

March 24, 2011

Ted Hanson
3810 East 850 North
Rigby, ID 83442

RE: Applications for Transfer (Ellis Ditch / Island Canal)

Dear Mr. Hanson:

I have enclosed two transfer applications that accomplish the water right changes we discussed in our meeting earlier this month. Transfer 77117 adds the Island Canal as an additional point of diversion for your water rights. The place of use description for your water rights will still be limited to your property on the Ellis Ditch. Transfer 77118 adds the Ellis Ditch as an additional point of diversion to the Island Irrigation water rights and adjusts the Island Irrigation service area to include your property on the Ellis Ditch.

The two transfers in combination, if approved, will allow Water District 1 to treat the Ellis Ditch and the Island Canal as a combined point of diversion. Water diverted through the Ellis Ditch and the Island Canal will be combined into one total. Your water rights and the Island Canal rights will be combined to cover the daily diversion through the two ditches.

The fees for the transfers are based on the amount of water involved in the transfers. To minimize the fee for the Island Canal transfer (77118), we noted that the diversion rate through the Ellis Ditch is limited to 13.00 cfs. Without this condition, the fee for transfer 77118 would be based on the entire authorized rate of the Island Canal water rights, 234.84 cfs (resulting in a fee of \$5,290.00). Because the entire flow rate of your water rights may, at times, be diverted through the Island Canal, there was no way to reduce the fee on transfer 77117.

Please review the transfer applications, sign both of them on page number 3, and have the president for the Island canal sign both transfers on the same pages. Return the signed transfers to our office with the transfer fee (\$490 + \$730 = \$1,220). Feel free to call me if you have any questions.

Sincerely,

James Cefalo
Water Resources Program Manager
IDWR Eastern Regional Office