



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

November 2, 2005

JUGHANDLE CORP
PO BOX 1324
MCCALL ID 83638

Re: Water Rights for Community Wells

Dear Sir or Ms.:

This letter is being sent to the address of record for Jughandle Corporation with copies provided to current officers based on information obtained from the Idaho Secretary of State business entity registration.

I am writing to discuss three community wells serving Jughandle Estates #1 and #2 in addition to Jughandle Highlands #1 and #2. Several water rights relate to the subdivision water system. The community well system was field examined by the Idaho Department of Water Resources (IDWR) in August 1991. The purpose of the exam was to document development under two ground water (well) permits, 65-7573 and 65-13013, allowing the permits to be licensed or otherwise resolved. Those permits complete the water rights coverage for the subdivision through 1991.

I conducted that exam for IDWR and was accompanied by President Ed Hershgold and Maintenance Supervisor Ken Grotjohn. The exam documented three wells, a pump house and large storage tank, and distribution lines serving internal/external uses for up to 108 connections (107 in the subdivisions and 1 adjacent home by the pump house). About half of the connections were developed homes with the balance represented by stubbed lines to undeveloped lots. Stubbed lines can be credited equally with developed homes under those circumstances. This allows homes to be added up to the limits of the water rights without needing to adjust the water rights.

Older ground water rights within the subdivision had changed with the installation of the community wells system noted above. The wells were drilled around 1985. The older rights have not been updated to reflect those physical changes (point of diversion changes etc.). The older rights include 65-4059 for one connection and 65-7290 for 90 connections.

*NO REPLY RECEIVED, PROCEED WITH LICENSING 65-7573 &
CANCEL 65-13013
-JL 11/10/05*

An older surface water right from a spring described domestic and recreation uses for the development. Right 65-7257 used to cover 57 units plus a recreation pond. The 1991 exam documented a spring supplying the pond without providing domestic water to any lots.

A community system providing internal and external (yard irrigation etc.) water to 108 connections would require about 130 acre-feet per annum (afa) to fully cover community water needs. The following table illustrates how full coverage can be provided under combined water rights. Surface water right 65-7257 is excluded from the table because it no longer provides domestic water. That right remains valid for recreation use at the community pond.

Table 1. Summary of Domestic Rights.

RIGHT NO.	UNITS	AFA	VOLUME NOTES
65-4059	1	001.2	full coverage
65-7290	90	050.6	volume shortage
65-7573	100	086.9	volume shortage
TOTAL	108	129.6	full coverage

Most of the units in 65-7290 and 65-7573 overlap. Although each of those rights indicates a volume shortage, the overlap and resulting volume coverage make the picture whole.

Permit 65-7573 can be licensed up to its limits for 100 units within the above summary. That would complete the water rights coverage for the community well system noted in 1991.

Permit 65-13013 was filed to represent additional development through 1990. Additional development did not occur beyond that summarized above. Under those circumstances, an undeveloped permit should be cancelled. A permit holder can expedite a cancellation process by relinquishing the undeveloped permit. Please consider relinquishing Permit 65-13013 by using the enclosed form. The permit must be cancelled if not relinquished.

Older rights 65-4059 and 65-7290 should be changed to reflect the same three community wells. Older right 65-7257 should be changed to reflect the spring and use

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found in 1991. Those older rights can be changed by filing *Applications for Transfer*. I can provide more information on the transfer process at your convenience. Changes to these older rights need not delay resolution of the permits.

Development beyond 108 units would require a new water right. You can seek a new right by filing an *Application for Permit*. I can provide more information on that process at your convenience.

Summary

- 1. Permit 65-13013 should be relinquished by the permit holder or cancelled by IDWR.**
- 2. IDWR should license Permit 65-7573 within its maximum limits to complete the water rights coverage for development documented by August 1991.**
- 3. Rights 65-4059, 65-7257 and 65-7290 should be updated via the transfer process. This would include one transfer application for ground water rights 65-4059 and 65-7290 and a second transfer application for surface water right 65-7257.**
- 4. Please return the completed relinquishment form by November 16, 2005. IDWR will proceed as outlined above based on your response.**

IDWR forms and information are available on the Internet at www.idwr.idaho.gov. Please contact me at 208-334-2190 if you would like to discuss this situation in more detail.

Sincerely,



Steve Lester
Water Rights Supervisor

Enclosure

Copy: Warren Drake, President
Michael Murphy, Secretary
(without enclosure)

No. C 47783	Due no later than Jul 31, 2005	2. Registered Agent and Address (NO PO BOX)																					
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	Annual Report Form	MICHAEL MURPHY 184 SILVER FOX TR MCCALL ID 83638 0000																					
	1. Mailing Address: Correct in this box if needed. JUGHANDLE CORPORATION (THE) W. RICHARD LAMM P. O. BOX 1324 MCCALL ID 83638 0000																						
	3. New Registered Agent Signature:*																						
4. Corporations: Enter Names and Business Addresses of President, Secretary and Directors. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Office Held</th> <th style="text-align: left;">Name</th> <th style="text-align: left;">Street or PO Address</th> <th style="text-align: left;">City</th> <th style="text-align: left;">State</th> <th style="text-align: left;">Country</th> <th style="text-align: left;">Zip</th> </tr> </thead> <tbody> <tr> <td>SECRETARY</td> <td>MICHAEL MURPHY</td> <td>184 SILVER FOX TRAIL</td> <td>MCCALL</td> <td>ID</td> <td>USA</td> <td>83638</td> </tr> <tr> <td>PRESIDENT</td> <td>WARREN DRAKE</td> <td>11 COTTONTAIL CT.</td> <td>MCCALL</td> <td>ID</td> <td>USA</td> <td>83638</td> </tr> </tbody> </table>			Office Held	Name	Street or PO Address	City	State	Country	Zip	SECRETARY	MICHAEL MURPHY	184 SILVER FOX TRAIL	MCCALL	ID	USA	83638	PRESIDENT	WARREN DRAKE	11 COTTONTAIL CT.	MCCALL	ID	USA	83638
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5. Organized Under the Laws of: IDAHO C 47783	6. Annual Report must be signed.* Signature: W. RICHARD LAMM Name(type or print): W. RICHARD LAMM Date: 07/19/2005 Title: Cert. Public Acct.																						
Processed 07/19/2005 *Electronically provided signatures are accepted as original signatures.																							