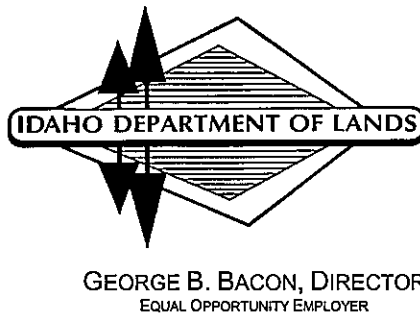


**SOUTH CENTRAL
SUPERVISORY AREA**
319 South 417 East
Jerome, ID 83338
Phone (208) 324-2561
FAX (208) 324-2917



STATE BOARD OF LAND COMMISSIONERS
C.L. "Butch" Otter, Governor
Ben Ysursa, Secretary of State
Lawrence G. Wasden, Attorney General
Donna M. Jones, State Controller
Tom Luna, Sup't of Public Instruction

April 10, 2008

Idaho Department of Water Resources
Attn: Aaron Marshall
PO Box 83720
Boise, ID 83720-0098

RECEIVED

APR 11 2008

DEPARTMENT OF
WATER RESOURCES

Dear Aaron,

Enclosed please find a letter from the Hiawatha Canal Company regarding the State of Idaho's application to place water right 37-20932 into the Water Supply Bank.

We previously mailed our Water Supply Bank application to you under a cover letter dated March 21, 2008. However, we are willing to accept the Canal Company's request that we leave 20% of this water right in the Hiawatha Canal. Therefore, line 2.a. on the application may be changed from "all" to 80% of the right or 2.55 CFS. Thank you.

If you have any questions, feel free to contact me at 208-324-2561.

Sincerely,

MERIBETH LOMKIN,
Sr. Resource Specialist

Cc: David Stanish, Deputy Attorney General
Kate Langford, Boise IDL

COPY

HIAWATHA CANAL

P.O. Box 1604 • Hailey, ID 83333

April 7, 2008

Meribeth Lomkin
Sr. Resource Specialist-Lands
South Central Supervisory Area
Highway 93 Business Park
319 South 417 East
Jerome, ID 83338

Re: Water Right Transfers to Water Bank

Dear Ms. Lomkin:

This firm represents The Hiawatha Canal Company (a.k.a. The Hiawatha Canal Water Users Association of Lateral or Laterals ("Hiawatha")). We understand that the State wishes to transfer some of its Hiawatha Canal water into the State Water Bank.

Please be advised that the Hiawatha does not object to such a transfer provided the State leaves twenty-percent (20%) in the Hiawatha Canal as conveyance loss. This conveyance has been recognized by the Idaho Department of Water Resources in similar transfers.

If you have any questions, please do not hesitate to call. Thank you for involving the Hiawatha Canal. We thank you in advance for your anticipated cooperation.

Sincerely,

HAEMMERLE & HAEMMERLE, PLLC



Fritz X. Haemmerle

FXH: fxh

Encl.

cc: clients

Kevin D. Lakey, District 37
107 W. 1st
Shoshone, ID 83352

