



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

SPRING CREEK IDAHO RANCH LLC
PO BOX 4380
KETCHUM ID 83340

RE: APPLICATION TO LEASE AND RENT WATER THROUGH THE WATER SUPPLY BANK; WATER RIGHT NO(S). 37-231A AND 37-233

Dear Renter:

The Department of Water Resources has completed its review of your application to lease and rent the above-mentioned water right numbers through the Water Supply Bank.

The offered rights are accepted into the Bank in accordance with the attached Water Supply Bank Lease Acceptance. If you do not agree with the conditions of the Lease Acceptance and would like to withdraw your water right 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 right(s) will be considered released from the bank on **December 31, 2010**.

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

A rental fee of \$2,353.40 per year was calculated based on the current rental rate of \$14.00 per acre-foot times a combined diversion volume of 168.1 acre-feet. Since you are the lessor, you need to pay the 10% administrative fee of **\$235.34**.

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 – Lease Acceptance and Rental Agreement

c: Allen Merritt – IDWR Southern Regional Office
Zach Latham – Brockway Engineering PLLC

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

This is to certify that: **SPRING CREEK IDAHO RANCH LLC**
PO BOX 4380
KETCHUM ID 83340
(208) 726-6560

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
	37-231A	0.66 CFS	93.5 AF	48.0 AC
	37-233	0.53 CFS	74.6 AF	48.0 AC
COMBINED RENTAL TOTALS:		1.19 CFS	168.1 AF	48.0 AC

TERM OF RENTAL: April 23, 2010 to October 31, 2010

RENTAL FEE: \$2,353.34

The total fee for rental of the above-described water is \$2,353.34. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$235.34.

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. 37-231A **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: SPRING CREEK IDAHO RANCH LLC
 PO BOX 4380
 KETCHUM ID 83340
 (208) 726-6560

Priority Date: 05/15/1883

Source: BLACK SLOUGH **Tributary to:** BIG WOOD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/23	to 10/31	0.09 CFS	13.0 AF
	Total:		0.09 CFS	13.0 AF

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

BLACK SLOUGH NE¼SW¼ Sec. 15 Twp 01S Rge 18E BLAINE County
 BLACK SLOUGH NE¼SE¼ Sec. 15 Twp 01S Rge 18E BLAINE County (Injection)
 BLACK SLOUGH NE¼SE¼ Sec. 15 Twp 01S Rge 18E BLAINE County (Rediversion)

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01S	18E	15					10									13			23
01S	18E	21	15																15
01S	18E	22						10											10

Total Acres: 48

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. 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.
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.

WATER RIGHT NO. 37-231A

WATER SUPPLY BANK RENTAL AGREEMENT

CONDITIONS OF WATER USE

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. This right is limited to the irrigation of 137.1 acres within the place of use described on the face of the water right in a single irrigation season.
11. This right is limited to the irrigation of 115 acres within Sections 26 and 27 in the place of use described on the face of the water right in a single irrigation season.
12. Rights 37-231A and 37-233 are limited to the irrigation of a combined total of 115 acres in Sec 26 and 27 in a single irrigation season.
13. Rights 37-231A and 37-233 are limited to the irrigation of a combined total of 137.1 acres in a single irrigation season.
14. Rights 37-180, 37-181, 37-231A, 37-233, 37-2597 and 37-2764 when combined shall not exceed the irrigation of 34.5 acres in the SWSE of Section 15.
15. Rights 37-180, 37-181, 37-231A, 37-233, 37-310A, 37-1207 and 37-19831 when combined shall not exceed the irrigation of 332 acres within Sections 26, 27 and 28 in a single irrigation season.
16. Rights 37-60, 37-61, 37-62, 37-63A, 37-64A, 37-66A, 37-67B, 37-68A, 37-69B, 37-70, 37-71B, 37-139, 37-180, 37-181, 37-230, 37-231A, 37-231B, 37-232, 37-233, 37-577AZ, 37-1187, 37-1207, 37-2492, 37-2538, 37-2597, 37-2764, 37-22050 and 37-22459 when combined shall not exceed a total diversion rate of 76.36 cfs.
17. 7.9 total combined acres were agreed upon to be dried up under water rights 37-231A and 37-233 to account for consumptive use associated with the storage components of water right 37-22459.
18. The rights in Transfer 75840 are limited to the irrigation of a specific 479.5 acres within the 706.1 acre place of use authorized by the transfer in a single irrigation season. The specific 479.5 acres to be irrigated by the right holder shall be identified prior to use by submittal of a land list and a representative electronic shape file or by submittal of a land list and a map sufficiently detailed to allow creation of an electronic shape file to be associated with this right in the geographic information system component of the water rights database maintained by the department. Before changing the 479.5 acres to be irrigated within the 706.1 acre place of use, the right holder shall submit a new land list and representative electronic shape file or map to the Department prior to the irrigation season in which the change will occur.
19. The rights in Transfers 75838 (37-1207), 75839 (37-310A & 37-19831), 74540 (37-180, 37-181, 37-231A & 37-233), 75854 (37-139), 75855 (37-1187) and 75856 (37-2597 & 37-2764) are limited to the irrigation of a specific 716.6 acres within the 943.2 acre place of use authorized by these transfers in a single irrigation season. The specific 716.6 acres to be irrigated by the right holder shall be identified prior to use by submittal of a land list and a representative electronic shape file or by submittal of a land list and a map sufficiently detailed to allow creation of an electronic shape file to be associated with this right in the geographic information system component of the water rights database maintained by the department. Before changing the 716.6 acres to be irrigated within the 943.2 acre place of use, the right holder shall submit a new land list and representative electronic shape file or map to the Department prior to the irrigation season in which the change will occur.

**WATER RIGHT NO. 37-231A
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

20. The right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversions.
21. Use of water under this right 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. 37.
22. Water is injected into and rediverted from Crystal Creek.

WATER RIGHT NO. 37-233 **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: SPRING CREEK IDAHO RANCH LLC
 PO BOX 4380
 KETCHUM ID 83340
 (208) 726-6560

Priority Date: 05/15/1888

Source: BLACK SLOUGH Tributary to: BIG WOOD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/23 to	10/31	0.53 CFS	74.6 AF
	Total:		0.53 CFS	74.6 AF

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

BLACK SLOUGH NE¼SW¼ Sec. 15 Twp 01S Rge 18E BLAINE County
 BLACK SLOUGH NE¼SE¼ Sec. 15 Twp 01S Rge 18E BLAINE County (Injection)
 BLACK SLOUGH NE¼SE¼ Sec. 15 Twp 01S Rge 18E BLAINE County (Rediversion)

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01S	18E	15					10									13			23
01S	18E	21	15																15
01S	18E	22						10											10

Total Acres: 48

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.
- 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.
- This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
- 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.
- Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
- 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.

**WATER RIGHT NO. 37-233
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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. 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. 110.
11. This right is limited to the irrigation of 137.1 acres within the place of use described on the face of the water right in a single irrigation season.
12. This right is limited to the irrigation of 115 acres within Sections 26 and 27 in the place of use described on the face of the water right in a single irrigation season.
13. Rights 37-231A and 37-233 are limited to the irrigation of a combined total of 115 acres in Sec 26 and 27 in a single irrigation season.
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WATER RIGHT NO. 37-233
WATER SUPPLY BANK RENTAL AGREEMENT

CONDITIONS OF WATER USE

21. The right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversions.
22. Use of water under this right 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. 37.
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