



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

C.L. "BUTCH" OTTER

Governor

GARY SPACKMAN

Director

August 22, 2012

JAMES P SPECK
SPECK & AANESTAD
PO BOX 987
KETCHUM ID 83340

RE: Petition to Revoke Water Supply Bank Rental Agreement for Rights 34-2459 & 34-2460

Dear Mr. Speck:

The Department of Water Resources ("IDWR") has reviewed Darrell E. McDonald's petition to revoke the Water Supply Bank Rental Agreement ("rental") for Water Rights 34-2459 and 34-2460. Idaho Code § 42-1766(1) requires an investigation to determine whether the Water Supply Bank activity injures other water rights.

As noted in the petition, IDWR is also processing Transfer Application 77933, which proposes, among other things, the same point of diversion changes authorized by the rental. The transfer application has been protested by Mr. McDonald and others. In the interest of administrative efficiency, the injury allegations should be investigated and decided in one case. The transfer application proceedings will provide a forum to investigate and address the injury allegations made in the petition, and the results of the transfer proceeding can be applied to the rental in the future.

IDWR is committed to an aggressive schedule for the contested case created by the protests to the transfer application. Although the exact schedule remains to be established, IDWR expects to address the transfer application prior to the 2013 irrigation season.

If you have any questions, please contact me at 208-287-4947.

Sincerely,

Shelley Keen, Manager
Water Rights Section

cc: Telford Lands LLC
Robert L. Harris
James Cefalo, IDWR Eastern Region
Kirby A. Jensen
Joel S. Andersen

CERTIFICATE OF SERVICE

I hereby certify that on August 24, 2012, I mailed a true and correct copy, postage prepaid, of the foregoing RESPONSE TO A PETITION TO REVOKE WATER SUPPLY BANK RENTAL AGREEMENT to the person (s) listed below:

**RE: PETITION TO REVOKE WATER SUPPLY BANK RENTAL AGREEMENT FOR
WATER RIGHT NOS. 34-2459 AND 34-2460**

**JAMES P SPECK
SPECK & AANESTAD
PO BOX 987
KETCHUM ID 83340**

**TELFORD LANDS LLC
1450 W HWY 24
PAUL ID 83347**

**TELFORD LANDS LLC
C/O HOLDEN KIDWELL HAHN & CRAPO
100 RIVERWALK DR STE 200
PO BOX 50130
IDAHO FALLS ID 83405
ATTN: ROB HARRIS**

**KIRBY A JENSEN
2781 N 3375 W
MOORE ID 83255**

**JOEL S ANDERSEN
2791 N 3375 W
MOORE ID 83255**



Jean Hersley
Technical Records Specialist I