



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 LEASE ACCEPTANCE**

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

has requested to lease the water right(s) listed below to 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") the acquisition of water rights for the Board's Bank, agrees to lease the water right to the Bank as follows:

Summary of Water Rights or Portions Leased to the Bank

	<u>Water Right</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
	22-2137	0.02 CFS	2.2 AF	NA	NA
COMBINED LEASE TOTALS:		0.02 CFS	2.2 AF	NA	NA

TERM OF LEASE:

Lease Begin Date: April 15, 2011

Expiration Date: October 31, 2011

RENTAL AVAILABILITY:

Season of Use: April 15 to October 31

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 17th day of November, 20 10


GARY SPACKMAN, Interim Director
Department of Water Resources

WATER RIGHT NO. 22-2137 **WATER SUPPLY BANK LEASE ACCEPTANCE**

The water right or portion thereof leased to the bank is described as follows:

Lessor: 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>
IRRIGATION	04/15	to 10/31	0.02 CFS	2.2 AF
	Total:		0.02 CFS	2.2 AF

LOCATION OF POINT(S) OF DIVERSION:

HORSESHOE CREEK NE¼NW¼ Sec. 27 Twp 05N Rge 44E TETON County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: 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	
05N	44E	26																	1.0 1.0

Total Acres: 1.0

CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. 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.
7. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
8. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

WATER RIGHT NO. 22-2137
WATER SUPPLY BANK LEASE ACCEPTANCE

CONDITIONS OF ACCEPTANCE

9. Acceptance of a right into 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.
10. In accordance with Idaho Code § 42-248 and 42-1409(6), all owners of water rights are required to notify the department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
11. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.

The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.

Dated this 17th day of November, 2010

for

Monica Va-Buss

GARY SPACKMAN, Interim Director
Department of Water Resources