

Central Kansas Water Bank Association

Contract to Deposit – Safe Deposit Account

(The Filing Fee of \$200.00 must accompany this contract)

Contract must be entered into by December 31st of year preceding first year deposit will be made

For Office Use Only

Fee _____

Form # _____

TR # _____

Date Recd _____

Time Recd _____

Initials _____

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: Home _____ Hydrologic Unit: _____

Water Right Number (for proposed account): _____ Authorized Amount: _____

List all Overlapping Water Right File Numbers: _____

Legal Desc: _____ ¼, _____ ¼, _____ ¼, Sec _____ Twp _____ Rng _____, _____, County

Certified? Vested?

Contract Period for Safe Deposit Account: _____ to _____ (not to exceed the length of the association's charter plus three calendar years) Amount available for deposit annually will be calculated using the following formula: $((WR * .85) - WU) * .25$. (FEE based on number of years)

Water Use Report due December 1 of year water was used.

Will there be water use between Dec 1st and Dec 31st Yes No

TERMS AND CONDITIONS OF CONTRACT

TERMS OF PAYMENT \$_____ start-up fee: \$_____ annual fee (These fees are in addition to any term permit obtained to use the water.) All fees shall be paid at the time the contract is signed.

INSPECTION Representatives of the Association shall have the right to inspect the point of diversion, place of use and meter at any time during the term of this contract.

ASSIGNMENT The depositor may not use the deposited water without prior written permission of the Association and chief engineer.

BINDING This agreement shall be binding upon the parties hereto, their heirs, executors, administrators, and assigns.

COMPLIANCE WITH ALL LAWS This contract is subject to the provisions of the Association's charter and all rules and regulations set forth by Ground Water Management District #5 and the Kansas Department of Agriculture, Division of Water Resources.

WATER USE REPORTING Water bank participants are required to submit their annual water use reports to the Division of Water Resources by December 1st of the current water use year (even though the water use report states a deadline of March 1st of the following year).

TERMINATION Upon termination and end of this contract, or in the event of breach of contract, depositor agrees and promises to return any unused portion of the water to the Association without necessity of legal process further agrees that any fees paid are not refundable if the water user voids the contract, or causes it to be void, for any reason.

BREACH OF CONTRACT-PENALTIES Breach of contract will result in forfeiture to participate in the Association in the future. All violations of the act, charter, and any applicable rules and regulations may be processed through Section 801 of the Association's charter and K.A.R. 5-17-13.

ACKNOWLEDGEMENT OF TERMS AND CONDITIONS The undersigned acknowledges they have read and understand the conditions of the above contract and have provided the Association with honest, accurate information in preparation of this contract.

Signature of Water Right Owner: _____ Date: _____

Signature of Association's Representative: _____ Date: _____

Section 507 and 508 of the Association's Charter

Safe Deposit Accounts

The association is authorized to enter into contracts with water users for the establishment of safe deposit accounts. A safe deposit account program allows a water user to place unused water from a water right into an account for use at a later date. A water right must be deemed bankable as per K.S.A. 2001 Supp. 82a-764 before it is considered eligible for a safe deposit account. The operation of safe deposit accounts within the association shall not increase the amount of net consumptive use of water in any hydrologic unit. The amount of a water right that can be deposited in any safe deposit account shall be calculated using the following formula.

$$((WR * .85) - WU) * .25$$

where WR = certified quantity on water right

where .85 represents the trigger value

where WU = actual annual water use

where .25 = percent of quantity between WU and .85 available for deposit annually

Rules for Safe Deposit Account Holder

Water users wishing to utilize the safe deposit account program shall enter into a contract with the association by December 31st of the year preceding the first year the water user wishes to make a deposit. An application for term permit shall be required prior to withdrawal of any water over and above the certified amount on a water right or vested right. The application for term permit shall be filed with the division.

Only water that was unused in the past immediate year can be deposited into a safe deposit account and it must be less than the amount authorized by the water right. Water shall be deposited in the account no later than March 1 of the year following the calendar year in which the water was not used.

Only water from one water right shall be placed in a safe deposit account. Linked water rights that have common points of diversion or place of use may be placed in one account.

A ten percent conservation element shall be subtracted from the amount remaining in the account at the end of each year.

The total amount of water accumulated in a safe deposit account shall not exceed the maximum annual quantity authorized to be diverted under the water right or the aggregate maximum quantity authorized to be diverted under all linked water rights from which water is deposited in the account (K.S.A. 82a-763(c)(5)).