



STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL
LAWRENCE G. WASDEN

March 3, 2006

Douglas Cranney
Oakley Valley Water Company
P.O. Box 201
Oakley, Idaho 83346

Dear Mr. Cranney:

Yesterday afternoon, Special Master Dolan of the Snake River Basin Adjudication ("SRBA") District Court set water right no. 45-4273 for trial. Trial will commence on Friday, April 21, 2006, at 10:00 a.m. at the SRBA Courthouse in Twin Falls.

So you are aware, the Department has, on numerous occasions, informed your attorney, David Heida, as well as Special Master Dolan, that there are various ways to avoid trial by providing proof of your municipal system's pump capacity to the Department to support your objection. It is my understanding from discussions with Mr. Heida that he has relayed that information to you. To date, however, that information has not been provided to the Department.

Unless the Department receives proof that your system's capacity is greater than the quantity that was recommended, the Department will defend its recommendation to the SRBA District Court. The Court presumes that the Department's recommendation is correct; therefore, you bear the burden of disproving it.

If you provide proof that your system's capacity is greater than the amount recommended, the Department is willing to enter into a settlement by drafting and submitting a Standard Form 5 ("SF5") to the SRBA District Court. The submission of an SF5 would dispense of the need for trial.

Alternatively, trial could be avoided if you were willing to withdraw your objection to the Department's recommendation and file for an application for new permit for the difference between the quantity that was recommended and the quantity you seek through your objection.

Thank you for your prompt attention to this matter. If you have any questions or comments, please do not hesitate to contact either Jeanie Robertson at the Department's Southern Region Office, or myself at the State Office.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Chris M. Bromley". The signature is stylized with a large, sweeping "C" and a long horizontal line extending to the right.

Chris M. Bromley
Deputy Attorney General

cc: David Heida, Esq
Jeanie Robertson, IDWR Southern Region