



State of Idaho

DEPARTMENT OF WATER RESOURCES

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DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

October 21, 2002

Timothy C. Duffner
Idaho Department of Lands
8355 West State Street
Boise, ID 83703

**RE: LEASE OF WATER RIGHTS 63-07355 AND 63-08382 TO THE WATER
SUPPLY BANK**

Dear Mr. Duffner:

As requested in your letter to me dated October 15, 2002, I have extended the lease of the above referenced water rights to the Water Supply Bank ("bank") through December 31, 2004. As you know, while the rights are in the bank the following items apply in connection with the lease:

1. 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.
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.
3. A right accepted into the bank stays in the bank until the Board releases it or until the lease term expires.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not confirm the validity of the right or any elements of the water right.

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

Sincerely,



L. GLEN SAXTON, P.E.
Chief, Water Allocation Bureau

c: 63-07355 and 63-08382
IDWR - W. Region