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RECEIVED

DEC 05 2008

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December 3, 2008

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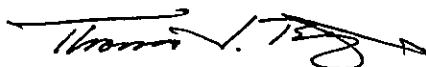
Re: City of American Falls Water Right Permit No. 29-08171

Dear Aaron,

We represent the City of American Falls and are in receipt of your letter to the City dated November 20, 2008, regarding the licensing of Water Right No. 29-08171. The permit authorized a maximum diversion rate of 3.21 cfs, which the City is able to divert using a combination of its wells. Your letter indicates that the IDWR intends to license Water Right No. 29-08171 based on the 2.67 cfs diversion rate from Well No. 6. In our view the full 3.21 cfs should be licensed for two reasons. First, 3.21 cfs can be diverted from a combination of the points of diversion listed on Water Right No. 29-08171. Second, 3.21 cfs is necessary to meet the reasonably anticipated future needs of the City of American Falls. Therefore, we would request that the Water Right No. 29-08171 be licensed for 3.21 cfs.

Please let me know if you have any questions or need additional information in order to license the full 3.21 cfs. I will let you know that the City of American Falls has requested that we prepare applications for transfer as necessary to allow the City to divert its water rights from any combination of its municipal wells, which we are in the process of completing.

Sincerely,



Thomas J. Budge

cc: Pete Cortez, City of American Falls