

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED
APR 04 2014
Department of Water Resources

This Lease Contract ("Lease") is effective March 1, 2014, between the Idaho Water Resource Board ("Board"), and

Lessor: MICHAEL B IHLI
LINDA M IHLI
625 S SCHOOL AVE
KUNA ID 83634
(208) 867-5736

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>
02-10420	1.74 CFS	NA	NA	69.0 AC
57-11710(Part)	0.42 CFS	NA	NA	21.5 AC
	2.16 CFS			69.0 AC
02-10422	2.00 CFS	NA	NA	100.0 AC
57-11710(Part)	0.69 CFS	NA	NA	36.0 AC
	2.69 CFS			100.0 AC

Combined Lease Totals: 4.85 CFS NA NA 169.00 AC

The water rights described herein shall be available for rental from the Bank as follows:
Authorized Period of Use under Lease: 03/01 to 11/15

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

SUPPORT DATA

IN FILE # 2-10420

SCANNED

APR 18 2014

3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31, 2016.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

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

MICHAEL B IHLE
625 S SCHOOL AVE
KUNA ID 83634

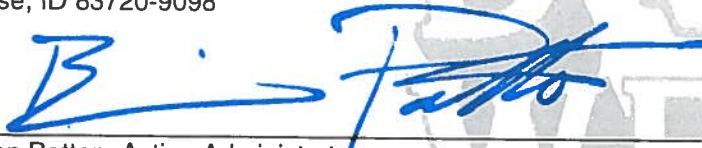
By 

Date 04-02-2014

Printed Name MICHAEL B. IHLE

Title OWNER

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 04-07-2014

Lease approved by IDWR 

Date 04-07-2014

ATTACHMENT A
WATER RIGHT NO. 02-10420
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: MICHAEL B IHLI
LINDA M IHLI
625 S SCHOOL AVE
KUNA ID 83634
(208) 867-5736

Priority Date: 7/30/1969

Source: SNAKE RIVER

Tributary to: COLUMBIA RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01	to 10/31	1.74 CFS	NA
	Total:		1.74 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

SNAKE RIVER L7(SWSW) Sec. 26, Twp 03S, Rge 01E, OWYHEE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: 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	
04S	01E	1			12.0														12.0
04S	01E	12	24.0			2.0									4.0			12.0	42.0
04S	01E	13	15.0																15.0

Total Acres: 69.0

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>
02-10420 & 57-11710 (21.5 Acres)	N/A	NA	NA	69.0 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. The use of water for irrigation under this right may continue to as late as November 15, provided other elements of the right are not exceeded. The use of water after October 31 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.
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. 02.

ATTACHMENT A
WATER RIGHT NO. 02-10422
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: MICHAEL B IHLI
LINDA M IHLI
625 S SCHOOL AVE
KUNA ID 83634
(208) 867-5736

Priority Date: 7/30/1969

Source: SNAKE RIVER

Tributary to: COLUMBIA RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01	to 11/15	2.00 CFS	NA
	Total:		2.00 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

SNAKE RIVER L7(SWSW) Sec. 26, Twp 03S, Rge 01E, OWYHEE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04S	01E	1														20.0			20.0
04S	01E	12			20.0											20.0	20.0		60.0
04S	01E	13		20.0															20.0

Total Acres: 100.0

Limited to acres within place of use described above: NA

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>
02-10422 & 57-11710 (36.0 Acres)	N/A	NA	NA	100.0 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. Use of this right and the leased portion of Right 57-11710 on the same lands shall provide no more than 4.5 afa per acre at the field headgate for the lands above.
13. The use of water for irrigation under this right may continue to as late as November 15, provided other elements of the right are not exceeded. The use of water after October 31 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.
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. 02.

ATTACHMENT A
WATER RIGHT NO. 57-11710
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: MICHAEL B IHLI
LINDA M IHLI
625 S SCHOOL AVE
KUNA ID 83634
(208) 867-5736

Priority Date: 12/29/1970

Source: CASTLE CREEK

Tributary to: SNAKE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01	to 11/15	1.11 CFS	NA
	Total:		1.11 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:
CASTLE CREEK NWNESE Sec. 13, Twp 04S, Rge 01E, OWYHEE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: 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	
04S	01E	1			10.0											6.0			16.0
04S	01E	12	11.5														12.0		23.5
04S	01E	13		18.0															18.0

Total Acres: 57.5

Limited to acres within place of use described above: NA

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>
02-10420, 02-10422 & 57-11710	NA	NA	NA	169.0 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.
12. 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.
13. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor 4.5 afa per acre at the field headgate for irrigation of the lands above.
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. 57-C.

RECEIVED

FEB 06 2014

DEPARTMENT OF
WATER RESOURCESSTATE OF IDAHO
WATER RESOURCE BOARDReceipt No. C090284Fee Amount \$ 500.00Date by 2/6/14 cs

(For Department Use Only)

APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKName of Seller/Lessor MIKE + LINDA IHLEPhone 208-867-5736Mailing address 625 S. SCHOOL AVE. KUNA ID 83634 Email mikeihle@gmail.com

A. DESCRIPTION OF WATER RIGHT, OR PORTION THEREOF, OFFERED TO THE BANK

If the entire right is for sale or lease, check here ☒ list the water right number, and skip to Part B.

1. Water Right Number	Amount (cfs/ac-ft)	Nature of Use	Period of Use
<u>2-10420</u>	<u>1.740 cfs</u>	<u>IRRIGATION</u>	<u>03/01</u> to <u>10/31</u>
			to
			to

Total Amount: _____

2. Source of water _____ tributary to _____

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	1/4	1/4	1/4	County

4. Lands irrigated or place of use: *See Part D for additional information regarding place of use.

Twp	Rge	Sec	NE 1/4				NW 1/4				SW 1/4				SE 1/4				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	

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

B. OWNERSHIP

1. Are you currently listed in IDWR's records as the owner of the water right being offered to the bank? Yes ☒ No ☐
 If no, provide documentation of your authority to sign on behalf of the right holder OR attach a Notice of Change in Water Right Ownership form along with the required documentation and fee.

2. 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 to the proposed sale or lease and list name of entity:

C. GENERAL INFORMATION

1. Please provide a description of the current diversion system.

Pump station on Snake River. Lift into canal. Lift station at end of canal. Relift into canal system to point of use.

2. Describe any other water rights used for the same purpose or at the same place of use as described above.

Castle Creek right # 57-11710

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

Yes ☒ No ☐

If yes, describe. From seasonal Castle Cr. water if available

4. 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 right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code. Partial decree received in June 2009. Since then, no use has occurred.

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

If yes, describe. _____

D. REQUIRED ITEMS

This form must be signed and submitted with the following REQUIRED items:

1. Plat map, survey map or aerial photograph clearly showing the specific acres proposed to be idled by this lease application.
2. Filing fee of \$250.00. If you are submitting more than one lease application and the rights have a common place of use or common diversion rate or common diversion volume, the combined maximum fee is \$500.00.
3. A completed Internal Revenue Service (IRS) Form W-9 (attached). If your water right is rented, we will be unable to issue payment to you without a current W-9 form.

E. SALE/LEASE AGREEMENT

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

If lease, for a period from 03/01/2014 to 10/31/2014 (not to exceed 5 years).
(Month Day Year) (Month Day Year)

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

CURRENT RENTAL RATE

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

The owner/lessor acknowledges the following:

1. Payment to the owner/lessor is contingent upon the sale or rental of the right from the bank.
2. While a right is in the bank, the owner/lessor of the right may not use the right even if the right is not rented from the bank.
3. A right accepted into the bank stays in the bank until the Board releases it or the lease term expires.
4. While a right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.

Signature of Applicant

Printed Name and Title*

Date

Mike Ihli
Signature of Applicant

MIKE IHLI
Printed Name and Title*

02-06-2014
Date

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

STATE OF IDAHO
WATER RESOURCE BOARD

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APR 04 2014

Department of Water Resources

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. 02-10420

	Designated Applicant	Applicant #2	Applicant #3
Name	MICHAEL B. IHLI	LINDA M. IHLI	
Mailing Address	625 S. School Ave. KUNA, ID. 83634	Same	
Phone Number	208-867-5736	208-841-1433	
Email Address	m.kehli@gmail.com	m.ihli@hotmail.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	<i>Michael B. Ihli</i>	<i>X Linda M. Ihli</i>	

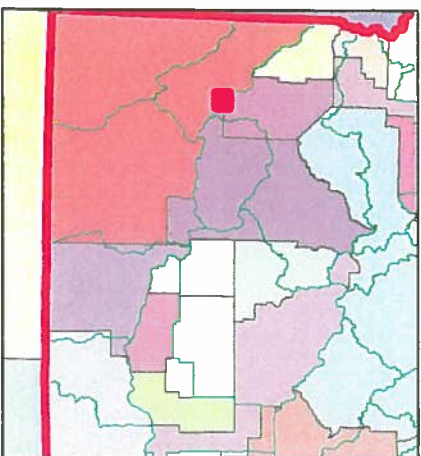
	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated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



Idaho Department of Water Resources

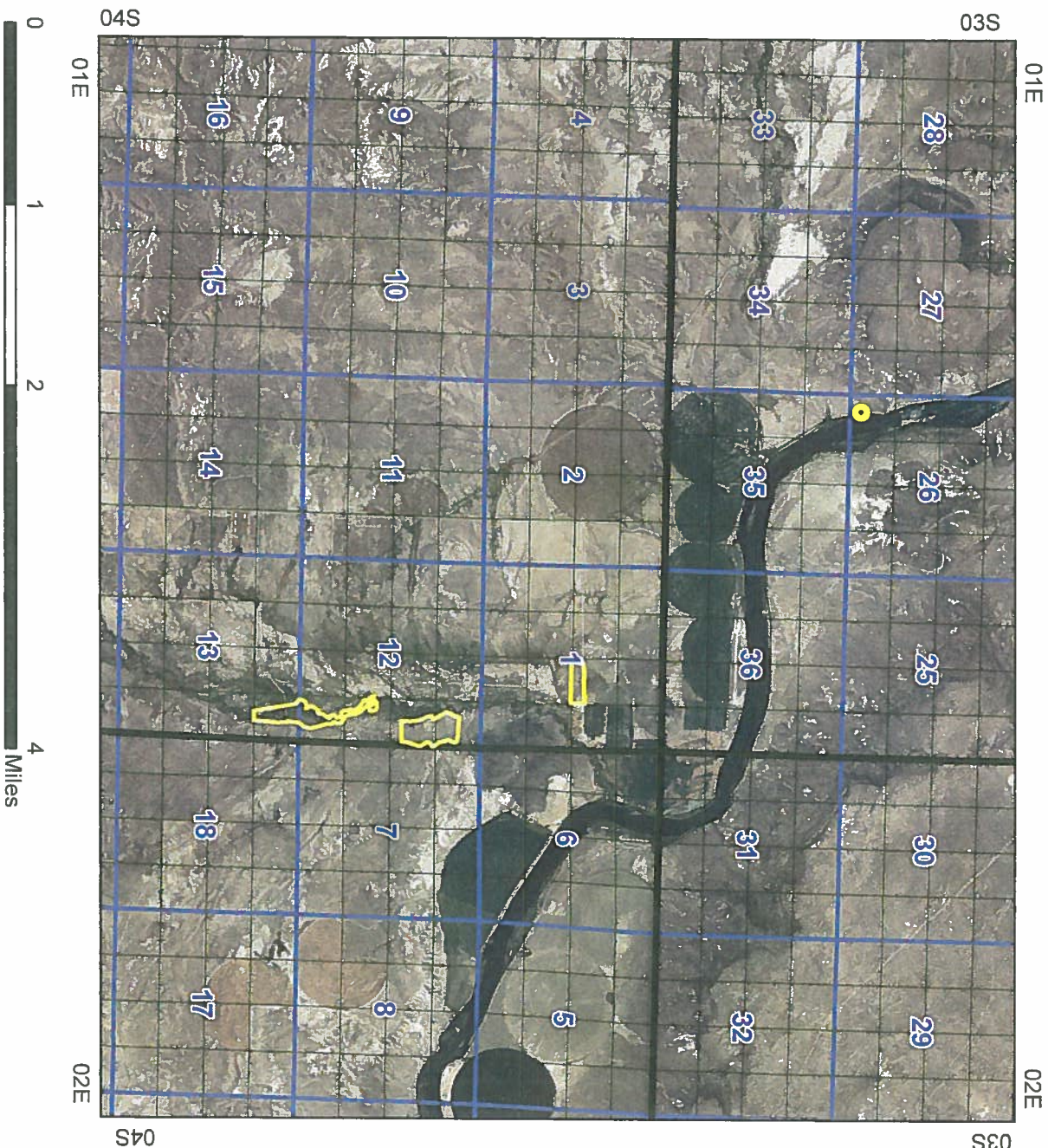
Water Right
2-10420
(IRRIGATION)

- Point of Diversion
- Place of Use
- State Outline
- Townships
- PLS Sections
- Quarter Quarters



Owyhee County
IDWR Basin 2

Prepared by Edl, Michele
On December 12, 2013
2009 Aerial Photography



Owner: Mike Ihli
NOTE: Only one owner is listed. There may or may not be more than this in the IDWR database.

RECEIVED
FEB 06 2014
 DEPARTMENT OF
 WATER RESOURCES

STATE OF IDAHO
 WATER RESOURCE BOARD

Receipt No. C098204
 Fee Amount \$ 500.00
 Date/by 2/6/14 CJ
 (For Department Use Only)

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

Name of Seller/Lessor MIKE and LINDA IHLE Phone 208-867-5736
 Mailing address 625 S. School Ave. KUNA ID 83634 Email mikeihle@gmail.com

A. DESCRIPTION OF WATER RIGHT, OR PORTION THEREOF, OFFERED TO THE BANK

If the entire right is for sale or lease, check here ☐, list the water right number, and skip to Part B.

1. Water Right Number 02-10422 Amount (cfs/ac-ft) 2.00 cfs Nature of Use IRRIGATION Period of Use 03-01 to 10-31
 _____ to _____
 _____ to _____

Total Amount: _____

2. Source of water _____ tributary to _____

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	1/4	1/4	1/4	County

4. Lands irrigated or place of use: *See Part D for additional information regarding place of use.

Twp	Rge	Sec	NE 1/4				NW 1/4				SW 1/4				SE 1/4				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	

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

B. OWNERSHIP

1. Are you currently listed in IDWR's records as the owner of the water right being offered to the bank? Yes ☒ No ☐
 If no, provide documentation of your authority to sign on behalf of the right holder OR attach a Notice of Change in Water Right Ownership form along with the required documentation and fee.
2. 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 to the proposed sale or lease and list name of entity:

C. GENERAL INFORMATION

1. Please provide a description of the current diversion system.

Pump station on Snake River. Lift into canal. Lift station at end of canal. Relift into canal system to point of use.

2. Describe any other water rights used for the same purpose or at the same place of use as described above.

Castle Creek right # 57-11710

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

Yes ☒ No ☐

If yes, describe. From seasonal Castle Cr. water if available

4. 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 right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code. Partial decree received in June 2009.

Since then, no use has occurred.

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

If yes, describe. _____

D. REQUIRED ITEMS

This form must be signed and submitted with the following REQUIRED items:

1. Plat map, survey map or aerial photograph clearly showing the specific acres proposed to be idled by this lease application.
2. Filing fee of \$250.00. If you are submitting more than one lease application and the rights have a common place of use or common diversion rate or common diversion volume, the combined maximum fee is \$500.00.
3. A completed Internal Revenue Service (IRS) Form W-9 (attached). If your water right is rented, we will be unable to issue payment to you without a current W-9 form.

E. SALE/LEASE AGREEMENT

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

If lease, for a period from 03/01/2014 to 10/31/2014 (not to exceed 5 years).
(Month Day Year) (Month Day Year)

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

CURRENT RENTAL RATE

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

The owner/lessor acknowledges the following:

1. Payment to the owner/lessor is contingent upon the sale or rental of the right from the bank.
2. While a right is in the bank, the owner/lessor of the right may not use the right even if the right is not rented from the bank.
3. A right accepted into the bank stays in the bank until the Board releases it or the lease term expires.
4. While a right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.

Signature of Applicant



Signature of Applicant

Printed Name and Title*

MIKE IHLI

Printed Name and Title*

Date

02-06-2014

Date

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

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

APR 04 2014

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. 02-10422

	Designated Applicant	Applicant #2	Applicant #3
Name	MICHAEL B. IHLI	LINDA M. IHLI	
Mailing Address	83634 KUWAID. 625 S. School Ave.	Same	
Phone Number	208-867-5736	208-841-1433	
Email Address	mikeihli@gmail.com	mcihli@hotmail.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			

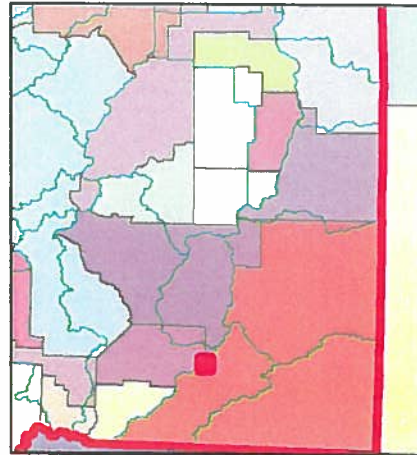
	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated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



Idaho Department of Water Resources

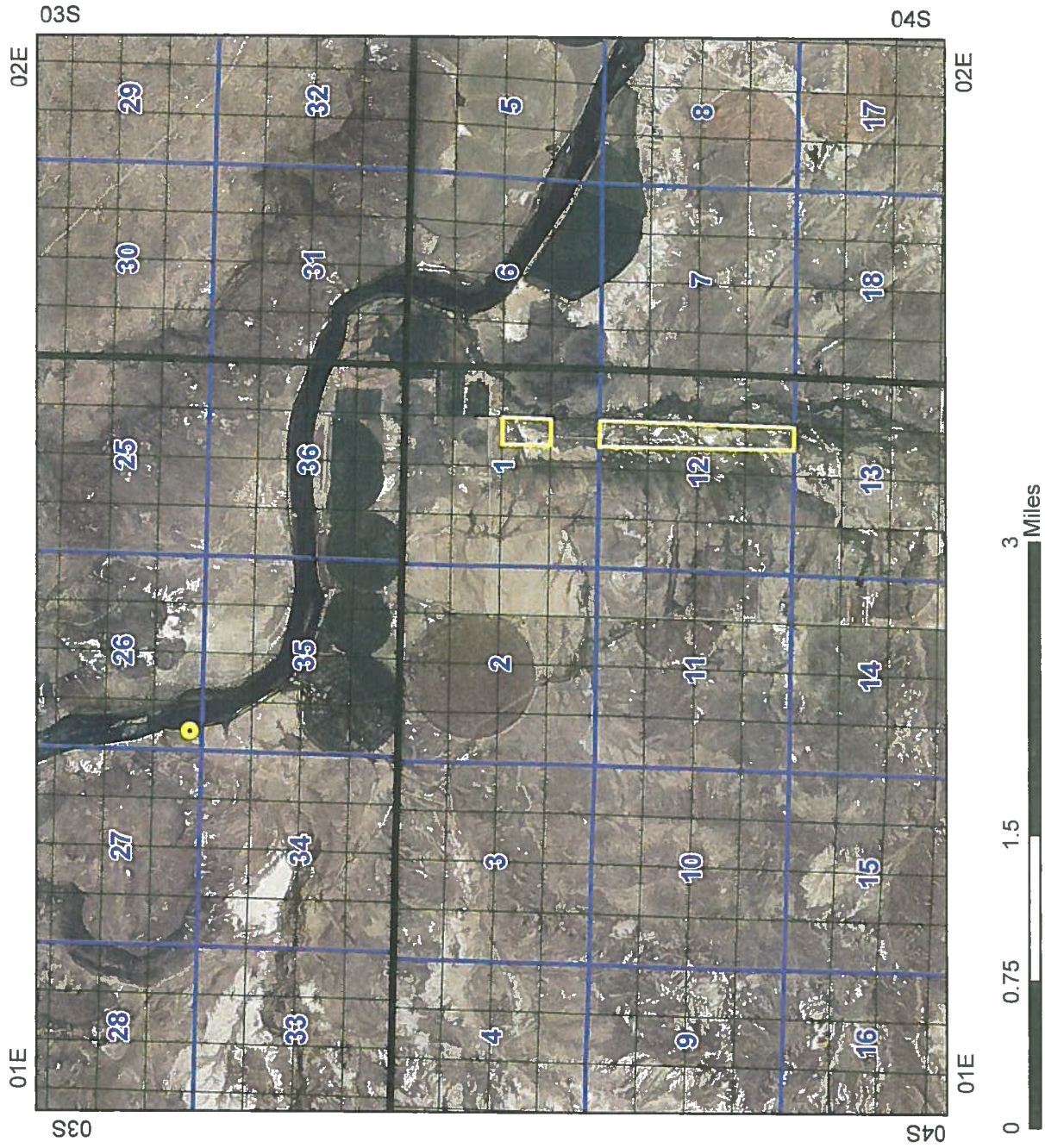
Water Right
2-10422
(IRRIGATION)

-  Point of Diversion
-  Place of Use
-  State Outline
-  Townships
-  PLS Sections
-  Quarter Quarters



Owyhee County
IDWR Basin 2

Prepared by Edl, Michele
On December 12, 2013
2009 Aerial Photography



Owner: Mike Ihli
NOTE: Only one owner is listed. There may or may not be more than this in the IDWR database.

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RECEIVED
FEB 25 2014
DEPARTMENT OF
WATER RESOURCES

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

1. CONTACT INFORMATION

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

Designated Applicant MIKE *LUWA IHLE Email Address mikeihle@gmail.com
Mailing Address 625 S. School Ave., Kuwa, Id, 83634 Phone Number 208 867-5736

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

25

- ☐ 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 QR, 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 NW, 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 NW, 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 _____ Organization _____

Professional Title _____ Email Address _____

Mailing Address _____ Phone Number _____

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

25

- ☐ Send original correspondence to the Designated Applicant and copies to the representative.

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

Water Right Number 57-11710 ☐ The full water right is being offered to the Bank.

25

- ☒ 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.

Rock diversion dam on Castle Creek, diverting into canal.
Control structure is 36" screw type gate.

- 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.

Rights # 02-10420 and 02-10422 overlap 64.5 acres
of subject right. This overlap is what is being
offered for lease.

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

Yes ☐ No ☒

If ☒, describe.

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

Yes ☐ No ☒

If ☒, 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.

Water right has been used in each year that water was available. Source is seasonal and many rights cannot be used in all years, or not for entire irrigation season.

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

If ☒, 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 ☒, for a period from 03/01/2014 to 11/15/2014 (maximum lease period 5 years).

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

Current rental rate

, KHUHE\ DVVHU\ WKD\ WKH LQIRU\PDWLRQ FRQWDLQH\ LQ WKLV DSSOLFDEWLQJ LV WUXH WR WKH EHVW RI PA NQRZ\HGJH DQG WKDW, KDYH WKH DXWKRU\WLHV QHFHVVDU\ WR RITHU WKLV ZDWHU ULJKW IRU VDOH RU OHDVH WR WKH ,GDKR = DWHU SHVRXUFH %RDUG

The Designated Applicant acknowledges the following:

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



Signature of Designated Applicant

MICHAEL B. IHLI

Printed Name

02-24-2014

Date

Signature of Authorized Representative

Printed Name

Date

IDWR:

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

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Complete this form if only a portion of the water right is offered to the Bank.

ATTACHMENT 2

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

<u>I. Water Right Number</u>	<u>Amount (cfs/ac-ft)</u>	<u>Nature of Use</u>	<u>~~01-08~~ Period of Use</u>
<u>57-11710</u>	<u>1.29 cfs</u>	<u>irrigation</u>	<u>~~07-01~~ to</u>
			<u>03-01 to 11-15</u>
			to
			to
			to

Total Amount: 1.29 cfs

2. Source of water CASTLE CR. tributary to SNAKE RIVER

3. Point(s) of Diversion:

[illegible]

4. Lands irrigated or place of use:

All lands that overlap water right numbers 02-10420 and 02-10422

[illegible]

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

7RWD0 \$FUHV

64.5

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

APR 04 2014

Department of Water Resources

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. 57-11710

	Designated Applicant	Applicant #2	Applicant #3
Name	MICHAEL B. IHLI	LINDA M. IHLI	
Mailing Address	625 S. School Ave. KUNA, ID. 83634	Same	
Phone Number	208-867-5736	208-841-1433	
Email Address	mikeihli@gmail.com	mikeihli@hotmail.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		X Linda M. Ihli	

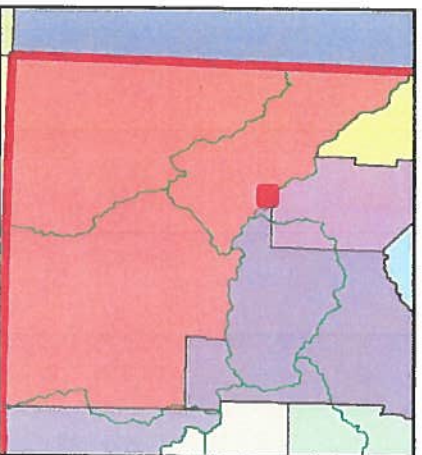
	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated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

Idaho Department of Water Resources



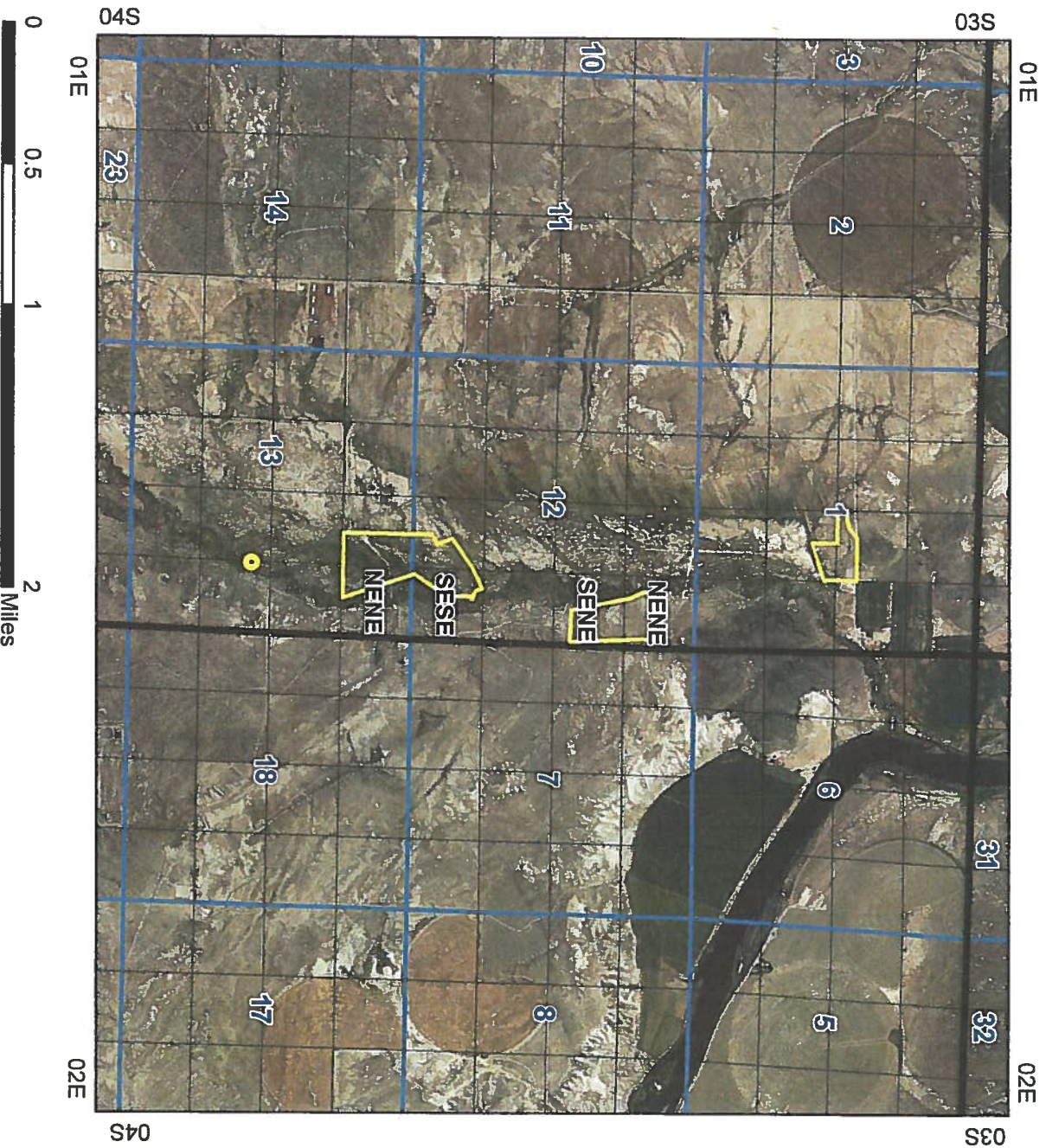
Water Right
57-11710
(IRRIGATION)

- Point of Diversion
- Place of Use
- State Outline
- Townships
- PLS Sections
- Quarter Quarters



Owyhee County
IDWR Basin 57

Prepared by Edl, Michele
On December 12, 2013
2009 Aerial Photography



Owner: Mike Ihli

NOTE: Only one owner is listed. There may or may not be more than this in the IDWR database.



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 8, 2014

MICHAEL IHLI
625 S SCHOOL AVE
CKUNA ID 83634

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 02-10420, 02-10422 & 57-11710

Dear Lessor:

Water Rights 02-10420, 02-10422 and 57-11710 were leased into the Water Supply Bank on March 1, 2014 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, 2016**, 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 287-4910.

Sincerely,

Clay Webster

Technical Records Specialist

Enclosure: Executed Lease Contract

c: John Westra- IDWR Western Regional Manager



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 27, 2014

MICHAEL B IHLI
625 S SCHOOL AVE
KUNA ID 83634

**RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 02-10420, 02-10422, AND 57-11710 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 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 and fill out and sign and return all three attachments 1A 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, 2018**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your rights may not be available for immediate release if they have been rented.

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

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

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

Sincerely,

Clay Webster
Technical Records Specialist

Enclosure: Proposed Lease Contracts with updated end date.

Webster, Clay

From: Mike Ihli [mikeihli@gmail.com]
Sent: Wednesday, March 26, 2014 8:44 PM
To: Webster, Clay
Subject: change to lease contract

Clay,

As per our conversation this afternoon, I am requesting that the lease period for water rights 02-10420, 02-10422, and 57-11710 end on December 31, 2016, rather than December 31, 2014. Thank you for your help in this matter.

Mike Ihli
625 South School Ave.
Kuna, Idaho 83634



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 20, 2014

MICHAEL B IHLI
LINDA M IHLI
625 S SCHOOL AVE
KUNA ID 83634

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 02-10420, 02-10422, AND 57-11710 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 to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature and the Attachments 1A. Please sign and return BOTH Lease Contracts and fill out and sign and return all three attachments 1A 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, 2018**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your rights may not be available for immediate release if they have been rented.

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

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

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

Sincerely,

Clay Webster

Technical Records Specialist

Enclosure: Proposed Lease Contracts
Three Attachments 1A
Receipt # C098284

Webster, Clay

From: Webster, Clay
Sent: Wednesday, March 19, 2014 12:42 PM
To: Knowles, Corbin
Subject: FW: Region and Watermaster comments for Mike and Linda Ihli Lease
Attachments: Lease Review Memo IHLI 2-10420, 2-10422 & 57-11710.docx; DOC.pdf; DOC000.pdf; DOC001.pdf

Corbin,

Did you have any concerns over this one? Thanks

Clay

From: Webster, Clay
Sent: Friday, March 07, 2014 8:53 AM
To: Knowles, Corbin; Lester, Steve
Subject: Region and Watermaster comments for Mike and Linda Ihli Lease

Steve and Corbin,

I'm processing the lease for these water rights. Do you have any concerns/comments?

Sincerely,

Clay Webster

Technical Records Specialist
clay.webster@idwr.idaho.gov
208-287-4910

Idaho Department of Water Resources (IDWR)
208-287-4800
www.idwr.idaho.gov

IDAHO DEPARTMENT OF WATER RESOURCES
RECOMMENDATION OF WATERMASTER

RECEIVED
MAR 18 2014
DEPARTMENT OF
WATER RESOURCES

WSB Lease Application Water Right Nos: 02-10420, 02-10422 and 57-11710

Applicant's Name: Mike and Linda Ihli

Watermaster's Recommendation:

- a) ☒ I do not oppose approval of this application.
- b) ☐ I do not oppose approval of this application if conditioned as follows:

- c) ☐ I oppose approval of this application for the following reasons:

- d) ☐ Additional comments:

Dated this 13th day of March, 2014

Water District No. 57C


Watermaster's 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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

March 12, 2014

MIKE IHLI
625 S SCHOOL AVE
KUNA ID 83634

RE: Water Supply Bank Lease Applications Water Right No(s). 02-10420, 02-10422 and 57-11710

Dear Watermaster:

The Idaho Department of Water Resources received several Applications to Sell or Lease Water Rights to the Water Supply Bank from Mike and Linda Ihli. They have requested 02-10420, 02-10422 in their entirety and the overlapping acres of ⁵¹⁻57-11710 to be leased to the Bank until December 31, 2014.

Please let us know if you have any objections or concerns regarding this application within 15 days. Review can be completed as soon as your response is received. Prompt response to this request is appreciated so your recommendation can be considered during the review process. I have enclosed a recommendation form for your convenience.

If after 15 days from the date of this letter the department has not received your written recommendation, IDWR will presume you do not oppose approval of the application and you have no comments for the department to consider.

If you have any questions about this application, please contact this office or the applicant.

Sincerely,

Clay Webster
Technical Records Specialist

Enclosure

MEMORANDUM

To: Water Right No(s). 02-10420, 02-10422 and 57-11710

From: Clay Webster through Pam Skaggs

Date: 03-06-2014

Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: The department received Applications to Sell or Lease a Water Right to the Water Supply Bank for WRs 02-10420 and 02-10422 on February 6, 2014. I contacted Mr. Ihli about the overlapping Right 57-11710. He has opted to Lease the overlapping 57.5 acres of irrigation under Right 57-11710 into the WSB. The department received the application for this right on February 24, 2014. The \$500.00 fee paid covers all three rights in a common place of use.

AUTHORITY TO FILE: These applications were signed by Mike Ihli, current water rights owner. However, he is listed as a co-owner of these rights with Linda M. Ihli and attachment 1A additional water right holders party to the lease application was not completed for these rights. I contacted the applicant about needing attachment 1A of the application completed and signed by the other right holder. I will send copies of Attachment 1A for her signature with the proposed lease contracts.

WATER RIGHT VALIDITY: Rights 02-10420 and 02-10422 were partially decreed in June 2009 by the Snake River Basin Adjudication. 57-11710 was a split portion of 57-11665 through an ownership change. 57-11665 was partially decreed in July of 2013. Forfeiture is not an issue.

INJURY TO OTHER WATER RIGHTS: No injury is apparent through the lease of these rights.

ENLARGEMENT OF USE: 21.5 acres of irrigation under Right 57-11710 overlaps irrigation use under Right 2-10420, and 36 different acres of irrigation under Right 57-11710 overlap irrigation use under Right 2-10422. A total of 57.5 acres of irrigation under Right 57-11710 is also leased to the bank to avoid enlargement. No enlargement is evident through the lease alone. Proper rental review should protect against enlargement.

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

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The leased right(s) are subject to Water District #02 (Snake River) and #57C (Castle Creek). Comment from the watermasters were requested WD57C water master did not oppose the approval. Reply was not received from WD 02.

February 24, 2014

Mike Ihli
625 S. School Ave.
Kuna, Idaho 83634

RECEIVED
FEB 25 2014
DEPARTMENT OF
WATER RESOURCES

Clay Webster
Idaho Department of Water Resources
State Office

Clay:

Per our phone conversation on February 21, I am submitting an application to place the over-lap portion of water right 57-11710 into the Water Bank along with water right numbers 02-10420 and 02-10422. I believe the acres that you calculated for this was 64.5.

I also understand that because these water rights have a common place of use, no further application fees are necessary, as I have already paid the maximum of \$500.00.

I would appreciate it if you could acknowledge that you received this application, either by phone at 208-867-5736 or email at mikeihli@gmail.com. Of course, if you have any other questions or concerns, please let me know.

Thank you for your work on this matter.

Sincerely,



Mike Ihli