



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

C.L. "BUTCH" OTTER

Governor

GARY SPACKMAN

Director

September 6, 2012

ATN HOLDINGS LLC
PO BOX 1201
BOISE ID 83701

**RE: APPLICATION TO LEASE WATER RIGHT NOs. 2-10034, 2-10035 AND 2-10477 TO
THE WATER SUPPLY BANK**

Dear Lessor:

The Department of Water Resources has completed its review of your applications to lease the above-mentioned water right numbers to the Water Supply Bank. The offered water rights are accepted into the Bank in accordance with the attached Water Supply Bank Lease Acceptance. If you do not agree with the conditions of the Lease Acceptance and would like to withdraw your water rights from the Bank, you must contact the Department within thirty (30) days of receipt of this notification.

The rights will automatically be released from the Bank on **December 31, 2012**, unless the rights are released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the rights from the Bank, you must submit a request in writing, along with all applicable fees, to the Department prior to the release date.

Please review the conditions of acceptance listed on the Lease Acceptance, including #3 which says, "While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

Additionally, the rights indicate the use is within the Sailor Creek Project. We will be unable to rent these water rights without first knowing how water has been used within the Sailor Creek Project. Please send information as soon as possible. Contact me at (208) 287-4907 if you have any questions.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

c: John Westra – IDWR Western Regional Office
John Marshall – John Marshall Law PLLC