



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

MAY 18, 2006

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

UNITED WATER IDAHO INC
PO BOX 190420
BOISE ID 83719-0420

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK.
WATER RIGHT NO(S). 63-2461, 63-31462, 63-7223, 63-31470, 63-
31479, 63-31861, 63-10029.**

Dear Renter:

The Department of Water Resources (department) acknowledges receipt of your applications to rent water from the Water Supply Bank. Please find enclosed two Water Supply Bank Rental Agreements for your review and signature. Upon signature and return of the agreements, together with the rental fee described below, the department also will sign the agreements and will return an executed copy to you. Execution of the agreements and compliance with the conditions of approval authorize diversion and use of water as provided in the agreements.

On the first rental application you requested a diversion rate of 2.35 cfs and a diversion volume of 320.0 acre-feet. On the second rental application you requested a diversion rate of 0.67 cfs and a diversion volume of 150.00 acre-feet. The diversion volumes applied to the rental agreements are the amount proportional to the requested diversion rate based on the water rights rented; 537.8 and 195.6 acre-feet respectively.

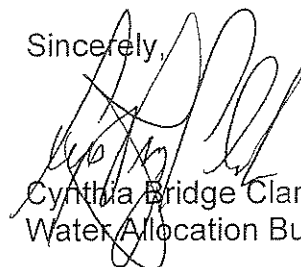
A total rental fee of \$8,067.40 was calculated based on \$11.00 per acre-foot times a total diversion volume of 733.4 acre-feet. A check in the amount of \$7,473.40 was received by the department on March 28, 2006. This amount was calculated based on an estimated total rental volume of 679.4 acre-feet described in a letter to Mr. Dittus, dated March 10, 2006. The remainder of the rental fee of **\$594.00** should be submitted with the signed agreement. Please send a check made payable to the Idaho Department of Water Resources and return the signed agreement to my attention so I can complete the processing.

Please note that applications for rental of water must be reviewed in accordance with Section 42-1763, Idaho Code, and the department's Water Supply Bank Rule 30 (IDAPA 37.02.03.030). This includes consideration of whether there will be injury to other water rights, whether the proposal would constitute an enlargement of the water rights, whether the water will be put to a beneficial use, whether the water supply available from applicable rights in the water supply bank is sufficient for the use intended and whether the proposal is in the local public interest. While a one-year

rental usually involves a general review of the water rights and proposed use, rental of water over multiple years may require more comprehensive review, notice to advise anyone who desires to protest the proposed water use, and approval by the Idaho Water Resource Board.

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

Sincerely,



Cynthia Bridge Clark
Water Allocation Bureau

Encl: 2

c: John Westra – IDWR Western Regional Office
John Marshall – Givens Pursley LLP