



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

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

October 21, 2004

HIILLWAY INC
PO BOX 1338
SAN MATEO CA 94401

**RE: RENTAL OF WATER RIGHTS LEASED TO THE WATER SUPPLY
BANK. WATER RIGHT NO(S). 2-2261A AND 2-2259**

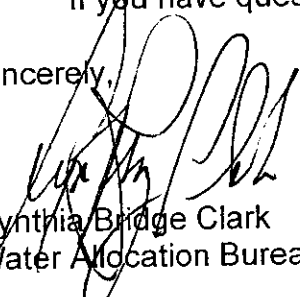
Dear Lessor:

The Department of Water Resources has requested the issuance of a state warrant in the amount of \$8,783.13 and \$10,260.19 (Total \$19,043.32) as payment to you for the rental of 887.2 and 1036.4 (Total 1923.6) acre-feet respectively of the above referenced water rights from the Water Supply Bank managed by the Idaho Water Resource Board.

This portion of your water right was included in a rental transaction of a total of 23,652.1 acre-feet of water. In accordance with Water Supply Bank rule 35.01, IDAPA 37.02.03, return for the rental is ninety percent (90%) of the gross amount received for your portion of the total volume rented. The Controller's office will issue the warrant within the next twenty (20) days to the address specified on the Request for Taxpayer Identification Number and Certification form (W-9 form) provided to the Department.

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

Sincerely,


Cynthia Bridge Clark
Water Allocation Bureau

c: IDWR Regional Office
Debbie Allen – IDWR Fiscal