

Skaggs, Pam

From: Luke, Tim
Sent: Friday, May 03, 2013 2:21 PM
To: William A Parsons
Cc: Brian Higgs; Jaxon Higgs; Skaggs, Pam; Keen, Shelley
Subject: SWID Mitig Rts and Water Bank

Bill,

I received your letter dated April 30, 2013 regarding those water rights identified as being in both the Southwest Irrigation District (SWID) Mitigation Plan and the IDWR Water Supply Bank (Bank). We have reviewed the rights specifically noted to be excepted from the SWID mitigation plan for the 2013 season for use in pending Bank Rental applications. The rights in question are identified in SWID's Mitigation Plan associated with the Burley Irrigation District J Canal conversion projects. Based on the clarifications provided in your letter, the following actions will be taken for the rights listed below.

- IDWR will move forward with the George and Bill Kelley rental of Burley West Investments LLC (BWI) rights 45-2509 and 45-13522 for the 2013 season only. Joel Parker of BWI had earlier requested the release of these rights from the bank, but confirmed his agreement to this rental for 2013. These rights should be released from the bank following the 2013 season.
- IDWR will also move forward with the MVCP LLC rental of a portion of their own right 45-13904 for 82.1 acres irrigation in the 2013 season only. The rented portion of this right should be released from the bank following the 2013 season. There are also 42 acres of irrigation under this right leased separately to the bank that should be released from the bank.
- Rights 45-7317, 45-13981 and 45-13982 are also currently leased to the bank by MVCP LLC, but are not part of any pending rental applications. These rights should be released from the bank since they are part of the SWID Mitigation plan.
- Right 45-13905 for commercial and stock water use is leased into the bank and will continue as such unless MVCP LLC chooses to request release. The right is currently rented through the 2014 season. Your letter noted that it be included in the SWID mitigation plan.
- All other rights leased to the bank that are also part of the SWID mitigation plan should be released from the bank immediately by the right holders using the Water Supply Bank Lease Release Request form.
45-13948, 45-13950 & 45-13963 V & R Farms
45-14184, 45-14186 & 45-14188 Paul Christensen
- IDWR has also found that rights 45-2578, 45-2597 and 45-14060, owned by PKD Properties LLC and TLD Properties LLC, are leased to the Bank. A portion of these rights (3.6 acres) have been rented by the LDS Church. These rights appear to have some overlap with ground water right 45-7086D which is identified in the SWID Mitigation Plan associated with the West Cassia Pipeline. SWID may need to review these rights with respect to its mitigation plan.

Finally, IDWR understands from your correspondence that SWID's 2013 mitigation obligations are being met through other strategies. We are aware of course that SWID is a participant in the buyout of the Blue Lakes hatchery with the Idaho Ground Water Appropriators (IGWA) so all SWID obligations are satisfied for the Blue Lakes delivery call. We further understand that SWID is working with IGWA and members of the Surface Water Coalition (SWC) to finalize mitigation obligations for 2013 and that such obligations will be in the form of direct delivery of storage water to SWC members.

Sincerely,

Tim Luke
Idaho Department of Water Resources
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Boise, ID 83720-0098
208-287-4959
tim.luke@idwr.idaho.gov

Skaggs, Pam

From: Luke, Tim
Sent: Wednesday, May 01, 2013 3:24 PM
To: Keen, Shelley; Skaggs, Pam
Subject: SWID Letter - WSB/Mitigation **Excepting Burley West Investments & MVCP for 2013 WSB Rentals**
Attachments: SWID_Mitig_WSB_Ltr043013.pdf

Shelley, Pam

Attached is a copy of a letter from Bill Parsons of SWID regarding the ground water rights in the SWID mitigation plan and SWID's intentions for this year. I think this probably satisfies what you wanted in terms of what to do with the BWI-Kelley WSB lease/rental and the MVPC lease/rental for 2013. Let me know if we need anything further.

Tim Luke
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April 30, 2013

RECEIVED

MAY 01 2013

DEPARTMENT OF
WATER RESOURCES

Mr. Tim Luke
Idaho Department of Water Resources
322 East Front Street
Box 83720
Boise, ID 83720-0098

**RE: Southwest Irrigation District - Mitigation
Our File No.: 201**

Dear Tim:

Following our conference call the other day with you, Brian Higgs and myself, Southwest Irrigation District provides the following information:

1. This letter is submitted to clarify and secure the relationship between Water Bank acres and the Southwest Irrigation District Mitigation Plan. Southwest Irrigation District agrees to omit Water Right Nos. 45-2509 and 45-13522 owned by Burley West Investments, LLC and rented to George Kelley from the 2013 Mitigation Plan. This will be allowed for the 2013 irrigation season only.

2. Southwest also agrees to omit the acres leased to the Water Bank by MVCP (Searle) a portion of Water Right Nos. 45-13904, 45-13982, 45-13981 and 45-7317 rented by the same entity for 2013.

3. Southwest recognizes that Water Right No. 45-13905 is a Commercial/Stock Water Right that is not under the jurisdiction of Southwest Irrigation District and not included in the Southwest Irrigation District Mitigation Plan.

4. All other Rights participating in the Southwest Mitigation Plan should not be leased to the Water Bank, and we are advising Paul Christensen and V & R Farms to pull out of the bank as they are required to do. Forms will be provided to them.

Page – 2
April 30, 2013

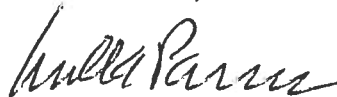
It is also noted that the protest of the Surface Water Coalition as to the Mitigation Plan is still pending resolve. As we indicated to you, the Surface Water Coalition is preparing a Contract for Southwest Irrigation District for the mitigation to be handled outside the general Mitigation Plan. Southwest has been working on this for some time and are advised recently by Travis Thompson that a Term Sheet is going to be circulated very soon which may lead to that agreement. In the meantime, Southwest has taken care of the Surface Water Coalition for its mitigation.

I believe you indicated you would have your staff send us a list of any other persons that are leasing water to the Water Bank that may be involved in the Mitigation Plan of Southwest.

We hope to receive from you the names of the people for which mitigation is being provided by Southwest.

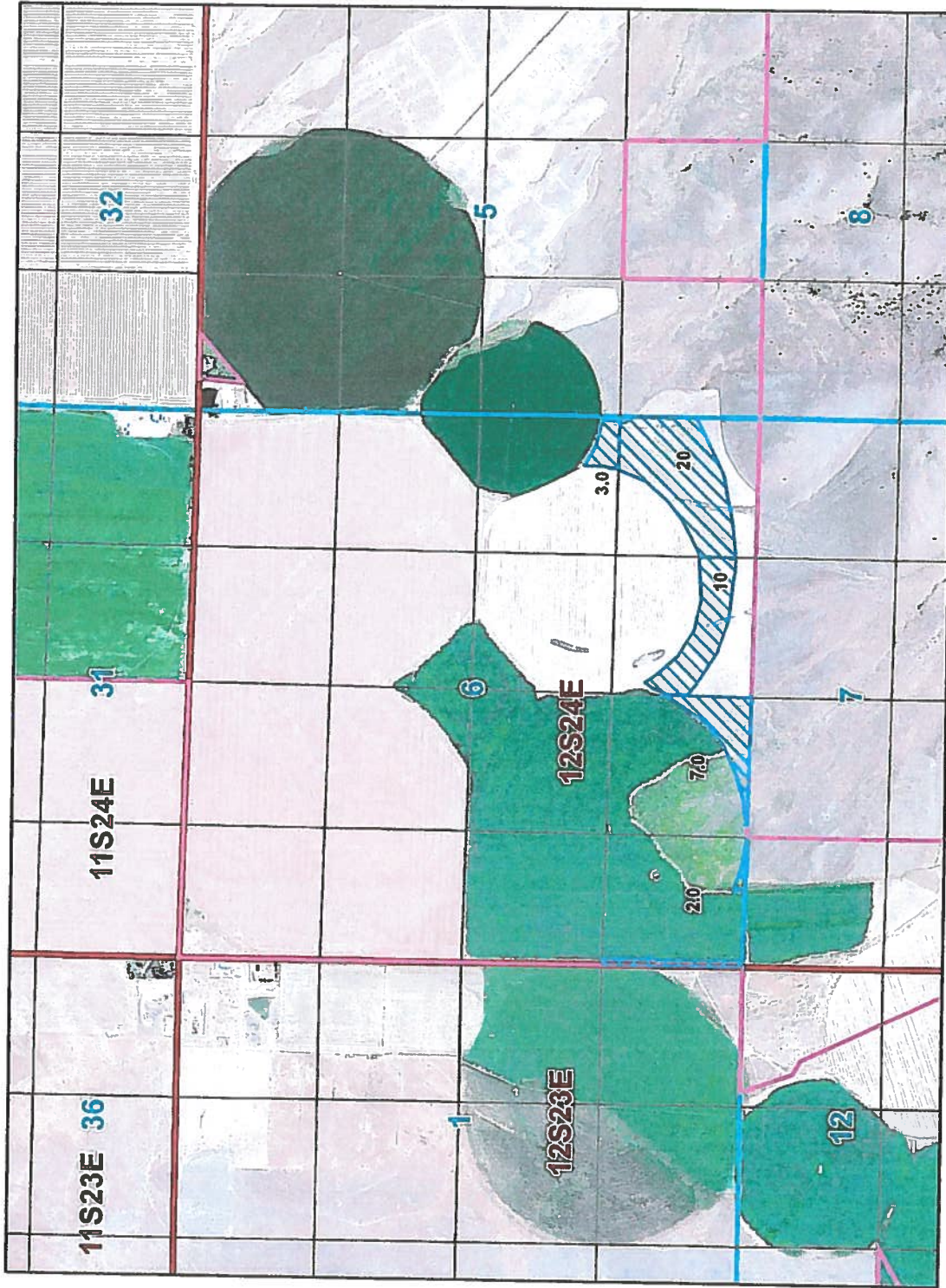
Very truly yours,

**PARSONS, SMITH, STONE, LOVELAND,
& SHIRLEY, LLP**

A handwritten signature in black ink, appearing to read 'William A. Parsons', written in a cursive style.

William A. Parsons

WAP/sw



0 750 1,500 3,000 Feet

**SEARLE MOO VIEW COW PALACE
WATER BANK LEASE 42 AC., 45-13904
NAIP 2011 AERIAL**

Legend
 Leased 42 Ac. 45-13904
 CURRENT PPU
 Township Range
 Section Lines
 QC Lines