



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

March 21, 2011

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

TRAIL CREEK SPRINKLER IRRIGATION CO
PO BOX 131
VICTOR ID 83455

RE: APPLICATION TO LEASE AND RENT WATER THROUGH THE WATER SUPPLY BANK; WATER RIGHT NO(S). 22-90, 22-221C, 22-222A, 22-223, 22-355, 22-435A, 22-13000, 22-13001, 22-13002, 22-13003, 22-13004, 22-13005, 22-13006, 22-13007, 22-13008, 22-13009, 22-13010, 22-13010

Dear Renter:

The Department of Water Resources has completed its review of your applications to lease and rent the above-mentioned water rights through the Water Supply Bank. The offered rights are accepted into the Bank in accordance with the attached Lease Acceptances. If you do not agree with the conditions of the acceptances and would like to withdraw your water rights from the Bank, you must contact the Department within thirty (30) days of receipt of this notification. This is a retroactive lease and rental approval, so the lease is considered active from January 1, 2010, and the rights will be considered released from the bank on **December 31, 2014**.

I have enclosed three Water Supply Bank Rental Agreements for your review and signature. Upon signature and return of the original agreements, together with the rental fee described below, the Department will also sign the original agreements and return executed copies to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreements.

A rental fee for all three agreements of \$23,618.00 per year was calculated based on the current rental rate of \$14.00 per acre-foot times a combined diversion volume of 1692.0 acre-feet. Since you are the lessor, you need to pay the 10% administrative fee of \$2,361.80. However, you now owe payment for both 2010 and 2011, so please remit a total of **\$4,723.60**.

Please send a check made payable to the Idaho Department of Water Resources, together with the signed rental agreement, to my attention within 14 days so I can complete the processing. If you have any questions, please contact me at (208) 287-4907.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure – 3 Lease Acceptances and 3 Rental Agreements

c: Lyle Swank – IDWR Eastern Regional Office
Rob Harris – Holden Kidwell Hahn & Crapo

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT

This is to certify that: TRAIL CREEK SPRINKLER IRRIGATION CO
 PO BOX 131
 VICTOR ID 83455
 (208) 787-2952

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board") being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right	Rented Rate	Annual Rented Volume	Total Rented Acres
22-221C	0.20 CFS	35.0 AF	NA
22-222A	2.134 CFS	374.5 AF	107.0 AC
22-435A	1.20 CFS	210.0 AF	40.0 AC
COMBINED RENTAL TOTALS:	3.534 CFS	619.5 AF	147.0 AC

The renter is limited to a diversion volume of 442.5 acre-feet for the use authorized under this agreement.

TERM OF RENTAL:

January 1, 2010 to December 31, 2010
January 1, 2011 to December 31, 2011
January 1, 2012 to December 31, 2012
January 1, 2013 to December 31, 2013
January 1, 2014 to December 31, 2014

RENTAL FEE:

\$8,673.00

The total fee for rental of the above-described water is \$8,673.00. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of **\$867.30**. An annual payment shall be received by the Department prior to January 1 each year for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. To terminate the agreement prior to the end of the rental period, written notice must be received by the Department at least 30 days prior to the rental fee due date.

Detailed water right specific limitations and conditions attached.

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

Dated this _____ day of _____, 20_____.

By: _____
 (Print Name)

 (Signature)

 (Title if on behalf of company or organization)

Having determined that this agreement satisfies the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and conditions herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board this ____ day of _____, 20_____.

 GARY SPACKMAN, Interim Director
 Department of Water Resources

WATER RIGHT NO. 22-221C WATER SUPPLY BANK RENTAL AGREEMENT

The renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described below:

Renter: TRAIL CREEK SPRINKLER IRRIGATION CO
PO BOX 131
VICTOR ID 83455
(208) 787-2952

Priority Date: 09/01/1890

Source: TRAIL CREEK Tributary to: TETON RIVER
GAME CREEK TRAIL CREEK
MOOSE CREEK TRAIL CREEK
WARM CREEK TRAIL CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
DIVERSION TO STORAGE	01/01 to	12/31	0.20 CFS	35.0 AF
AESTHETIC & OTHER STORAGE	04/15 to	10/31		35.0 AF
	Total:		0.20 CFS	35.0 AF

LOCATION OF RENTER'S POINT(S) OF DIVERSION:

GAME CREEK PIPELINE	NW¼SE¼SW¼ Sec. 17 Twp 03N	Rge 46E TETON County
TRAIL CREEK CANAL & PIPELINE	SW¼SW¼SE¼ Sec. 19 Twp 03N	Rge 45E TETON County
STRING CANAL	SW¼SW¼SE¼ Sec. 19 Twp 03N	Rge 45E TETON County
KIMBALL CANAL	SE¼NW¼SE¼ Sec. 13 Twp 03N	Rge 45E TETON County
KEARSLEY CANAL	SW¼SE¼NW¼ Sec. 13 Twp 03N	Rge 45E TETON County
TOWN CANAL	SW¼SE¼NW¼ Sec. 13 Twp 03N	Rge 45E TETON County
SPENCER CANAL	NW¼SW¼NE¼ Sec. 14 Twp 03N	Rge 45E TETON County
HUMBLE CANAL	NW¼SW¼NE¼ Sec. 14 Twp 03N	Rge 46E TETON County
TONKS CANAL	NE¼SW¼NW¼ Sec. 11 Twp 03N	Rge 46E TETON County
WARM CREEK	SE¼NE¼SE¼ Sec. 16 Twp 03N	Rge 46E TETON County
SHERMAN SPRINGS DIVERSION	SE¼SE¼NW¼ Sec. 23 Twp 03N	Rge 46E TETON County
MOOSE CREEK DIVERSION	SE¼SE¼SE¼ Sec. 19 Twp 03N	Rge 46E TETON County

RENTER'S PLACE OF USE: AESTHETIC AND OTHER STORAGE

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
03N	45E	13										X	X						
03N	45E	14													X	X	X	X	
03N	45E	23	X	X	X	X									X	X			
03N	45E	24							X			X							

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. The water rented under this agreement is appurtenant to irrigation of 10.0 acres.
3. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.

**WATER RIGHT NO. 22-221C
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

4. Use of water under this agreement does not constitute a dedication of the water to renter's place of use and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
5. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
6. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
7. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
8. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
9. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
10. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
11. Upon Department request, the renter shall provide for the measurement of the water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.
12. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 1.
13. Water is delivered through Trail Creek Irrigation Co.
14. Place of use is within the area served by Trail Creek Sprinkler Irrigation Co.
15. Rental of rights 22-221C, 22-222A and 22-435A when combined shall not exceed a total annual maximum diversion volume of 442.5 AF.
16. The total pond surface area is limited to 30.3 acres.
17. The beneficial use of Aesthetic Storage and Other will include aesthetic storage, wildlife storage, recreation storage, and fire protection storage.

WATER RIGHT NO. 22-222A WATER SUPPLY BANK RENTAL AGREEMENT

The renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described below:

Renter: TRAIL CREEK SPRINKLER IRRIGATION CO
PO BOX 131
VICTOR ID 83455
(208) 787-2952

Priority Date: 09/01/1890

Source: TRAIL CREEK **Tributary to:** TETON RIVER
GAME CREEK TRAIL CREEK
MOOSE CREEK TRAIL CREEK
WARM CREEK TRAIL CREEK

<u>BENEFICIAL USE</u>	<u>From</u> <u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15 to 10/31	2.134 CFS	374.5 AF
	Total:	2.134 CFS	374.5 AF

LOCATION OF RENTER'S POINT(S) OF DIVERSION:

GAME CREEK PIPELINE	NW¼SE¼SW¼	Sec. 17 Twp 03N	Rge 46E TETON County
TRAIL CREEK CANAL & PIPELINE	SW¼SW¼SE¼	Sec. 19 Twp 03N	Rge 45E TETON County
STRING CANAL	SW¼SW¼SE¼	Sec. 19 Twp 03N	Rge 45E TETON County
KIMBALL CANAL	SE¼NW¼SE¼	Sec. 13 Twp 03N	Rge 45E TETON County
KEARSLEY CANAL	SW¼SE¼NW¼	Sec. 13 Twp 03N	Rge 45E TETON County
TOWN CANAL	SW¼SE¼NW¼	Sec. 13 Twp 03N	Rge 45E TETON County
SPENCER CANAL	NW¼SW¼NE¼	Sec. 14 Twp 03N	Rge 45E TETON County
HUMBLE CANAL	NW¼SW¼NE¼	Sec. 14 Twp 03N	Rge 46E TETON County
TONKS CANAL	NE¼SW¼NW¼	Sec. 11 Twp 03N	Rge 46E TETON County
WARM CREEK	SE¼NE¼SE¼	Sec. 16 Twp 03N	Rge 46E TETON County
SHERMAN SPRINGS DIVERSION	SE¼SE¼NW¼	Sec. 23 Twp 03N	Rge 46E TETON County
MOOSE CREEK DIVERSION	SE¼SE¼SE¼	Sec. 19 Twp 03N	Rge 46E TETON County

RENTER'S PLACE OF USE: IRRIGATION AND IRRIGATION FROM STORAGE

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
03N	45E	13										15	17						32
03N	45E	14													38	39	40	39	156
03N	45E	23	39	40	40	39									13	8.0			179
03N	45E	24						19	19			2.0							40

Total Acres: 407.0

Acre Limit within Place of Use described: 107.0

CONDITIONS OF WATER USE

- The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
- Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.

**WATER RIGHT NO. 22-222A
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
6. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
7. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
8. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
9. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
10. Upon Department request, the renter shall provide for the measurement of the water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.
11. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 1.
12. Water is delivered through Trail Creek Irrigation Co.
13. Place of use is within the area served by Trail Creek Sprinkler Irrigation Co.
14. Rental of rights 22-221C, 22-222A and 22-435A when combined shall not exceed a total annual maximum diversion volume of 442.5 AF.

WATER RIGHT NO. 22-435A **WATER SUPPLY BANK RENTAL AGREEMENT**

The renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described below:

Renter: TRAIL CREEK SPRINKLER IRRIGATION CO
 PO BOX 131
 VICTOR ID 83455
 (208) 787-2952

Priority Date: 07/15/1889

Source: TRAIL CREEK **Tributary to:** TETON RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15 to	10/31	0.80 CFS	140.0 AF
DIVERSION TO STORAGE	01/01 to	12/31	0.40 CFS	140.0 AF
AESTHETIC & OTHER STORAGE	04/15 to	10/31		140.0 AF
	Total:		1.20 CFS	210.0 AF

LOCATION OF RENTER'S POINT(S) OF DIVERSION:

GAME CREEK PIPELINE	NW¼SE¼SW¼	Sec. 17	Twp 03N	Rge 46E	TETON County
TRAIL CREEK CANAL & PIPELINE	SW¼SW¼SE¼	Sec. 19	Twp 03N	Rge 45E	TETON County
STRING CANAL	SW¼SW¼SE¼	Sec. 19	Twp 03N	Rge 45E	TETON County
KIMBALL CANAL	SE¼NW¼SE¼	Sec. 13	Twp 03N	Rge 45E	TETON County
KEARSLEY CANAL	SW¼SE¼NW¼	Sec. 13	Twp 03N	Rge 45E	TETON County
TOWN CANAL	SW¼SE¼NW¼	Sec. 13	Twp 03N	Rge 45E	TETON County
SPENCER CANAL	NW¼SW¼NE¼	Sec. 14	Twp 03N	Rge 45E	TETON County
HUMBLE CANAL	NW¼SW¼NE¼	Sec. 14	Twp 03N	Rge 46E	TETON County
TONKS CANAL	NE¼SW¼NW¼	Sec. 11	Twp 03N	Rge 46E	TETON County
WARM CREEK	SE¼NE¼SE¼	Sec. 16	Twp 03N	Rge 46E	TETON County
SHERMAN SPRINGS DIVERSION	SE¼SE¼NW¼	Sec. 23	Twp 03N	Rge 46E	TETON County
MOOSE CREEK DIVERSION	SE¼SE¼SE¼	Sec. 19	Twp 03N	Rge 46E	TETON County

RENTER'S PLACE OF USE: IRRIGATION; IRRIGATION FROM STORAGE

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
03N	45E	13										15	17						32
03N	45E	14													38	39	40	39	156
03N	45E	23	39	40	40	39									13	8.0			179
03N	45E	24						19	19			2.0							40

Total Acres: 407

Acre Limit within Place of Use described: 40.0

RENTER'S PLACE OF USE: AESTHETIC AND OTHER STORAGE

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
03N	45E	13										X	X						
03N	45E	14													X	X	X	X	
03N	45E	23	X	X	X	X									X	X			
03N	45E	24							X			X							

**WATER RIGHT NO. 22-435A
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. The water rented for aesthetic and other storage under this agreement is appurtenant to irrigation of 20.0 acres.
3. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
4. Use of water under this agreement does not constitute a dedication of the water to renter's place of use and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
5. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
6. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
7. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
8. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
9. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
10. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
11. Upon Department request, the renter shall provide for the measurement of the water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.
12. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 1.
13. Water is delivered through Trail Creek Irrigation Co.
14. Place of use is within the area served by Trail Creek Sprinkler Irrigation Co.
15. Rental of rights 22-221C, 22-222A and 22-435A when combined shall not exceed a total annual maximum diversion volume of 442.5 AF.