

Hydro Logic, Inc.

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February 19, 2008

Mr. Steve Lester
Water Rights Supervisor
Department of Water Resources
2735 Airport Way
Boise, Idaho 83705-5082

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WATER RESOURCES
WESTERN REGION

Subject: Transfer of Water Right No. 63-3066

Dear Steve:

Under cover of this letter, I transmit an Application for Transfer of a water right on behalf of the Nagel Beverage Company (NBC). As you are aware from previous transfer applications, NBC owns and operates a soft drink bottling operation in Nampa, Idaho. As a result of the move of its operations from Boise to Nampa, and a planned future expansion into additional markets, NBC will need additional water supplies. It has acquired water right No. 63-3066 as part of this plan and now needs to transfer the same.

This transfer application consists of the following:

- 1) Transfer application signed by the Applicant and notarized.
- 2) Hydro Logic, Inc. check No. 5466 in the amount of \$250 for Transfer processing fee for 0.51 cfs.
- 3) SRBA Recommendation of Water Right No. 63-3066
- 4) Figure 1. Location map on USGS topographic series base map.
- 5) Figure 2. Aerial photograph showing the new point of diversion and place of use.
- 6) Purchase and Sale Agreement for the appropriate portion of Water Right No. 63-3066.
- 7) This cover letter.

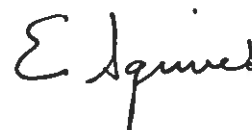
Nagel proposes to change the nature of use from irrigation to industrial use, and the period of use from the irrigation season to year-round. Because the proposed industrial use is entirely consumptive, NBC is entitled to transfer only the consumptively used portion of the irrigation water right totaling 74.5 acre-feet per year based on the previously allowed transferable consumptive use from irrigation water rights of 2.92 acre-feet per year per acre. The authorized diversion rate of 0.51 cfs will remain the same.

The only impact to existing water uses is that the acres previously irrigated by this water right will no longer be irrigated. Owing to the small diversion rate and annual volume of this water right, and given the distance to surrounding water wells (Figure 1), measurable interference effects to existing wells are not expected as a result of this transfer. NBC's continued monitoring of water levels in its specially-constructed observation well on the same site supports this conclusion.

Please contact me directly at 342-8369 with any questions concerning this proposed transfer.

Respectfully,

Ed Squires



c: Vance Miller, Nagel Beverage Company
Charlie Honsinger, Ringert Clark Chartered Lawyers