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To: Monica Van Bussum, Sr. Water Resource Agent, IDWR

DEPARTMENT OF
WATER RESOURCES

In response to your letter dated Dec. 20, 2011, we would like our water rights to be released from the Water Supply Bank on April 1, 2012 per the current lease agreement. Enclosed is the completed and signed Request to Release form.

For your information, I also have enclosed a copy of a letter I sent to our neighbors in the Country Living Subdivision located in Salmon, Idaho. I am not sure they are aware of the current rules or the Water Supply Bank. I think many people believe their water rights are in order and secure. I did not want to hold the information I have obtained, only to find out later that one or more of my neighbors lost their water because they were not aware. My letter may result in calls to you.

If you have questions of me please give me a call.

Thanks again for your assistance.

John Hilgendorf

To Property Owners – Country Living Subdivision, Salmon, Idaho

If your property in the Country Living Subdivision has water rights, they may be at risk of forfeiture in the future by the State. There is a rule informally referred to as the "Five Year Rule" which gives the State of Idaho the authority to take back water rights that are not used for a period of five years. Reference *Idaho Code*, Section 42-222(2).

My wife Rebecca and I purchased the two lots at the end of the Country Living Subdivision in 2008 (lots 6 and 7). It was not a simple process to research the status of the water rights assigned to the property, align the water rights with the land, and ensure accurate recording within the Idaho Department of Water Resources (IDWR).

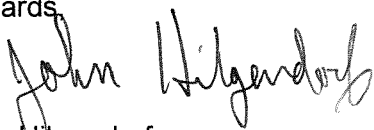
Through this process we learned about water rights in this area and have some insights we want to share with our neighbors in the subdivision. I am making a general assumption that the water rights for your property may be in the same condition as we originally found ours.

1. Water rights seem to be allocated to the land in the Country Living Subdivision, but may not be divided and recorded to align with the individual lots in the subdivision. This is the land owner's responsibility and the water rights do not automatically get updated when land is subdivided and/or sold.
2. There is an Idaho State law, informally referred to as the "Five Year Rule", which provides the State with the ability to take back water rights not used for a period of five years or more. The forfeiture clock was restarted in this area in 2007-2008 following the Snake River Adjudication Process, which sorted through and cleaned-up the records for the water rights in the area.
3. The forfeiture clock for the Five Year Rule can be stopped by placing your water rights in the Water Supply Bank. Your water rights are protected from the Five Year Rule as long as they are in the Water Supply Bank.

If you want to research the status of your water rights, I recommend you visit the IDWR web-page. This web-page will allow you to research your water rights and also learn about the Five Year Rule and the Water Supply Bank. You can also contact Monica Van Bussum, Sr. Water Resource Agent, IDWR at (208) 287-4907. She is very knowledgeable and helpful.

I do not want to meddle in anyone's affairs, but I am compelled to share this information with the land owners of the subdivision. Hopefully this information is valuable to you. If you have questions of me, I can be contacted by e-mail at Hilgendorf@GCI.net or phone at (907) 522-9013.

Regards



John Hilgendorf

cc: Monica Van Bussum, Sr. Water Resource Agent, IDWR