

NOV 09 2005

Department of Water Resources

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: PO Box 83720 Boise ID 83720-0098
3. Source of water: Eighteenmile Creek
4. Volume of water rented: 64.0 AF (Based on consumptive use volume)
Max rate: 0.51 cfs
5. Diversion period: March 15, 2005 to November 15, 2005
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:
Legal description: Instream flow in Eighteenmile Creek and the Salmon River
8. The right from which water will be rented is:

Right No.	Acres (ac)	Diversion Rate (cubic ft per sec., cfs)	Diversion Volume (acre-feet, af)
74-2320	25.6 ac	0.51 cfs	89.6 af

The undersigned renter agrees to pay **\$2,222.22** for rental of the above-described water and agrees to use the water in compliance with the Water Supply Bank rules and in compliance with the conditions of water use shown below:

Conditions of water use under this agreement

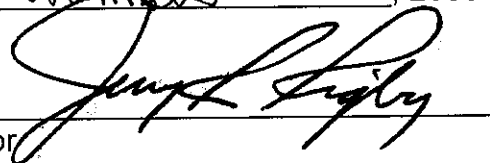
1. Rental of the above referenced right is for consumptive use only and is limited to the consumptive use diversion volume of 64 0 afa, or a continuous diversion rate 0.13 cfs for use from March 15, 2005 to November 15, 2005.
2. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
3. 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 the ongoing Snake River Basin Adjudication or any other department application process.
4. Upon Department request, the renter shall provide for the measurement of the water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.
5. 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 the licensed points of diversion and place of use and/or again be available to rent from the bank.
6. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
7. 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.
8. 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.
9. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.

Failure of the right holder to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.

Dated this 9th day of November, 2005.

by

for



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 9 day of NOVEMBER, 2005

A handwritten signature in black ink, appearing to read "Karl Dreher", written over a horizontal line.

KARL DREHER, Director
Department of Water Resources