

Dana L. Hofstetter, ISB No. 3867  
HOFSTETTER LAW OFFICE, LLC  
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Boise, Idaho 83702  
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RECEIVED  
MAY 05 2008  
DEPARTMENT OF  
WATER RESOURCES

Attorney for Island Capitol, LLC

**IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT  
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS**

**In Re SRBA**

**Case 39576**

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**Subcase Nos. 65-22616 and 65-22617**

**NOTICE OF SERVICE OF  
STIPULATION FOR BASIN 65  
GENERAL PROVISION NO. 3  
(SEPARATE STREAMS)**

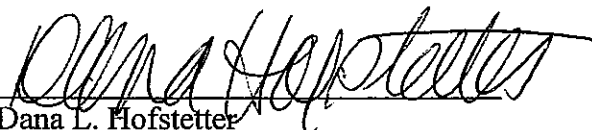
COMES NOW Island Capitol, LLC, by and through its counsel of record, Dana L. Hofstetter of Hofstetter Law Office, LLC, and hereby gives notice that on the 2nd day of May 2008, Stipulation for Basin 65 General Provision No. 3 (Separate Streams), Addition of Two Water Rights To "Attachment A" List was served by U.S. Mail postage pre-paid on:

IDWR Director  
P.O. Box 83720  
Boise, ID 83720-0098

U.S. Department of Justice  
Environment and Natural Resources Division  
550 West Fort Street, MSC 03  
Boise, ID 83724

DATED this 2nd day of May, 2008.

HOFSTETTER LAW OFFICE, LLC

  
Dana L. Hofstetter

CERTIFICATE OF SERVICE

I hereby certify that on the 2nd day of May, 2008, I caused to be served a copy of the foregoing **Notice of Service of Stipulation for Basin 65 General Provision No. 3 (Separate Streams), Addition of Two Water Rights To "Attachment A" List** on the following person(s) by the method(s) indicated below:

IDWR Director

P.O. Box 83720

Boise, ID 83720-0098

☒ U.S. Mail ☐ FedEx Overnight ☐ Hand Delivery ☐ Fax

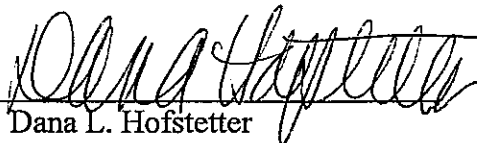
U.S. Department of Justice

Environment and Natural Resources Division

550 West Fort Street, MSC 033

Boise, ID 83724

☒ U.S. Mail ☐ FedEx Overnight ☐ Hand Delivery ☐ Fax

  
Dana L. Hofstetter

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SEP 06 2002

WATER RESOURCES  
WESTERN REGION

GARRICK L. BAXTER  
Idaho State Bar No. 6301  
Deputy Attorney General  
P.O. Box 83720  
Boise, Idaho 83720-0098  
Telephone: (208) 372-7900  
Fax: (208) 327-5400

Attorney for IDWR

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MAY 05 2008

DEPARTMENT OF  
WATER RESOURCES

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT  
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

|                |   |                                     |
|----------------|---|-------------------------------------|
| In Re SRBA     | ) | SUBCASE NOS.: 65-22616 and 65-22617 |
|                | ) |                                     |
|                | ) | STIPULATION FOR BASIN 65 GENERAL    |
|                | ) | PROVISION NO. 3 (SEPARATE STREAMS), |
| Case No. 39576 | ) | ADDITION OF TWO WATER RIGHTS TO     |
|                | ) | "ATTACHMENT A" LIST                 |
|                | ) |                                     |

**Descriptive Summary**

This is a stipulation to resolve Island Capitol LLC's objection to the Idaho Department of Water Resources Director's Report recommendation to water right numbers 65-22616 and 65-22617.

**Stipulation**

In order to resolve a dispute over the above captioned water rights, the Idaho Department of Water Resources (IDWR) and Island Capitol, LLC, (the objector and claimant), by and through its attorney of record, Dana Hofstetter, hereby stipulate and agree as follows:

1. That on or about September 18, 2001, IDWR filed its Director's Report for Basin 65, Part III. (Hereinafter referred to as Director's Report).

2. That the Director's Report included General Provision 3 (commonly, known as the "Separate Streams" General Provision) and a list of water rights and associated sources identified as "Attachment A" which were to be administered separately as provided in General Provision No. 3.
3. That water right numbers 65-22616 and 65-22617 from source Boulder Creek tributary to North Fork Payette River should have been listed on "Attachment A", but were not.
4. That water right numbers 65-22616 and 65-22617 be added to the "Attachment A" list and be administered separately pursuant to the language in General Provision 3.
5. IDWR and Island Capitol have indicated their concurrence with the addition of water right numbers 65-22616 and 65-22617 from source Boulder Creek tributary to North Fork Payette River to "Attachment A" for General Provision 3 by signing this Stipulation.
6. This stipulation does not resolve the objection filed by the United States of America acting through the Department of Interior, Bureau of Reclamation (USDI/BOR) to General Provision 3 (separate streams administration). The USDI/BOR objection will be resolved separate and apart from this stipulation.
7. This stipulation has been reached through good faith negotiations for the purpose of resolving legal disputes, including pending litigation, and IDWR and Island Capitol agree that no offers and/or compromises made in the course thereof shall be construed as admissions against interest or be used in any legal proceeding,

and that this agreement is not and shall not be used as precedent for any other claim to a water right.

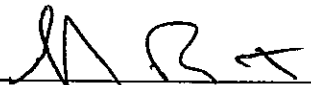
8. This stipulation was entered into and executed voluntarily by IDWR and Island Capitol in good faith, and without any fraud, misunderstanding, overreaching, misrepresentation, duress, or undue influence.

**IT IS SO AGREED:**

By:   
DANA HOFSTETTER  
Attorney for Island Capitol, LLC  
Claimant/Objector

Dated: August 28, 2002

**IDWR Concurrence:**

By:   
GARRICK L. BAXTER  
Deputy Attorney General for  
IDWR

Dated: 9/4/02

By:   
Senior Water Right Agent

Dated: 9-9-02