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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

\$50 fee

Receipted by dbReceipt No. N029345Date 7/6/12

REQUEST FOR EXTENSION OF TIME

To provide additional time in which to submit proof of beneficial use for a water right permit

The Idaho Department of Water Resources will consider this form as a request that the permit holder(s) be granted an additional period of time under the provisions of Section 42-204, Idaho Code in which to complete development of a water right and file proof or beneficial use of water. There is a **FILING FEE of \$50.00** to be included with this form when filed with IDWR.

Permit no. 94-7426 Date proof is due December 1, 2012Name(s) of permit holder(s) Galena Ridge LLCMailing address 610 Bunker Avenue. City Kellogg State ID Zip 83837Telephone no. 208 783 1507 Email kareyS@silvermt.com

Describe what work has been completed toward the development of this water right:

If no work has been completed, show "none".

See attached Sheet- Part A

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WATER RESOURCESCosting See Part B

The permit holder(s) has been unable to complete the remainder of the work for the following reasons:

See Attached Sheet Part C

Permit holder(s) request an extension to December 1, 2017.

Jeff R. Colburn ASST. Sec.
Signature (If other than permit holder, Power of Attorney must be supplied)

7/2/2012
Date

ACTION OF THE DEPARTMENT OF WATER RESOURCES

IT IS HEREBY ORDERED that the above request for extension of time be **APPROVED** and the time within which to submit proof of beneficial use is extended to December 1, 2017.

Signed this 26th day of July, 2012

Jeff Peppersack
Jeff Peppersack, Chief
Water Allocation Bureau

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Part A

Describe what work has been completed toward the development of the water right:

- Installation of irrigation storage and aesthetic ponds for Golf Course: the lower Irrigation pond is 3,500 sq ft and 28,000 ft³ in volume, the upper irrigation pond is 47,250 sq ft and 567,000 ft³ in volume
- Installation of a duplex pumping station at the point of withdrawal on Government Creek
- Installation of two 50-hp pumps, each with rated pumping capacity of 450 GPM
- Installation of a control panel for irrigation pumps
- Installation of a 10" diameter buried irrigation transmission main, 2780-feet in length
- Installation of 9 golf holes of golf course irrigation infrastructure on roughly 60 acres of land, development of fairways, greens, rough, driving range, and vegetative buffers
- The estimated cost of irrigation system installation for 9 golf holes was approximately \$950,000 in 2008.
- Original planned installation was for 18 holes and driving range, practice greens; 9 holes have been completed to date.
- Four years of irrigation pumping data have been collected on an annual basis (July 7 to July 7) for the following years 2008, 2009, 2010, and 2011.
 - July 7, 2008 to July 7, 2009 550 hours at 450-gpm, 14,850,000 gallons
 - July 7, 2009 to July 7 2010, 1200 hours at 450-gpm, 32,400,000 gallons
 - July 7, 2010 to July 7 2011, 800 hours at 450-gpm, 21,600,000 gallons
 - July 7, 2011 to May 7, 2012, 600 hours at 450-gpm, 16,200,000 gallons ** (partial irrigation season)

Part B

The Applicant has spent approximately the following sums in constructing facilities to utilize the waters applied for in the application for Permit No. 7426.

- Lower Pump station= \$62,500
- Upper Pump station= \$41,000
- Irrigation transmission main= \$47,000
- Irrigation Storage pond= \$56,000
- Irrigation distribution mains= \$375,000 (mains and laterals)
- Sprinkler and irrigation heads= \$87,000
- Control Systems and wiring= \$112,000
- Fairways, rough, greens, cart paths and other= \$4,519,500
- **Golf Course Total (including irrigation system)= \$5,300,000**

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Part C

The permit holder has been unable to complete the remainder of the work for the following reasons:

While the applicant has accomplished a substantial amount of work in preparing to complete the project as applied for in the Application for Permit No. 94-7426, the applicant has been unable to complete ALL the work as presented in the Application for Permit No 94-7426.

Construction of an 18-hole golf course is part of a master planned community at Galena Ridge and is approved by the City of Kellogg as a Planned Unit Development. The first 9-holes were constructed and completed and the course opened for business in 2010. Construction of the remaining 9 holes of the golf course has commenced and is approximately 20% complete. Because the golf course and related residential homesites are being developed within the Bunker Hill Superfund Site, contaminated materials generated from homesite construction must be disposed of within the boundaries of the golf course during course construction. Mass excavated soils generated from real estate development would otherwise overwhelm local Superfund repositories operated under Panhandle Health District's Institutional Controls Program. Because homesites are developed on pace with homesite sales and sales are slow as a result of market conditions, work on future phases of homesites has been delayed thereby causing a delay in golf course construction.

To date 91 residential homesites have been constructed along with the infrastructure to support over 200 homes. Phase one construction that has been completed and includes: two water reservoirs, drinking and fire water pump station, potable water lines and fire hydrant, sanitary sewer collection system, storm sewer collection and treatment system, roadway system, phone, power, and gas infrastructure. The cost of these improvements was nearly \$8 million. There are 46 homesites in inventory remaining to be sold; as such the project has enough real estate inventory for current market conditions and therefore further residential real estate development is on hold until more units are sold. At such time that more residential real estate development is required to meet market demand, residential homesite development and therefore the golf course construction will resume. We anticipate this to occur within the next 36-48 months, but possibly sooner.

The Permit Holder requests an extension to December 1, 2017

The applicant intends to continue with construction of the remaining 9-holes of the golf course when residential sales objectives are met to support further golf course development, the applicant requests an extension of five (5) years in order to fully develop the remaining 9-holes of the golf course and perfect the pending water rights.