



State of Idaho

DEPARTMENT OF WATER RESOURCES

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July 18, 2011

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

JOHN J GALGANO
SILVER SAGE OWNERS ASSN INC
PO BOX 1702
KETCHUM ID 83340

**RE: WATER SUPPLY BANK LEASE APPLICATION(S)
WATER RIGHT NO(S). 37-20843, 37-21240, 37-21242 AND 37-22499 (SPLIT OF 37-2507A)**

Dear Applicant:

On November 10, 2009, the Idaho Department of Water Resources (Department) received your application to lease the above-mentioned water rights to the Water Supply Bank (Bank). The Department is returning your applications because water right 37-2507A (your split of 37-2507A is 37-22499) is still at issue in the Snake River Basin Adjudication (SRBA) and is scheduled for a status conference on August 31, 2011.

We can not process an application which is pending action in the SRBA because we must know the extent of historical use, which is determined in the SRBA. Since 37-2507A (and its split, 37-22499) has conditions limiting its use with the other rights mentioned above, there is a risk of enlarging the right through the lease until we know exactly what 37-22499 will look like. Once 37-2507A (and, consequently, 37-22499) is partially decreed in the SRBA and is no longer at issue, you can file new lease applications with the Bank.

Please contact me at (208) 287-4907 if you have questions.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s): Lease Application