

MEMORANDUM

TO: Permit File No. 96-9317 in the name of Damon Arnett

FROM: Darla Block

DATE: June 01, 2011

SUBJECT: Telephone Conversation with Panhandle State Bank

The Department received a statement of completion on 5/25/2011 from Panhandle State Bank with the proper filing fee. The owner of record for this permit is currently Damon Arnett at the following address and phone number: PO Box 464 Sagle ID 83860, (208) 660-3399.

A water right in the permit stage is considered personal property, and a change in ownership can only be processed through an assignment of permit at this time.

On May 26, 2011, I sent a letter to Panhandle State Bank explaining the process, in which I carbon copied to the permit holder.

On June 1, 2011, the letter I copied and sent to the permit holder's address of record was returned, and marked by the postal service as "Arnett Temporarily Away". I called the phone number listed on Damon Arnett's application for permit, and after a few rings was sent into Damon Arnett's voice mail where I left him a message to please return my call.

On June 1, 2011, I received a phone call from Panhandle State Bank regarding the letter I sent them dated May 26, 2011. The gentleman on the phone let me know that this property was acquired through foreclosure. I explained that I am following protocol within the guidelines of the Department. Before the Department can accept their proof submittal, the Department must first attempt to contact the permit holder of record. I informed the gentleman from Panhandle State Bank that if the original permit holder cannot be found, the Department can allow persons other than the permit holder of record to submit the proof of beneficial use. I said I would give the permit holder of record (30) days to respond to my voice mail message which I left on his answering machine on June 1, 2011.

I am in compliance with Administrator's Memorandum Permit Processing No.10.