



State of Idaho

DEPARTMENT OF WATER RESOURCES

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August 9, 2004

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

DOT LLP
581 EAST PROVIDENT DRIVE
BOISE ID 83706

DONALD K JUSTUS
KARAN JUSTUS
KEVIN JUSTUS
STEVEN JUSTUS
1024 RANCH RD
BOISE ID 83702

**RE: APPLICATION TO LEASE PART OF WATER RIGHT NO(S). 71-2091C,
71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, AND 71-10665B TO
THE WATER SUPPLY BANK**

Dear Lessor:

The department has completed its review of the Application to Sell or Lease Water Right(s) to the Water Supply Bank ("bank") that you submitted to this office. Please consider that as of the offered water right(s) are accepted into the bank in the portions listed below.

Several items to keep in mind in connection with the lease of a water right to the bank are as follows:

1. Portion(s) of the above referenced water right(s) are leased to the bank as follows:

<u>Right No.</u>	<u>Acres (ac)</u>	<u>Diversion Rate (cubic ft per sec., cfs)</u>	<u>Diversion Volume (acre-feet per acre, afa)</u>	<u>Source</u>
71-2091C	35.2 ac	0.7 cfs	105.6 afa	Beaver Creek
71-2091D	18.1 ac	0.36 cfs	54.3 afa	Beaver Creek
71-7008	146 ac	2.92 cfs	438 afa	Beaver Creek
71-7083	200 ac	3.48 cfs	600 afa	Ground water
71-10665A	30.8 ac	3.48 cfs	92.4 af	Beaver Creek
71-10665B	10.8 ac	1.31 cfs	32.4 afa	Beaver Creek
<u>71-7009</u>	<u>37.3 ac</u>	<u>0.82 cfs</u>	<u>115.9 afa</u>	<u>Salmon River</u>
Combined Totals:	278.2 ac	9.45 cfs	838.6 afa	

SUPPORT DATA

IN FILE # 71-02091C

2. Rental of rights 71-2091C, 71-2091D, 71-7008, 71-7083, 71-10665A, and 71-10665B is limited to a total combined diversion rate of 8.63 cfs and a combined diversion volume of 722.7 afa for use during the irrigation season authorized under each water right.
3. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
4. While a right is in the bank, the owner of the right may not use the right even if the right is not rented from the bank.
5. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease.
6. While a water right is in the bank, forfeiture provisions are stayed.
7. Prior to rental of the right from the bank, additional review may be required to confirm the validity of the right and availability of the surface water source.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in the ongoing Snake River Basin Adjudication or any other department application process.
9. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
10. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.

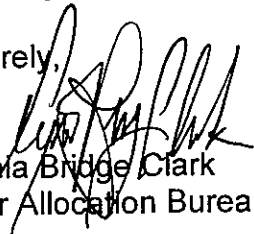
The right(s) will automatically be released from the bank on **December 31, 2004**, unless the right(s) are released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the right(s) from the bank, the lessor must submit a request in writing to the department prior to the release date.

Enclosed is a copy of the Internal Revenue Service Request for Taxpayer Identification and Certification, Form W-9. The department is required to file an information return with the Internal Revenue Service ("IRS") for all payments issued to for water rented from the bank. Payments for the rental of a water right or a part thereof cannot be issued to the lessor unless the department has received a completed IRS W-9 form.

Additionally, documentation of authority to receive payment must be submitted if the name provided on the W-9 form does not match the name of the lessor. The address associated with the water right leased to the bank will be updated in the department database to the address provided on the W-9 form unless otherwise requested by the lessor. If you no longer have an interest in the water right, please contact the department. Return this form and any additional documentation to my attention.

If you have questions, please feel free to contact me.

Sincerely,



Cynthia Bridge Clark
Water Allocation Bureau

Encl: 1

c: IDWR Regional Office
Bill Graham – IDWR State Office