

WOOD RIVER VALLEY IRRIGATION DISTRICT #45

P.O. BOX 2223 HAILEY ID 83333

RECEIVED

NOV 07 2011

DEPARTMENT OF
WATER RESOURCES

Idaho Department of Water Resources
Attn: Monica Van Bussum
Sr. Water Resource Agent
322 East Front Street
P.O. Box 83720
Boise Idaho, 83720-0098

37-363D
37-20348

October, 10, 2011

Re: Turco Water Right

Dear Ms. Van Bussum,

It has come to our attention that you have accepted two (2) Turco water rights and a fee without the express written consent of the Wood River Valley Irrigation District. After consulting with our attorney, Al Barker, The District has come to the following conclusions:

The Water Bank's own rules require approval of the irrigation delivery entity.
(#25.02.e)

"The written consent of such company, corporation or irrigation district to the proposed sale or lease must accompany the application if the right to the use of the water, or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district."

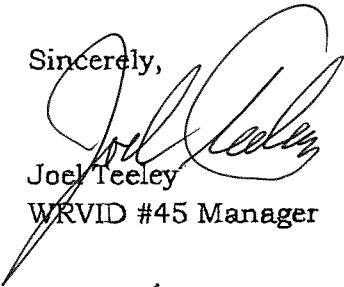
At the minimum, WRVID conditions of approval for water bank transfers should be:

- 1) Carriage loss sufficient to convey water to the 45 head gates must be left in the river.
- 2) Carriage loss sufficient to convey water within the 45 system, without injury to other users, must be left within our system.
- 3) There should be no impact on Minimum Stream Flow (MSF).

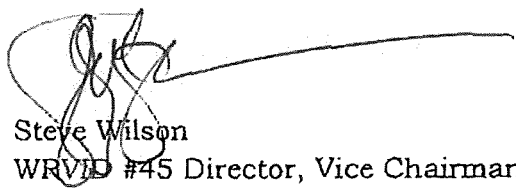
The Board of Directors and our attorney take the position that the water needs to be turned into the 45 as a condition of approval (all this water has been turned in to the 45 during the SRBA – to change now would be an injury to the WRVID#45). If any lease of the water from the bank is made the conveyance loss has to remain in the canal. Without those conditions, there is no approval, which is mandatory for the bank to accept water.

If this letter does not make the District's position crystal clear concerning this issue, then please call me at (208) 720-9311 so we can discuss the terms and conditions of any agreement.

Sincerely,



Joel Teeley
WRVID #45 Manager



Steve Wilson
WRVID #45 Director, Vice Chairman