

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective January 1, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: CITY OF KETCHUM
PO BOX 2315
KETCHUM, IDAHO, 83340
(208) 726-3841
rmattison@ketchumidaho.org

RECEIVED
FEB 24 2014
DEPARTMENT OF
WATER RESOURCES

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described 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>
37-4414	2.227 CFS	N/A	N/A	N/A
Combined Lease Totals: 2.227 CFS N/A N/A N/A				

The water rights described herein shall be available for rental from the Bank as follows:
Authorized Period of Use under Lease: January 1, 2014 to December 31, 2018

2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31 2018.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.
5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

CITY OF KETCHUM
PO BOX 2315
KETCHUM ID 83340

By 

Date 19 FEB 14

Printed Name NINA JONAS

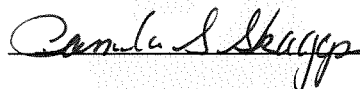
Title MAYOR

IDAHO WATER RESOURCE BOARD

322 East Front Street
P.O. Box 83720
Boise, ID 83720-9098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 02-24-2014

Lease approved by IDWR 

Date 02-24-2014

ATTACHMENT A
WATER RIGHT NO. 37-4414
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: CITY OF KETCHUM
PO BOX 2315
KETCHUM ID 83340
(208) 726-7825

Priority Date: 8/1/1955

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
MUNICIPAL	01/01 to	12/31	2.227 CFS	N/A
	Total:		2.227 CFS	N/A

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER SW ¼ NE ¼ SW ¼ Sec. 7 Twp 04N Rge 18E BLAINE County

ADDITIONAL 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, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. 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.
9. 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.

ATTACHMENT A
WATER RIGHT NO. 37-4414
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. Place of use is within the service area of the City of Ketchum municipal water supply system as provided for under Idaho law.
12. Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of a final unified decree.
13. 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.

RECEIVED

DEC 23 2013

DEPARTMENT OF
WATER RESOURCES

STATE OF IDAHO
WATER RESOURCE BOARD
**WATER SUPPLY BANK
REQUEST TO EXTEND LEASE TERM**

ONE FORM PER WATER RIGHT

This form is a statement that the lessor requests an extension of a Water Supply Bank ("Bank") lease for the water right identified below. A water right remains in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. However, if a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

If requesting a change in lease amounts (reducing or increasing acreage, etc.), you must file an Application to Sell or Lease a Water Right to the Water Supply Bank. This form can be found on IDWR's website at: www.idwr.idaho.gov.

Water Right No: 37-4414 Telephone No: (208) 726-7825

Name(s) of Lessor(s): City of Ketchum

Mailing Address: PO Box 2315

City: Ketchum State: ID Zip: 83340

Current Expiration Date: December 31, 2013

Requested Expiration Date: December 31, 2018
Lease term not to exceed 5 years.

All lease extension request forms must be signed and submitted with the following REQUIRED items:

1. Plat map, survey map or aerial photograph clearly showing the specific acres proposed to be idled for the duration of this lease.
2. Filing fee of \$250.00. If you are submitting more than one lease application and the rights have a common place of use or common diversion rate or common diversion volume, the combined maximum fee is \$500.00.
3. A completed Internal Revenue Service (IRS) Form W-9 (attached). If your water right is rented, we will be unable to issue payment to you without a current W-9 form.

The lessor requests that the above water right remain in the Bank through the date referenced above.

Robyn L. Mattison Robyn Mattison - Public Works Director 12/20/2013
Signature of Lessor Printed Name and Title* Date

Signature of Lessor Printed Name and Title* Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

Mail to: Idaho Department of Water Resources, P.O. Box 83720, Boise, ID 83720-0098

FOR OFFICE USE ONLY

Filing fee received by: HP Date: 12-23-13 Receipt No: C098098



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

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

February 24, 2014

CITY OF KETCHUM
PO BOX 2315
KETCHUM ID 83340

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 37-4414

Dear Lessor:

Water Right 37-4414 was leased into the Water Supply Bank on January 1, 2014 in accordance with the executed original Lease Contract enclosed. **Your water rights as described on the Lease Contract are considered leased into the Bank and should remain unused until they are formally released from the Bank.**

The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. **Please note your rights may not be available for immediate release if they have been rented.** To release the right from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available from our public website at www.idwr.idaho.gov.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"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."

If you have questions regarding this matter, please contact me at 287-4910.

Sincerely,

Clay Webster
Technical Records Specialist

Enclosure: Executed Lease Contract

c: Bruce Smith – Moore Smith Buxton and Turke
Allen Merritt - IDWR Southern Regional Manager



CITY OF KETCHUM, IDAHO

RECEIVED

FEB 24 2014

DEPARTMENT OF
WATER RESOURCES

MAYOR
NINA JONAS

COUNCIL MEMBERS
MICHAEL DAVID
ANNE CORROCK
BAIRD GOURLAY
JIM SLANETZ

P.O. Box 2315
Ketchum, ID 83340
(208) 726-3841
FAX: (208) 726-8234

February 20, 2014

State of Idaho Department of Water Resources
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

Dear Sir or Madam:

Enclosed are the applications to lease water rights to the water supply bank from the City of Ketchum. Please return a signed copy to our office as soon as possible. Please let us know if there is anything further required at this time.

Thank you for your assistance.

Sincerely,


Katie Carnduff
Administrative Clerk

Webster, Clay

From: Robyn Mattison [rmattison@ketchumidaho.org]
Sent: Friday, February 14, 2014 1:57 PM
To: Webster, Clay
Subject: RE: Water Supply Bank Rental PODs

Hi Clay. Thanks for following up. I just called our City Clerk's office. The new agreements have been sitting in the Mayors box and haven't been signed yet. Sorry! At the latest they'll be signed Tuesday night and in the mail either Wed or Thurs next week.

I apologize for the delay. I forgot to ask the City Clerk to cut a check for the first year rental so we should be able to include the check with the signed agreements.

Thanks!

Robyn

ROBYN L. MATTISON, P.E., LEED A.P. | CITY OF KETCHUM
Public Works Director / City Engineer
P.O. Box 2315 | 110 River Ranch Rd | Ketchum, ID 83340
o: 208.726.7825 ext. 101 | c: 208.720.9992
rmattison@ketchumidaho.org | www.ketchumidaho.org

From: Webster, Clay [<mailto:Clay.Webster@idwr.idaho.gov>]
Sent: Friday, February 14, 2014 12:54 PM
To: Robyn Mattison
Subject: RE: Water Supply Bank Rental PODs

Good afternoon Robyn,

I was just following up on those lease contracts and the rental agreement. Have they been signed and mailed back?

Thanks,

Clay

From: Robyn Mattison [<mailto:rmattison@ketchumidaho.org>]
Sent: Monday, February 03, 2014 5:08 PM
To: Webster, Clay
Subject: RE: Water Supply Bank Rental PODs

Hi Clay. I noticed a few typos on the water bank lease and rental agreements for 37-4414. Page 1 of the lease contract – item 3, says it expires Dec. 31, 2013. Page 3 of the lease contract says the priority date is 8/1/1995, when it should be 8/1/1955. Should we get these fixed before I have our mayor sign the forms?

Thanks,

Robyn

ROBYN L. MATTISON, P.E., LEED A.P. | CITY OF KETCHUM
Public Works Director / City Engineer

P.O. Box 2315 | 110 River Ranch Rd | Ketchum, ID 83340
o: 208.726.7825 ext. 101 | c: 208.720.9992
rmattison@ketchumidaho.org | www.ketchumidaho.org

From: Webster, Clay [<mailto:Clay.Webster@idwr.idaho.gov>]
Sent: Tuesday, January 14, 2014 3:50 PM
To: Robyn Mattison
Subject: RE: Water Supply Bank Rental PODs

Robyn,

No Problem, Thank you for the quick response.

Sincerely,

Clay Webster

Technical Records Specialist
clay.webster@idwr.idaho.gov
208-287-4910

Idaho Department of Water Resources (IDWR)
208-287-4800
www.idwr.idaho.gov

From: Robyn Mattison [<mailto:rmattison@ketchumidaho.org>]
Sent: Tuesday, January 14, 2014 3:45 PM
To: Webster, Clay
Subject: RE: Water Supply Bank Rental PODs

Clay. My apologies. The POD for the second one listed should be: TWP 04N, Range 18E, Section 19 , NESW

ROBYN L. MATTISON, P.E., LEED A.P. | CITY OF KETCHUM

Public Works Director / City Engineer
P.O. Box 2315 | 110 River Ranch Rd | Ketchum, ID 83340
o: 208.726.7825 ext. 101 | c: 208.720.9992
rmattison@ketchumidaho.org | www.ketchumidaho.org

From: Webster, Clay [<mailto:Clay.Webster@idwr.idaho.gov>]
Sent: Tuesday, January 14, 2014 3:32 PM
To: Robyn Mattison
Subject: Water Supply Bank Rental PODs

Robyn,

I am currently reviewing the Rental/Lease Applications that you submitted. I just wanted to verify the PODs for the Rental. They did not match the map as far as I could tell. Could you verify for me that they are correct? I've attached a scanned copy of the application for rental that we received, with the map. Thanks for your assistance.

Sincerely,

Clay Webster

Technical Records Specialist
clay.webster@idwr.idaho.gov
208-287-4910

Idaho Department of Water Resources (IDWR)
208-287-4800
www.idwr.idaho.gov



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

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

February 4, 2014

CITY OF KETCHUM
PO BOX 2315
KETCHUM ID 83340

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 37-4414 TO THE WATER SUPPLY BANK

******TIME SENSITIVE RESPONSE REQUIRED******

Dear Applicant:

The Department of Water Resources has corrected the typos requested. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return BOTH Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To request an extension of the lease period, submit a Request to Extend the Lease Term form along with applicable fees to the Department prior to the release date. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your rights may not be available for immediate release if they have been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"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."

If you have questions regarding this matter, please contact me at 287-4910.

Sincerely,

Clay Webster
Technical Records Specialist

Enclosure: Proposed Lease Contracts



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

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

January 15, 2014

CITY OF KETCHUM
PO BOX 2315
KETCHUM ID 83340

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 37-4414 TO THE WATER SUPPLY BANK

****TIME SENSITIVE RESPONSE REQUIRED****

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return BOTH Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To request an extension of the lease period, submit a Request to Extend the Lease Term form along with applicable fees to the Department prior to the release date. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your rights may not be available for immediate release if they have been rented.

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If you have questions regarding this matter, please contact me at 287-4910.

Sincerely,

Clay Webster
Technical Records Specialist

Enclosure: Proposed Lease Contracts

c: Bruce Smith-Moore, Smith, Buxton & Turcke