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March 27, 2009

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MAR 30 2009
DEPT. OF WATER RESOURCES
SOUTHERN REGION

Allen Merritt
Department of Water Resources
1341 Fillmore Street Suite 200
Twin Falls ID 83301-3380

Re: Application No. 22385
Transfer No. 73969

Dear Allen:

At our meeting on Friday, March 27, 2009 I indicated that Big Wood Canal Company would withdraw their Protest in the above matters, upon certain conditions.

It is our understanding that 73969 contemplates transferring all of Water Right 37-21956. .08 of the .11 cfs will remain in the Hiawatha, .03 will actually be transferred. .01 cfs of the transfer will be used for evaporation mitigation and .02 will actually be used to irrigate .9 of an acre. The remaining portion of 37-21956 will remain in the Hiawatha to make up for conveyance loss. This does not seem to comport with the 20% conveyance loss usually associated with the transfers out of the Hiawatha. From our conversations with Fritz Haemmerle it appears that some of this is mitigation in addition to conveyance. By withdrawing this Protest, we are in no way agreeing that a 20% mitigation or any conveyance (or mitigation) loss is appropriate for transfers out of the Hiawatha Canal. An additional condition for the Transfer will be that the water diverted from the pond will be metered with a control valve, lockable and monitored by the Water Master of Water District 37. If this is acceptable, Big Wood Canal Company withdraws its Protest to Transfer No. 73969.

We withdraw our Protest to Application 22385 without prejudice. This simply means that we are not agreeing with the Department's position regarding the reason for this new application. However, given the small amount of water involved Big Wood Canal Company does not wish to expend its resources at this time.

By copy of this letter I am advising Fritz Haemmerle, who represents the Applicant, and unless he disagrees, please consider these Protests withdrawn as set forth in this letter. It may be advisable to keep a copy of this letter in the back files for these Transfers so that parties may refer to them in the future and understand the reason for the withdrawals.

Thanking you in advance for your continued cooperation and assistance in resolving these matters.

Sincerely,



Craig D. Hobdey

CDH:dm
c: Fritz Haemmerle