



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street, P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 287-4800 Fax: (208) 287-6700 Web Site: www.idwr.idaho.gov

SEPTEMBER 12, 2006

JAMES E. RISCH
Governor

KARL J. DREHER
Director

HORIZON ORGANIC DAIRY IDAHO FARM INC
6311 HORIZON LANE
LONGMONT CO 80503

**RE: APPLICATIONS TO THE WATER SUPPLY BANK. WATER RIGHT
NOS. 36-2248, 36-2249, 36-7688, 36-2254A, 36-2430, 36-8008 AND
36-2284**

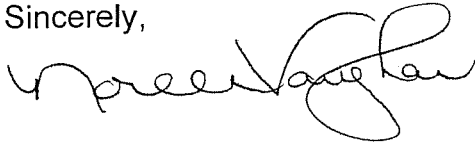
Dear Applicant:

You recently filed applications to lease the above referenced water rights to the Idaho Water Supply Bank (bank). This letter explains constraints on processing these applications. Staff resources at the Idaho Department of Water Resources (department) are being focused to complete the Snake River Basin Adjudication (SRBA) during this year. This concerted effort is expected to conclude by the end of 2006. As a result, other department functions cannot be fully operational. Though every effort will be made to process your applications, the department may not be able to complete review by the end of the year.

Application to Lease or Sell a Water Right to the Water Supply Bank: If you filed an application to lease or sell a water right(s) to the bank, the department will hold your application(s) for review as resources allow. If the right is determined to be eligible for acceptance into the bank and if additional information is not required upon review of the application(s), the right will be entered into the bank as of the date of receipt of the application. The acceptance date may be adjusted if additional information is required. Please note the forfeiture period is not tolled unless a right is accepted into the bank. If forfeiture is a concern, you may also consider filing an application for Extension of Time to Avoid Forfeiture.

The department will hold the referenced applications and proceed as described above as time allows. If the applications are not processed prior to the end of the requested lease term, they will be returned to the applicant. The department regrets the inconvenience caused by the delay. Please contact me at (208) 287-4946 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Cynthia Bridge Clark". The signature is fluid and cursive, with the first name being the most prominent.

 Cynthia Bridge Clark
Water Rights Permits Section

Cc: Charles E Brockway – Brockway Engineering PLLC