



State of Idaho

DEPARTMENT OF WATER RESOURCES

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JULY 20, 2005

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

D STEVE BENSON
4025 GEORGES ROAD
AMERICAN FALLS ID 83211

RE: APPLICATION TO LEASE WATER RIGHT NO. 41-7029A TO THE WATER SUPPLY BANK

Dear Mr. Benson:

The Department of Water Resources ("department") has completed its review of the Applications to Sell or Lease Water Right(s) to the Water Supply Bank ("bank"). Please consider that the offered water right(s) are accepted into the bank, as of May 26, 2005

WATER SUPPLY BANK LEASE CONDITIONS OF ACCEPTANCE

- 1 The above referenced water right is leased to the bank as follows:

Right No.	Acres (ac)	Diversion Rate (cubic ft per sec., cfs)	Diversion Volume (acre-feet, af)
41-7029A	N/A	25.4 cfs	18295 af

- 2 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.
- 3 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. 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.
- 4 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.

5. While a water right is in the bank, forfeiture provisions are stayed.
6. 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 any other department application process.
7. The water rights referenced above will be rented from the bank at the current rental rate as specified by the lessor.
8. In accordance with Sections 42-248 and 42-1409(6), Idaho Code, all owners of water rights are required to notify the department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
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 remain in the bank for an "indefinite" lease term 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.

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

Sincerely,



Cynthia Bridge Clark
Water Allocation Bureau

c: Allen Merritt - IDWR Southern Regional Office
Daren Nelson - Brockway Engineering