



HOBDEY LAW OFFICE, PLLC

125 Fifth Avenue West

P.O. Box 176

Gooding, Idaho 83330-0176

Craig D. Hobdey
(208) 934-4429

Facsimile
(208) 934-4420

May 17, 2006

Michael Holliday
Water Resource Agent
Adjudication Bureau
Fax (208) 525-7177

Re: Remarks to Claim No. 1-6

Dear Mike:

On January 10, 2006 I sent you a letter in response to your solicitation of comments to a proposed change in the remarks to the above water rights. I indicated that the preliminary remarks were appropriate and that the proposed new remarks were inappropriate. I heard nothing further from you and I had assumed that the preliminary remarks would be used. However, I just received the recommended water right and the new remarks were inserted, rather than keeping the preliminary remarks.

Can you explain why we were not advised and given a chance to work with you in regards to preparing a more appropriate remark.

We will undoubtedly will be discussing the recommended right at the next Board meeting on June 1, 2006. From that discussion there may well be an objection filed, which will obviously delay this matter unnecessarily.

Your soonest response would be most appreciated.

Sincerely,

Craig D. Hobdey

CDH:dm
c: Lynn Harmon



LAW OFFICES
HOBDEY & HOBDEY

CRAIG D. HOBDEY

125 FIFTH AVENUE WEST
P. O. BOX 176
GOODING, IDAHO 83330

Telephone (208) 934-4429

TELECOPY COVER SHEET

DATE: 5-17
~~5-10~~-06

PLEASE DELIVER THE FOLLOWING 2 PAGES (INCLUDING TRANSMITTAL)

TO: Michael Holliday
Water Resource Dept
Lynn Harmon
Big Wood Canal Co

FROM: CRAIG D. HOBDEY

RE: Remarks to Claim No. 1-6

If you do not receive all of the pages, please call (208) 934-4429

Telecopy number called: 208-525-7177 \$ 886-2010

Telecopy sent from: (208) 934-4420

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HOBDEY LAW OFFICE, PLLC

125 Fifth Avenue West

P.O. Box 176

Gooding, Idaho 83330-0176

Craig D. Hobdey
(208) 934-4429**Facsimile**
(208) 934-4420

January 10, 2006

Michael Holliday
Water Resource Agent
Adjudication Bureau
Fax (208) 525-7177

Re: Remarks to Claim No. 1-6

Dear Mike:

The remark included the preliminary recommendation is appropriate. The proposed new remark seems to limit AFRD#2's ability to draw natural flow water when the storage right is not completely filled. As I read the Eagle Decree we can draw natural flow water up to 850 cfs, as long as it is available, whether or not storage right is filled. If the storage right fails to fill, then natural flow will be charged against our storage. However, if the reservoir eventually fills, or the storage right eventually fills, all prior diversions by AFRD#2 will be considered natural flow and not charged against storage. I do not believe the proposed language completely covers the scenario. This has been an ongoing battle between Water District #1 and AFRD#2. The original proposed remarks include language indicating that "in any year in which American Falls Reservoir is full to capacity on April 30, or fills after that date, taking into account any water that may be temporarily stored to its credit in upstream reservoirs, all water diverted by AFRD#2...shall be considered as natural flow".

That language is not reflected on the proposed replacement remarks.

Therefore, we are quite satisfied leaving the preliminary recommendation as is, in order to avoid confusion.

Sincerely,

Craig D. Hobdey

CDH:dm
c: Lynn Harmon