



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.

April 18, 2006

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

TED CANTRELL
28294 RIVER ROAD
BRUNEAU ID 83604-5106

**RE: APPLICATIONS TO LEASE AND RENT WATER THROUGH THE
WATER SUPPLY BANK. WATER RIGHT NO(S). 02-202A, 57-7051A,
AND 57-7100**

Dear Mr. Cantrell:

The Department of Water Resources (department) acknowledges receipt of your applications to lease and rent water through the Water Supply Bank. The offered water rights have been accepted into the bank in accordance with the enclosed Water Supply Bank Lease Acceptances. Water rights 02-202A and 57-7100 will automatically be released from the bank on **December 31, 2006**, unless the right(s) are released earlier by the Board, or upon request by the lessor. To change the term of the leases or to release the rights from the bank, the lessor must submit a request in writing to the department prior to the release date. Please review the conditions of acceptance listed on each Lease Acceptance.

A Water Supply Bank Rental Agreement is also enclosed for your review and signature. Upon signature and return of the agreement, together with the rental fee described below, the department also will sign the agreement and will return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

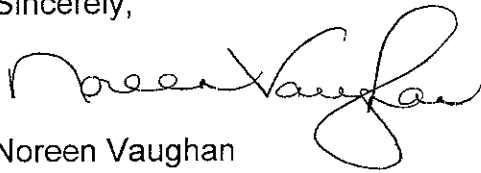
The total rental fee of \$1,831.50 was calculated based on the current rental rate at the time the applications were received of \$11.00 per acre-foot times 166.5 acre-feet. Ten percent (10%) of the total rental fee is retained by the department for Administrative fees in accordance with Water Supply Bank rules, IDAPA 37.02.03.01. The remaining ninety percent (90%) is issued back to the lessor of the above referenced water right(s) in the form of a warrant. Since you are the lessor and the renter under this agreement, the department will require that you submit only the portion of the total payment to be retained for administrative fees. Therefore, a rental fee of **\$183.15** must be paid in accordance with the rental agreement. Please send a check made payable to the Idaho Department of Water Resources together with the signed rental agreement. Return the signed agreement and fee 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,

A handwritten signature in black ink, appearing to read "Noreen Vaughan". The signature is fluid and cursive, with a large loop at the end.

Noreen Vaughan
Water Allocation Bureau

Encl: 3

c: John Westra – IDWR Western Regional Office
Dana Hofstetter – Hofstetter Law Office