



State of Idaho

DEPARTMENT OF WATER RESOURCES

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C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

March 23, 2011

Aardema Farms LTD Partnership
2306 East 3600 South
Wendell, ID 83355

Gentlemen:

A recent review of water right applications in our office revealed that you have an unresolved pending transfer application, # 72954, filed with the Idaho Department of Water Resources (IDWR). The application was originally filed in February of 2006 and amended in August of 2009. The application proposes converting a portion of irrigation water rights to stock water and commercial uses associated with the expansion of a dairy in the Southeast ¼ of Section 9, Township 07 South, Range 17 East, in Jerome County. Documents in the file indicate that this dairy facility may be known as the "old Franco Dairy". IDWR processed the application and the application was advertised without any protests being received.

During the final review of the application, in preparation for approval, it was noted that the application indicates that the property involved with the application is subject to a lien, deed of trust, mortgage, contract, or other encumbrance. Note that if the property involved with a transfer application is subject to a lien, deed of trust, mortgage, contract, or other encumbrance, a notarized statement, or a statement on official letterhead, agreeing to the proposed change(s) signed by an authorized representative of the holder of each lien, deed of trust, mortgage, contract, or other encumbrance must be included with the application. Examination of the application file indicates that this authorization was never submitted with the application. Without this authorization, IDWR cannot approve the application. In February of 2010, IDWR informed Gary Funderburg of TSK Enterprises of the need for this authorization (see enclosed copy of February 26, 2010 letter). As of this date, IDWR has not received this authorization.

The Department will hold processing of your application for 30 days to allow for the submittal of the information necessary to continue processing transfer application # 72954. After that time, if adequate information is not received, the Department will initiate the issuance of an order rejecting transfer application # 72954, since the Department cannot ascertain if the applicant has authority to file the application. As you are probably aware a great deal of time and resources have already been spent in the pursuit of transfer application # 72954.

If you have any questions, or if I can be of any further assistance, feel free to contact me at your convenience.

Sincerely,

Corey Skinner, PE
Water Resource Engineer

Enclosure

cc: Gary Funderburg – TSK Enterprises