

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED
FEB 27 2014
DEPARTMENT OF
WATER RESOURCES

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

Lessor: TARGHEE HILL ESTATES WATER CO

2200 PARK AVE BLD B
PARK CITY UT 84098
(435) 901-3600
bill@billcoleman.com

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

<u>Water Right</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
22-13628	0.61 CFS	NA	66.3 AC	73.7 AC
22-13630	1.32 CFS	NA	73.7 AC	73.7 AC
Combined Lease Totals:	1.93 CFS	NA	73.7 AC	73.7 AC

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

Authorized Period of Use under Lease: April 15 to October 31 (irrigation use)

2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31, 2014.
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.

SUPPORT DATA

22-13628

Page 1 of 8

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

TARGHEE HILL ESTATES WATER

2200 PARK AVE BLD B
PARK CITY UT 84098

By 

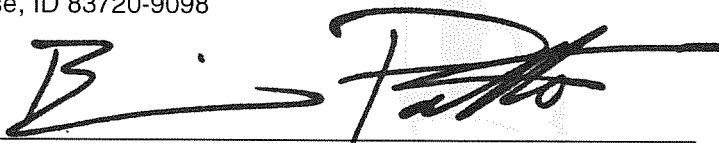
Date Feb 22 2014

Printed Name WILLIAM H COLEMAN

Title Mgr. Pkr.

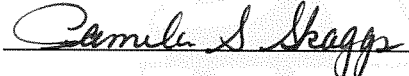
IDAHO WATER RESOURCE BOARD

322 East Front Street
P.O. Box 83720
Boise, ID 83720-9098

By 

Date 02-27-2014

Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR 

Date 02-27-2014

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

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

Lessor: TARGHEE HILL ESTATES WATER
 2200 PARK AVE BLD B
 PARK CITY UT 84098
 (435) 901-3600

Priority Date: 09/01/1891

Source: TETON CREEK

Tributary to: TETON RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15 to	10/31	0.56 CFS	NA
AESTHETIC STORAGE	01/01 to	12/31	NA	10.0 AF
DIVERSION TO STORAGE	04/15 to	10/31	0.05 CFS	12.5 AF
Total:			0.61 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

TETON CREEK L2(SW¼NE¼) Sec. 20 Twp 05N Rge 46E TETON County

PLACE OF USE TO BE IDLED UNDER THIS LEASE:

AESTHETIC STORAGE within TETON County

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

IRRIGATION within TETON County

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

Total Acres: 73.7

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

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
22-13628 and 22-13630	NA	NA	73.7 AC	73.7 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.

3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. This right is limited to the irrigation of 66.3 acres within the place of use in a single irrigation season.
13. Rights 22-13628 and 22-13630 when combined shall not exceed the irrigation of 73.7 acres.
14. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 01.
15. Rights 22-13628 and 22-13630 authorize the diversion of an annual total of 13.8 af to be used for the initial filling of the pond(s) and for the replacement of losses caused by evaporation.
16. The 4 ponds established by the storage of water under rights 22-13628 and 22-13630 shall not exceed a total capacity of 10.0 af or a total surface area of 2.28 acres.
17. The right holder shall install and maintain an impermeable liner in the ponds to eliminate seepage losses.
18. The quantity of water diverted under this water right shall be from the portion awarded to Wyoming and deducted there from as set forth in *Roxana Canal Co. v Daniels, Equity*. 2447 (D. Wy. Feb. 4, 1941)

19. This water right is subject to the delivery provisions contained in Roxana Canal Co.v Daniels Equity No. 2447 (D. Wy. Feb. 4, 1941) ("Roxana decree"). Nothing in this Partial Decree is intended to relieve or alter the State of Idaho nor the State of Wyoming from their obligations contained in the Roxana decree.
20. The point of diversion for this water right is in Wyoming, T44N, R118W, Sec. 20 SESESE, 6PM. The point of diversion shown above is where the conveyance system enters Idaho.
21. Water is delivered through the Waddell Ditch.
22. Place of use is located within the Targhee Hills Estates Subdivision.
23. To prevent injury, any rental of this right shall be diverted through the Waddell Ditch.
24. This right when combined with all other rights shall provide no more than 3.5 afa per acre at the field headgate for irrigation of the lands above.



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

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

Lessor: TARGHEE HILL ESTATES WATER
 2200 PARK AVE BLD B
 PARK CITY UT 84098
 (435) 901-3600

Priority Date: 01/22/1916

Source: TETON CREEK **Tributary to:** TETON RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15 to	10/31	1.22 CFS	NA
AESTHETIC STORAGE	01/01 to	12/31	NA	10.0 AF
DIVERSION TO STORAGE	04/15 TO	10/31	0.10 CFS	13.8 AF
	Total:		1.32 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

TETON CREEK L2(SW¼NE¼) Sec. 20 Twp 05N Rge 46E TETON County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: AESTHETIC STORAGE within TETON County

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

IRRIGATION within TETON County

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

Total Acres: 73.7

Limited to acres within place of use described above: 73.7

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
22-13628 and 22-13630	NA	NA	73.7 AC	73.7 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.

4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Rights 22-13628 and 22-13630 when combined shall not exceed the irrigation of 73.7 acres.
13. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 01.
14. Rights 22-13628 and 22-13630 authorize the diversion of an annual total of 13.8 af to be used for the initial filling of the pond(s) and for the replacement of losses caused by evaporation.
15. The 4 ponds established by the storage of water under rights 22-13628 and 22-13630 shall not exceed a total capacity of 10.0 af or a total surface area of 2.28 acres.
16. The right holder shall install and maintain an impermeable liner in the ponds to eliminate seepage losses.
17. The quantity of water diverted under this water right shall be from the portion awarded to Wyoming and deducted therefrom as set forth in *Roxana Canal Co. v Daniels*, Equity. 2447 (D. Wy. Feb. 4, 1941)
18. This water right is subject to the delivery provisions contained in *Roxana Canal Co. v Daniels* Equity No. 2447 (D. Wy. Feb. 4, 1941) ("Roxana decree"). Nothing in this Partial Decree is intended to relieve or alter the State of Idaho nor the State of Wyoming from their obligations contained in the Roxana decree.
19. The point of diversion for this water right is in Wyoming, T44N, R118W, Sec. 20 SESESE, 6PM. The point of diversion shown above is where the conveyance system enters Idaho.
20. Water is delivered through the Waddell Ditch.

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



STATE OF IDAHO
WATER RESOURCE BOARD

WATER SUPPLY BANK
REQUEST TO EXTEND LEASE TERM

ONE FORM PER WATER RIGHT

RECEIVED

JAN 29 2014

Department of Water Resources

This form is a statement that the lessor requests an extension of a Water Supply Bank ("Bank") lease for the water right identified below. A water right will remain in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank.

If extending the term for only part of the leased portion, you must file an Application to Sell or Lease a Water Right to the Water Supply Bank. This form can be found on IDWR's website at: www.idwr.idaho.gov.

Water Right No: 22-13628 Telephone No: 435-901-3600

Name(s) of Lessor(s): TARGHEE HILL ESTATES, LLC

Mailing Address: 2200 PARK AVE, BLDG B, PARK CITY, UT 84060.

City: PARK CITY State: UTAH Zip: 84060.

Current Expiration Date: DEC 31, 2013

Requested Expiration Date: DEC 31, 2014

All lease extension request forms 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 IRS-W9 form from the owner of the property to which the water right is appurtenant.

The lessor requests that the above water right remain in the Bank through the date referenced above.

William H Coleman
Signature of Lessor

WILLIAM H COLEMAN
Printed Name and Title*

JAN 28, 2014
Date

Signature of Lessor

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

FOR OFFICE USE ONLY

Filing fee received by: CS

Date: 1/29/14

Receipt No: C098248

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

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

	Designated Applicant	Applicant #2	Applicant #3
Name	TARGHEE HILL ESTATES, LLC		
Mailing Address	PACER CITY 2200 PARK AVE BLDG. B UT.		
Phone Number	435-901-3600		
Email Address	bill @ bill COLEMAN, com		
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

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

STATE OF IDAHO
WATER RESOURCE BOARD

WATER SUPPLY BANK
REQUEST TO EXTEND LEASE TERM

ONE FORM PER WATER RIGHT

RECEIVED

JAN 29 2014

Department of Water Resources

This form is a statement that the lessor requests an extension of a Water Supply Bank ("Bank") lease for the water right identified below. A water right will remain in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank.

If extending the term for only part of the leased portion, you must file an Application to Sell or Lease a Water Right to the Water Supply Bank. This form can be found on IDWR's website at: www.idwr.idaho.gov.

Water Right No: 13630 WTR
22-13630 Telephone No: 435-901-3600

Name(s) of Lessor(s): TARGHEE HILL ESTATES, LLC

Mailing Address: 2200 PARK AVE, Bldg. B, PARK CITY, UT. 84060

City: PARK CITY State: UT. Zip: 84060

Current Expiration Date: DEC 31, 2013

Requested Expiration Date: DEC 31, 2014

All lease extension request forms 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 IRS-W9 form from the owner of the property to which the water right is appurtenant.

The lessor requests that the above water right remain in the Bank through the date referenced above.

William H Coleman
Signature of Lessor

WILLIAM H COLEMAN
Printed Name and Title*

JAN 28, 2014
Date

Signature of Lessor

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

FOR OFFICE USE ONLY

Filing fee received by: CS Date: 1/29/14 Receipt No: C098249

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

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

	Designated Applicant	Applicant #2	Applicant #3
Name	TARGET HILL ESTATES, LLC		
Mailing Address	2200 PARK AVE BLDG 101 PARK CITY UT.		
Phone Number	435-901-3600		
Email Address	bill@billcoemmt.com		
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

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



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

February 28, 2014

TARGHEE HILL ESTATES WATER CO

2200 PARK AVE BLD B

PARK CITY UT 84098

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

Dear Lessor:

Water Rights 22-13628 and 22-13630 were leased into the Water Supply Bank on January 29, 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.**

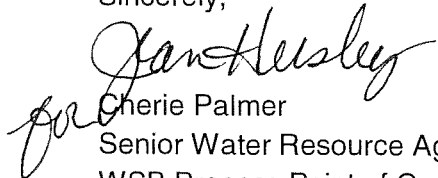
The rights will automatically be released from the Bank on **December 31, 2014**, unless the rights are released earlier by the Board, or upon your request. **Please note your rights may not be available for immediate release if they have been rented.** To release the right from the Bank prior to the 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 287-4944.

Sincerely,


Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: Lyle Swank- IDWR Eastern Regional Manager
Tony Olenichak



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

February 14, 2014

TARGHEE HILL ESTATES WATER CO
2200 PARK AVE BLD B
PARK CITY UT 84098

**RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 22-13683 and 22-13630 TO THE WATER
SUPPLY BANK**

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return BOTH Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

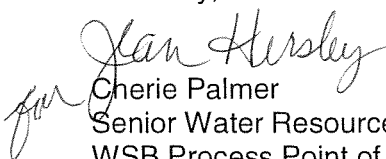
The rights will automatically be released from the Bank on **December 31, 2014**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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 287-4944.

Sincerely,


Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

MEMORANDUM

To: Water Right No(s). 22-13628 and 22-13630
From: Jean Hersley
Date: February 10, 2014
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: The Department received these applications on January 29, 2014. The purpose is to prevent forfeiture. The water rights will be used for a future subdivision completion. The entirety of both rights was leased to the Bank until the end of 2013.

AUTHORITY TO FILE: The applications were signed by William Coleman, manager of Targhee Hill Estates, LLC.

WATER RIGHT VALIDITY: These water rights were decreed in 2008. They were in the Bank for the 2013 season. Aerial photography indicates no irrigation took place.

INJURY TO OTHER WATER RIGHTS: No injury is apparent if rentals are limited to surface water uses of the Waddell Canal.

ENLARGEMENT OF USE: 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 # 01. Watermaster, Lyle Swank, recommends conditioning the leases to surface water uses to the Waddell Canal. This POD limitation should prevent injury to other water rights on Teton Creek.

Hersley, Jean

From: Swank, Lyle
Sent: Tuesday, February 11, 2014 2:49 PM
To: Hersley, Jean
Cc: Olenichak, Tony
Subject: FW: Comments for WSB Lease Extension for Targhee Hills Estates Water Co. water rights 22-13628 and 22-13630

Jean,

Based on the information Tony supplied, I recommend conditioning the lease of water rights 22-13628 and 22-13630 to surface water uses to the Waddell Canal. This Point of Diversion limitation should prevent injury to other water rights on Teton Creek.

As long as this condition is met, I have no objection to these water rights being put in to the Water Supply Bank.

Lyle Swank,

Watermaster, WD1
900 N. Skyline
Idaho Falls, Id. 83402

From: Olenichak, Tony
Sent: Tuesday, February 11, 2014 1:51 PM
To: Swank, Lyle
Subject: RE: Comments for WSB Lease Extension for Targhee Hills Estates Water Co. water rights 22-13628 and 22-13630

Lyle,

Both of these basin 22 water rights have a POD as the Waddell Canal which is one of the Wyoming diversions on Teton Creek. As long as the POD isn't being changed by the Water Bank, there shouldn't be any injury to water rights filled by the portion of Teton Creek awarded to Idaho in the Roxana Decree or the upcoming Wyoming/Idaho interstate agreement that divides Teton Creek between the two states.

Tony

From: Swank, Lyle
Sent: Monday, February 10, 2014 3:46 PM
To: Olenichak, Tony
Subject: FW: Comments for WSB Lease Extension for Targhee Hills Estates Water Co. water rights 22-13628 and 22-13630

Tony,

Here is another WSB Lease Extension from basin 22. Please look it over, and provide comments back to me. I will then send final comments back to Jean and cc you.

Thanks,
Lyle

From: Hersley, Jean

Sent: Monday, February 10, 2014 12:34 PM

To: Swank, Lyle

Subject: Comments for WSB Lease Extension for Targhee Hills Estates Water Co. water rights 22-13628 and 22-13630

<< File: Lease Review Memo.docx >>

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.

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

Thank you.

Jean Hersley
Idaho Dept Water Resources
Technical Records Specialist II
208-287-4942



November 24, 2008

Mr. Remington Buyer
Water Supply Bank Coordinator
Idaho Department of Water Resources

RE: Bill Coleman Manager

Dear Remington,

Per your request, this letter is formal notice that Bill Coleman is a Manager of Targhee Hill Estates, LLC

As a Manager, Mr. Coleman has full power, authority, and discretion to manage and direct the Company's business, affairs, and properties.

Please work directly with Mr. Coleman as your representative for Targhee Hill Estates, LLC.

Sincerely,

A handwritten signature in black ink, which appears to read "Tyler T. Aldous". The signature is written in a cursive, flowing style.

Tyler T. Aldous
Manager
Targhee Hill Estates, LLC

RECEIVED

JAN 29 2014

Department of Water Resources