

MICHAEL K. BRANSTETTER

**HULL & BRANSTETTER  
CHARTERED  
ATTORNEYS AT LAW**

416 RIVER STREET

P.O. BOX 709

WALLACE, ID 83873-0709

H. J. HULL (1888-1975)  
ALDEN HULL (1919-1984)  
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TELEPHONE: (208) 752-1154  
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March 8, 2002

Allen Beardslee, Sr. Water Resource Agent  
Department of Water Resources  
State of Idaho  
1910 Northwest Blvd., Suite 210  
Coeur d'Alene, ID 83814-2615

**RECEIVED  
MAR 11 2002  
IDWR/North**

RE: Gold Creek Mines, Inc. - Application for Permit

Dear Al:

This is a follow-up to our telephone conversation on March 8, 2002. Unfortunately, Ray Hennekey and June Bergquist were unable to visit the Gold Creek site on this date. We have therefore tentatively scheduled March 27, 2002, which date will be confirmed around March 18, 2002. Thank you for your efforts in coordinating a visit by everyone.

Enclosed please find a copy of a letter received from the Shoshone County Board of County Commissioners in response to my letter to the Board dated February 25, 2002. My letter to the Board is also enclosed.

In our telephone conversation on March 8, 2002 I raised my concern that since Fish & Game and DEQ were unable to visit the site on this date I would be unable to supply responses to you by March 11, 2002. Please refer to your letter of February 8, 2002. Because of the scheduling difficulties you have agreed to extend the date for complying with the requirement that Gold Creek supply comments from DEQ and Fish & Game.

I received a letter from Robert G. Haynes, P.E., Regional Manager for Water Resources setting forth six questions which comprise the criteria the Department must consider in either approving or denying the application. In view of the extension I assume that those questions need not be addressed until a later date. If I am incorrect, please let me know and I will supply responses. It seems to me that those questions should be addressed after DEQ and Fish & Game comment on the project.

Thank you for all your assistance.

ALLEN BEARDSLEE  
MARCH 8, 2002 - PAGE 2

Very truly yours,

HULL & BRANSTETTER CHARTERED

By:   
Michael K. Branstetter

MKB:cla  
Enclosures

cc: Marge Almquist (w/enclosures)  
Dennis Almquist (w/enclosures)

MARCIA WINGFIELD, CLERK DISTRICT COURT  
AUDITOR and RECORDER

email: mclerk@co.shoshone.id.us

Office Phone: 752-1264  
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COMMISSIONERS:

JIM VERGOBBI, District 1  
SHERRY KRULITZ, District 2  
JON CANTAMESSA, District 3

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Fax: 753-2711

# County of Shoshone

700 BANK STREET, SUITE 120  
WALLACE, IDAHO 83873-2348

March 6, 2002

RECEIVED  
MAR 11 2002  
IDWR/North

Michael K. Branstetter  
Hull & Branstetter Chartered  
P.O. Box 709  
Wallace, ID 83873-0709

Re: Gold Creek Mines, Inc.  
Application for Water Permit

Dear Mr. Branstetter:

Shoshone County wants to take the opportunity to comment on the application submitted for Gold Creek Mines, Inc.

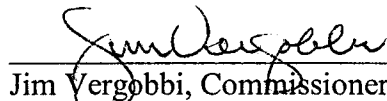
At this time, the Board of Commissioners has no opposition to the request for a water permit. The project is located on privately owned property, and at this time we see no adverse impacts upon the environment and the water utilization. The project's construction and operation should have positive impacts and will not conflict with other land and water uses in Shoshone County.

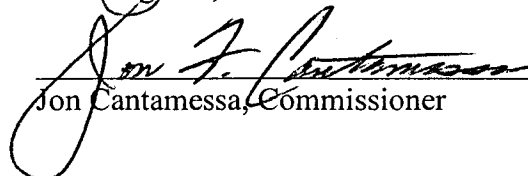
Again, we see no adverse impact, and support the project and the application. Thank you for the opportunity to comment.

Sincerely,

BOARD OF COUNTY COMMISSIONERS

  
Sherry Krulitz, Chairman

  
Jim Vergobbi, Commissioner

  
Jon Cantamessa, Commissioner

MICHAEL K. BRANSTETTER

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February 25, 2002

**RECEIVED**  
**MAR 11 2002**  
**IDWR/North**

Sherry Krulitz, Chairman  
Shoshone County Board of Commissioners  
700 Bank Street  
Wallace, ID 83873

RE: Gold Creek Mines, Inc.  
Application for Water Permit

Dear Sherry:

I represent Gold Creek Mines, Inc. ("Gold Creek") of Mullan, Idaho. Gold Creek is a small family held corporation formed by the Almquist family and some of their relatives. Gold Creek owns property west of Mullan which fronts I-90 and "Elmer's Fountain" is located on the lower portion of the property.

Gold Creek has been studying for many years the possibility of developing a hydro-electric facility on its property and in 2001 commissioned a feasibility study for that development. The results of the feasibility study were encouraging and Gold Creek applied for a water permit in November, 2001. The State of Idaho, Department of Water Resources has commented on the application for permit and requested that Gold Creek supply information from certain entities. The Department has instructed Gold Creek to request comments from Shoshone County on the effects of the construction and operation of the project on Shoshone County. The following is a brief summary of the project.

Gold Creek's plan is to construct a small 4' diversion dam in the upper reaches of Gold Creek and run a pipeline from there to the mouth of Gold Creek in the general vicinity of the present location of Elmer's Fountain. At that point a power house will be constructed for housing a water turbine, generator and related equipment for the generation of electricity. After the water passes through the turbine, it will be returned to Gold Creek and fed into the present ponds that are near I-90. The ponds are also located on Gold Creek's property. The project will be located entirely upon Gold Creek's privately owned property. The consultant hired by Gold Creek has vast experience in developing small hydro-electric systems and, in fact, operates such systems as an owner. He has reviewed the geography and all issues relating to this development and believes that it is feasible. There will be no adverse impacts upon the environment and the water that is

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used will be returned to the Creek. There are no competing water rights to the water that Gold Creek will utilize and we do not believe there will be any adverse impacts upon fish. Presently, there are natural fish barriers which preclude any fish that are in the Gold Creek pond from traveling to the upper reaches of Gold Creek. As you may know, the Creek is very steep and any fish passage is blocked by the steepness of the terrain. The Gold Creek pond is separated by a natural barrier from the South Fork of the Coeur d'Alene River by the culvert which passes under I-90 and discharges into the South Fork. The culvert is elevated above the South Fork and it is impossible for any fish to pass from the South Fork to and through that culvert into the Gold Creek Pond.

The electricity to be generated will be sold to Avista or some other electrical utility. The cost of the project will be funded entirely by Gold Creek and will not involve the expenditure of any public funds. The water permit being applied for is known as a "non-consumptive" permit. That means no water that is used in generating the power will be consumed by the project. The power plant will carry a nameplate capacity of 1008 kw. The permit seeks the right to use 15 cfs for power generation from January 1<sup>st</sup> through December 31<sup>st</sup> of each year.

The project will create local construction related jobs and after the project is placed into operation, there will be the need for a part-time employee on a limited or "as-needed" basis. A small building will be constructed to house the equipment and Gold Creek estimates that cost to be in the neighborhood of \$20,000 to \$25,000. I am not sure how this development would be taxed by Shoshone County.

Pursuant to the request of the State of Idaho, Department of Water Resources, I am respectfully requesting that you review and consider this letter and forward me any comments that the County may have concerning the effects the construction and operation of the proposed project may have upon the County. It is Gold Creek's position that it will have no adverse effects on the County.

The State has set a March 10, 2002 deadline for supplying the comments. If you require any further information or have any questions about this request, please let me know. Thank you for your cooperation.

Very truly yours,

HULL & BRANSTETTER CHARTERED

By: \_\_\_\_\_  
Michael K. Branstetter

MKB:cla

cc: Marge Almquist

*Dennis Almquist*

COPY