

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

RECEIVED

JUL 12 2011

DEPARTMENT OF
WATER RESOURCES

This is to certify that: CITY OF KETCHUM
PO BOX 2315
KETCHUM ID 83340
(208) 726-7825

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
37-4414	2.227 CFS	1,316.2 AF	NA
COMBINED RENTAL TOTALS:	2.227 CFS	1,316.2 AF	NA

TERM OF RENTAL: June 3, 2011 to December 31, 2011
January 1, 2012 to December 31, 2012
January 1, 2013 to December 31, 2013

RENTAL FEE: \$22,589.00

The total fee for rental of the above-described water is \$22,589.00 per year. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of **\$2,258.92**. An annual payment shall be received by the Department prior to January 1 each year for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. To terminate the agreement prior to the end of the rental period, written notice must be received by the Department at least 30 days prior to the rental fee due date.

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 15th day of JUNE, 2011.

By: CITY OF KETCHUM
(Print Name)

Steen A. Hansen
(Signature) STEEN A. HANSEN
UTILITIES MANAGER
(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 13th day of JULY, 2011.

Monica Van Buren
for GARY SPACKMAN, Interim Director
Department of Water Resources

SCANNED

WATER RIGHT NO. 37-4414
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: CITY OF KETCHUM
PO BOX 2315
KETCHUM ID 83340
(208) 726-7825

Priority Date: 08/01/1955

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	1,316.2 AF
	Total:		2.227 CFS	1,316.2 AF

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

GROUND WATER	SE¼SW¼SE¼	Sec. 12	Twp 04N	Rge 17E	BLAINE County
GROUND WATER	NE¼NW¼NE¼	Sec. 13	Twp 04N	Rge 17E	BLAINE County
GROUND WATER	NE¼SW¼	Sec. 19	Twp 04N	Rge 18E	BLAINE County

RENTER'S PLACE OF USE: MUNICIPAL

Place of use is within the service area of the City of Ketchum municipal water supply system as provided for under Idaho law.

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. This rental agreement does not authorize the construction of a well.
6. 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.
7. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
8. 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.
9. 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.
10. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.

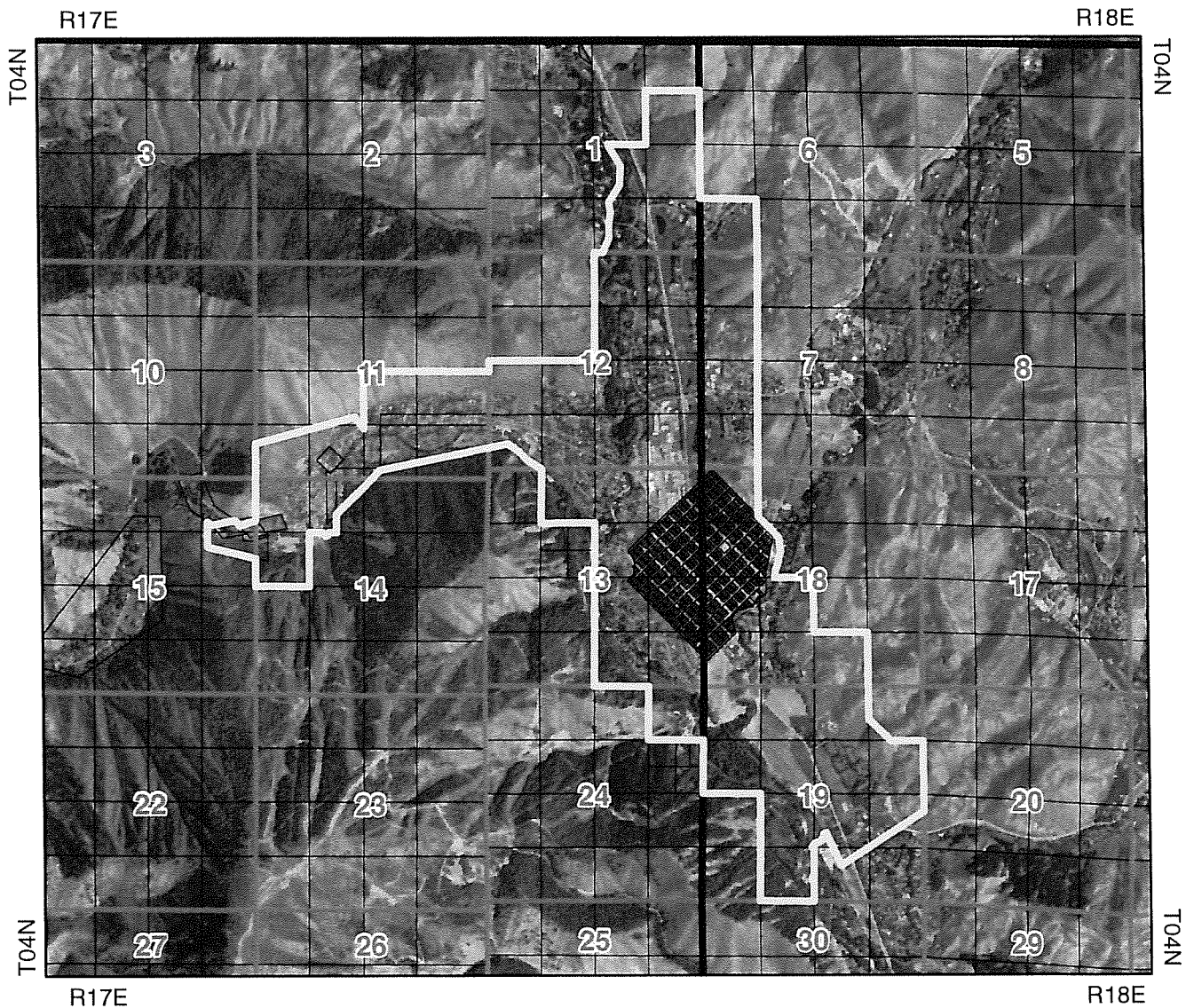
**WATER RIGHT NO. 37-4414
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

11. The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.
12. Place of use is within the service area of the City of Ketchum municipal water supply system as provided for under Idaho law.
13. The boundary encompassing the place of use for this water right is described with a digital boundary as defined by I.C. Section 42-202B(2) and authorized pursuant to I.C. Section 42-1411(2)(h). The data comprising the digital boundary are incorporated herein by reference and are stored on a CD-ROM disk issued to duplicate originals on file with the SRBA District Court and the Idaho Department of Water Resources. A map depicting the place of use is attached hereto to illustrate the place of use described by the digital boundary.
14. A map depicting the place of use boundary for this water right at the time of this approval is attached to this document for illustrative purposes.
15. 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 the final unified decree.

SCANNED
JUL 14 2011

State of Idaho
Department of Water Resources
Water Supply Bank Rental
37-4414
Water Service Area Boundary for City of Ketchum



Legend

- Point of Diversion
- Place Of Use Boundary
- Townships
- PLS Sections
- Quarter Quarters

0 0.5 1 2 Miles

SCANNED
JUL 14 2011
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