



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, 2013, 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.

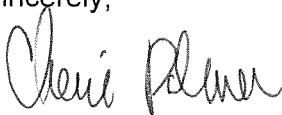
Lastly, water rights 34-2459 and 34-2460 are still leased into the Bank. If you would like to use water in connection with your water rights during the 2014 season you must release the rights from the Bank. I have enclosed a form for your use.

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 that reads "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

G:\WPDATA\ARLH\16450 Telford Lands LLC\02\water supply bank ltr 2013.11.26.docx

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

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK LEASE ACCEPTANCE

This is to certify that: TELFORD LANDS LLC
1450 W HWY 24
PAUL ID 83347
(208) 431-5957

has requested to lease the water right(s) listed below to 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") the acquisition of water rights for the Board's Bank, agrees to lease the water right to the Bank as follows:

Summary of Water Rights or Portions Leased to the Bank

	Water Right	Lease Rate	Lease Volume	Total Leased Acres
	34-2459	4.17 CFS	NA	238.0 AC
	34-2460	4.17 CFS	NA	238.0 AC
COMBINED LEASE TOTALS:		8.34 CFS	NA	476.0 AC

TERM OF LEASE:Lease Begin Date: April 1, 2012Expiration Date: December 31, 2014**RENTAL AVAILABILITY:**Season of Use: 04/15 to 10/15 annually**MINIMUM PAYMENT ACCEPTABLE:**Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 18th day of April, 20 12


for GARY SPACKMAN, Interim Director
Department of Water Resources

WATER RIGHT NO. 34-2459
WATER SUPPLY BANK LEASE ACCEPTANCE

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

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

Priority Date: 04/19/1965

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01 to	10/31	4.17 CFS	
	Total:			4.17 CFS

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	SW¼SE¼NW¼	Sec. 2	Twp 03N	Rge 26E	BUTTE County
GROUND WATER	SE¼NE¼SW¼	Sec. 2	Twp 03N	Rge 26E	BUTTE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
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: 238.0

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.
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.

**WATER RIGHT NO. 34-2459
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

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. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.
11. 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.
12. 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.
13. Use of this right with Right Nos. 34-2460, 34-2461, 34-2461 and 34-10925 is limited to a total combined diversion rate of 12.5 cfs.
14. 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.
15. This right is limited to the irrigation of 238 acres within the place of use described above in a single irrigation season.

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.

WATER RIGHT NO. 34-2460
WATER SUPPLY BANK LEASE ACCEPTANCE

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

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

Priority Date: 04/19/1965

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01 to	10/31	6.40 CFS	1,185.5 AF
	Total:		6.40 CFS	1,185.5 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	SW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$	Sec. 2	Twp 03N	Rge 26E	BUTTE County
GROUND WATER	SE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$	Sec. 2	Twp 03N	Rge 26E	BUTTE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
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: 238.0

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.
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.

**WATER RIGHT NO. 34-2460
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

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. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.
11. Use of this right with Right Nos. 34-2459, 34-2461, 34-2462 and 34-7037 is limited to the irrigation of a combined total of 1664 acres in a single irrigation season.
12. 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, 34-2459, 34-2461, 34-2462, 34-7037 and 34-10925.
13. Use of this right with Right Nos. 34-2459, 34-2461, 34-2461 and 34-10925 is limited to a total combined diversion rate of 12.5 cfs.
14. 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, 34-2459, 34-2461, 34-2462, 34-7037 and 34-10925.
15. This right is limited to the irrigation of 238 acres within the place of use described above in a single irrigation season.

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.

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

This is to certify that: TELFORD LANDS LLC
 1450 W HWY 24
 PAUL ID 83347
 (208) 431-5957

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	Rented Rate	Annual Rented Volume	Total Rented Acres
34-2459	4.17 CFS	833.0 AF	238.0 AC
34-2460	4.17 CFS	833.0 AF	238.0 AC

COMBINED

RENTAL TOTALS:

8.34 CFS 1,666.0 AF 476.0 AC

TERM OF RENTAL:

April 1, 2012 to October 31, 2012

April 1, 2013 to October 31, 2013

RENTAL FEE:

\$23,324.00

The total fee for rental of the above-described water is \$23,324.00 per year. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$2,332.40 per year.

An annual payment shall be received by the Department prior to April 1, the beginning of the irrigation season, each year for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. To terminate the agreement prior to the end of the rental period, written notice must be received by the Department at least 30 days prior to the rental fee due date.

Detailed water right specific limitations and conditions attached.

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:

Dated this 23 day of April, 2012.

By: Mike TELFORD
 (Print Name)

Telford Lands LLC
Mike Telford
 (Signature)
Managing member.
 (Title if on behalf of company or organization)

Having determined that this agreement satisfies 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 conditions herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board this 26th day of April, 2012.

for Monica VanBuren
 GARY SPACKMAN, Interim Director
 Department of Water Resources

WATER RIGHT NO. 34-2459
WATER SUPPLY BANK RENTAL AGREEMENT

The 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 below:

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

Priority Date: 04/19/1965

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01 to	10/31	4.17 CFS	833.0 AF
	Total:		4.17 CFS	833.0 AF

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

GROUND WATER	SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$	Sec. 34	Twp 05N Rge 26E	BUTTE County
GROUND WATER	SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$	Sec. 3	Twp 04N Rge 26E	BUTTE County
GROUND WATER	SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$	Sec. 2	Twp 03N Rge 26E	BUTTE County
GROUND WATER	SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$	Sec. 2	Twp 03N Rge 26E	BUTTE County

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: 238.0

CONDITIONS OF WATER USE

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.

**WATER RIGHT NO. 34-2459
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER 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. The renter must file an application for a transfer by April 30, 2012, to provide for the uses authorized under this rental agreement.
12. 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.
13. 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 has a priority date of May 18, 1982.
14. 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.
15. 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.
16. 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 SWSNW 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").
17. 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.
18. 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.
19. Use of this right with Right Nos. 34-2460, 34-2461, 34-2461 and 34-10925 is limited to a total combined diversion rate of 12.5 cfs.
20. 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.
21. This right is limited to the irrigation of 238 acres within the place of use described above in a single irrigation season.

WATER RIGHT NO. 34-2460 **WATER SUPPLY BANK RENTAL AGREEMENT**

The 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 below:

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

Priority Date: 04/19/1965

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 10/31	4.17 CFS	833.0 AF
	Total:		4.17 CFS	833.0 AF

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

GROUND WATER	SE¼NW¼SW¼	Sec. 34	Twp 05N Rge 26E	BUTTE County
GROUND WATER	SE¼NW¼SW¼	Sec. 3	Twp 04N Rge 26E	BUTTE County
GROUND WATER	SE¼NW¼SW¼	Sec. 2	Twp 03N Rge 26E	BUTTE County
GROUND WATER	SE¼NW¼SW¼	Sec. 2	Twp 03N Rge 26E	BUTTE County

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: 238.0

CONDITIONS OF WATER USE

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.

WATER RIGHT NO. 34-2460
WATER SUPPLY BANK RENTAL AGREEMENT

CONDITIONS OF WATER 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. The renter must file an application for a transfer by April 30, 2012, to provide for the uses authorized under this rental agreement.
12. 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.
13. 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 has a priority date of May 18, 1982.
14. 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.
15. 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.
16. 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").
17. 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.
18. 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.
19. Use of this right with Right Nos. 34-2460, 34-2461, 34-2461 and 34-10925 is limited to a total combined diversion rate of 12.5 cfs.
20. 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.
21. This right is limited to the irrigation of 238 acres within the place of use described above in a single irrigation season.