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WATER RESOURCES
WESTERN REGION

July 26, 2007

Mr. Daniel A. Nelson
Sr. Water Right Agent
Idaho Department of Water Resources
Western Region
2735 Airport Way
Boise, ID 83705

Subject: Additional Information for Application for Permit 63-32423 (JMM Dry Creek, LLC)

Dear Mr. Nelson,

This letter contains information that you requested in your letter dated May 29, 2007 to complete the processing of Application for Permit 63-32423 (JMM Dry Creek, LLC). Supporting documentation, where available, is enclosed with this letter. However, I have not yet received the documentation of possessory interest and financial resources for JMM Dry Creek LLC. Therefore, I am requesting an additional 60 days to respond to IDWR's request for information regarding application for permit 63-32423.

Current Beneficial Needs vs. Future Anticipated Needs

This application is for current beneficial needs within the next five years.

Effect on Existing Water Rights and Sufficiency of Water Supply

To minimize the likelihood of impacting other existing water rights and to ensure that the water supply is sufficient to meet the proposed uses, the applicant is proposing to limit the proposed diversions. Specifically, the applicant proposes that the approved permit be conditioned so that the total quantity of diversions (cfs and afa) under the new application when combined with diversions under existing rights be limited to the amount authorized under existing rights.

Existing ground water rights 63-2535, 63-4023B, 63-4086B, and 63-7123, and surface water right 63-17454, have received positive partial decrees from the SRBA court. These rights have historically been used for irrigation of 392 acres. Partial decrees limit the total diversion rate for these existing rights to 7.84 cfs. Annual diversion volume for the ground water rights is limited to 1764 acre-feet based on 4.5 acre-feet per acre for 392 acres. The applicant proposes that the new permit for municipal use be conditioned so that when combined with the above water rights, total diversion rate is limited to 7.84 cfs and total annual diversion volume is limited to 1764 acre-feet.

By limiting the combined diversion rate and volume for the new municipal application and existing water rights to the amount authorized for existing rights, the resulting opportunity for negatively impacting the water supply or existing water rights is minimal.

Good Faith, Delay or Speculative purposes

Deeds will be provided for the 1,407 acre Dry Creek Ranch property that document a possessory interest in the lands necessary for the project facilities and place of use. As mentioned previously, I am requesting additional time to respond to IDWR's request for information in order to obtain these documents.

Financial Resources

A certified financial statement will be provided to demonstrate the owner's financial capacity to appropriate water and put it to beneficial use. I am requesting additional time to respond to IDWR's request for information in order to obtain these documents. As mentioned previously, I am requesting additional time to respond to IDWR's request for information in order to obtain these documents.

Local Public Interest

United Water Idaho has signed a "Will Serve Letter" with the developer of Dry Creek Ranch (the applicant) to provide water service to Dry Creek Ranch. A copy of this letter is enclosed. A Special Facilities Agreement must be negotiated between UWID and the applicant to address the provision of new water facilities to serve Dry Creek Ranch. Before UWID can provide water service to Dry Creek Ranch, the Idaho Public Utilities Commission must approve the Special Facilities Agreement and an expansion of UWID's Certificated Area to include Dry Creek Ranch.

In September 2006 the applicant submitted a Planned Community Application for Dry Creek Ranch to Ada County. Ada County has requested a few more items before the application can be deemed complete for form and content. Engineers and consultants hired by the applicant are currently addressing these remaining items. After Ada County deems the application complete, one or more public hearings will be held. Based on a review of the application and input received at the public hearings, the Ada County Planning and Zoning Commission must make a recommendation to the Board of Ada County Commissioners to approve or deny the planned community application. Final approval or denial of the Dry Creek Ranch Planned Community Application rests with the Board of Ada County Commissioners.

In accordance with Section 42-203A(5)(e), a request for comment letter has been submitted to IDEQ. A copy of the request for comment letter is enclosed.

As mentioned above, I have not yet received the documentation of possessory interest and financial resources for JMM Dry Creek LLC. Therefore, I am requesting an additional 60 days to respond to IDWR's request for information regarding application for permit 63-32423.

Sincerely,



Kristin Brastrup, P.E.
Project Engineer

Cc: Sharron Fodness, Land Baron Investments
John Starr, Colliers International
LeAnn Hume, Bill Thompson & Company
Dave Meldrum, WRG

SPF file number: 434.0020



July 17, 2007

Mr. Mark Mason
Department of Environmental Quality
Boise Regional Office
1445 N. Orchard
Boise, Idaho 83706

*Subject: Request for Comment on Proposed Dry Creek Ranch Application for Permit
63-32423*

Dear Mr. Mason,

A new Planned Community has been proposed on 1,414 acres located along Hwy 55 north of Eagle. This community, known as Dry Creek Ranch, will include an estimated 4,300 residential dwelling units, commercial and office areas, schools, parks, a church, open space, and village common areas.

It is anticipated that potable water service to Dry Creek Ranch will be provided by United Water Idaho. UWID was approached and has agreed to provide water service to the Dry Creek Ranch development, contingent on receiving approval from the Idaho Public Utilities Commission and successful negotiation of a special facilities agreement with the Dry Creek Ranch developer. A conceptual level water system facilities map is attached for informational use only. A facility plan and preliminary engineering report will be submitted to IDEQ at a later date in accordance with the submittal and approval process for water systems outlined in IDAPA 58.01.08.

JMM Dry Creek, LLC has submitted an application for a water right permit to utilize on-site water resources for the potable water system. The Idaho Department of Water Resources (IDWR) has reviewed the application and has requested additional information before processing of the application can continue. A copy of the information request from IDWR is enclosed.

In accordance with the information request from IDWR, we are requesting your comments on the water right permit application for Dry Creek Ranch. A copy of the application for permit is enclosed for your reference. Please review the enclosed information and provide any comments to Daniel Nelson at IDWR. I would appreciate a copy of any comments that you have as well. Daniel's mailing address is provided below:

Daniel Nelson
Idaho Department of Water Resources
Western Region
2735 Airport Way
Boise, ID 83705

July 17, 2007

Please contact me if you have any questions or need additional information.

Sincerely,

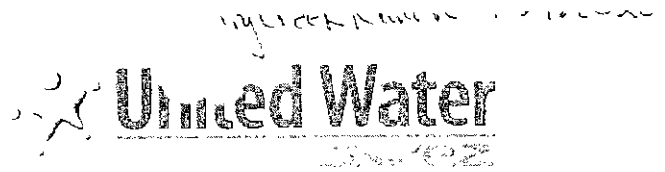
A handwritten signature in black ink, appearing to read "Kristin Brastrup". The signature is written in a cursive style with a large, sweeping initial "K".

Kristin Brastrup, P.E.
Project Engineer

SPF file number 434.0020

JOHN LEE
Construction Coordinator

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P.O. Box 190420, Boise, ID 83719-0420
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john.lee@unitedwater.com



January 6, 2006

Mr. Mike Chernine
LBN Dry Creek, LLC
8080A W. Sahara
Las Vegas, NV 89117

Subject: Dry Creek Ranch Development

Dear Mr. Chernine:

The purpose of this letter is to advise you that the Dry Creek Ranch Development is serviceable by United Water Idaho in accordance with its rules and regulations for system extensions as approved by the Idaho Public Utilities Commission. In order to provide service to the Dry Creek Ranch Development, additional water facilities will be required, and costs and agreements to provide these additional facilities will have to be negotiated between the developer and United Water Idaho. Approval from the Idaho Public Utilities Commission for any required Special Facilities Agreements and an extension of United Water Idaho's Certificated Area will be necessary in order for United Water Idaho to serve this project under its present tariffs, rules, and regulations.

I trust that this letter will aid you in the speedy process of this project.

Sincerely,

John Lee
Construction Coordinator

cc: Cathy Cooper, SPF Water Engineering, LLC