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DEPARTMENT OF
WATER RESOURCES

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October 3, 2011

Dan Nelson
Staff Hydrologist
Planning Bureau
Idaho Department of Water Resources
PO Box 83720
Boise, ID 83720-0098

RE: *Application to Rent Water From the Water Supply Bank Filed on Behalf of Telford Lands LLC.*

Dear Dan:

Enclosed is a completed *Application to Rent Water from the Water Supply Bank* which we are filing on behalf of Telford Lands LLC. We have communicated regarding this particular rental application, and appreciate your assistance in finalizing the application. We believe it is complete, but to the extent additional information is needed, please let me know.

This application seeks to lease water that has been rented to the Water Supply Bank by Telford Lands LLC. That rental application involves Water Rights No. 34-618, 34-7179, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-12376, 34-13840, 34-13842, 34-13659, and 34-13661. The intent of this rental is to allow the acres designated under the lease application for the water rights mentioned in the previous sentence to supplement the irrigation of another farm recently purchase by Mr. Telford. We have enclosed a GIS map depicting the place of use of this farm. Additionally, the rental application will allow Mr. Telford to determine the viability of a well that was previously drilled in the 1990s as a possible new well that he could add to his water rights that are already appurtenant to the recently purchased Isom farm.

Consistent with the Department's instructions, we have also included a Duty of Water Analysis to demonstrate the need for the extra water on the Isom farm. The combined ground water rights for the farm total 24.5 cfs, which on their own only provide .012 cfs per acre. Even with the additional rental water, the farm will have .015 cfs per acre. We have summarized our analysis on the enclosed spreadsheet. If you have any questions, please let us know. It seems apparent to us that the farm is in need of this additional water. The duty of water analysis primarily concerns the diversion rate, which is where the water rights are short. With the recent SRBA recommendations, there is sufficient volume authorized under the water rights for the place of use. However, because of the shrink that can occur, even the volume is inadequate.

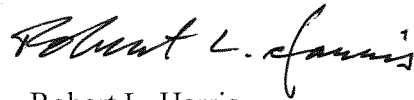
Established in 1896

Nevertheless, the primary issue is simply the ability to have an increased diversion rate in order to provide water to the property. As shown in the duty of water analysis, this property, even with the rental, is water short based on the standard .02 cfs per acre duty of water.

Additionally, we have enclosed our ESPA transfer tool analysis which demonstrates that the highest impact of the proposed water bank lease would be the near Blackfoot to Neely reach of the Snake River. However, the impact from the water bank lease is less than 2 acre feet per trimester, which is considered *de minimus*, and therefore, mitigation is not required. We have included a map of the "from" nodes, simply because the wells that we proposed to divert the rented water from (which are the same points of diversion as the rented water), cover a number of different nodes. We selected the three nodes we felt were most representative of where these wells were located.

We again appreciate your assistance in this matter. If you have any questions, or need any additional information, please let us know.

Best Regards,

A handwritten signature in black ink, appearing to read "Robert L. Harris". The signature is fluid and cursive, with a small "1" at the end.

Robert L. Harris
HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

Enclosures