

State of Idaho
Department of Water Resources
Water Right License

WATER RIGHT NO. 96-08625

Priority: December 30, 1990

Maximum Diversion Rate: 0.10 CFS
Maximum Diversion Volume: 59.9 AF

It is hereby certified that V P INC

ATTN RICHARD VILLELLI
533739 HWY 95

BONNERS FERRY ID 83805

has complied with the terms and conditions
of the permit, issued pursuant to Application for Permit dated October 25, 1990; and has submitted Proof
of Beneficial Use on April 01, 1996. An examination confirms water is diverted from:

SOURCE

GROUND WATER

and a water right has been established as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>DIVERSION RATE</u>	<u>ANNUAL DIVERSION VOLUME</u>
MUNICIPAL	01/01 to 12/31	0.10 CFS	59.9 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER L2 (SW1/4NW1/4) Sec. 31, Twp 58N, Rge 01E, B.M. BONNER County

CONDITIONS OF APPROVAL

1. Place of use is within the area served by the public water supply system of Golden Tees Estates Planned Unit Development. The place of use is generally located within Section 36, Township 58 North, Range 1 West; Section 2, Township 57 North, Range 1 West; Section 31, Township 58 North, Range 1 East; and Section 6, Township 57 North, Range 1 East B.M.
2. A map depicting the place of use boundary for this water right at the time of this approval is attached to this document for illustrative purposes.
3. Point of diversion is located within Lot 3, Blk. 3 Well Lot, Golden Tees Estates Planned Unit Development Phase One.

This license is issued pursuant to the provisions of Section 42-219, Idaho Code. The water right confirmed by this license is subject to all prior water rights and shall be used in accordance with Idaho law and applicable rules of the Department of Water Resources.

Signed this 2nd day of October, 2015.

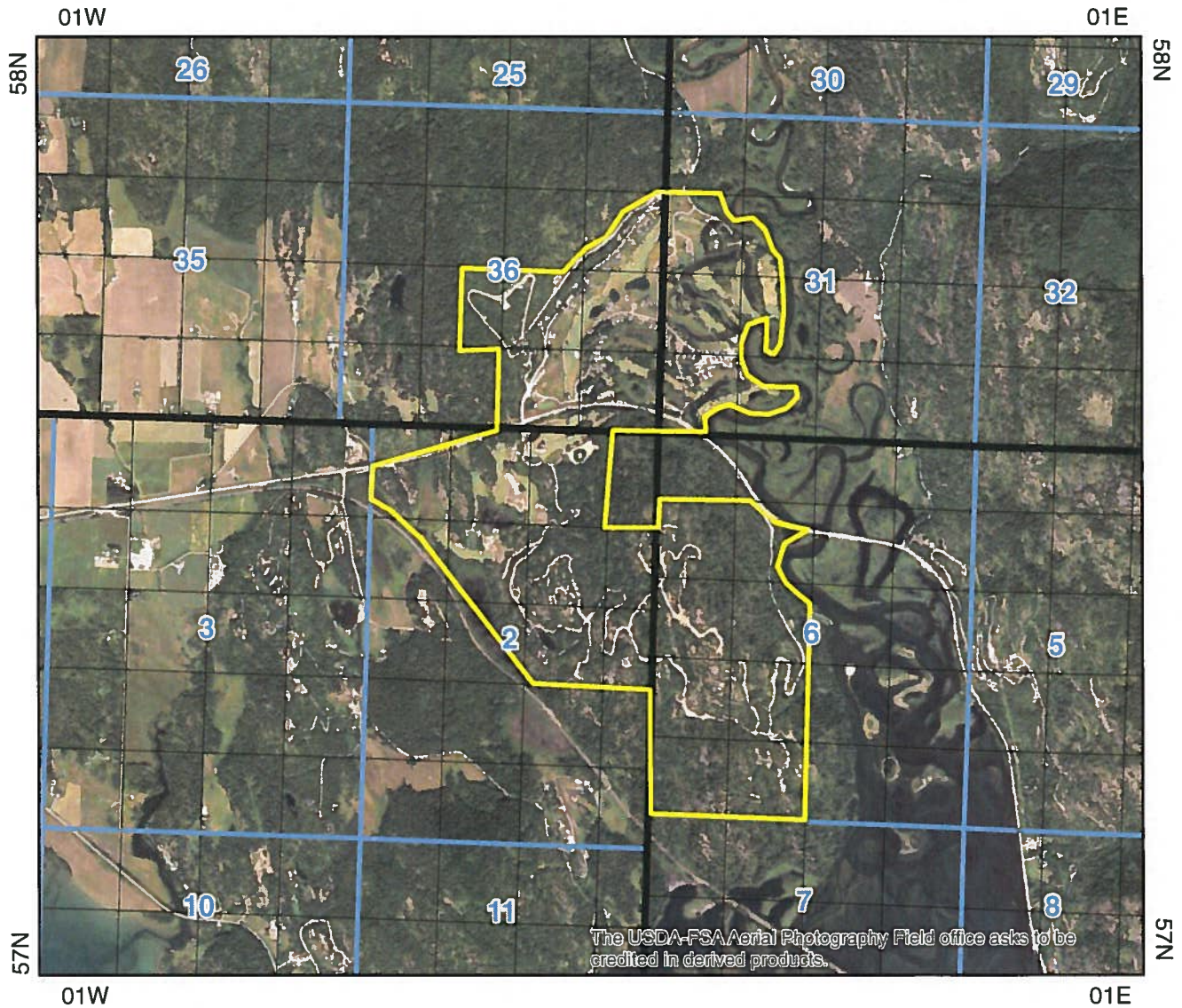

for GARY SPACKMAN
Director

V P Inc

Attachment to Water Right License

96-8625

This map depicts the MUNICIPAL place of use boundary for this water right at the time of this approval and is attached to the approval document solely for illustrative purposes.



-  Water Service Area Boundary
-  Townships
-  PLS Sections
-  Quarter Quarters

0 0.35 0.7 1.4 Miles





State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

October 6, 2015

V P INC
ATTN RICHARD VILLELLI
533739 HWY 95
BONNERS FERRY ID 83805

RE: License No. 96-8625

Issuance of License

Dear Water Right Holder(s):

The Department of Water Resources has issued the enclosed Water Right License confirming that a water right has been established in accordance with your permit. Please be sure to thoroughly review the conditions of approval and remarks listed on your license. Also enclosed is a copy of the approved application for amendment.

The license is a PRELIMINARY ORDER issued by the Department pursuant to section 67-5243, Idaho Code. It can and will become a final order without further action by the Department unless a party petitions for reconsideration or files an exception and/or brief within fourteen (14) days of the service date as described in the enclosed information sheet.

Please note that water right owners are required to report any change of water right ownership and/or mailing address to the Department within 120 days of the change. Failure to report these changes could result in a \$100 late filing fee. Contact any office of the Department or visit the Department's homepage on the Internet to obtain the proper forms and instructions.

If you have any questions, please contact me at 208-287-4951.

Sincerely,

Pamela Skaggs

Water Rights Supervisor

Enclosure(s)

CERTIFICATE OF SERVICE

I hereby certify that on October 7, 2015, I mailed a true and correct copy, postage prepaid, of the foregoing PRELIMINARY ORDER (Approved License) to the person(s) listed below:

RE: WATER RIGHT NO.

96-8625

V P INC

ATTN RICHARD VILLELLI

533739 HWY 95

BONNERS FERRY ID 83805



Darla Block
Technical Records Specialist

EXPLANATORY INFORMATION TO ACCOMPANY A PRELIMINARY ORDER

(To be used in connection with actions when a hearing was not held)

(Required by Rule of Procedure 730.02)

The accompanying order or approved document is a "Preliminary Order" issued by the department pursuant to section 67-5243, Idaho Code. It can and will become a final order without further action of the Department of Water Resources ("department") unless a party petitions for reconsideration, files an exception and brief, or requests a hearing as further described below:

PETITION FOR RECONSIDERATION

Any party may file a petition for reconsideration of a preliminary order with the department within fourteen (14) days of the service date of this order. **Note: the petition must be received by the department within this fourteen (14) day period.** The department will act on a petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. See Section 67-5243(3) Idaho Code.

EXCEPTIONS AND BRIEFS

Within fourteen (14) days after: (a) the service date of a preliminary order, (b) the service date of a denial of a petition for reconsideration from this preliminary order, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration from this preliminary order, any party may in writing support or take exceptions to any part of a preliminary order and may file briefs in support of the party's position on any issue in the proceeding with the Director. Otherwise, this preliminary order will become a final order of the agency.

REQUEST FOR HEARING

Unless a right to a hearing before the Department or the Water Resource Board is otherwise provided by statute, any person aggrieved by any final decision, determination, order or action of the Director of the Department and who has not previously been afforded an opportunity for a hearing on the matter may request a hearing pursuant to section 42-1701A(3), Idaho Code. A written petition contesting the action of the Director and requesting a hearing shall be filed within fifteen (15) days after receipt of the denial or conditional approval.

ORAL ARGUMENT

If the Director grants a petition to review the preliminary order, the Director shall allow all parties an opportunity to file briefs in support of or taking exceptions to the preliminary order and may schedule oral argument in the matter before issuing a final order. If oral arguments are to be heard, the Director will within a reasonable time period notify each party of the place, date and hour for the argument of the case. Unless the Director orders otherwise, all oral arguments will be heard in Boise, Idaho.

CERTIFICATE OF SERVICE

All exceptions, briefs, requests for oral argument and any other matters filed with the Director in connection with the preliminary order shall be served on all other parties to the proceedings in accordance with IDAPA Rules 37.01.01302 and 37.01.01303 (Rules of Procedure 302 and 303).

FINAL ORDER

The Director will issue a final order within fifty-six (56) days of receipt of the written briefs, oral argument or response to briefs, whichever is later, unless waived by the parties or for good cause shown. The Director may remand the matter for further evidentiary hearings if further factual development of the record is necessary before issuing a final order. The department will serve a copy of the final order on all parties of record.

Section 67-5246(5), Idaho Code, provides as follows:

Unless a different date is stated in a final order, the order is effective fourteen (14) days after its service date if a party has not filed a petition for reconsideration. If a party has filed a petition for reconsideration with the agency head, the final order becomes effective when:

- (a) The petition for reconsideration is disposed of; or
- (b) The petition is deemed denied because the agency head did not dispose of the petition within twenty-one (21) days.

APPEAL OF FINAL ORDER TO DISTRICT COURT

Pursuant to sections 67-5270 and 67-5272, Idaho Code, if this preliminary order becomes final, any party aggrieved by the final order or orders previously issued in this case may appeal the final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or
- iv. The real property or personal property that was the subject of the agency action is located.

The appeal must be filed within twenty-eight (28) days of this preliminary order becoming final. See section 67-5273, Idaho Code. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

State of Idaho
Department of Water Resources
APPLICATION FOR AMENDMENT

(For Licensing Purposes)

WATER RIGHT NO. 96-08625

RECEIVED

SEP 25 2015

**DEPARTMENT OF
WATER RESOURCES**

Date of Priority: December 30, 1990

Maximum Diversion Rate: 0.10 CFS

Maximum Diversion Volume: 59.9 AF

Comes now V P INC
ATTN RICHARD VILLELLI
533739 HWY 95

BONNERS FERRY ID 83805 and represents to the Director of the Idaho Department of Water Resources that he is the owner and holder of Permit to Appropriate the Public Waters of the State of Idaho No. 96-08625, and requests that the permit be changed as follows:

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>RATE OF DIVERSION</u>	<u>ANNUAL VOLUME</u>
MUNICIPAL	01/01 to 12/31	0.10 CFS	59.9 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER L2 (SW1/4NW1/4) Sec. 31, Twp 58N, Rge 01E, B.M. BONNER County

Permit holder asserts that no one will be injured by such change, and that such change will be made at permit holder's own risk. Signed this 22nd day of September, 2005.


(Signature)

State of Idaho
Department of Water Resources
APPLICATION FOR AMENDMENT

(For Licensing Purposes)
WATER RIGHT NO. 96-08625

FOR DEPARTMENT USE ONLY

Preliminary check by _____ Fee = \$100⁰⁰ Received by di # C101040 Date 9-25-15

ACTION OF THE DEPARTMENT OF WATER RESOURCES

I, GARY SPACKMAN, of the Department of Water Resources hereby approve the
above Application for Amendment for Permit No. 96-08625 with the following:

CONDITIONS OF APPROVAL

1. Place of use is within the area served by the public water supply system of Golden Tees Estates Planning Unit Development. The place of use is generally located within Section 36, Township 58 North, Range 1 West; Section 2, Township 57 North, Range 1 West; Section 31, Township 58 North, Range 1 East; and Section 6, Township 57 North, Range 1 East, B.M.
2. A map depicting the place of use boundary for this water right at the time of this approval is attached to this document for illustrative purposes.
3. Point of diversion is located within Lot 3, Blk. 3 Well Lot, Golden Tees Estates Planning Unit Development Phase One.

Witness my hand this 2nd day of October, 2015.

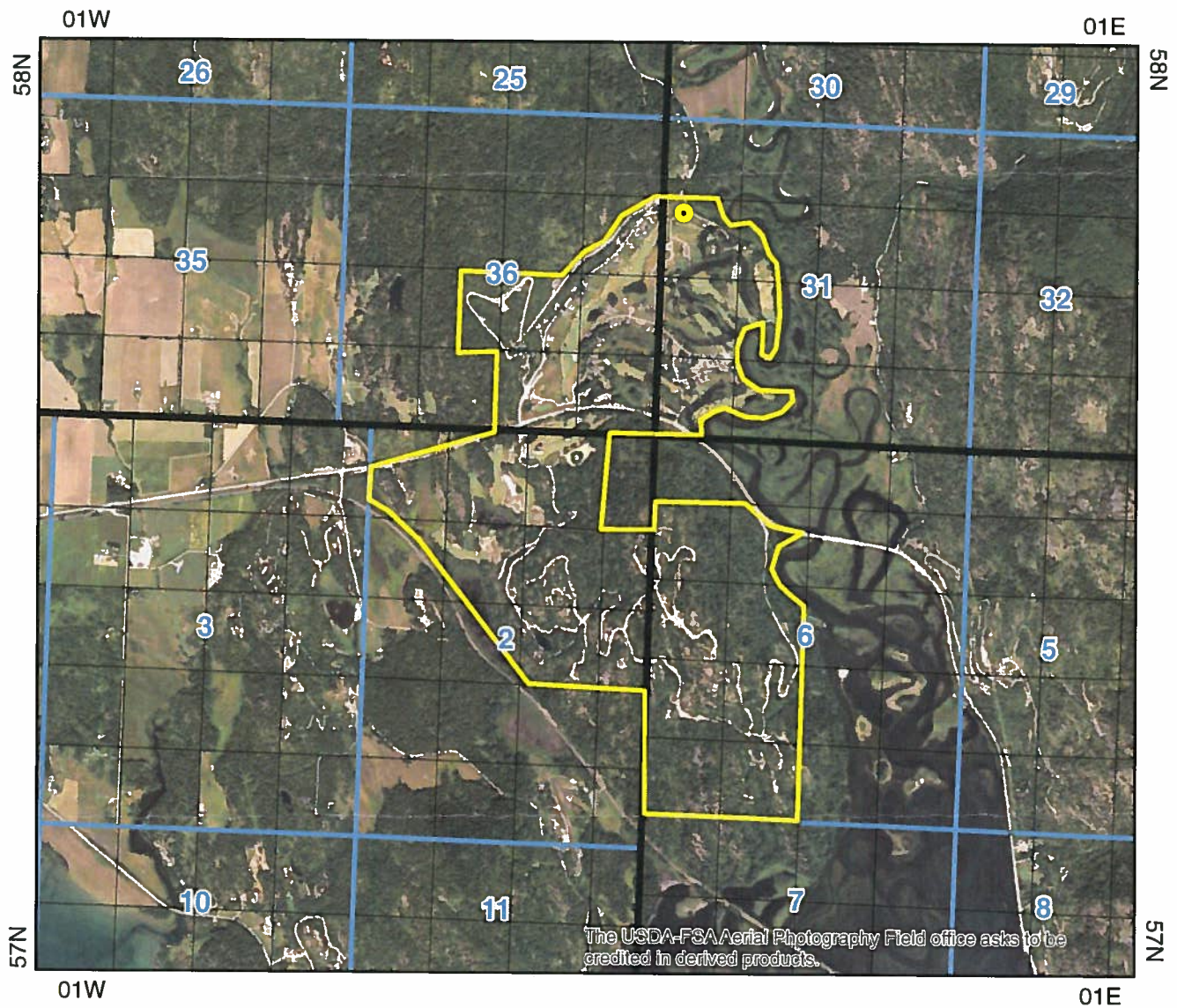
Shelley W. Keen
for GARY SPACKMAN
Director

V P Inc

Attachment For Amendment To Water Right License

96-8625

This map depicts the MUNICIPAL place of use boundary for this water right at the time of this approval and is attached to the approval document solely for illustrative purposes.



Point of Diversion



Water Service Area Boundary



Townships



PLS Sections



Quarter Quarters

0 0.35 0.7 1.4 Miles



Nelson, Dan

From: McNee, Scott [smcnee@to-engineers.com]
Sent: Monday, September 21, 2015 5:31 PM
To: Richard Villelli; Nelson, Dan
Cc: Bob Hansen
Subject: RE: Permit background

Dick:

Just to clarify, the intent was never to construct three wells. We were planning to replace the small 6" well with a second larger 8" well at the same location. The purpose of 96-9316 was to cover the increase from construction of the new larger well. With the reduction to 96-8625, a fourth permit will be required to cover capacity of the proposed replacement well.

Scott G. McNee, P.E.
Project Manager



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From: Richard Villelli [<mailto:dick@villellipnw.com>]
Sent: Monday, September 21, 2015 3:43 PM
To: 'Nelson, Dan'
Cc: McNee, Scott; Bob Hansen
Subject: RE: Permit background

Thanks for all the explanations. I think I now understand the whole process better, although not completely.

I will get back to you as soon as possible on moving forward.

From: Nelson, Dan [<mailto:Dan.Nelson@idwr.idaho.gov>]
Sent: Monday, September 21, 2015 2:44 PM
To: Richard Villelli <dick@villellipnw.com>
Subject: RE: Permit background

Dear Mr. Villelli,

The documents that you forwarded from the water right file are documents created by the original person reviewing this file. These documents are analysis sheets done by our office to determine what the minimum flow rate would be to supply the number of homes requested by the permit and found to be stubbed into the system at the time of the field exam. These documents confirm that the 0.10 cfs is ½ of what is needed to adequately supply this system with the water that it needs. Therefore, this system couldn't provide the needed flow rate needed to supply the 70 lots of the subdivision. The two new permits provided the water needed to cover the portion of this system that permit 96-8625 could not cover.

Permit 96-9316 was filed to cover the increased capacity of the 2 existing wells. As stated in my earlier email, there is no permit in our records for a third well.

Daniel Nelson
Staff Hydrologist
Idaho Department of Water Resources
Telephone (208) 287-4856
Fax (208) 287-6700 (attn: Dan Nelson)

From: Richard Vilelli [<mailto:dick@vilellipnw.com>]
Sent: Monday, September 21, 2015 3:03 PM
To: Nelson, Dan
Cc: Bob Hansen; Scott McNee
Subject: Permit background

Dan:

In looking further into the water right 96-8625 I am even more confused.

The current Water Right Report from IDWR's website (attached) lists 0.5 cfs and lists a proof made date of 4/1/96. This would lead most to believe that the well was approved at 0.5 cfs.

In digging more the IDWR's back files on your web site and it is very confusing. There are more recent reference to capacity in the Back file than the September 24, 1997 field exam you mentioned. There is a license review document dated 3/27/98 that recommends a total diversion rate of 0.19 cfs (see attached). There are other documents dated 4/1/98 that list a measured pumping capacity of 0.22 cfs (also attached).

If in fact water right 96-08625 is to be adjusted we would want to prove our third water right (96-9316) to cover the capacity of our two existing wells. Before doing that we need to figure out the discrepancies and make sure what is the correct number.

Sorry for even more questions but can you help me on this?

Dick

Nelson, Dan

From: Nelson, Dan
Sent: Monday, September 21, 2015 3:33 PM
To: 'Richard Vilelli'
Subject: RE: RE: Water Right Permit no. 96-8625

Dear Mr. Vilelli,

Your representative at the time, Bob Hansen, accompanied the Department's field examiner on the field exam. Mr. Hansen was the person your company instructed the Department to contact to perform the field examination. Therefore, your organization was not only made aware of the field examination, but your representative Mr. Hansen accompanied the Department's staff to do the field exam.

The records were not modified, because the license had not been issued. From 1987 to 2012, the State of Idaho was in the middle of major court case know as the Snake River Basin Adjudication(SRBA). This is similar to the adjudications going on in the northern part of the state, except the SRBA involved over 158,600 water rights compared to the over 12,000 water rights involved in the adjudications currently being worked on in the northern part of the state. Each of these water rights needed to be reviewed, a recommendation prepared, and submitted to the courts. This took a tremendous amount of the Department's resources. Unfortunately, the Department didn't have the resources to accomplish everything it was tasked to do during this time, and licensing permits was one area that the Department felt it could reallocated resources to SRBA. Since 2012, the Department has made a concerted effort to catch up the licensing process. In early 2012, we had over 3,500 permits that needed to be licensed. Since, 2012 we have cut that number in ½. We are doing our best to get these older files done as soon as possible to get back to a reasonable turnover time for licensing a permit.

A water right license is a legal document that allows a water user the right to divert the public waters of the State of Idaho in accordance with the Idaho Constitution and the Idaho Statutes. This link will take you to a brief brochure that gives a description of water rights in Idaho --- <http://www.idwr.idaho.gov/files/water-rights/water-rights-brochure.pdf> . Any authorization to use the public water of the State of Idaho must be done by legal documentation through an order issued as a license or court decree except for a few minimal uses that are limited by other means. All water rights are legal documents. The request to amend the permit is a request to correct the permit before it is licensed, which is similar to a legal pleading. If the amendment is not signed and returned with the \$100 fee, we will be required to void this permit, since the point of diversion is in the wrong 40 acre tract. Voiding the permit requires an order to void the permit, which is also a legal document. We use the 14 day limitation on all amendments to correct a permit sent out for licensing to remain consistent with the rules of procedure for issuing legal documents. I am sorry I confused you, but I was trying to explain the reason for the 14 day time limit. I am not attorney, so it appears as though I failed in my attempt to explain this standard.

I understand your concern of about the records, but a thorough review of the records would have shown in 2001 that the proof of beneficial use had been submitted, infield inspection, and the field exam report had been completed on permit 96-8625. A request could have been made by your organization at that time for the license to be issued. Further review would have also shown that 96-8625 was allowed to be used on only the original well and not both wells as your engineer suggested. License 96-9060 was only on the new well. You cannot move water rights between these two wells without a water right transfer, and no water transfer has been filed to include both wells on these water rights. The new permit does allow water to be diverted from two wells, but doesn't mention a third new well. It only describes the two existing wells. I could not find a permit for a third well for this system. I believe that is where the confusion has come from. I am wondering if you meant to file another permit for a third well, and something happened to the permit for the third well. Our records don't show any authorization for a third well. I can't answer why your engineer would consider it acceptable to move water back and forth between these wells without a valid water right transfer on water rights 96-8625 and 96-9060. The additional water filed for in permit 96-9316 can be used out of either of the existing wells.

You can amend this permit change, fix or alter the existing water use, **but you are not allowed to increase the water use developed at the time proof of completion was filed.** Therefore, you cannot amend this permit to increase the amount of water diverted. We are proposing an amendment to change the original use to municipal use to match your existing water rights, but we are limited to the rate and volume developed under the original use. In order to increase the amount used in this system, you must file a new application for permit.

You are in an area that is still open to new appropriations. This means that you can file a new water right permit for water use in your area. You can find the application for permit form and instructions at <http://www.idwr.idaho.gov/RulesStatutesForms/WaterRights/WaterRightForms.htm> . The cost of the new application can be found in the instructions, but I included the chart for your records below:

CFS	AF	Fee	CFS	AF	Fee
0.00 – 0.20	0 – 20	\$100.00	11.01 – 12.00	1101 – 1200	\$690.00
0.21 – 1.00	21 – 100	\$250.00	12.01 – 13.00	1201 – 1300	\$730.00
1.01 – 2.00	101 – 200	\$290.00	13.01 – 14.00	1301 – 1400	\$770.00
2.01 – 3.00	201 – 300	\$330.00	14.01 – 15.00	1401 – 1500	\$810.00
3.01 – 4.00	301 – 400	\$370.00	15.01 – 16.00	1501 – 1600	\$850.00
4.01 – 5.00	401 – 500	\$410.00	16.01 – 17.00	1601 – 1700	\$890.00
5.01 – 6.00	501 – 600	\$450.00	17.01 – 18.00	1701 – 1800	\$930.00
6.01 – 7.00	601 – 700	\$490.00	18.01 – 19.00	1801 – 1900	\$970.00
7.01 – 8.00	701 – 800	\$530.00	19.01 – 20.00	1901 – 2000	\$1,010.00
8.01 – 9.00	801 – 900	\$570.00	20.01 – 100.00	2001 – 10000	*
9.01 – 10.00	901 – 1000	\$610.00	101.01 – 500.00	10001 – 50000	**
10.01 – 11.00	1001 – 1100	\$650.00	500.01 & over	50001 & over	***

As you can see in the above chart, you can file an application for permit for new water use up to 1.00 cfs for \$250.00. As I said above this is an open area, so you can file for whatever reasonable rate of diversion you think you will need for any number of wells you would like to develop. You could upgrade the two existing wells, add a proposed new well , or add an many new proposed wells you think you may need. A new permit would give you the opportunity to provide enough water to cover all of your current and future needs.

I hope this helps. Please don't hesitate to ask me questions. I am more than happy to do everything that I can to provide you with the information you need to make an informed decision. \

Respectfully,

Daniel Nelson
Staff Hydrologist
Idaho Department of Water Resources
Telephone (208) 287-4856
Fax (208) 287-6700 (attn: Dan Nelson)

From: Richard Villelli [mailto:dick@villemipnw.com]
Sent: Monday, September 21, 2015 1:11 PM
To: Nelson, Dan

Cc: Scott McNee; Bob Hansen

Subject: RE: RE: Water Right Permit no. 96-8625

Thanks for the quick reply.

A couple more questions:

Why were we not informed of the exam and the results for 18 years? And why wasn't the permit modified in your records?

Had we known of the exam results we would have adjusted our request in 2000. Perhaps you were not around then and do not know these answers but they are important to us.

My question of why all of a sudden we are tasked with making changes to something that has lingered with the Department for 18 years has not been answered. You indicated that the 14 days has nothing to do with the Licensing but is rather the norm for legal pleadings. Sorry to still be confused here. What legal pleadings are you referring to?

How difficult is it for us to request the additional amounts that will be needed? Is it possible to amend the permit 96-8625 or do we need another permit?

I am sorry to ask so many questions, but I don't do this every day like you do and I need to better understand what all this means.

Once I receive these answers I can then figure how to proceed. My request to meet with the appropriate staff is to insure we can get answers to all our questions if I need to travel to Boise and pay for engineers and operators to attend with me.

Dick Villelli

From: Nelson, Dan [<mailto:Dan.Nelson@idwr.idaho.gov>]

Sent: Monday, September 21, 2015 10:52 AM

To: Richard Villelli <dick@villellipnw.com>

Subject: RE: RE: Water Right Permit no. 96-8625

Mr. Villelli,

I have been tasked with licensing all water rights permits where a field exam has been done in the state. The field exam was done on this permit on September 24, 1997, and it is my job to get the permit licensed. This is the reason that I am working to get this permit licensed.

In my earlier email, I explained in answer #1 how the permitting process works and that you only developed 0.10 cfs under this initial permit per the field examination done in September of 1997. Anything that was developed after April 1, 1996 cannot be considered for the licensing of this permit. Under Idaho Code 42-219 we cannot license more water than what was originally developed.

Water right permit 96-8625 was filed for only the smaller well located in Block 3, Lot 3, of the Golden Tee Estates Subdivision and will be limited by the amount developed of 0.10 cfs. The other well located in the Block 3, Lot 1, of the Golden Tee Estates Subdivision was licensed under water right license 96-9060 for a diversion rate of 0.35 cfs. You also have another water right permit (96-9316) that prove of beneficial use has not been submitted, for both wells that will allow an additional flow rate of up to 0.65 cfs. If this amount of water is not enough, then the you have the option of filing another application for permit to increase the flow rate of water even more if necessary. However, we are bound

by Idaho Code 42-219 to only license the amount of water that is developed under a permit during the development period. In the case of water right 96-8625, the amount that was developed is 0.10 cfs.

I am working out of the Boise Office, but I can set up a telephone meeting with you if you wish. Unfortunately, I am going to be out of the office most of the rest of this week, and will not be able to schedule a meeting until after September 28, 2015. If you could give me some dates after the 28th that would work for you, I will be happy to meet with you. Your email states that you would like to meet with me and the appropriate staff. I am not sure who else you would like to have at the meeting, but if you would like anyone specific from our office to attend the meeting, please let me know who you would like to attend.

If you would like to speak to me directly, you can always give me a call.

Respectfully,

Daniel Nelson
Staff Hydrologist
Idaho Department of Water Resources
Telephone (208) 287-4856
Fax (208) 287-6700 (attn: Dan Nelson)

From: Richard Villelli [<mailto:dick@villellipnw.com>]
Sent: Monday, September 21, 2015 9:05 AM
To: Nelson, Dan
Cc: Scott McNee; Bob Hansen
Subject: FW: RE: Water Right Permit no. 96-8625

Dan:

I have tried sending from my phone with no success I think? if you have received this several times that is the reason?

Can you please help with this. See Scott McNee's comments below. It appears that due to an inquiry from someone unrelated to our company our rights, quite suddenly, are being reduced below the permitted volume.

As you can see the permitted water is necessary and required. Our needs and use are obviously greater than the department and some unknown outside inquirer are attempting to ask us to accept.

I would request a full and prompt explanation and anything less that reduces our permitted use I would request an immediate meeting with you and the appropriate staff.

Thanks for your prompt attention
VP INC.
Richard Villelli, President

From: McNee, Scott [<mailto:smcnee@to-engineers.com>]
Sent: Friday, September 18, 2015 8:33 AM
To: Dick Villelli <dick@villellipnw.com>; Bob Hansen <hbobhansen@aol.com>
Subject: RE: RE: Water Right Permit no. 96-8625

Dick:

Your three water rights are meant to cover both wells, not just the single well. In 2000 when the second well was drilled you had an existing water right 96-8625 listed at 0.5 cfs. We applied for additional water rights 96-9060 at 0.35 cfs to cover construction of this second well. Combined capacity of the two wells is about 380 gpm which was covered by the combined total of these two water rights (0.85 cfs).

In 2007 we applied for water right 96-9316 at 0.65 cfs, with the intent to develop a third well. The intent is to develop a total capacity of 670 gpm to serve build-out. This equals the combined total of the three (3) water rights (1.5 cfs). The proof due date for water right 96-9316 is 6/1/17.

Reducing water right 96-8625 to 0.1 cfs will leave you short under both scenarios. If it was supposed to be adjusted, why wasn't it adjusted back in 1996? We counted on this water right, as listed in IDWR's records at 0.5 cfs, when we made our plans and applications for additional water rights.

Scott G. McNee, P.E.
Project Manager



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From: Dick Villelli [<mailto:dick@villellipnw.com>]
Sent: Thursday, September 17, 2015 4:11 PM
To: McNee, Scott; Bob Hansen
Subject: Fwd: RE: Water Right Permit no. 96-8625

Please give me your comments

Sent from my Verizon Wireless 4G LTE DROID

----- Forwarded message -----

From: "Nelson, Dan" <Dan.Nelson@idwr.idaho.gov>
Date: Sep 17, 2015 11:29 AM
Subject: RE: Water Right Permit no. 96-8625
To: Richard Villelli <dick@villellipnw.com>
Cc:

Dear Mr. Villelli,

I will answer your questions in the order that you asked them.

The first question regarded the diversion rate:

Answer: The diversion rate requested in the permit was 0.50 cfs. However, the amount that was developed was 0.10 cfs. You have the ability to request any reasonable diversion rate when

filing for an application for permit. The permit is then issued for that reasonable diversion rate. You have a development period to create a water system that will divert up to that amount. Once you have finished the developing the water system, you submit a proof of completion form that states that you have developed that permit to the maximum amount intended. After we receive the proof of completion form, the Idaho Department of Water Resources (Department) sends out an agent to determine the extent of what was actually developed. The Department can only license the amount of water use developed during the development period. A completed application for permit form was submitted on October 25, 1990, the proof of completion form was received on April 1, 1996, and the field verification for licensing was done on September 24, 1997. The field examination report stated that the system in place at the time proof of beneficial use was submitted could produce a diversion rate of 0.10 cfs. Idaho Code 42-219 states the following in part:

(1) Upon receipt by the department of water resources of all the evidence in relation to such final proof, it shall be the duty of the department to carefully examine the same, and if the department is satisfied that the law has been fully complied with and that the water is being used at the place claimed and for the purpose for which it was originally intended, the department shall issue to such user or users a license confirming such use. Such license shall state the name and post-office address of such user, the purpose for which such water is used and the quantity of water which may be used, which in no case shall be an amount in excess of the amount that has been beneficially applied.

As you can see from the above statute that we cannot exceed an amount in excess of the amount that has been beneficially applied. Therefore, we are bound by this portion of the code to only issue the amount of water that was developed and measured by the field examiner in 1997 of the 0.10 cfs developed from this well. From my review of this system, there is second well that supplies additional water into the same system that was developed after this permit that adds additional water into the system, and there is a permit that is still in the development stage to develop additional flow rate. This permit is only for the original well and the diversion rate that was originally developed.

The second question regarded the volume amount:

Answer: The only permits that are issued with a volume limitation are permits for storage water or permits limited to volume due mitigation or other legally required restrictions. The reason for this is to allow the permit holder to develop the amount of water needed for their particular use. After the permit has been developed and the volume of water developed has been determined, then we issue the license with the volume of water that was actually developed as required by the

portion of Idaho Code 42-219 shown above. Certain water rights where the application for permit was filed as a municipal use are not required to have a volume limitation on the resulting license. The application and permit for this system were not originally filed as a municipal use. This permit was filed as a domestic and irrigation use, so we are required to issue the license with a volume. Whereas this system now falls under the description as municipal water right, we can change the use from domestic and irrigation to municipal use, but we still need to include a volume limit on the license, since the permit was not originally issued as a municipal use.

The Third Question regarded the time required to return the amendment:

Answer: The 14 day time frame to return the amendment of permit is standard used to return filings and petitions to the Department. The 14 day time frame has nothing to do with the request to license this permit, since it is a standard used in legal pleadings throughout the Department. You can request a reasonable (generally not exceeding 30 days) amount of additional time to submit the amendment if you wish. This will need to be done in writing with a reasonable explanation why the additional time is required.

The urgency on our part to complete this permit is that a permit that had was field examined over 20 years ago needs to be licensed. Our agency has made a concerted effort since 2012 to reduce our backlog of permits that need licensing especially those rights filed over 20 years ago. We are also concerned that permit that was issued after this permit was issued has already been licensed, and there is another permit on record for this system. We also want to complete the licensing process for the upcoming adjudication case in this area. The inquiry to the status of this permit just brought this permit to our attention that it needs resolved.

I hope I have answered your questions. If you have anything further, please don't hesitate to contact me.

Respectfully,

Daniel Nelson

Staff Hydrologist

Idaho Department of Water Resources

Telephone (208) 287-4856

From: Richard Villelli [<mailto:dick@villellipnw.com>]
Sent: Thursday, September 17, 2015 10:26 AM
To: Nelson, Dan
Cc: Bob Hansen; Scott McNee
Subject: Water Right Permit no. 96-8625

Dan:

I received your letter of September 8, 2015 regarding the above water Right Permit. After reviewing it with Scott McNee of T & O engineers I have a couple of comments.

According to the information we have the Maximum Diversion Rate should be 0.5 CFS not the 0.1 CFS shown. This comes from your web site. The proof was made on 4/1/96. Can you clarify this for me?

Also you mentioned having to include the volume amount. I was wondering why this is necessary in that it was not a part of the original permit?

Also I don't understand the urgency of returning this by September 22 since proof was made nearly 20 years ago? I was wondering why all of a sudden we have 14 days to get this amended and back to you? I would like to know if this urgent request is precipitated by inquiries into our water rights or is it just being done during the normal course of business?

I would appreciate if you can let me know answers to my various questions and can the Department give us some time to get these amendments completed?

VP Inc.

Dick Villelli

Nelson, Dan

From: Nelson, Dan
Sent: Monday, September 21, 2015 11:53 AM
To: 'Richard Villelli'
Subject: RE: RE: Water Right Permit no. 96-8625

Mr. Villelli,

I have been tasked with licensing all water rights permits where a field exam has been done in the state. The field exam was done on this permit on September 24, 1997, and it is my job to get the permit licensed. This is the reason that I am working to get this permit licensed.

In my earlier email, I explained in answer #1 how the permitting process works and that you only developed 0.10 cfs under this initial permit per the field examination done in September of 1997. Anything that was developed after April 1, 1996 cannot be considered for the licensing of this permit. Under Idaho Code 42-219 we cannot license more water than what was originally developed.

Water right permit 96-8625 was filed for only the smaller well located in Block 3, Lot 3, of the Golden Tee Estates Subdivision and will be limited by the amount developed of 0.10 cfs. The other well located in the Block 3, Lot 1, of the Golden Tee Estates Subdivision was licensed under water right license 96-9060 for a diversion rate of 0.35 cfs. You also have another water right permit (96-9316) that prove of beneficial use has not been submitted, for both wells that will allow an additional flow rate of up to 0.65 cfs. If this amount of water is not enough, then the you have the option of filing another application for permit to increase the flow rate of water even more if necessary. However, we are bound by Idaho Code 42-219 to only license the amount of water that is developed under a permit during the development period. In the case of water right 96-8625, the amount that was developed is 0.10 cfs.

I am working out of the Boise Office, but I can set up a telephone meeting with you if you wish. Unfortunately, I am going to be out of the office most of the rest of this week, and will not be able to schedule a meeting until after September 28, 2015. If you could give me some dates after the 28th that would work for you, I will be happy to meet with you. Your email states that you would like to meet with me and the appropriate staff. I am not sure who else you would like to have at the meeting, but if you would like anyone specific from our office to attend the meeting, please let me know who you would like to attend.

If you would like to speak to me directly, you can always give me a call.

Respectfully,

Daniel Nelson
Staff Hydrologist
Idaho Department of Water Resources
Telephone (208) 287-4856
Fax (208) 287-6700 (attn: Dan Nelson)

From: Richard Villelli [mailto:dick@villellipnw.com]
Sent: Monday, September 21, 2015 9:05 AM
To: Nelson, Dan
Cc: Scott McNee; Bob Hansen
Subject: FW: RE: Water Right Permit no. 96-8625

Dan:

I have tried sending from my phone with no success I think? if you have received this several times that is the reason?

Can you please help with this. See Scott McNee's comments below. It appears that due to an inquiry from someone unrelated to our company our rights, quite suddenly, are being reduced below the permitted volume.

As you can see the permitted water is necessary and required. Our needs and use are obviously greater than the department and some unknown outside inquirer are attempting to ask us to accept.

I would request a full and prompt explanation and anything less that reduces our permitted use I would request an immediate meeting with you and the appropriate staff.

Thanks for your prompt attention
VP INC.
Richard Vilelli, President

From: McNee, Scott [<mailto:smcnee@to-engineers.com>]
Sent: Friday, September 18, 2015 8:33 AM
To: Dick Vilelli <dick@vilellipnw.com>; Bob Hansen <hbobhansen@aol.com>
Subject: RE: RE: Water Right Permit no. 96-8625

Dick:

Your three water rights are meant to cover both wells, not just the single well. In 2000 when the second well was drilled you had an existing water right 96-8625 listed at 0.5 cfs. We applied for additional water rights 96-9060 at 0.35 cfs to cover construction of this second well. Combined capacity of the two wells is about 380 gpm which was covered by the combined total of these two water rights (0.85 cfs).

In 2007 we applied for water right 96-9316 at 0.65 cfs, with the intent to develop a third well. The intent is to develop a total capacity of 670 gpm to serve build-out. This equals the combined total of the three (3) water rights (1.5 cfs). The proof due date for water right 96-9316 is 6/1/17.

Reducing water right 96-8625 to 0.1 cfs will leave you short under both scenarios. If it was supposed to be adjusted, why wasn't it adjusted back in 1996? We counted on this water right, as listed in IDWR's records at 0.5 cfs, when we made our plans and applications for additional water rights.

Scott G. McNee, P.E.
Project Manager



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From: Dick Vilelli [<mailto:dick@vilellipnw.com>]
Sent: Thursday, September 17, 2015 4:11 PM
To: McNee, Scott; Bob Hansen
Subject: Fwd: RE: Water Right Permit no. 96-8625

Please give me your comments

Sent from my Verizon Wireless 4G LTE DROID

----- Forwarded message -----

From: "Nelson, Dan" <Dan.Nelson@idwr.idaho.gov>

Date: Sep 17, 2015 11:29 AM

Subject: RE: Water Right Permit no. 96-8625

To: Richard Villelli <dick@villellipnw.com>

Cc:

Dear Mr. Villelli,

I will answer your questions in the order that you asked them.

The first question regarded the diversion rate:

Answer: The diversion rate requested in the permit was 0.50 cfs. However, the amount that was developed was 0.10 cfs. You have the ability to request any reasonable diversion rate when filing for an application for permit. The permit is then issued for that reasonable diversion rate. You have a development period to create a water system that will divert up to that amount. Once you have finished the developing the water system, you submit a proof of completion form that states that you have developed that permit to the maximum amount intended. After we receive the proof of completion form, the Idaho Department of Water Resources (Department) sends out an agent to determine the extent of what was actually developed. The Department can only license the amount of water use developed during the development period. A completed application for permit form was submitted on October 25, 1990, the proof of completion form was received on April 1, 1996, and the field verification for licensing was done on September 24, 1997. The field examination report stated that the system in place at the time proof of beneficial use was submitted could produce a diversion rate of 0.10 cfs. Idaho Code 42-219 states the following in part:

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licensing process for the upcoming adjudication case in this area. The inquiry to the status of this permit just brought this permit to our attention that it needs resolved.

I hope I have answered your questions. If you have anything further, please don't hesitate to contact me.

Respectfully,

Daniel Nelson

Staff Hydrologist

Idaho Department of Water Resources

Telephone (208) 287-4856

Fax (208) 287-6700 (attn: Dan Nelson)

From: Richard Villelli [<mailto:dick@villellipnw.com>]

Sent: Thursday, September 17, 2015 10:26 AM

To: Nelson, Dan

Cc: Bob Hansen; Scott McNee

Subject: Water Right Permit no. 96-8625

Dan:

I received your letter of September 8, 2015 regarding the above water Right Permit. After reviewing it with Scott McNee of T & O engineers I have a couple of comments.

According to the information we have the Maximum Diversion Rate should be 0.5 CFS not the 0.1 CFS shown. This comes from your web site. The proof was made on 4/1/96. Can you clarify this for me?

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I would appreciate if you can let me know answers to my various questions and can the Department give us some time to get these amendments completed?

VP Inc.

Dick Villelli



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

September 8, 2015

V P INC
ATTN RICHARD VILLELLI
533739 HWY 95
BONNERS FERRY ID 83805

RE: Water Right Permit No. 96-8625

Dear Mr. Villelli:

The Department of Water Resources is reviewing the permit referenced above prior to issuing a water right license. By issuing a license, the Department confirms the extent of development that has been established in compliance with the terms of the permit. The certified examiner who verified your water use reported that certain elements of the permit have been developed differently than described on your permit. Changes that do not increase the authorized use of water under the permit can be requested and approved in accordance with Section 42-211, Idaho Code. Before a license can be issued, your permit must be amended to depict your water use as it was actually developed.

Based on the examiner's report the point of diversion for this permit is located in Lot 2 (SW1/4NW1/4) of Section 31, Township 58 North, Range 1 East, B.M. The permit listed the point of diversion in the Lot 1 (NW1/4NW1/4) of Section 31, Township 58 North, Range 1 East, B.M. Before we can move forward with licensing, the permit needs to be amended to correct the point of diversion. We also changed the use for this permit from domestic and irrigation to municipal use to match your existing water right license 96-9060. We used the same service area described in permit 96-9060 for this permit. This should make all of your water rights more consistent.

This permit will be limited by the diversion rate and volume calculated for the domestic and irrigation uses that were developed even though you will be amending it to a municipal water right. We are required by Idaho Code to ensure that the amendment does not cause an enlargement of the original use when the amendment is filed. This requires us to include a volume amount when licensing this water right.

Later filings have been made on this system with various corporate ownerships. I have included an assignment of permit form with this letter and amendment to allow you to clarify the ownership of this system. I have also included a change of ownership form that will allow you change the ownership of water right 96-9060 if necessary.

The enclosed Application for Amendment form depicts the elements of the water rights as they will appear on the license when it is issued. Please review the amendment form carefully. If you concur with the information presented, please sign the form and return it with the \$100.00 filing fee within 14 days or by September 22.

If you have any questions, please contact me.

Sincerely,



Daniel A. Nelson
Staff Hydrologist
Planning Bureau
Idaho Department of Water Resources
Telephone # (208) 287-4856
Email – dan.nelson@idwr.idaho.gov

Enclosure(s) Amendment of Permit With Map
 Assignment of Permit form

CC Water Systems Management
 Attn: Robert Hansen
 67 Wild Horse Trail
 Sandpoint, ID 83864

MEMORANDUM

TO: Water Right File 96-8625

FROM: Daniel Nelson – Staff Hydrologist

DATE: September 2, 2015

SUBJECT: Licensing Review of Water Right 96-8625

This field exam was performed by our northern region staff in 1997. I was asked to complete the licensing process for this permit by our northern region staff. The permit was never licensed due to some concerns that the diversion rate measured and the volume calculated by the field examiner could not supply the 70 homes and irrigation uses it was supposed to under the stub in rule. The permit has been in place for several years, and a new municipal water right has been licensed for a second well to the system. I will discuss the decisions to move forward with licensing this permit below.

History:

This permit was originally filed to supply water to 90 homes and provide irrigation for 27 acres. The field examiner measured the flow rate of the pump at 0.10 cfs. The system has two 20,000 gallon storage tanks to provide water as needed. The field examiner also stated that the club house for the golf course used this well. However, the permit does not have a commercial component, so the club house cannot be licensed under this permit. The field examiner determined that the homes and landscaping around the club house provided approximately 18 acres of irrigation. The irrigation was determined by estimating that 72 lots would have approximately $\frac{1}{4}$ or (0.25) acres of irrigation. This calculation provided 18 acre of irrigation under the field examiner's recommendation.

When I first looked at this mapping for this permit, I discovered that water right 96-9060 had been licensed for the same property in 2008 for municipal purposes. Another permit (96-9316) has been filed on this development for municipal purposes, but proof of beneficial use has not been submitted. Permit 96-8625 was actually the first phase of this project, and could not supply water to all of the 70 homes, yards, and the landscaping around the club house.

Whereas license 96-9060 was licensed in 2008, I am recommending that permit 96-8625 be limited to the actual development that occurred prior to 2008. The only aerial photography that we have prior to 2008 is the 2006 aerial photography, so that is what I used to determine the number of homes developed and the amount of water that could be developed.

As you will see below, the development completed by 2006 would have been very close to using the maximum possible capacity of the well associated with this permit. License 96-9060 is for a separate well, so there shouldn't be any combined overlapping water right conditions to be concerned with for this water right. Permit 96-9316 has yet to be developed. Robert Hansen, the water system manager for this system, informed me that the plan for permit 96-9316 is to increase the size of the pump in the well used by this water right, but that hasn't happened yet. Therefore, when 96-9316 is licensed, a combined condition will be needed on permit 96-9316 when the new capacity is developed.

Ownership:

This permit was assigned to VP Inc. on April 1, 1996. It appears as though the tax lots for the wells are still owned by VP Inc., but this corporation is no longer registered with the Secretary of State Business site. The tax lot information shows a different address for VP Inc. than what is shown on the permit. Water right permit 96-9316 is also in the name of VP Inc., and this permit shows the same address as the tax lot information. I contacted Mr. Hansen, and he confirmed that VP Inc. still owns the system and to send it to the address listed on permit 96-9316 Attn: Richard Vilelli. Therefore, I will be sending the amendment for this permit to the address shown on permit 96-9316.

Place of Use:

The 2006 aerial photos show that only 24 homes were constructed in 2006 within the place of use described in this permit. The 2015 aerial photos show that only 3 other homes have been developed since 2006. I am recommending that the domestic use be limited to the 24 homes developed prior to 2006. The three homes built after 2006 are covered under license 96-9060 and can be covered by permit 96-9316, so limiting this permit to 24 homes should not be an issue.

The field examiner recommended the club house use be licensed under this permit, but this permit does not have a commercial use component. Once again, the club house use is covered by 96-9060 and can be covered by permit 96-9316.

Instead of using the irrigation use estimated by the field examiner, I used the 2006 aerial photography to determine the actual number of acres irrigated around the 24 homes and the acres irrigated around the club house. I found a total of 15 acres irrigated, which is under the amount allowed by the permit. Please see the attached sheet that shows the acre breakdown by tax lot. The field examiner estimated 18 acres, but I don't feel that was accurate. I recommend that this permit be licensed for 15 acres. The golf course is irrigated using water right 96-8622 from the Pack River. The irrigation for the other 3 lots built after 2006, are covered under license 96-9060 and can be covered under permit 96-9313.

Since this permit will be changed from a domestic and irrigation use to a municipal use, the place of use will be described as the same service area described in water right 96-9060. The place of use described in 96-9060 is described as the service area of the Golden Tee Estates/Vilelli Enterprises, Inc. service area. The tax lot information shows that the well lot is in the Golden Tees Planning Unit Development, so this is what I will use for the description of the service area.

Point of Diversion:

The point of diversion for this permit is a well. The permit and the well log show the well is located in the Lot 1 (NWNW) of Section 31, Township 58 North, Range 1 West. The field examiner states that the well is located in Lot 2 (SWNW) of Section 31, Township 58 North, Range 1 West. License 96-9060 shows a separate well in Lot 2 (SWNW) of Section 31, Township 58 North, Range 1 West. The photos in the field exam from 96-9060 show the same well house as shown in the field exam for this permit, so I am assuming that the field examiner is correct.

I checked the Department of Environmental Quality (DEQ) records, and they show there are 2 wells for this water system. The DEQ records also show a GPS'ed point of diversion in Golden Tee Estates Subdivision Phase One, Block 3, Lot 3, Well Lot. The field exam for 96-9060 shows a GPS'ed well in Golden Tee Estates Subdivision, Phase 1, Block 3, Lot 1, Well Lot. The photos in 96-9060 show two measurement devices on two separate intake pipelines, so I assumed there are two separate wells.

Mr. Hansen confirmed there are two wells, and that they are in the two separate well lots. Mr. Hansen also confirmed the location of the older smaller well. Therefore, an amendment will be needed to correct the legal description in the permit.

Diversion Rate:

The field examiner measured a diversion rate of 42.6 gpm or 0.10 cfs. Mr. Hansen informed me that this was about right. The system still has the same 5 Hp well pump, and it runs with approximately 90 psi of pressure on the well. The field exam for license 96-9060 gives a lift of 130 feet, so with this lift and pressure, this flow rate does seem reasonable ($[5 \text{ Hp} \times 8.8 \times 0.70 \text{ efficiency}] / [130 \text{ ft lift} + \{90 \text{ psi} \times 2.31\}] = 0.09 \text{ cfs or } 41 \text{ gpm}$). I feel the measurement taken is a better determination of the flow rate than the theoretical, so I recommend this permit be licensed for 0.10 cfs.

Volume:

The field examiner calculated the volume for the 18 acres and 0.6 af for each of the 72 domestic uses. The field examiner came up with a total volume of 91.8 af. A diversion rate of 0.10 cfs can only supply a total of 72.4 af when the pump runs non-stop, so the calculation supplied by the field examiner is not acceptable. Please see the attached spreadsheet for more detailed information.

I calculated the volume based on the 24 homes that were developed prior to 2006 and the 15 acres that were irrigated. I have attached a calculation sheet showing the acres and volume calculations to this memo. I recommend that this permit be licensed for 59.9 af.

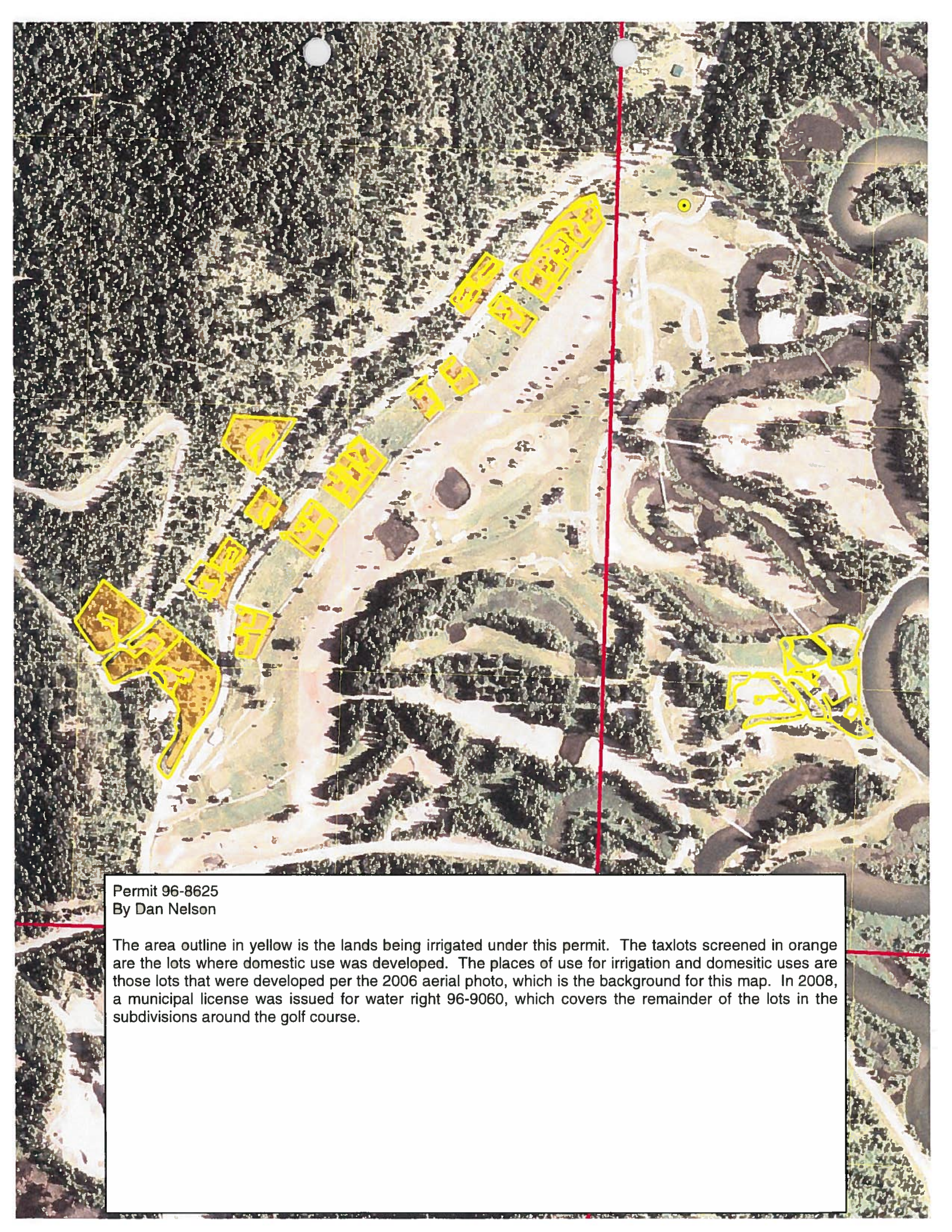


Water Use:

This permit was originally licensed for domestic and irrigation uses. However, water right 96-9060 and permit 96-9316 are both municipal uses. This permit requires an amendment, so it seems logical to change this permit into a municipal water right. The municipal use will be limited by the diversion rate and combined volume for developed for irrigation and domestic uses. I recommend that this permit be licensed as a municipal use for 0.10 cfs and 59.9 af.

Conditions:

Where the use was changed from domestic and irrigation use, the conditions on the permit were removed at licensing. Conditions 126, 180, and X59 were added to the license.

An aerial photograph of a golf course. A winding path or road runs diagonally from the top left towards the bottom right. Along this path, several rectangular areas are outlined in yellow. To the right of the path, there are several circular and irregularly shaped features, likely ponds or sand traps, some of which are also outlined in yellow. The surrounding area is covered in dense green trees and vegetation. A red vertical line is visible on the right side of the image.

Permit 96-8625
By Dan Nelson

The area outline in yellow is the lands being irrigated under this permit. The taxlots screened in orange are the lots where domestic use was developed. The places of use for irrigation and domestic uses are those lots that were developed per the 2006 aerial photo, which is the background for this map. In 2008, a municipal license was issued for water right 96-9060, which covers the remainder of the lots in the subdivisions around the golf course.

Domestic Uses	Lot	ACRES
0	Club House	3.311997
1	BLK 2 LT 1 2ND HL 2ND ADD	1.561989
2	BLK 1 LT 1 HL 2ND ADD	2.384377
3	BLK 1 LT 2 HL 2ND ADD	1.10966
4	LT 2 HL	0.248252
5	LT 1 HL	0.248034
6	BLK 1 LT 3 HL 1ST ADD	0.41082
7	BLK 1 LT 4 HL 1ST ADD	0.284549
8	LT 7 HL	0.346387
9	LT 8 HL	0.2728
10	BLK 1 LT 6 HL 1ST ADD	0.34952
11	LT 10 HL	0.261326
12	LT 11 HL	0.295095
13	LT 12 HL	0.306647
14	BLK 4 LT 6 HL 2ND ADD	1.050055
15	LT 15 HL	0.163593
16	LT 18	0.274091
17	BLK 1 LT 15 HL 1ST ADD	0.205534
18	LT 22 HL	0.366275
19	BLK 1 LT 16A HL 1ST ADD	0.249497
20	LT 24 HL	0.302588
21	LT 25 HL	0.271472
22	LT 26 HL	0.179349
23	LT 27 HL	0.335319
24	LT 28 HL	0.393198
24	TOTAL	15.18242

Total Acres	Head Gate Volume	Total Irrigation Volume
15.2	3	45.5

In-House Domestic Uses	Volume Per In-house Use	Total Domestic Volume
24	0.6	14.4

Domestic Volume =	14.4
Irrigation Volume =	45.5
Total Volume =	59.9

Diversion Rate	Coefficient	Days Of Use	System Volume Capacity
0.10	1.9835	365	72.4

Please Note:

1.) The golf course club house commercial use was included in the field report, but the club house is a commercial use and not a domestic use. This permit only allows domestic uses. Municipal water right license 96-9060 can cover the non-domestic uses.

2.) Only the homes found to be in place in the 2006 aerial photos were counted, since water right 96-9060 was field examined and licensed in 2008 to cover all the other existing water rights. The pump system was enhanced at that time.

3.) The well pump doesn't have the capacity to supply the irrigation volume recommended, but there are 2 storage tanks used for this system, and that can supply the needed capacity to supply the needed

MEMORANDUM

TO: Water Right File 96-8625

FROM: Daniel Nelson – Staff Hydrologist

DATE: September 2, 2015

SUBJECT: Telephone Conversation with Robert Hansen

In the original field exam, the representative the accompanied the field examiner was Robert (Bob) Hansen. I found Mr. Hansen's telephone number and called to find out if he remembered anything about permit 96-8625. Mr. Hansen told me that he still operates the water system associated with this permit.

I asked Mr. Hansen if he could help me verify the wells used in this system. Mr. Hansen told me there are two wells. The older smaller well is located in tax lot Block 3, Lot 3 of the Golden Tee Estates Subdivision. This is the well lot closes to the curve in the road. The older well is the well associated with permit 96-8625. The newer bigger well is located west of the older well in tax lot Block 3, Lot 1 of the Golden Tee Estates Subdivision. This well is located in the same tax lot as the well house. The well house can be seen in aerial photos.

I then asked Mr. Hansen about the diversion rate of the older well. I told him that the well measurement was 42 gpm or 0.10 cfs. Mr. Hansen said that was about right. The well diverts water uphill to a water tank and has approximately 90 psi of pressure at the well head.

I asked Mr. Hansen if VP Inc. still owned the water system, and he confirmed the ownership of the system. Mr. Hansen also confirmed the new address for the VP Inc. Mr. Hansen asked that when I send the amendment to VP Inc. if I could send a copy to him also. I agreed to send Mr. Hansen a copy of the amendment.

I told Mr. Hansen how I was looking to prepare the amendment, and he stated it seemed reasonable to him, but he was not the person who would make the final decision. I told him that I was going to limit the domestic use to the 24 homes developed by 2006, and to the irrigation developed for the 24 homes and the irrigation around the club house. He said he thought that was reasonable, as long as water right license 96-9060 covered the other 70+ homes that are now on the system. I told him that I thought it did cover the additional homes and the in-house use for the club house