



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

May 29, 2008

C. L. "BUTCH" OTTER
Governor

DAVID R. TUTHILL, JR.
Director

ALFRED WALKER
1629 N SONORAN DR
ST GEORGE UT 84770

RE: APPLICATION TO LEASE PART OF WATER RIGHT NO. 31-2465 TO THE
WATER SUPPLY BANK

Dear Lessor:

The Department of Water Resources ("Department") has completed its review of the Application to Sell or Lease Water Right(s) to the Water Supply Bank ("Bank"). Based on that review, a portion of water right no. 31-2465 is accepted into the Bank. However, a portion of the water right could not be accepted into the Bank. The reasons are described below.

Water Supply Bank Rule 25, IDAPA 37.02.03.025, provides criteria to be considered when determining whether to accept a water right into the Bank including whether information available indicates that the water right has been abandoned or forfeited. Landsat satellite imagery available to the Department indicates that the portions of the water rights offered to the Bank have not been irrigated since prior to the 2002 irrigation season. Section 42-222(2), Idaho Code, states, "All rights to the use of water acquired under this chapter or otherwise shall be lost and forfeited by a failure for the term of five (5) years to apply it to the beneficial use for which it was appropriated and when any right to the use of water shall be lost through nonuse or forfeiture such rights to such water shall revert to the state and be again subject to appropriation under this chapter; except that any right to the use of water shall not be lost through forfeiture by the failure to apply the water to beneficial use under certain circumstances as specified in section 42-223, Idaho Code."

If you have information that proves use of the portions of the rights offered to the Bank or information that the rights have not been lost through abandonment or forfeiture based on the exceptions or defenses specified in section 42-223, Idaho Code, please submit an application with this additional information.

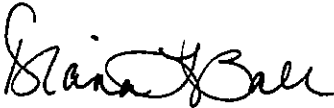
The offered water right is accepted into the Bank in accordance with the attached Water Supply Bank Lease Acceptance. If you do not agree with the conditions of acceptance and would like to withdraw your water right from the Bank, you must contact the Department within thirty (30) days of receipt of this notification.

The right will remain in the Bank for an "indefinite" lease term unless the right is released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the right 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 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. Please complete this form and return it to my attention.

Please review the conditions of acceptance listed on the Lease Acceptance and contact me if you have any questions at (208) 287-4943.

Sincerely,



for Aaron Marshall
Water Allocation Bureau

Enc: 2

c: Lyle Swank – IDWR Eastern Regional Office
Ernie Carlsen – Water District 110
Keith Wilson – Rocky Mountain Environmental Associates