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June 30, 2008

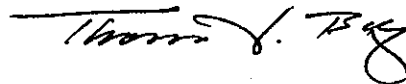
Ernie Carlson
IDWR, Eastern Region
900 N. Skyline Drive, Suite A
Idaho Falls, Idaho 83402

Re: *City of Lava Hot Springs Water Right Nos. 29-13678 and 29-13679*

Dear Ernie:

I am writing on behalf of the City of Lava Hot Springs in relation to their Water Rights Nos. 29-13678 and 29-13679 for which Special Master Bilyeu today granted our Motion to Amend the Claims from "irrigation" to "municipal" use in the SRBA Court. I would like to arrange a time to sit down with you to review the historic use of these water rights and attempt to resolve the City's objection in a collaborative fashion. Please let me know when you might be available for such a meeting.

Sincerely,



THOMAS J. BUDGE

TJB:rr

cc: City of Lava Hot Springs
Mayor Burgin
Canda Dimick

RECEIVED
JUL 02 2008
Department of Water Resources
Eastern Region