



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

July 14, 2005

SCOTT KING P E
SPF WATER ENGINEERING LLC
600 E RIVER PARK LN STE 105
BOISE ID 83706

Re: Applications for Transfer of Water Right in the names of Beach, Beckman, Clark and Holmes

Dear Scott:

On behalf of the above referenced clients, you recently filed five applications for transfers to split and change right no. 63-31795 ("the Post right"). Processing of the applications must be delayed. Please note that this is the first of many form letters to be sent to applicants, consultants and/or attorneys in which a new "transfer delay" is articulated. Coincidentally, the first applicant to receive the "delay" letter in an alphabetical list is Beach. I am sending the letter to you instead of to the four applicants for the five applications. Your office can expect similar letters as the delay continues to be implemented as explained below.

The applications describe a water right for which a Snake River Basin Adjudication (SRBA) Claim has been filed. SRBA Claims in the area affected by the transfer applications 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.

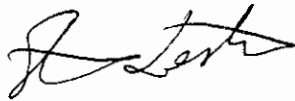
IDWR's limited staff resources must be used to complete the remaining Director's Reports during the next year. Additionally, experience indicates that processing an application for transfer in an area where a Director's Report is being prepared can result in confusion and complications by mixing judicial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

The SRBA objection period for the affected area is expected to conclude sometime during the latter half of next year. Based on that schedule and the above reasoning, the applications cannot be processed at this time. IDWR will hold the applications until that time and will notify you at the appropriate time to allow these applications to be processed.

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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,

A handwritten signature in black ink, appearing to read "Steve Lester". The signature is fluid and cursive, with the first name "Steve" written in a larger, more prominent script than the last name "Lester".

Steve Lester
Water Rights Supervisor