



Cindercone Farms, Inc.

P.O. Box 8 • Mountain Home, ID 83647
Ph. (208) 587-2947 • Fax (208) 580-0331

September 6, 2006

RECEIVED

In reply to: Carl F. Reynolds and Sons CAFO water transfer

SEP - 6 2006

Karl Dreher, Director
State of Idaho
Department of Water Resources
322 East Front Street
Boise, Idaho 83720

WATER RESOURCES
WESTERN REGION

Dear John Westra,

Cindercone Farms is actively seeking to expedite the water right transfer for Cindercone Farms, Inc. Lori Graves and Gary Funderburg have completed the transfer application, submitted with current changes and updates that were required. Cindercone Farms anxiously awaits this transfer to be processed and our request to be granted in a timely fashion.

On August 10, 2006, John Westra sent a letter to us explaining the halt on all transfers being granted until the SRBA has been completed. We are asking that our transfer not be penalized, waiting for the statewide water adjudication to be completed. This process has already taken many years, and though the IDWR believes it may be coming to a close, it is anything but certain. On August 24, 2006, the Ada County Planning and Zoning unanimously granted Cindercone Farms approval to begin construction of the proposed feedlot off Simco Road. Numerous conditions are to be completed for the construction phase to begin and all can be met immediately except for the IDWR transfer. This issue is paramount to Ada County Planning and Zoning and must be completed to begin the feedlot construction. We realize that the Snake River Adjudication is very important, but we feel that we are trapped because of the state's lack of staff or resources to complete the transfer process. We would again ask for your immediate action on the water transfer application that has been submitted. We would also ask if the process may be contracted out to retired IDWR personnel, i.e. Gary Funderberg, or if any other options may be available to get the application moving forward. Thank you for your help in this matter.

Respectfully,

Steve Reynolds
General Partner

JMR