



City of Ketchum

February 24, 2016

Pat McMahon, Director
Galena Ground Water District
PO Box 2761
Sun Valley, ID 83353

Dear Mr. McMahon,

The City of Ketchum is in receipt of the Galena Ground Water District's ("GGWD or District") invitation to add its municipal water rights into the District. We recognize all of the time and consideration the District and its staff have undertaken to form over the last year.

As you are aware, the City of Ketchum is involved in the water delivery call pursued by the Big Wood & Little Wood Water Users Association before the Idaho Department of Water Resources identified in Contested Case Nos. CM-DC-2015-001 and -002 ("Water Delivery Call"). The City is also involved in the judicial review of matters raised in the Water Delivery Call in Sun Valley Company v. Spackman, et al, Case No. CV-WA-2015-14500 ("SVC Judicial Review") and in City of Hailey, et al., v. Spackman, et al., Case No. CV-WA-2015-14419 ("Hailey Judicial Review"). The City of Ketchum has water rights that may be affected by the Water Delivery Call and the pending Hailey and SVC judicial review matters. As such, the City needs to see how these matters proceed through the administrative and legal processes underway and cannot take any action that may limit the City's legal or factual position regarding its water rights. Additionally, the City has been working with other municipalities in the Valley who are similarly situated.

At this time, the City will decline the GGWD's invitation to add its municipal water rights to the District. We encourage the GGWD to continue its efforts but please do so knowing the City of Ketchum will continue to represent all of its water rights and will not have the District undertake any representation of the City's rights, including its 0.48 cfs of groundwater irrigation rights included in the District. With regard to the City's groundwater irrigation rights included in the District, please continue sending notices of GGWD meetings to the City as we will have City representatives attend those meetings.

Sincerely,

Nina Jonas, Mayor
City of Ketchum

Cc: Mark Davidson, The Nature Conservancy
Patti Lousen, Wood River Land Trust