



State of Idaho

DEPARTMENT OF WATER RESOURCES

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DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

June 1, 2004

DARYL SERR
28 S 1050 W
PAUL ID 83347

RE: APPLICATION TO LEASE PART OF WATER RIGHT NO. 36-7026 TO
THE WATER SUPPLY BANK

Dear Lessor:

The Department of Water Resources ("department") has completed its review of the Application to Sell or Lease Water Right(s) to the Water Supply Bank ("bank"). Please consider that the offered water right is 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. 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.
2. 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.
3. 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.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. The water right referenced above will be rented from the bank at the current rental rate.
6. A portion of 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)
36-7026	45 ac	0.76 cfs	180.0 af

7. The lands leased to the bank under this water right are located as follows: 6 acres in the NENE, 6 acres in the NWNE, 6 acres in the SWNE, 6 acres in the

SENE, 6 acres in the NENW, 3 acres in the NWNW, 6 acres in the SWNW and 6 acres in the SENW, Section 15, T7S, R21E, B.M.

8. During the term of this lease, use of the remainder of right 36-7020 for irrigation of lands located in Section 15, T7S, R21E, B.M. is limited to irrigation of 246 acres with a diversion rate of 4.14 cfs, and a diversion volume of 984 af.
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 will remain in the bank for an "indefinite" lease term unless the right is released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the right 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,



Jeff Peppersack, Manager
Water Right Permits Section

c: Allen Merritt – IDWR Southern Regional Office