



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

February 7, 2011

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

TIMBERLINE DEVELOPMENT LLC
PO BOX 145
DONNELLY ID 83615

**RE: APPLICATION TO LEASE ALL OF WATER RIGHT NO(S). 65-23370 AND 65-23372
TO THE WATER SUPPLY BANK**

Dear Lessor:

The Department of Water Resources ("Department") has completed its review of your application to lease water right nos. 65-23370 and 65-23372 to the Water Supply Bank ("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, 2013**, 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 to the Department prior to the release date.

Additionally, there was an error in the combined limits of water rights. We have corrected those errors and I have included proof reports showing the corrections. All four water rights, 65-23370, 65-23371, 65-23372 and 65-23373 were limited to 2.12 cfs. Just these two (65-23370 and 65-23372) should have been limited to a combined total of 1.62 cfs.

Please review the conditions of acceptance listed on the Lease Acceptance and contact me if you have any questions at (208) 287-4907.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

c: John Westra – IDWR Western Regional Office
Ron Shurtleff – Watermaster, Water District 65
Lori Graves – SPF Water Engineering
KDB LLC – Security Interest Holder