



State of Idaho

DEPARTMENT OF WATER RESOURCES

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C. L. "BUTCH" OTTER
Governor

DAVID R. TUTHILL, JR.
Director

May 18, 2009

CHI MOUNTAIN STATES OPERATIONS
ATTN: DALE HIGBEE
2283 WRIGHT AVE STE D
TWIN FALLS, ID 83301

RE: Water Permit 78-7254

Dear Mr. Higbee,

This letter is in follow up to our conversations from the week of May 11, 2009, and my site visit on behalf of the Idaho Department of Water Resources (the Department) to conduct a field examination for water right permit 78-7254. Permit 78-7254 is for hydroelectric power generation at your Elk Creek Hydroelectric project and allows for the diversion of 50 cfs of water from Elk Creek in association with your on-going beneficial use. I have included a copy of the proof report summarizing this water right for your review. During my site visit Mr. Charlie Holloway gave me a thorough tour and review of your system. Never the less, following my site visit there remains a number of outstanding items that need to be addressed before the permit can be perfected into a final water right license. This correspondence is an attempt to tie up the remaining loose ends, so that I may proceed with the final step of issuing you a water right license.

1. This permit is currently in the name of El Dorado Hydro c/o Sithe Energies. I need to know the exact name and address of the entity that will be referred to on the water right license as the current owner. The change in ownership and contact information must be documented to the Department in an "assignment of permit" notice form. Please fill out and return the attached notice along with a \$25.00 filing fee for my use in updating your permit.
2. The intake works, penstock, and power house associated with your Elk Creek facilities appear to be located on private property not owned by CHI. I will need a copy of all easement or right-of-way documents associated with your facility as proof that CHI is entitled to maintain and operate this system even though it resides on property not owned by CHI.
3. Two critical elements that help define a water right are the maximum flow rate of water and annual volume of water beneficially used. To establish and/or verify these values for licensing I will need the following two items:

- a. Turbine Curves or efficiency curves for the Pelton Wheel turbine currently in operation at your Elk Creek Facilities, submitted curves must define the power output-flow rate relationship of the device and provide a means of continuously measuring/determining flow rate.
- b. Historical records of date, time, power generation, gage height above the Parshall Flume, and gage height above the penstock, similar to those I reviewed while on-site. I will need one complete annual record from the time prior to submittal of the proof of beneficial use (1985-1990) and one complete annual record from the time following 1990 (1991-2008).

Once I have received all of the pertinent information and documents outlined above I will proceed with the licensing of your water right permit. If you have any questions regarding these matters please contact me by email at mathew.weaver@idwr.idaho.gov or by telephone at (208) 287-4914.

Respectfully,

Mathew Weaver, PE
Staff Engineer

Enclosures