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Hydraulics

Hydrology

Water Resources

October 31, 2005

Cory Skinner
Idaho Department of Water Resources
Southern Region Office
1341 Fillmore, Suite 200
Twin Falls, ID 83301

RECEIVED
OCT 31 2005
Department of Water Resources
Southern Region

Re: Loughmiller Transfer's

Dear Cory:

This letter is in response to your letter, written on October 19, 2005, regarding the two transfers submitted in behalf of Loughmiller Inc.

I am resubmitting the two transfers as follows:

- Transfer 1 is proposing that a portion of water right 47-8011A be converted to stockwater/commercial uses and to update water right 47-13651.
- Transfer 2 then seeks to move the remaining portion of water right 47-8011A for irrigation purposes as a PPU, and convert the right from a supplemental to primary ground water right.

Sorry about the error regarding the application fee. I was in a hurry and assumed the fee was based on the total diversion rate of the two transfers, and not the individual rates of each individual transfer. I have enclosed the check that was formerly submitted and enclosed another check in order to supplement the additional amount of the transfer fees.

In response to your recommendation to examine the booster pump on the south pond I have included the available power records for the booster pump and the following analysis. However, according to my meeting with Allan Merritt on September 29, 2005 it was concluded that the best way in which to analyze the water use for this transfer was to determine the use for the entire farm. The entire farm is hydraulically interconnected and analyzing the southern booster pump will only reflect a portion of the water that irrigates the fields in section 13. However, based on your recommendation the following is a record of what was delivered to the fields via the southern booster pump.

In 2000 there was no surface water delivered to the southern pond by SRCC; however the power records show that approximately 440 acre-feet was pumped with the booster pump. As shown in the irrigation system schematic

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IW #1 can be diverted to the southern pond. Therefore, the power records suggest that all of the water pumped from the southern booster came from IW #1 in 2000. However, since it is also connected to the mainline it still was intermingled with surface water from the SRCC.

In 2001 the southern booster pump was not used. In 2001 the SRCC delivered water to the northern pond, but not the southern pond. According to Loughmiller / FSA the farm was still irrigated with the use of IW #1, IW #2, and SRCC rediverted from the booster pumps at the northern pond. There are no power records for this year since Loughmiller took part in the Idaho Power Buyout; however, Loughmiller used diesel generators to produce the power for these pumps. If the bill for the diesel fuel is required for proof, please let me know and we can get these records for you. In addition, after the harvest of the crops in 2001 the pivot and southern pond was moved to their current configuration.

In 2002 the estimates for the southern booster pump suggest that only the surface water delivered to the southern pump was used. The remaining water needed for the crops were then supplied by the water from the main system.

Power records for the southern booster pump from 2003-2005 has not been acquired since these records are no longer in Loughmiller's name, and Faria has been reluctant to give us this information. However, as before stated the southern booster pump will only give you a portion of the water delivered to the acres that are being proposed to be dried up in this transfer. Therefore, it was determined that Faria's records were not needed, and it was concluded that the best way in which to analyze the water use for this transfer was to determine the use for the entire farm.

In response to your comment regarding Faria's nonuse of the SRCC water that could be delivered to section 13 in 2003, Faria utilized water from 47-8011A and from surface water from the SRCC. The SRCC did not deliver water to the southern pond; however, Faria's shares of SRCC water was delivered to the northern pond and intermingled with water from IW #1 and #2. Evidence of the diversion of Faria's shares of SRCC being delivered to the northern pond can be seen in the attached SRCC transfer.

In response to your comment regarding the reduction of the diversion rate, I was not aware that the right was reduced during the licensing of the right. Even though the field exam for the right was completed in 1996 the right was not licensed until August 2001. However, I noticed that the field examiner made an error during the examination of the permit. The permit stated that both IW #1 and IW #2 were point of diversions for this right. However, the field examiner disregarded IW #2 even though it was hydraulically connected

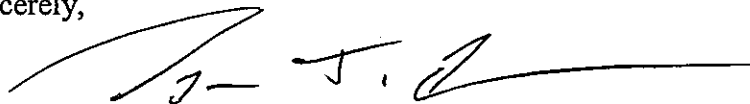
to the system, and did not include the well in his analysis. Instead the field examiner examined a different point of diversion, a small stockwater well that was connected to the system at the time, and included this small discharge with the discharge of IW #1. Since this error clearly shows that the diversion rate should have been higher we called Shelly Keen, (Boise IDWR) to investigate the possibility of fixing this error. Shelly agreed to investigate the issue, but stated that it will delay the proposed transfer. The hog facilities and the farm are currently being sold, and this transfer needs to be submitted before the sale can close. Therefore, Bill Loughmiller has hesitatively agreed to not dispute the error within the licensing of the right in order to proceed with the immediate sale of the farm.

In response to the incomplete and unclear FSA records that were submitted with the former package that was submitted, we have obtained further records from our client. We found that you were correct and that the tracts that Mr. Loughmiller had indicated were in fact the wrong tracts. Therefore, these new records should correct this problem.

Last of all I will response to your comment regarding the diversion rate of IW #1. First of all, as before mentioned, we feel that the diversion rate of the right is in error, and that the right should have been licensed for more than 1.87 cfs. The PCC analyses are based on the well set up and actual drawdown measurements made by Mr. Loughmiller. However, since the polysonic reading of 1.78 cfs is probably a more accurate reading of well yield we corrected the analysis to reflect this rate. This resulted in a slight reduction of the total historical ground water use (from 75% to 72%).

I have also resubmitted the power of attorney regarding the transfers, a schematic and photographs of the current irrigation system, and the two checks for a total of \$540.00 (check # 5900 for \$330 and check # 5921 for \$210) to cover the costs of the transfer fees. In order for the sale of the farm to close the transfer needs to be submitted. Therefore, if you have any other concerns or questions while processing these transactions please give me a call and we can set up a meeting.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. T. Nelson', with a long horizontal flourish extending to the right.

Daren T. Nelson, Hydrologist

Attachments: Application for Transfer of Water Right (Transfer 1)
Figure: Transfer #1: Loughmiller, Inc. – Hog Facility
Application for Transfer of Water Right (Transfer 2)
Figure: Transfer #1: Loughmiller, Inc. – PPU Irrigation
Limited Power of Attorney
Warranty & Quitclaim Deed
Current Irrigation Schematic and Pictures
Power Records Analysis/Ground Water Use Estimate
FSA Documentation
Water Use Requirement Spreadsheet
Salmon River Canal Company Records/2003 Transfer
Brockway Engineering Checks # 5900 & 5921

Enc.

cc: Bill Loughmiller
Harry LeMoyne