

MEMORANDUM

TO: Water Right File 34-7092
FROM: Monica Van Bussum
DATE: February 10, 2012
SUBJECT: Telford Lands LLC Water Supply Bank Rental Application

The Department received a request to renew the lease agreement on this water right for an additional five years back in October 2011. At the time, Rob Harris, attorney for the right holder, also requested a renewal on the rental side. However, because Mr. Harris only used the term "lease" in his request, there was some confusion about what was to be renewed. Mr. Harris sent an email in early February 2012 to confirm the rental had been renewed (see attached). It had not at that time but I was able to process the renewal.

I spoke by phone with Roger Totten, Watermaster of Water District 34, on February 10 and he said he had no concerns with processing the rental for an additional two years with the option to review again in late 2013 or early 2014 if Mr. Telford has not found a permanent solution at that time. Mr. Harris is hopeful Mr. Telford will find a permanent solution in that time.

See Aaron Marshall's memo of June 23, 2010, for additional information on this rental.

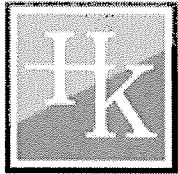
Van Bussum, Monica

From: Rob Harris [rharris@holdenlegal.com]
Sent: Tuesday, February 07, 2012 6:36 PM
To: Van Bussum, Monica
Cc: telfordsunvalleyseed@gmail.com
Subject: RE: Water Supply Bank Extension for Water Right No. 34-7092
Attachments: RE: Water Supply Bank Extension for Water Right No. 34-7092; RE: Water Supply Bank Extension for Water Right No. 34-7092; DOC020712.pdf

Monica:

I had a note on my calendar to check on when we would receive a billing for the water bank rental that is referenced in the attached emails, as well as the correspondence attached. From the emails, you initially indicated that it would be coming in February or March, and I wanted to simply follow up on that. In one of your emails, you indicated that we may need a new rental application, but I recollect we visited about this, and because it was the same renter for the exact same place as before, we concluded that we did not need to submit a new rental application. As you can see from the attached letter that I sent to you, we requested to continue the lessor-renter arrangement just as was approved previously, and expect a billing in the amount of \$1,659.70 (unless the rates have increased) to continue that arrangement. Let me know when you think those billings will be sent.

Thanks, as always, for your assistance on these.



Robert L. Harris
HOLDEN, KIDWELL, HAHN & CRAPO, PLLC
1000 Riverwalk Drive, Suite 200
P.O. Box 50130
Idaho Falls, ID 83405-0130
Phone: (208) 523-0620
Fax: (208) 523-9518
E-Mail: rharris@holdenlegal.com

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Van Bussum, Monica

From: Van Bussum, Monica
Sent: Friday, February 10, 2012 4:41 PM
To: 'Rob Harris'
Cc: telfordsunvalleyseed@gmail.com
Subject: RE: Water Supply Bank Extension for Water Right No. 34-7092

Hi Rob,

I apologize for my confusion over your October letter. Thankfully, we caught it in time to avoid any delays. I just got off the phone with Roger Totten and he said he would have no issues with the Bank approving the rental for 2012 and 2013. I'll prepare the renewal documents today and they should go out sometime next week. It's my hope, as I'm sure it is yours and Mike's, that there will be a permanent solution by the end of the 2013 season. If it's not, the Department will review a renewal request at that time.

Monica

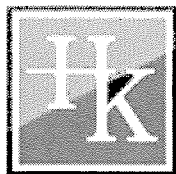
From: Rob Harris [mailto:rharris@holdenlegal.com]
Sent: Thursday, February 09, 2012 5:31 PM
To: Van Bussum, Monica
Cc: telfordsunvalleyseed@gmail.com
Subject: RE: Water Supply Bank Extension for Water Right No. 34-7092

Monica:

Thanks for your email and follow up phone call. It appears that there may have been some confusion with the letter I sent back in October that has now been clarified. As we discussed, Mike Telford would like to extend this lease until 2016. My understanding is that you will not need another application, but you can generate one based upon the prior lease that was already allowed.

As we discussed, Mike is currently trying to complete a well that will provide him with sufficient capacity to meet the entirety of his water rights. We have run into easement issues regarding placement of the pipeline that would convey water from the new well, and may need to engage in an eminent domain proceeding to do so. We even tried to locate a new well near Moore, but that transfer application was protested, and ultimately denied after a hearing this past year by James Cefalo. I can assure you that we have tried very hard to work with water users to allow for the new well, and intend to continue forward in that regard. In the meantime, it is critical that Telford receive sufficient water under his water rights, which he currently is not. The water bank lease allows for the water that is diverted into a common system with Mitch Sorensen to then be allocated to Mike, so the temporary water bank lease makes measuring these supplies convenient and should not result in increased monitoring by the watermaster or others. It recognizes that there is diversion into a common system, and makes sure that all of that diverted water is accounted for and allocated to the right person.

Thanks,



Robert L. Harris
HOLDEN, KIDWELL, HAHN & CRAPO, PLLC
1000 Riverwalk Drive, Suite 200
P.O. Box 50130
Idaho Falls, ID 83405-0130
Phone: (208) 523-0620

Fax: (208) 523-9518
E-Mail: rharris@holdenlegal.com

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From: Van Bussum, Monica [<mailto:Monica.VanBussum@idwr.idaho.gov>]
Sent: Thursday, February 09, 2012 4:36 PM
To: Rob Harris
Cc: telfordsunvalleyseed@gmail.com
Subject: RE: Water Supply Bank Extension for Water Right No. 34-7092

Hi Rob,

Thanks for your email and clarification. Since we don't currently have a rental on the books, I'll need to send a new rental agreement so our files are up to date. I just need to know the term of the new rental (two years like the previous one?). I'll also have to contact the watermaster for comment.

Monica

From: Rob Harris [<mailto:rharris@holdenlegal.com>]
Sent: Tuesday, February 07, 2012 6:36 PM
To: Van Bussum, Monica
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Subject: RE: Water Supply Bank Extension for Water Right No. 34-7092

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