

March 17, 2008

Robert G. Haynes, P.E.
Regional Manager
State of Idaho
Department of Water Resources
7600 N Mineral Drive, Suite 100
Coeur d'Alene, Idaho 83815

RECEIVED
MAR 19 2008
IDWR/North

REF Water Rights Application 98-7859

Dear Mr. Haynes:

With regard to above application I believe the Department has received notice from several of the Protestors that they have stipulated to an agreement. I have also talked to Fish and Game and verbally they have said they were interested in the stipulation as outlined. I have not seen anything from them in writing to that effect so I do not want to commit them.

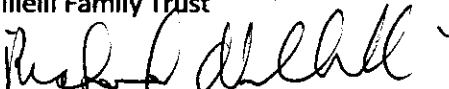
Just recently the Williams have written to the department indicating a reluctance to stipulate to an agreement. I am not sure how to solve their indicated problem with the stipulation. All of the water rights on Round Prairie are un-monitored. I don't believe they are losing their water rights forever by agreeing to allow our permit to be approved, but that is just my opinion.

For now I would like to proceed with the acquisition of the permit I applied for and would like to ask that the department move forward with whatever action is required to get a disposition on this application.

Please let me know what action might be required of me to move to the next step.

I am sorry to create more work for the department but I do not see any way I can please those who are still protesting.

Sincerely,
Villegli Family Trust


Richard A. Villegli Trustee

c/ Keith Franklin
Tim Wilson