

State of Idaho
Department of Water Resources
Permit to Appropriate Water
NO. 63-32235

Priority: February 8, 2006

Maximum Diversion Volume: 215.0 AF

This is to certify, that SOUTH CHANNEL LLC
533 E RIVERSIDE DR
EAGLE ID 83616

has applied for a permit to appropriate water from:

Source: GROUND WATER**Tributary:** BOISE RIVER

and a permit is APPROVED for development of water as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>ANNUAL VOLUME</u>
AESTHETIC STORAGE	01/01 to 12/31	215.0 AF
AESTHETIC FROM STORAGE	01/01 to 12/31	60.0 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER SE1/4SW1/4 Sec. 17, Twp 04N, Rge 01E, B.M. ADA County
GROUND WATER SE1/4SW1/4 Sec. 17, Twp 04N, Rge 01E, B.M. ADA County
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GROUND WATER SW1/4SW1/4 Sec. 17, Twp 04N, Rge 01E, B.M. ADA County

PLACE OF USE: AESTHETIC STORAGE

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N 01E 17											X	X					

PLACE OF USE: AESTHETIC FROM STORAGE

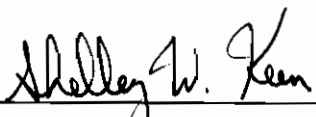
Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N 01E 17											X	X					

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CONDITIONS OF APPROVAL

1. Proof of application of water to beneficial use shall be submitted on or before **July 15, 2010**.
2. Subject to all prior water rights.
3. Aesthetic storage use is for 7 excavated ponds.
4. Project construction shall commence within one year from the date of permit issuance and shall proceed diligently to completion unless it can be shown to the satisfaction of the Director of the Department of Water Resources that delays were due to circumstances over which the permit holder had no control.
5. This right does not grant any right-of-way or easement across the land of another.
6. The Director retains jurisdiction to require the right holder to provide purchased or leased natural flow or stored water to offset depletion of Lower Snake River flows if needed for salmon migration purposes. The amount of water required to be released into the Snake River or a tributary, if needed for this purpose, will be determined by the Director based upon the reduction in flow caused by the use of water pursuant to this permit.
7. Water stored under this right is subject to fluctuations of the water table caused by changes in the flow of local streams and by diversions under prior ground water rights. This right does not guarantee the maintenance of any particular ground water level.
8. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 63.
9. Noncompliance with any condition of this right, including the requirement for mitigation, is cause for the director to issue a notice of violation, cancel or revoke the right, or, if the right is included in a water district, request that the watermaster curtail diversion and use of water.
10. Water bearing zone to be appropriated is 1-40 feet.
11. The right holder shall mitigate for the evaporation losses from the ponds established under this right by delivering 42.2 af of water to the ponds from the Boise River each irrigation season pursuant to Rights 63-132, 63-31313, 63-31312, and 63-4695 and Transfer 72596.
12. If the specified mitigation right, or portions thereof, are sold, transferred, leased, used on any place of use, or are not deliverable due to a shortage of water or a priority call, then the right holder shall provide substitute mitigation acceptable to the Department.

This permit is issued pursuant to the provisions of Section 42-204, Idaho Code. Witness the signature of the Director, affixed at Boise, this 26th day of July, 2007.


for DAVID R. TUTHILL, JR., Director