

Coeur d'Alene
BLACK ROCK
A DEVELOPMENT COMPANY

January 14, 2008

Idaho Department of Water Resources
Northern Regional Office
7600 Mineral Dr.
Suite 1000
Coeur d'Alene, ID 81815

RECEIVED
JAN 17 2008
IDWR/North

RE: Water Permit 95-9045 and Amendment Order
Coalition for Positive Rural Impact 11.26.07

Dear Mr. Haynes,

We are in receipt of your letter dated January 7, 2008 regarding the Coalition for Positive Rural Impact's ("Coalition") inquiry regarding Black Rock Utilities' Water Right Permit No. 95-9045 and the Amendment of Permit No. 95-9045. We offer the following response to the information you requested in regard to the Coalition's inquiry.

In regard to Items 1, 2 and 3 of the Coalition's correspondence, Black Rock Utilities' is currently working with a consultant to determine the best course of action to identify and/or amend other water rights to provide for aesthetic and storage uses. As you are aware, the Amendment of Permit No. 95-9045 provides Black Rock Utilities one year to complete this process and we are working diligently to resolve this issue before that time has elapsed. Black Rock Utilities is currently storing the permitted 5.0 af for irrigation and the 1.5 af for fire protection within the original Black Rock development.

In regard to Permit No. 95-9055, which was not a part of the Amendment:

First bullet point, page 2: As stated above, Black Rock Utilities is currently working with a consultant to determine the best course of action to take in regard to the aesthetic and storage water.

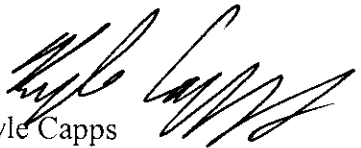
Fourth bullet point, page 3: There are currently 120 domestic "hookups" in the original Black Rock development with nine additional connections coming up this spring on buildings under construction. Black Rock North will contain "hookups" for 325 residential units, and additional connections for the clubhouse, maintenance facility, Kootenai Cabin, comfort stations, and the equestrian center, as approved in our PUD. Our water system design has been approved by Idaho Department of Environmental Quality ("IDEQ") as being capable of meeting the ultimate demand of both developments

at full buildout without increasing our need for water beyond what our existing water rights allow, as was required prior to receiving IDEQ recommendation of approval for Black Rock North.

Ms. Nelson's statements on the increase of residential units within Black Rock development from what is originally approved by the Kootenai County Board of Commissioners are incorrect. The original Black Rock development is approved by Kootenai County Board of Commissioners to contain 381 residential units. There are 375 currently platted lots in the Black Rock development.

We hope the above information is helpful to you in responding to Ms. Nelson's letter. Please do not hesitate to contact us if we can be of further assistance.

Sincerely,


Kyle Capps
VP Site Development and Maintenance

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