



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J DREHER
Director

May 5, 2004

DUANE R GRANT
LAURA A GRANT
707 E 600 N
RUPERT ID 83350

**RE: APPLICATION TO LEASE PART OF WATER RIGHT NO(S). 36-2198,
36-7932 TO THE WATER SUPPLY BANK**

Dear Lessor:

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.

Several items to keep in mind in connection with the lease of a water right to the bank are as follows:

1. Portions of the above referenced water rights are leased to the bank as follows:

Right No.	Acres (ac)	Diversion Rate (cubic ft per sec., cfs)	Diversion Volume (acre-feet, af)
36-2198	41.2 ac	0.75 cfs	164.8 af
36-7932	<u>6.5 ac</u>	<u>0.13 cfs</u>	<u>26.0 af</u>
Total Leased:	47.7 ac	0.75 cfs	190.8 ac

2. Rental of rights 36-2198 and 36-7932 are limited to a total combined diversion rate of 0.75 cfs.
3. There is no rental payment to the owner of the water right if the right or a part thereof is not rented from the bank.
4. 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.
5. 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.

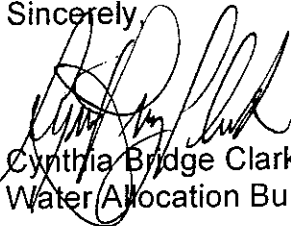
6. While a water right is in the bank, forfeiture provisions are stayed.
7. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.
8. The water rights referenced above will be rented from the bank at the current rental rate unless otherwise specified by the lessor.
9. 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.

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 to 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. Additionally, documentation of authority to receive payment must be submitted if the name provided on the W-9 form does not match the name of the lessor. Please return this form and any additional documentation to my attention.

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

Sincerely,



Cynthia Bridge Clark
Water Allocation Bureau

Encl: 1

c: Allen Merritt – IDWR Southern Regional Office