



May 24, 2007

Milt "Jock" Slavins and Board
Williams Lake Recreational Water & Sewer District
35 Deer Tail Dr
Salmon, ID 83467

RE: RECOMMENDATION FOR MUNICIPAL RIGHTS DESIGNATION

Dear Mr. Slavins and Board:

As your District Engineer we offer the following salient points pursuant to the telephone conversation earlier this week between Dave Noel of Forsgren Associates and a subset of the Board of Directors representing the Williams Lake Recreational Water & Sewer District regarding a recommendation introduced in Chapter 1 of the Water Facilities Planning Study completed in 2004 for the District to request conversion of the water right for the District from a domestic right to a municipal right during the beneficial use exam conducted by the Idaho Department of Water Resources; an exam necessary for establishing a license for a water right from a permit for water use.

1. Chapter 1 of The Facilities Planning Study entitled Existing Conditions recommended the District pursue a municipal designation rather than a domestic designation on the water right during the beneficial use exam. The recommendation was developed following conversations with personnel employed by the Idaho Department of Water Resources. The municipal designation offered the following advantages to the District:
 - A municipal right typically allows a public water system to utilize water from the source anywhere within the system. In the case of Williams Lake it may have provided a means to provide water to other locations than the 64 specific homes cited in the permit for water rights issued by the IDWR.
 - A municipal right typically allows a public water system the ability to maintain water rights beyond the existing beneficial use criteria provided the system has a written plan demonstrating a need for the water in future years, presumably based upon an expanding user base. In the case of Williams Lake it may have provided a means of preserving the 0.5 cfs cited in the permit for water rights issued by the IDWR even though the District was not putting the full 0.5 cfs to beneficial use.
2. At the invitation of the Board, Forsgren attended the IDWR Preliminary Hearing wherein Mr. Roger Warner of IDWR acted as facilitator between the opposing factions largely comprised of the Board and certain landholders within the 64 lots receiving water under the original permit issued by IDWR. The relevant topics arising from the hearing were:
 - The beneficial use exam was conducted by IDWR and the water right was reduced from 0.5 cfs to 0.21 cfs.

- Mr Warner offered his opinion that IDWR would likely not allow the use of water beyond the 64 homes even if the designation of the water right was changed to municipal.
3. Following the hearing, Forsgren Associates suggested that the District would be better served by expending its energy and resources developing additional water right, most likely from the right from the lake itself, rather than obtaining the municipal right designation on the existing source as IDWR reports from the preliminary hearing minimized the advantages originally sought. This course of action would require completing the Facilities Planning Study and constructing a water treatment facility.

Thank you for this opportunity to be of assistance and if you have any questions please do not hesitate to call me at (208) 356-9201.

Sincerely,
FORSGREN ASSOCIATES, INC

Brent E. "Husk" Crowther, P.E.
Division Manager, Rexburg

Enc: Letter dated 7/12/04
Letter dated 4/24/06

cc: Jim Bob Infanger, Williams Lake Recreational Water & Sewer District Board Member