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DEPARTMENT OF WATER RESOURCES

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December 9, 2005

Gary L. Spackman
Idaho Department of Water Resources
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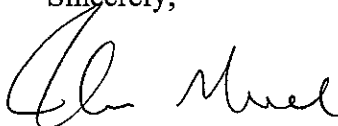
Re: United Water Idaho Inc. – Wilson Exchange
GP File No. 30-5

Dear Gary:

On July 22, 1999, the Idaho Department of Water Resources issued an order approving an exchange that allows United Water to divert storage water released by the Bureau of Reclamation through United Water's Marden Treatment Plant in lieu of diversions from the Snake River under right 02-2339. A copy of the order is attached for your convenience.

Condition number 8 of the order states that "[t]his exchange is effective for up to five (5) years from the date of the approval unless extended by the Director or rescinded for cause by the Director." United Water requests that the Department approve such an extension and further requests that it extend approval of the exchange indefinitely unless rescinded for cause. Your assistance in processing this request is appreciated. Please contact me if you have any questions.

Sincerely,



John M. Marshall

JMM/am
Enclosure

cc: Scott Rhead (w/out encl.)

**BEFORE THE DEPARTMENT OF WATER RESOURCES
OF THE STATE OF IDAHO**

IN THE MATTER OF APPLICATION)
FOR EXCHANGE OF WATER IN THE) **PRELIMINARY ORDER**
NAME OF UNITED WATER IDAHO, INC)
_____)

This matter having come before the Idaho Department of Water Resources ("Department"), the Department makes the following Findings of Fact, Conclusions of Law and Order:

FINDINGS OF FACT

1. On December 6, 1976, the Department issued License No. 02-02339 as follows:

Source:	Snake River
Priority:	December 7, 1964
Rate of diversion:	11 cubic feet per second ("cfs")
Point of diversion:	NENE Section 19, T2S, R1E, B.M.
Use:	Irrigation
Season of use:	March 15 to November 15
Place of use:	610 acres in Section 16, T2S, R1E, B.M.

2. On March 10, 1995, the Department issued Permit No. 63-12055 to United Water Idaho, Inc. ("applicant" or "right holder") authorizing the diversion of 24.8 cfs of water from the Boise River to be diverted for municipal purposes at its Marden Street plant located in Lot 7, (SENE) Section 14, T3N, R2E, B.M. The priority of use of the permit is September 8, 1993.

3. On April 29, 1999, the applicant filed an application to exchange Snake River water represented by License No. 02-02339 with water in the Boise River. More specifically, the U.S. Bureau of Reclamation ("Bureau") holds uncontracted space in the Upper Boise River storage reservoirs ("reservoirs") and from time to time obtains other stored water. In most years since 1992, the Bureau has released up to 400 cfs from the reservoirs between June 10 and August 31 to improve downstream passage conditions for salmon and steelhead in the lower Snake River. The releases have been made in accordance with Sections 42-1763A and 42-1763B, Idaho Code. The exchange proposes that during times the Bureau is releasing water from the reservoirs to augment Snake River flow, the applicant will divert up to 11 cfs of water from the Boise River at its Marden Street plant and will simultaneously forego the diversion of a like amount of Snake River water under License No. 02-02339.

4. The location of the point of diversion of License No. 02-02339 on the Snake River is upstream from the confluence of the Boise River and Snake River. An equal amount of Boise River water can be replaced at the mouth of the Boise River by foregoing the diversion of water under License No. 02-02339 from the Snake River.

5. Diversion of water from the Boise River under Permit No. 63-12055 is not always possible due to the late priority of use. The point of diversion described on the permit is proposed as the point of diversion under the exchange.

6. The Department advertised the application as required by statute. Protests were not filed against approval of the application.

CONCLUSIONS OF LAW

1. Section 42-240, Idaho Code, provides in part as follows:

The director shall examine all the evidence and available information and shall approve the exchange in whole, or in part, or upon conditions, provided no other water rights are injured thereby, the exchange does not constitute an enlargement in use of the original right or rights, the exchange is consistent with the conservation of water resources within the state of Idaho, and the exchange is in the local public interest as defined in section 42-203A, Idaho Code.

2. The release of an equal rate and volume of water under License No. 02-02339 will replace a like amount of water at the mouth of the Boise River which will be diverted from the Boise River by the applicant at its Marden Street plant in Boise, Idaho.

3. The proposed exchange will not injure other water rights.

4. The proposed exchange does not constitute an enlargement in use of the original right. To ensure no enlargement, the right holder should be required to keep records of the rate and volume of water diverted and should be required to report the information to the Department.

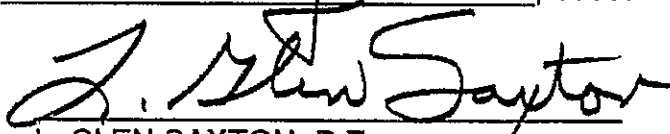
5. The proposed exchange is in the local public interest.

6. The proposed exchange is consistent with the conservation of water resources within the state of Idaho.

IT IS THEREFORE HEREBY ORDERED that the exchange is approved subject to the following conditions:

1. The applicant shall not divert water at its Marden Street plant under terms of this exchange unless the Bureau is simultaneously providing flow augmentation water to the Boise River from the Upper Boise River reservoirs.
2. Diversion of water from the Boise River shall not exceed the lesser of:
 - a. The instantaneous rate at which the exchange water is available in priority under the Snake River water right, not to exceed 11 cfs, or
 - b. The instantaneous rate of release of stored water from the Bureau's Upper Boise River reservoirs for Snake River flow augmentation.
3. The right holder is not entitled to require release of stored water by the Bureau.
4. Prior to use of water under this exchange, the right holder shall install a measuring device to measure the rate and volume of water diverted from the Boise River and shall annually report the amount of water diverted under the exchange to the Department.
5. Use of water under this exchange is subject to the control of the watermaster of State Water District 63, Boise River and tributaries.
6. The right holder shall notify the Department and the Boise River watermaster each year before the exchange is exercised and when the exchange will cease for the year.
7. Failure of the right holder to comply with conditions of this exchange is cause for the Director to rescind approval of the exchange.
8. This exchange is effective for up to five (5) years from the date of the approval unless extended by the Director or rescinded for cause by the Director.

Dated this 22nd day of July, 1999.


L. GLEN SAXTON, P.E.