



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street, P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 287-4800 Fax: (208) 287-6700 Web Site: www.idwr.idaho.gov

February 6, 2007

JAMES E. RISCH
Governor

KARL J. DREHER
Director

BERNARD SARINAS
4819 SUMMER CREEK COVE
CRESTVIEW FL 32539

**RE: WATER SUPPLY BANK LEASE
WATER RIGHT NOS. 61-12075 AND 61-12077**

Dear Mr. Sarinas:

The Department of Water Resources ("department") requests clarification of your intent to maintain the lease of the split portion of water right no(s). 61-12075 and 61-12077 to the Water Supply Bank ("bank"). Water right no(s). 61-12054 and 61-12056 were originally accepted into the bank in their entirety on September 22, 2005 in the name of M. Peter Nielsen, and for an "indefinite" lease period. Both water rights were split through an change of water right ownership and approved Transfer no. 72548 into the following water right nos: 61-12054 split into 61-12074 and 61-12075, and 61-12056 split into 61-12076 and 61-12077.

Our records show that you now own water right no(s). 61-12075 and 61-12077. The department typically releases water rights from the bank unless the new owner clarifies either in writing or using the attached form whether they intend to continue to lease all or a portion of a water right to the bank. Based on the department's approval of your request for an extension of time to accomplish Transfer No. 72548, the Water Supply Bank Lease will be extended through December 31, 2007. The Water Supply Bank leases have been updated to reflect the water use authorized under these rights and are enclosed for your review.

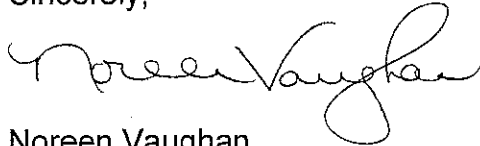
If you would like the right(s) to remain leased to the bank after the referenced date, please specify the date to which you want the lease term extended. You may also request the right(s) remain leased to the bank for an "indefinite" period. In this case, the right(s) will remain in the bank indefinitely unless released earlier by the Water Resource Board or until the lessor submits a request to the department in writing to release of the right(s) from the bank.

Please note, while a right is in the bank, the owner of the right may not use the right without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Section 42-351, Idaho Code, for illegal diversion and use of water, and may include

civil penalties pursuant to Section 42-1701B, Idaho Code. Also consider that the five (5) year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the bank.

If you have any questions regarding the Water Supply Bank or a specific lease, please contact me at (208) 287-4954.

Sincerely,

A handwritten signature in cursive script, reading "Noreen Vaughan". The signature is written in dark ink and is positioned above the printed name and title.

Noreen Vaughan
Water Allocation Bureau

Enc: 3

Cc: John Westra- IDWR Western Regional Office