

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

RECEIVED  
SEP 12 2007

Department of Water Resources

This is to certify that: CITY OF EAGLE  
PO BOX 1520  
660 E CIVIC LN  
EAGLE ID 83616  
(208) 939-6813

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

Permit	Rented Rate	Annual Rented Volume	Total Rented Acres
63-12448	0.80 CFS	130.0 AF	NA

**COMBINED RENTAL TOTALS**                      **0.80 CFS**                      **130.0 AF**                      **NA**

**TERM OF RENTAL:**                      September 11, 2007 to December 31, 2008 or the date of final resolution of contested matters associated with water permit nos. 63-32089 and 63-32090, whichever occurs first

**RENTAL FEE:**                      \$182.00 annually

The total fee for rental of the above-described water is \$1,820.00 annually. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$182.00 annually.

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 12 day of September, 20 07.

By: BLOCK SMITH  
(Print Name)

[Signature]  
(Signature)  
[Title]  
(Title if on behalf of company or organization)

Having determined that this agreement satisfies the provisions of Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (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 12th day of September, 20 07.

[Signature]  
for DAVID R. TUTHILL, JR., Director  
Department of Water Resources

**WATER PERMIT NO. 63-12448  
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 EAGLE  
PO BOX 1520  
660 E CIVIC LN  
EAGLE ID 83616  
(208) 939-6813

**Priority Date:** 4/08/1998

**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	0.80 CFS	130.0 AF
	<b>Total:</b>		<b>0.80 CFS</b>	<b>130.0 AF</b>

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

GROUND WATER	NW¼SE¼	Sec. 11	Twp 04N	Rge 01W	ADA County
GROUND WATER	SE¼NW¼	Sec. 11	Twp 04N	Rge 01W	ADA County
GROUND WATER	SW¼SW¼	Sec. 4	Twp 04N	Rge 01E	ADA County
GROUND WATER	NW¼SW¼	Sec. 3	Twp 04N	Rge 01E	ADA County
GROUND WATER	SW¼SW¼	Sec. 3	Twp 04N	Rge 01E	ADA County
GROUND WATER	SE¼SE¼	Sec. 11	Twp 04N	Rge 01W	ADA County
GROUND WATER	NW¼SE¼	Sec. 11	Twp 04N	Rge 01W	ADA County

**RENTER'S PLACE OF USE: MUNICIPAL**

Place of use is within the service area of the City of Eagle 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 Section 42-1766, Idaho Code.
2. Rental of the specified permit from the bank does not, in itself, confirm the extent of beneficial use developed under the permit.
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 permit.
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 any permanent application for 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 or injury to other water rights while using water under this agreement.
9. Renter acknowledges and agrees that the Director may terminate diversion of water or require mitigation if the Director determines that diversion and use of water under this agreement causes injury to other water rights or that 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.
11. The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.
12. In the event that continued water use is not authorized, the renter agrees to hold the Board, the Director and the state of Idaho harmless from any claim for reimbursement or expenses associated with the development of new and supplemental water uses.
13. Prior to diversion of water under this agreement, the renter shall install and maintain a measuring device and lockable controlling works of a type acceptable to the Department as part of the diverting works.