



State of Idaho

DEPARTMENT OF WATER RESOURCES

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February 20, 2008

C. L. "BUTCH" OTTER
Governor

DAVID R. TUTHILL, JR.
Director

Terrace Lakes Recreational Ranch, Inc.
C/O SPF Water Engineering, LLC
Attn. Terry Scanlan
600 East River Park Lane, Suite 105
Boise, ID 83706

COPY

**RE: APPLICATION FOR TRANSFER FOR TERRACE LAKES
RECREATIONAL RANCH, INC. NUMBER 73986**

Dear Mr. Scanlan:

I have been asked to review the Terrace Lakes Recreational Ranch, Inc. application for transfer, number 73986. During my initial review of this transfer, I discovered some discrepancies that will need to be addressed. Processing of this transfer will be delayed until the following items are clarified:

- 1.) Both water rights 65-12985 and 65-13457 show a domestic use in the NESE S33 T10N R4E. The transfer shows no domestic use in this location. Are they changing their place of use?
- 2.) The map supplied doesn't match the map on file with the department. The map supplied also shows areas not described in the legal descriptions on page 1 or on the existing water rights. Are they changing the place of use? Please see the attached map that shows the place of use currently in our records.
- 3.) Water right 65-13457 is in the name of Terrace Lakes Resorts. Transfer number 73896 and water right 65-12985 are in the name of Terrace Lakes Recreational Ranch Inc. If there was a name change to Terrace Lakes Resorts, then we will need the legal documentation showing that Terrace Lakes Resorts is now Terrace Lakes Recreational Ranch Inc. This can be accomplished by a warranty deed, quit claim deed, or other type of legal documentation showing the change of ownership. Terrace Lakes Resorts, may also supply a letter agreeing to the transfer, but requesting that the water right remain under their ownership.

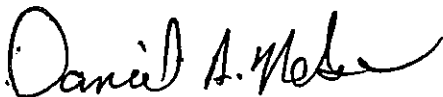
- 4.) In review of overlapping water rights, I discovered that application for permit 65-23086 covers some if not all of this property. The application also states that it is supplemental to the water rights involved in this application. The place of use supplied by 65-23086 mirrors the maps supplied in this application for transfer, and shows lands not listed on the legal description on the transfer application. There are also several wells listed on 65-23086 that are not listed on this transfer application. This transfer application and the application for permit were filed at approximately the same time. There appears that the permit was altered prior to approval. Therefore, I am concerned that the same changes will be needed on this transfer application. Please verify that this transfer application is complete, and that no changes are needed to bring it current.
- 5.) Water right 65-12984 also overlaps this water right. This water right is for a commercial use for an RV park. Currently the water right shows a single well and a place of use outside of the boundaries of the map supplied in the transfer application. I want to confirm that this water right is not connected or tied into this system.

Please clarify the above information for me to ensure your transfer is processed correctly. It appears as though the delay in processing this application has revealed some changes that have occurred after the transfer was filed. Our goal is to ensure that the transfer is processed correctly to prevent future filings.

Please submit the requested information to allow final evaluation of your application to be completed. You may seek additional time to provide the information by making a written request to delay or interrupt processing. Your written response including the requested information, or a request for more time to seek the information, must be received by 3/20/2008. IDWR will issue a preliminary order to reject or deny the application without a timely reply.

If you have any questions or concerns please contact me at the above address or telephone number 287-4918.

Respectfully,



Daniel A. Nelson
Water Resource Agent
Water Distribution Bureau
Idaho Department of Water Resources