

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Water Resource Board
2. Address: 1301 N Orchard, Boise Id 83706-2237
3. Source of water: Beaver Creek, Salmon River, and Ground water
4. Volume of water rented: 556.4 AF (Based on consumptive use volume)
Max rate: 9.38 cfs
5. Diversion period: 2005 Irrigation season as authorized under each water right.
6. Use of water: Instream Flow
7. a) Renter's point of diversion:

Legal description: SW¼SW¼ Section 16, T24N, R21E, B.M., Lemhi County
(Beginning of Reach)
SE¼SE¼ Section 31, T25N, R5E, B.M., Idaho County (Ending of
Reach)

- b) Renter's place of use:

Instream flow in Beaver Creek and the Salmon River

8. The rights from which water will be rented are:

Right No.	Acres (ac)	Diversion Rate (cubic ft per sec., cfs)	Consumptive Diversion Vol. (acre-feet per acre, afa)	Source
71-2091C	35.2 ac	0.70 cfs	70.4 afa	Beaver Creek
71-2091D	18.1 ac	0.36 cfs	36.2 afa	Beaver Creek
71-7008	146 ac	2.92 cfs	292 afa	Beaver Creek
71-7009	37.3 ac	0.75 cfs	74.6 afa	Salmon River
71-7083	200 ac	3.48 cfs	400 afa	Ground water
71-10665A	30.8 ac	3.48 cfs	61.6 af	Beaver Creek
<u>71-10665B</u>	<u>10.8 ac</u>	<u>1.31 cfs</u>	<u>21.6 afa</u>	Beaver Creek
Combined Totals:	278.2 ac	9.38 cfs	556.4 afa	

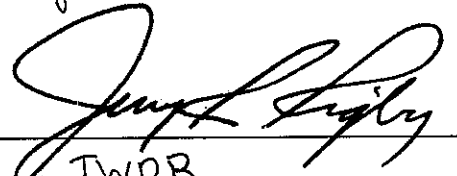
In accordance with the Lease Agreement between the Idaho Water Resource Board and the lessor, dated April 21, 2005, the fee for rental of the above referenced water rights is \$20.00 per acre idled per year plus a ten percent fee for the costs of administration. The total rental fee is **\$6,182.22**. The renter agrees to use the water in accordance with the Water Supply Bank rules and in compliance with the conditions of water use shown below.

Conditions of water use under this agreement

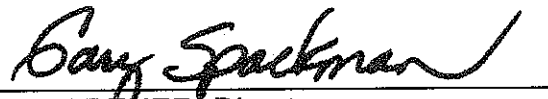
1. Rental of rights 71-2091C, 71-2091D, 71-7008, 71-7083, 71-10665A, and 71-10665B is limited to a maximum total combined diversion rate of 8.63 cfs and a combined diversion volume of 481.8 afa for use during the authorized irrigation season.
1. Rental of right 71-7009 is limited to a maximum diversion rate of 0.75 cfs and diversion volume of 74.6 afa for use during the authorized irrigation season.
2. Rental of all of the above-described rights is limited to a maximum total diversion rate of 9.38 cfs or a continuous rate of 1.83 cfs for use from May 1 to September 30, 2005.
3. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
4. 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 any department application process.
5. Use of water must be in compliance with the Lease Agreement between the Board and the lessor.
6. Use of water under this rental 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 the licensed points of diversion and place of use and/or again be available to rent from the bank.
7. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
8. Renter agrees to hold 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. 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.

11. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
12. Failure of the right holder to comply with the conditions of this agreement is cause for the Director to rescind acceptance of the lease.

Dated this 31st day of August, 2005.

by 
for IWRB

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 31 day of AUGUST, 2005.

For 
KARL J. DREHER, Director
Department of Water Resources