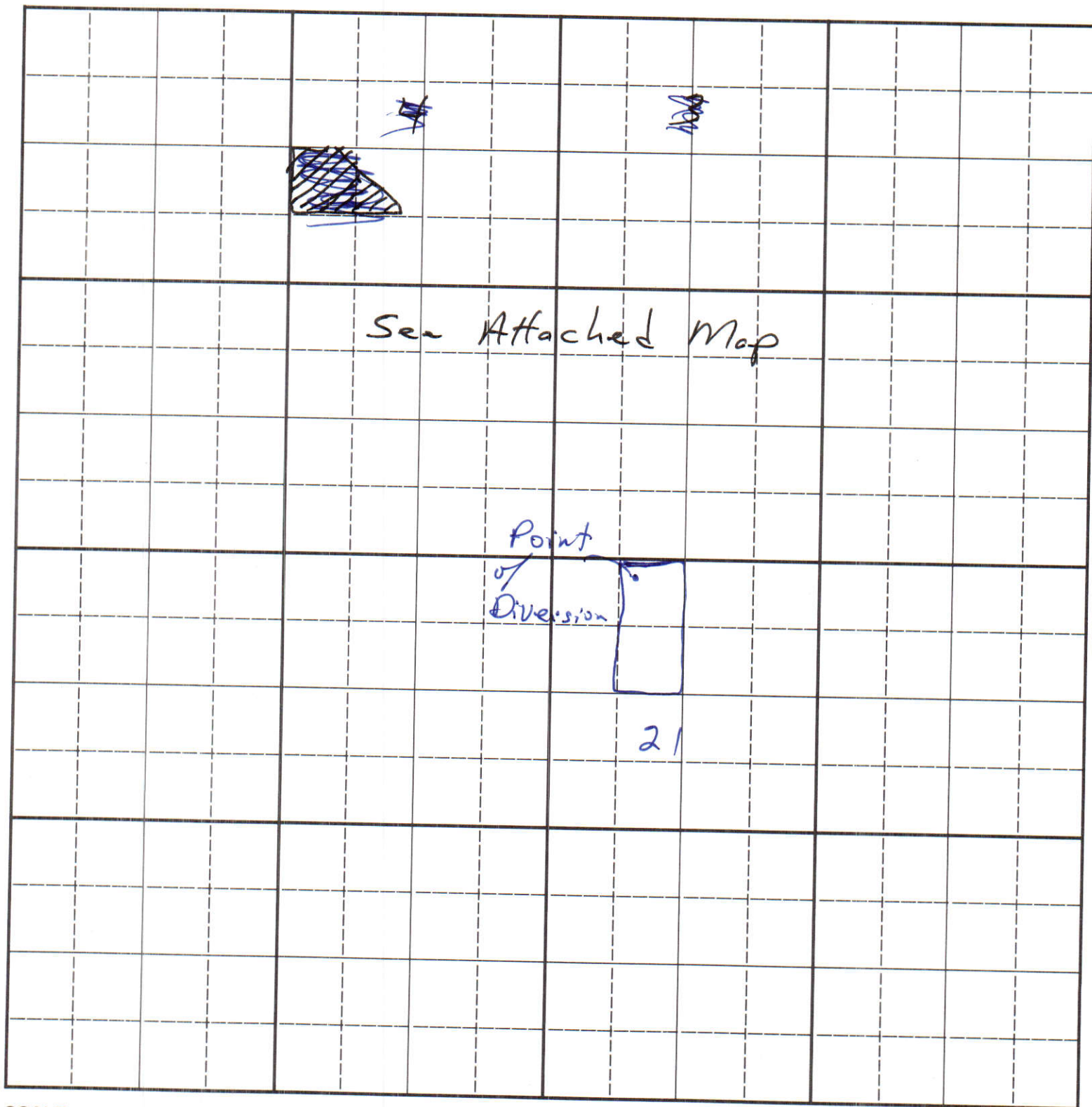


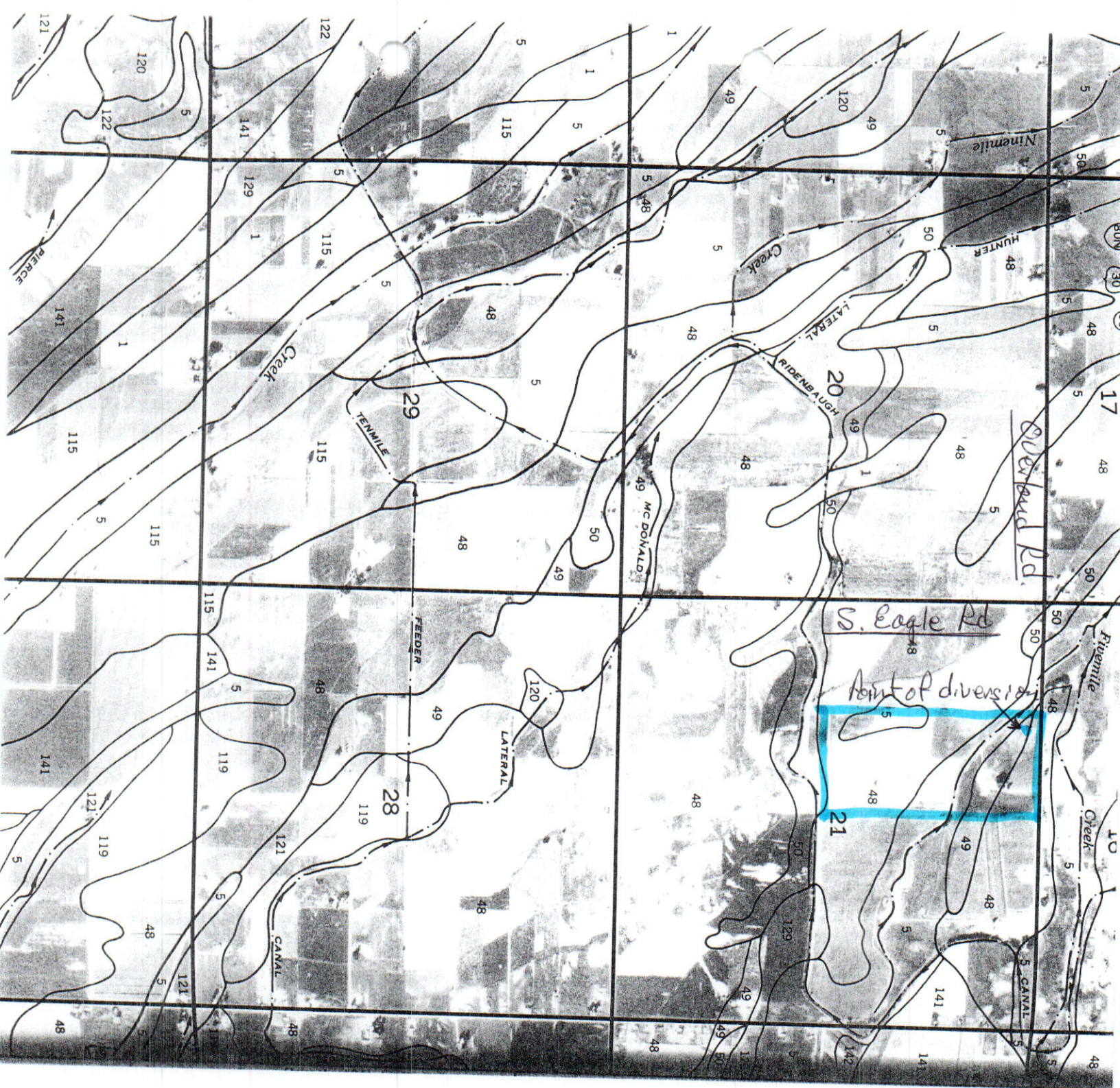
8. Draw a map indicating the point(s) of diversion and place of use of the right, or portion thereof. Show clearly the land involved by section, township and range.



SCALE: 2 inches equal 1 mile. Draw plan in ink.

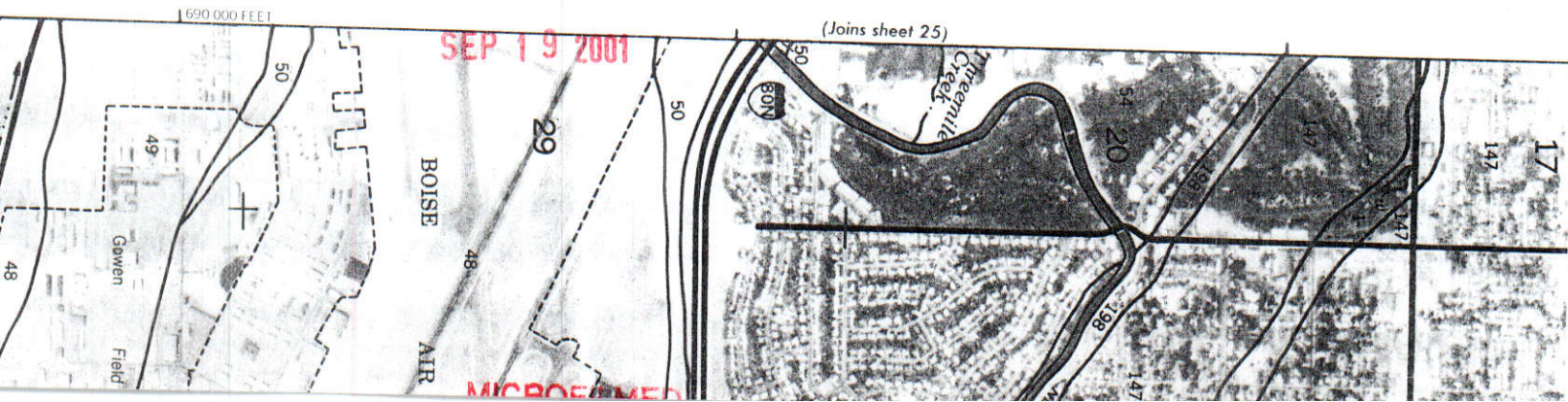
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SEP 19 2001



Water Supply Bank No. _____

Water Right No. _____

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE
WATER SUPPLY BANK

Name of Seller/Lessor L. Darwin McKay Phone 208-888-3760
Post office address 6100 S. Eagle Rd. Meridian, Id. 83642

A. DESCRIPTION OF RIGHT AS RECORDED

1. Right evidenced by:

a. Decree No. _____ Decreed to _____
(Name)
in case of _____ vs _____
dated _____ in _____ county of _____
(Name of court)

b. License No. 63-10666 Issued by the Idaho Department of Water Resources.

c. Permit No. _____ Issued by the Idaho Department of Water Resources.

2. Source of water Ground Water tributary to _____

3. Date of priority 7/22/88

4. Water is used for the following purposes:

amount .62/218.2 for Irrigation purposes from 3/15 to 11/15
amount _____ for _____ purposes from _____ to _____
amount _____ for _____ purposes from _____ to _____
(month/day — both dates inclusive)

5. Total amount of water under right: a. .62 cubic feet per second
&/or
b. 218.2 acre feet per annum

6. Location of point of diversion is NE ¼ of NW ¼ of Section 21
Township 3N Range 1E, B.M. in Ada County
Additional points of diversion, if any None

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C. ADDITIONAL INFORMATION ABOUT RIGHT, OR PORTION THEREOF, FOR SALE OR LEASE

1. Explain how the seller/lessor acquired the right, or portion thereof, and attach a copy of the deed to the land to which it is appurtenant or other evidence of ownership of the right.

TCM Joint Venture of which Darwin McKay is a member purchased the property. In 1988 Darwin McKay, then a lessee of the land obtained a drilling permit & drilled well to use for Turf Grass.

2. Describe the frequency of water use under the right, or portion thereof, during the past 5 years. Attach water-master records, pumping power bills, or other evidence to demonstrate that the right has not been lost through abandonment or forfeiture:

The ground water right was used as the sole source of irrigation water for the past 11 years. It was used daily during the irrigation season.

3. Describe the relative availability of water to fill the right, or portion thereof. Attach evidence to support the availability:

High water table in Treasure Valley, (Boise Area)

4. Describe any other water rights with the same purpose and place of use as the right, or portion thereof. Will the present place of use continue to receive water from any source? If so, describe.

The land has a Full surface water right with Nampa-Meridian irrigation district. The land will continue to receive water under these surface water rights.

5. If the water right is a permit, describe the work accomplished toward developing the right.

N/A.

6. If the right to the use of the water or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district, a written consent of the sale or lease must be attached.

N/A

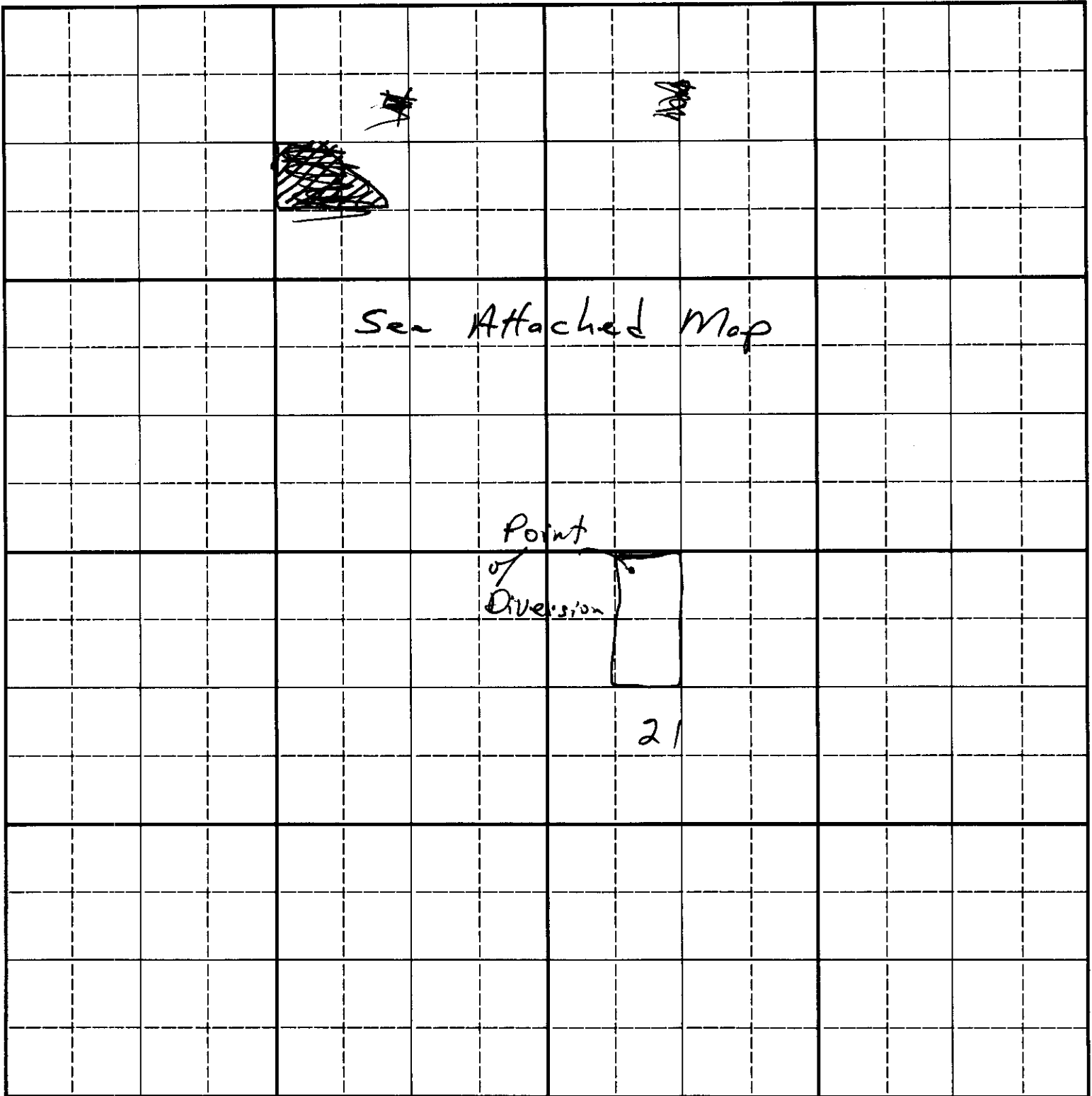
7. If the right is included in an ongoing adjudication, a copy of the claim must be provided with this application.

N/A.

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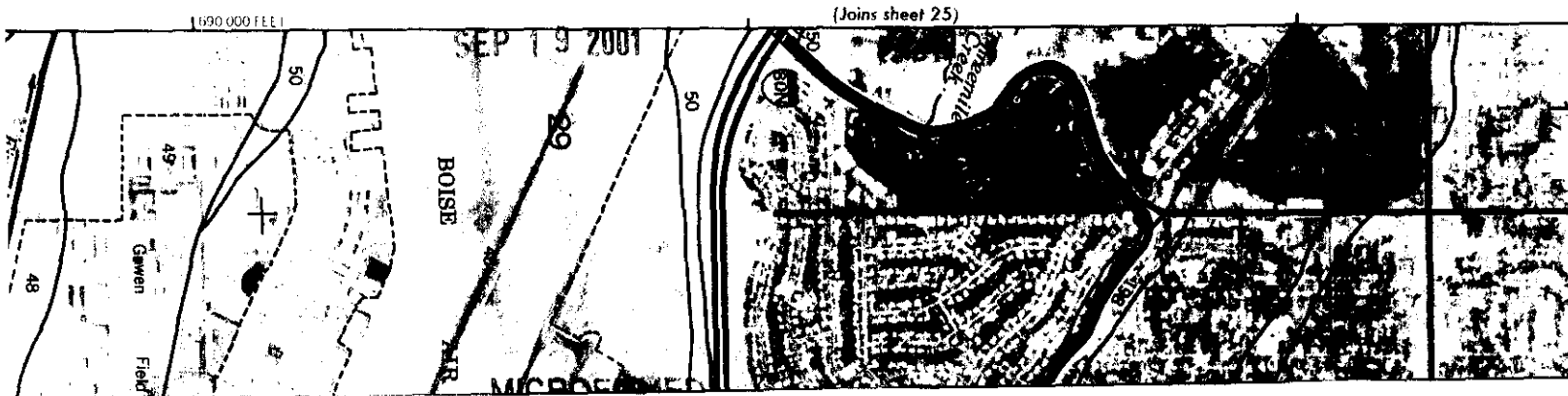
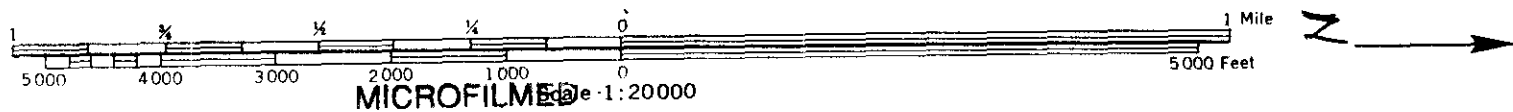
8. Draw a map indicating the point(s) of diversion and place of use of the right, or portion thereof. Show clearly the land involved by section, township and range.



SCALE: 2 inches equal 1 mile. Draw plan in ink.

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9. Remarks as per of an application for transfer
on to another farm, the balance of this
right represented here is being made available
for lease which preserves the water right.

D. SALE/LEASE AGREEMENT

1. The water right, or portion thereof, described above is offered to the Idaho Water Resource Board:

_____ For sale

X For lease for period from 2001 to Indefinite
(year) (year)

_____ As a gift to the State of Idaho.

2. The minimum payment acceptable to the Seller/Lessor is: (Include the method of determining the minimum payment)

market value

3. Payment contingent on subsequent sale or leasing of this right, or portion thereof, is:

_____ Acceptable X Not Acceptable

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer the sale or lease of this right to the Idaho Water Resource Board.

9-25-00
(Date)

Dominic McKay
(Signature of applicant)

FOR DEPARTMENT USE ONLY

Received by VH Date 9-26-00 Preliminary check by _____

Watermaster recommendation requested on _____ Received _____

Recommended for _____ approval _____ denial by _____

SEP 19 2001

03/30/2001

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

WATER RIGHT NO. 63-31194

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	L DARWIN MCKAY 6100 S EAGLE RD MERIDIAN, ID 83642 (208)888-3760

Priority Date: 07/22/1988
Basis: License
Status: Active

<u>Source</u>	<u>Tributary to</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>	<u>Subuse Code</u>
IRRIGATION	03/15	11/15	0.62 CFS	218.2 AFA	
Total Diversion			0.62 CFS	218.2 AFA	

Location of Point(s) of Diversion:

GROUND WATER	NENW	Sec. 21	Township 03N	Range 01E	ADA County
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Licensed Diversion Capacity: 0.84

IRRIGATION Use:
Acre Limit: 48.5

Place(s) of use:

Place of Use Legal Description: IRRIGATION	ADA County
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<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
03N	01E	21		NENW	20.5		SEnw	28						

Total Acres: 48.5

Comments:

<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Comment</u>
PSKAGGS	3/30/01	Ownership Splits	Right 63-31194 is the balance of Right 63-10666C following two ownership splits resulting in subsequent Rights 63-31195 & 63-31196.

Dates:

Licensed Date:
Decreed Date:
Enlargement Use Priority Date:
Enlargement Statute Priority Date:
Application Received Date:
Protest Deadline Date:
Number of Protests: 0

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Other Information:

Water Right 63-31194

Receipt Number(s):
State or Federal:
Owner Name Connector:
Water District Number:
Generic Max Rate per Acre: 0.02
Generic Max Volume per Acre: 4.5
Civil Case Number:
Old Case Number:
Decree Plaintiff:
Decree Defendant:
Swan Falls Trust or Nontrust:
Swan Falls Dismissed:
DLE Act Number:
Cary Act Number:
Mitigation Plan: False
Parent Right: 63-10666C ChangeOfOwnership

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MEMORANDUM

To: file 63-31194

From: L. Glen Saxton *LS*

RE: DARWIN MCKAY APPLICATION TO LEASE WATER TO THE WATER
SUPPLY BANK

Date: July 30, 2001

Darwin McKay did not contact me before June 1, 2001 and has not advised that he has a continuing interest in leasing his water right to the water supply bank. Hence, the application submitted by McKay on September 26, 2000, should be considered withdrawn and should no longer be considered by the department.

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MEMORANDUM

To: File 63-31194
From: L. Glen Saxton 
RE: CONVERSATION WITH DARWIN MCKAY
Date: April 12, 2001

On this date, Darwin McKay visited the department to discuss his pending application to the water supply bank. He thinks he may need to use some of the water he has offered to the bank for his own use this summer, but he is not sure yet of his plans. I agreed to hold the application without action until June 1, 2001, when he likely will know his plans.

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MEMORANDUM

To: File 63-31194
From: L. Glen Saxton 
RE: TELEPHONE CONVERSATION WITH DARWIN MCKAY
Date: April 4, 2001

On this date, I called Darwin McKay to follow up my March 30, 2001 letter to him and to suggest that if his right is taken into the bank, the right probably could be rented with a return to the owner of about \$6.00 per AF. The \$6.00 per AF was determined based on the following logic. The rental pool price for water in Basin 63 is a total of \$6.50 per AF for use in the basin of which \$5.62 per AF is returned to the owner of the right. In order to keep the costs nearly the same for rental pool water and water supply bank water without being arbitrary, a return to the owner of \$6.00 per AF together with an associated Board surcharge of \$0.60 per AF would make the total cost of an AF of water from the water supply bank \$6.60 which is similar to a total cost of \$6.50 per AF for rental pool water.

I requested confirmation of a contingent payment and about the rental fee amount from McKay.

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SEP 19 2001



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

March 30, 2001

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

L. Darwin McKay
6100 S. Eagle Rd
Meridian, ID 83642

RE: APPLICATION TO SELL OR LEASE A WATER RIGHT TO THE WATER SUPPLY BANK

Dear Mr. McKay:

As you know, the department has just completed action on Transfer No. 68530 thus allowing the department to further consider the Application to Sell or Lease a Water Right to the Water Supply Bank which you submitted with the transfer application.

The department can not accept the water right into the bank, since you have shown on the application that payment for rental of the right being contingent upon actual rental from the bank is not acceptable to you. Other considerations with respect to leasing a right to the bank are as follows:

1. The monetary return to the water right owner for rental of a right from the bank is \$2.25 per acre-foot of water per year for water that is rented.
2. There is no payment if the right is not rented from the bank.
3. While a right is in the bank, the owner of the right may not use the right even if the right is not rented.
4. A right accepted into the bank stays in the bank until the Board releases it or until the lease term expires.

If you have questions, please feel free to contact me.

Sincerely,

L. GLEN SAXTON, P.E.
Chief, Water Allocation Bureau

c: IDWR Regional Office
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Letter of Understanding

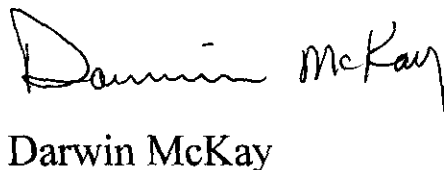
On the water right profile report, it is reflected that there is 290.2 acre feet of water representing 64.5 acres. Originally their was 66 acres and 1.5 acres of ground water right was sold. However, to bring this profile report to current, there has been an additional 1 acre and a 5 acre right that was sold, and not yet reflected in the transfers. Proper amounts prior to this request should reflect

Representing 58.5	263.20 AFA
less this request of	45.00 AFA

available to lease to water bank -- 218.20 AFA which represents 48.5 Acres.

This information is available in your own paperwork from the other transfers.

Respectfully submitted


Darwin McKay

Dated : September 23, 2000

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SEP 19 2001

Originally Attached to
Application For Transfer 68530
63-10666A

Premium Turfgrass Sod & Seed Sales • Wildflower Carpet • Ag. Gypsum Sales
6100 S. Eagle Rd. • Meridian, Idaho 83642 • 1-800-488-TURF • (208) 888-3760 • FAX (208) 888-3799

DI