

MEMORANDUM

To: Water Right File No(s). 37-4414

From: Monica Van Bussum

Date: June 9, 2011

Re: Review of Application to Lease and Rent a Water Right to the State Water Supply Bank

PURPOSE/NARRATIVE: On June 3, 2011, by email, the Department received an application to lease all of 37-4414 to the Water Supply Bank. This application was submitted by Bruce Smith, who is the attorney of record for the City of Ketchum.

The lease application was accompanied by two rental applications. One allowed the City of Ketchum to rent water for municipal purposes within their general service area. One was to allow irrigation (under the auspices of municipal purposes) to the Fuld property, which has been the subject of a notice of violation (NOV) for irrigating 27 acres without a water right.

We are going to approve this as one rental because it is essentially only changing the POD for the City's municipal water right. It's allowing water to be taken out of the Fuld well in Section 19 and two of the other City wells in Sections 12 and 13.

There has been some discussion in the Department about whether the City should be allowed to rent the 27 acres under a municipal right. First, the acres to be irrigated are not being irrigated for agricultural purposes. Per a phone conversation with myself, Tim Luke of IDWR and several IDWR Southern Regional staff, including Regional Manager Allen Merritt, representatives for Fuld indicated the property is mostly wild grasses, trees and some turf. They stated there is no agricultural irrigation. Second, the Fuld property is within the City of Ketchum municipal boundary which would allow non-agricultural irrigation on this property.

Additionally, many municipal rights have conditions on their use limiting them to uses other than irrigation of parks, golf courses, etc. 37-4414 does not include this condition and so allows irrigation of non-agricultural land.

AUTHORITY TO FILE: The applications were signed by Bruce Smith, who is the attorney for the City regarding their water rights.

WATER RIGHT VALIDITY: Standard Forms 5s (SF5s) resolving objections were signed by the parties and filed with the Snake River Basin Adjudication (SRBA) District Court on April 26, 2011. Partial decrees will shortly follow.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: No enlargement is evident. Use prescribed for the rentals is within the definition of municipal use.

LOCAL PUBLIC INTEREST:

Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES:

The leases appear to be consistent with conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS:

The watermaster participated in the phone call on June 9, 2011. This is not a basin where there is conjunctive administration, but it should be noted the watermaster is aware of this lease and rental.

VOLUME AND FEE:

I should be clear about how volume was calculated. The volume is the diversion rate (2.227 cfs) multiplied by the conversion factor of 1.985 multiplied by 365 days, which is 1,613.5 AF.

The total fee for the rental is \$14/AF times 1,613.5 AF, which equals \$22,589. Since the City of Ketchum is the lessor and the renter, the total fee is \$2,258.92.