

July 21, 2010

IDAHO WATER CO LLC
1135 VALLEY RD SOUTH
HAZELTON, ID 83325

RE: Application for Transfer

Dear Applicant(s):

The Department of Water Resources has received your application(s) for transfer. Preliminary review of the application(s) indicates that it is incomplete and cannot be accepted for processing. We are returning your application to allow you to complete the necessary items. The required information is described below.

FALLS WATER COMPANY:

The Proposed Place of Use was not provided correctly?
Part 1 Item # 4 (place of use) is incomplete. Need to identify where irrigation will occur by Township, Range, Section and QQ. Changes to the place of use are being made to rights 35-12915 and 35-13316; the "no changes" box should not be checked.

The Map was not provided correctly.
The map identifies eight points of diversion for water rights 35-12915 and 35-13316 while Item # 3 (point(s) of diversion) identifies five points of diversion. Please submit a new map identifying the correct number of point(s) of diversion. If the map identifies the correct number of point(s) of diversion then please adjust Part 1 Item # 3(point(s) of diversion) of the transfer.

The transfer application(s) indicate land under water rights 35-12915 and 35-13316 has been enrolled in CRP since October, 1989. The set-aside program document that was submitted for the land under water rights 35-12915 and 35-13316 shows an enrollment date of September, 1996. The ESPA analysis was based on a non-use of water rights during the 1989-2010 time period which, according set-aside program document the non-use period did not begin until September, 1996. If land under water rights 35-12915 and 35-13316 has been enrolled in CRP since October, 1989, please submit the evidence validating the September, 1989 date. If no evidence can be submitted validating the September, 1989 date then, a new ESPA analysis may be required which simulates the correct non-use period.

OREGON TRAIL:

Any issues or concerns dealing with this transfer will be sent to T.J. Budge who represents Oregon Trail Broadcasting. The Oregon Trail Broadcasting application is one of five transfers packaged together. If one of the transfers within the package is incomplete, then all five transfers are incomplete and will be returned.

COUNTY LINE FARM:

Transfer looks good to process however; the County Line Farm application is one of five transfers packaged together. If one of the transfers within the package is incomplete, then all five transfers are incomplete and will be returned.

HUETTIG TRANSFER:

It appears that the three acres in Lot 4 SWSW of 05N, 36E, Sec. 31 have gone five years without any use and is excluded from the set-aside program contract. The contract indicates that all of section 31 is covered except lot 4 (SWSW). Please provide evidence that the three acres in Lot 4 SWSW of 05N, 36E, Sec. 31 have been irrigated within the past five years or have been placed in a set-aside program.

It has also come to the departments attention that 3 acres of water rights 35-12915 and 35-13316 appurtenant to lot 4 (SWSW), of 05N, 36E, Sec. 3 possibly should have been excluded from an ownership change filed on August 28, 2008 by Idaho Water Company. It is unclear how Idaho Water Company obtained ownership of rights 35-12915 and 35-13316 appurtenant to lot 4 (SWSW), of 05N, 36E, Sec. 3. The department can follow how ownership was obtained from Charles B. and Marie Wells who appear to have owned all the water right except for the portion appurtenant to lot 4 (SWSW), of 05N, 36E, Sec. 3. It is unclear how Idaho Water company obtained ownership of the rights appurtenant to lot 4 (SWSW), of 05N, 36E, Sec. 3 when Charles B. and Marie Wells didn't own the property. The department has on file a Special Warranty Deed For Water Right from Cannon Shelley Properties conveying water rights 35-12915 and 35-13316 to Idaho Water Company, but there is no explanation or proof which shows how they owned the water right.

FLYING "A" RANCH:

Transfer looks good to process however; the Flying "A" Ranch application is one of five transfers packaged together. If one of the transfers within the package is incomplete,

then all five transfers are incomplete and will be returned.

Please feel free to contact this office if you have any questions.

Sincerely,

Blake Jordan
Sr. Water Resource Agent

Enclosures

CC:
Jason Helms; Thompson Engineering