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Dec 22
November 4, 2009

Aaron Marshall
Senior Water Resource Agent
Idaho Department of Water Resources
P.O. Box 83720
Boise, Idaho 83720-0098

Re: *Water Supply Bank Lease and Rental Applications for
Water Right Nos. 13-2092 and 13-2179*

Dear Aaron:

I am in receipt of your letter dated October 20, 2009, concerning Water Supply Bank Lease and Rental Applications for Water Right Nos. 13-43, 13-44, 13-45, 13-46, 13-2092, and 13-2179. You returned all of the Applications on the basis that the Applications were not processed prior to the end of the proposed lease. While that is true with respect to Water Right Nos. 13-43, 13-44, 13-45, and 13-46, the lease period for Water Rights 13-2092 and 13-2179 is continuing. Therefore, those Applications, copies of which are enclosed herewith, should still be processed.

I realize that in Section 5 of the Applications to Sell or Lease Water to the Water Supply Bank, the lease period is described from April 1, 2008 to March 30, 2009. Paragraph 2 of the Lease Agreement between Franklin Cub River Pumping Company and Maple Leaf Investments shows the initial term of the lease commencing April 1, 2008, and ending March 30, 2009, but then states that "this lease shall automatically renew for successive one-year terms until such time as either party provides written notice of termination." In hindsight, Section 5 of the Applications to Sell or Lease Water to the Water Supply Bank probably should have stated "indefinite". It is clear from the Lease

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Agreement that the lease is ongoing. Note that Section 4 of the Applications to Sell or Lease Water to the Water Supply Bank incorporates the Lease Agreement.

Therefore, I ask that you proceed with processing the enclosed applications, which pertain to Water Rights 13-2092 and 13-2179. Please call if you have any questions regarding this request.

Sincerely,



THOMAS J. BUDGE

TJB:rr

Enclosures

cc: Clients