

M E M O R A N D U M

Date: July 8, 2008
To: Water Right File(s) 36-2083A, 36-2083B, and 36-8593
From: Aaron Marshall
Re: Update: Blue Lakes Country Club Water Supply Bank Rental Application

This memorandum serves as an update regarding the status of Water Supply Bank (Bank) applications submitted by Blue Lakes Country Club (applicant). On May 11, 2007, the Idaho Department of Water Resources (Department) received applications to extend the lease term of the portions of water right nos. 36-2083A, 36-2083B, and 36-8593 in the Bank through December 31, 2012 and an application to rent water from the Bank through 2012. For additional information, refer to the March 3, 2008 memorandum regarding the review of the rental application.

The March 3, 2008 memorandum presented two items requiring further review:

1) Water has already been rented for a total of five years (2003-2007). The Director of the Idaho Department of Water Resources (Director) may or may not have the authority to approve a rental for an additional term based on the provisions of Water Supply Bank Rule Subsection 030.05 (IDAPA 37.02.03.030.05).

Conclusion: On June 30, 2008, Deputy Attorney General, Phil Rassier, provided a memorandum concluding, "...the Director is authorized under the Water Supply Bank Rules to approve successive rental terms that cumulatively exceed a period of five (5) years."

2) Evidence suggests Bass Lake and Little Bass Lake are natural lakes. The proposed rental could be viewed as a supplement to the natural lake level without creating a minimum level that would require protection under Section 42-1501 through 1505, Idaho Code.

Conclusion: For clarification, the rental agreement will include a condition that states, "Use of water under this agreement does not establish a minimum lake level right for Bass Lake or Little Bass Lake."

APPLICATION STATUS

On June 30, 2008, correspondence was sent to the applicant and their legal counsel approving the lease extension that requested water right nos. 36-2083A, 36-2083B, and 36-8593 remain leased to the Bank through December 31, 2012. Correspondence also included a rental agreement for the use of water under these rights in Bass Lake and Little Bass Lake for the term ending November 15, 2008. The Department is currently awaiting return of the signed rental agreement with payment of the administrative fee. Once the agreement is signed and payment is received, the Director will also sign the agreement and return a copy to the renter thereby executing the rental agreement. Subsequent rental agreements can be processed based on the existing rental application which proposes the use of water through 2012.

No further action is required by the Board.