

**STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES  
WATER SUPPLY BANK LEASE ACCEPTANCE**

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

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**

|                                   | Water<br>Right | Lease<br>Rate    | Lease<br>Volume | Acre<br>Limit | Total Leased<br>Acres |
|-----------------------------------|----------------|------------------|-----------------|---------------|-----------------------|
|                                   | 37-4414        | 2.227 CFS        | NA              | NA            | NA                    |
| <b>COMBINED<br/>LEASE TOTALS:</b> |                | <b>2.227 CFS</b> | <b>NA</b>       | <b>NA</b>     | <b>NA</b>             |

**TERM OF LEASE:**

Lease Begin Date: June 3, 2011

Expiration Date: December 31, 2013

**RENTAL AVAILABILITY:**

Season of Use: January 1 to December 31 annually

**MINIMUM PAYMENT ACCEPTABLE:**

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 10th day of June, 20 11

  
for GARY SPACKMAN, Interim Director  
Department of Water Resources

**WATER RIGHT NO. 37-4414  
WATER SUPPLY BANK LEASE 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:** 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             |               |
|                       | <b>Total:</b> |           | <b>2.227 CFS</b>      |               |

**LOCATION OF POINT(S) OF DIVERSION:**

GROUND WATER SW¼NE¼SW¼ Sec. 7 Twp 04N Rge 18E BLAINE County

**PLACE OF USE TO BE IDLED UNDER THIS LEASE:** 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 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. 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.
10. 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.
11. Place of use is within the service area of the City of Ketchum municipal water supply system as provided for under Idaho law. 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.

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.