



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

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

November 17, 2010

BLUE INDIAN HOMEOWNERS ASSN INC
PO BOX 1601
DRIGGS ID 83442

RE: APPLICATION TO LEASE PART OF 22-2137 TO THE WATER SUPPLY BANK; APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK

Dear Renter:

The Department of Water Resources has completed its review of your application to lease water right no. 22-2137 to the Water Supply Bank. The offered water right is 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.

The Department also processed your rental application for 22-2137. 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 \$30.80 per year was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 2.2 acre-feet. As a renter who is also a lessor, you need only pay the administrative fee of 10%, which is **\$3.08**. The agreement will be void if payment is not received within 30 days of the date of this letter. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

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(s)

c: Lyle Swank – IDWR Eastern Regional Office, Watermaster of Water District 01
Kristin Moore – Rocky Mountain Environmental Associates, Inc.

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

This is to certify that: BLUE INDIAN HOMEOWNERS ASSN INC
PO BOX 1601
DRIGGS ID 83442
(208) 399-8080

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
	22-2137	0.02CFS	2.2 AF	NA
COMBINED RENTAL TOTALS:		0.02 CFS	2.2 AF	NA

TERM OF RENTAL: April 1, 2011, to August 1, 2011

RENTAL FEE: \$30.80

The total fee for rental of the above-described water is \$ 30.80. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of **\$3.08**.

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. 22-2137 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: BLUE INDIAN HOMEOWNERS ASSN INC
PO BOX 1601
DRIGGS ID 83442
(208) 399-8080

Priority Date: 05/19/1950

Source: HORSESHOE CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
FIRE PROTECTION STORAGE	04/15	to 08/01	0.02 CFS	NA
	Total:		0.02 CFS	NA

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

HORSESHOE CREEK NE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 27 Twp 05N Rge 44E TETON County

RENTER'S PLACE OF USE: FIRE PROTECTION STORAGE

Twp	Rge	Sec	NE				NW				SW				SE				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
05N	44E	26																X	

Total Acres: NA

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 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.

**WATER RIGHT NO. 22-2137
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

10. 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.
11. 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.
12. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
13. Use of rights 22-2125 and 22-2137 are limited when combined to one or more of the following in accordance with the conditions of approval on the water rights: 141 acres of irrigation.
14. 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. 01.

