



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 10, 2005

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

UNITED WATER IDAHO INC
C/O SCOTT RHEAD
PO BOX 7488
BOISE ID 83707-1488

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK.
WATER RIGHT NO(S). 63-148C**

Dear Mr. Rhead:

The Department of Water Resources (department) acknowledges receipt of your application to rent water from the Water Supply Bank. Please find enclosed a Water Supply Bank Rental Agreement 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.

Please note your application identified a water use of Irrigation and a point of diversion in section 14, Twp 3N, Rge 2E, B.M. In accordance with telephone conversations with your attorney John Marshall, these were changed to Municipal use and a point of diversion in section 4, Twp 2N, Rge 3E, B.M.

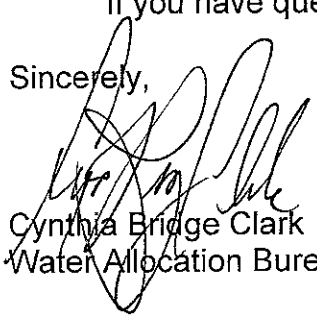
This agreement provides for rental of water during the authorized irrigation season from 2005 through 2008. The rental fee for each year varies in accordance with the maximum estimated diversion volume available for rent at the current rental rate of \$11.00 per acre-foot. A fee of **\$15,840.00** is required for rental of water during the 2005 irrigation season. Please send a check made payable to the Idaho Department of Water Resources together with the signed rental agreement. Also return the signed

agreement and fee to my attention so I can complete the processing.

Annual payments for rental of water during all subsequent irrigation seasons shall be received by the Department prior to April 1, the start of the authorized irrigation season, each year for the duration of the rental period. The agreement will be void if the payment is not received in a given year.

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

Sincerely,



Cynthia Bridge Clark
Water Allocation Bureau

Encl: 1

c: John Westra – IDWR Western Regional Office
John Marshall – Givens Pursley, LLP
Lee Sisco – Boise River Watermaster