and the lease/rental.

On March 17, 2014, I denied the rental application because the applicant filed a transfer that proposes, for the most part, to do the same thing this rental proposes. The transfer was received May 11, 2012, after the first rental application was approved. That transfer was protested. The Department would not approve a rental agreement when a transfer, proposing to do the same action, is protested. Transfer No. 78363 re-numbered from No. 77933.

On April 7, 2014, the applicant's attorney submitted information that included documentation from the contested transfer. It is evident that the protestants do not have an issue with the rental action. Therefore, I will move forward and approve the rental for 2014. The rental will be identical to the rental from 2012 and 2013.

AUTHORITY TO FILE: The applicant, Telford Land LLC, owns the land at the place of use and also owns the points of diversion. The attorney, Rob Harris, signed the application and is authorized to do so through power of attorney.

WATER RIGHT VALIDITY: Water rights 34-2459 and 34-2460 are leased to the bank through 2014.

INJURY TO OTHER WATER RIGHTS: Conditions have been added to this rental to avoid injuring other water users. Please see Monica's review memo from last rental approval.

ENLARGEMENT OF USE: Conditions addressing overlaps have been added to these conditions to avoid enlargement.

LOCAL PUBLIC INTEREST: The protestants of the pending transfer are in agreement that this rental move forward.

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: This water right is within the Big Lost water district no. 34. I contacted the watermaster for comment and to date haven't heard back. The region has deferred to the state office in this matter.

Water Right No.

	Rented Vol (AF)	Lessor Fee (90%)	Administrative Fee (10%)	Total Fee @ \$17 (2013-2017)	Rental Amounts	
					Rate (cfs)	Acres
34-2459	833	12744.9	1416.1	14161.00	4.17	238.00
34-2460	833	12744.9	1416.1	14161.00	4.17	238.00
Total	1666	25489.8	2832.2	28322.00	8.34	476.00

admin fee due only



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

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

April 3, 2014

RECEIVED
APR 07 2014
DEPARTMENT OF
WATER RESOURCES

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

RE: Additional Information on Application to Extend Rental for Water Rights Nos. 34-2459 and 34-2460 for 2014 to Conform with Lease.

Dear Cherie:

Thank you for time on the phone last week. This letter is a product of our conversation to provide additional information concerning the above-referenced rental application. I emailed you similar information, but want to condense the information in this letter. The information is in response to your letter dated March 17, 2014, returning the application. We have included the original application and its attachments once again as we discussed.

The rental application is related to a pending transfer application, Transfer No. 77933. The transfer was necessary to correct an oversight when the Water Right Nos. 34-2459 and 34-2460 were decreed in the SRBA. The decrees did not list the "Island Wells" (the wells in Section 34, Township 5N, Range 26E and Section 3 of Township 4N, Range 26E) as authorized points of diversion even though the evidence presented to the SRBA court verified their use and should have included as an accomplished transfer. See enclosed map. Unfortunately, Willard Bell (a predecessor owner of the wells) did not object even though his claims did describe the Island Wells as authorized points of diversion for 34-2459 and 34-2460. The SRBA court would not allow the changes to be made because the presiding judge determined that the error did not qualify as a clerical error under Rule 60 of the Idaho Rules of Civil Procedure in order to set the partial decree aside in the first place to have the error fixed.

I then filed a transfer to add the Island Wells as points of diversion to 34-2459 and 34-2460. At the same time, the transfer proposed to tweak the place of use to have it conform a new pivot configuration and to also add another point of diversion to the water rights known as the "Big Hole", a well located in Section 1 of Township 3N, Range 37E. This is a partially completed well that Telford has now equipped.

Three people protested the transfer. Joel Anderson was concerned about the Big Hole, but after a pump test produced data that he found to be satisfactory, he withdrew his protest. Kirby Jensen and Darrell McDonald expressed concern about the Island wells.

At the same time we submitted Transfer No. 77933, we submitted a water bank lease to allow for use of the Island wells simply to maintain the status quo with the Telford wells as they had been used for over 25 years. However, we proposed a number of conditions (set out in the approval) to protect against injury. We included a timeline of 3 years simply to ensure there was enough time to keep the status quo while the transfer was approved. It was the rental that only had a 2 year time period, when the lease had 3 year time period. This is why we submitted the rental application again—to simply make sure the two were paired up for three years. This is what was intended.

The water bank applications were eventually approved and we intended to take the transfer to hearing in 2012 or 2013. However, Kirby Jensen wanted to first wait for the outcome of another transfer that is similar, but not exact, to the one we filed. That transfer is the Parkinson transfer (Transfer No. 77610). Kirby even filed a motion to reschedule our hearing (see enclosed) and one of the reasons he asked for the delay is that it would not hurt Telford because the Island Wells could be used to their full capacity under the water bank rental while the Parkinson transfer was being decided. Quoting from Mr. Jensen's motion:

“The wells, commonly referred to as the “Island Wells”, have allegedly been pumped unrestrained since 1986, and currently are allowed to pump legally by a Water Supply Bank Rental Agreement.” **Telford Lands has also arranged for other Water Supply Bank waters to be delivered through the Timber Dome Canal to the farm irrigated by this transfer.**

It would seem that rescheduling this hearing would conserve the State of Idaho's resources as well as those of the Applicant and Protestants, **while causing no injury to the applicant.**

Again I respectfully suggest to this department the Rescheduling of the Hearing for Transfer No. 77933 **until after the pending Review of the Preliminary Order approving Transfer No. 77610 has been concluded.”**

Suggestion for Rescheduling the Hearing, December 3, 2012 at 1-2 (emphasis added). The bolded language is important because the motion was only made if it would not injure Telford. Not approving the rental for 2014 will injure Telford. Also, the delay was requested until the Parkinson decision was “concluded.” As described below, it is *not* concluded.

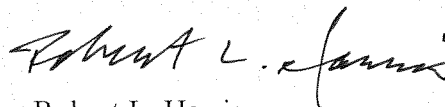
Cherie Palmer
Water Supply Bank
Idaho Department of Water Resources
April 3, 2014
Page 3 of 3

In response to Mr. Jensen's motion, I agreed to vacate the hearing date until after the Parkinson transfer was resolved "provided no legal action is taken to rescind the approved water supply bank lease for the Applicant's water rights to be temporarily used at the Island Wells." *Response to Suggestion [Motion] for Rescheduling the Hearing* at 2. Darrell McDonald was served with this pleading, but it is my understanding that he has now sold his farm, and we received no response from him or his attorney who filed the petition to revoke, Jim Speck.

At the time of Mr. Jensen's motion, it was anticipated that the Parkinson transfer would be resolved in early 2013, and that we would have the hearing in 2013. However, the first preliminary order approving the transfer was challenged by Mr. Jensen who filed exceptions with Director Spackman, who remanded the matter in early 2013. After another hearing in mid- 2013, a second preliminary order approving the transfer was issued on January 7, 2014. An exception to this decision was also filed, and Director Spackman has not yet issued his decision on that. Thus, it has been delayed further than anyone anticipated. Nevertheless, this is why we asked for 3 years in the water bank application—to ensure we had enough time to keep the status quo while the transfer was pursued, and the transfer has been delayed because the Parkinson decision is not finalized. Given the documents described herein, Mr. Jensen consented to the water bank lease arrangement, and Darrell McDonald did not voice any objection to vacating the hearing until the Parkinson transfer is concluded. We fully anticipate having the transfer resolved for the 2015 irrigation season.

For the reasons set forth herein, we request that you approve the enclosed original rental application. The rental is important because it will preserve the status quo, and allow use of the Big Hole well for 2014, which neither Mr. Jensen or Mr. McDonald has a concern about. We appreciate your immediate attention to this matter. If you have any further questions or concerns, please let me know.

Best Regards,



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

Enclosures



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

March 17, 2014

TELFORD LANDS LLC
1450 W HWY 24
PAUL ID 83347

RE: APPLICATION(S) TO RENT WATER FROM THE WATER SUPPLY BANK

Dear Applicant:

On November 29, 2013, the Department of Water Resources (Department) received your Application to Rent Water From the Water Supply Bank (Bank). The Department has reviewed your application and found the following:

- On April 23, 201¹²~~3~~, a rental was previously approved for 2012 and 2013 that authorized you to divert water from "Island Wells" under water rights 34-2459 and 34-2460.
- On May 11, 2012, an Application for Transfer (transfer) was filed to accomplish the same changes that the Bank rental approved, among other things.
- On July 3, 2012, the Department received a *Petition to Revoke Water Supply Bank Rental Agreement* (petition). The petitioner asked that a determination be made regarding injury in connection with the Bank rental.
- Shortly after the petition was received, the Department received multiple protests to the transfer.
- The rental application, currently before the Department, extends a rental agreement for leased water rights 34-2459 and 34-2460 through 2014. The application is requesting that water be diverted from "Island Wells".

At this time the protested matter has not been resolved. The Department cannot authorize an action that is currently being contested through a separate administrative action. Therefore, the Department is denying your application to rent water and returning it to you. If you wish to rent water pursuant to this application, you must secure written notification from the protestants that they don't oppose your proposed rental.

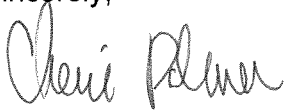
Lastly, water rights 34-2459 and 34-2460 are still leased into the Bank. If you would like to use water in connection with your water rights during the 2014 season you must release the rights from the Bank. I have enclosed a form for your use.

Page 2
March 17, 2014
Telford Lands

Any use associated with your proposed rental request is considered unauthorized and, if occurring, will be subject to any necessary enforcement action.

If you wish to rent water in the future please reapply using new forms from the Department's website at www.idwr.idaho.gov. If you have any questions regarding this matter, please contact me at (208) 287-4944.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cherie Palmer".

Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Rental Application

c: James Cefalo - IDWR Eastern
Rob Harris – Holden Kidwell Hahn & Crapo PLLC



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

RECEIVED

NOV 29 2013

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

November 26, 2013

Water Supply Bank
Idaho Department of Water Resources
PO Box 83720
Boise, ID 83720-0098

RE: *Application to Extend Rental for Water Rights Nos. 34-2459 and 34-2460 for an Additional Year.*

Dear Sir or Madam:

Enclosed please find an Application to Rent Water from the Water Supply Bank submitted by Telford Lands LLC. The Application is necessary because we discovered a discrepancy in the original *Water Supply Bank Lease Acceptance* and the *Water Supply Bank Rental Agreement* of one year. The Lease Acceptance has the expiration date as December 31, 2014, but the Rental Agreement expired on October 31, 2013. The intent of these Applications was that they be for the same term to both expire on December 31, 2014.

If you have any questions or concerns, please let me know.

Best Regards,

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

Enclosures

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