



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082 - (208) 334-2190

FAX (208) 334-2348

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

January 12, 2006

COAST 2 COAST LLC
C/O BRYAN MARTIN PE
TOOTHMAN-ORTON ENGINEERING CO
9777 CHINDEN BLVD
BOISE ID 83714-2008

re: portion 63-144C

Re: Application for Transfer of Water Right No. 63-144A and Related
Application for Permit No. 63-32229

Dear Mr. Martin:

This letter concerns the recently filed application for transfer and associated application for permit for the large pond project for your client. Processing of both applications will be delayed as follows.

The transfer application describes a water right for which a Snake River Basin Adjudication (SRBA) Claim has been filed. SRBA Claims in the area affected by the transfer application are currently being reviewed. The role of the Idaho Department of Water Resources (IDWR) in the SRBA is to review claims and make recommendations regarding those claims to the SRBA Court. Recommendations are presented to the court in a Director's Report. Potentially affected parties may object to recommendations in a Director's Report. This process introduces uncertainty regarding water rights until the objection period is over.

IDWR's limited staff resources must be used to complete the remaining Director's Reports during the next year. Additionally, experience indicates that processing an application for transfer in an area where a Director's Report is being prepared can result in confusion and complications by mixing judicial (SRBA) and administrative (transfer) actions.

The Director's Report for Ada County has been completed and submitted to the Court. The objection period is expected to conclude by late winter or early spring of this year. Based on that schedule and the above reasoning, the transfer application cannot be processed at this time. This means the application for permit, which will be mitigated by the transfer, also cannot be processed yet. IDWR will hold both applications and will notify you at the appropriate time when processing can begin.

IDWR regrets the inconvenience undoubtedly caused by this necessary delay. Please contact me at 208-334-2190 if you have any questions in this regard.

Sincerely,

Steve Lester
Water Rights Supervisor