

MEMORANDUM

To: Files 57-7100 and 2-202A

From: Cynthia Bridge Clark

Date: November 3, 2005

Re: Telephone Conversation

I spoke with Steve Lester regarding correspondence from Dana Hofestetter on behalf of Ted and Sandy Cantrell. Transfers have been filed and put on hold due to current department priorities. Ms. Hofestetter requested confirmation that the applicants could use the Water Supply Bank to satisfy their water use needs for the 2006 irrigation season since the transfer applications will not be processed at this time.

Steve and I agreed that the applicants should file applications to lease and rent water through the bank to give the department an opportunity to review their proposed use and whether it is consistent with their transfer request.

Steve agreed to contact Dana with further information.

HOFSTETTER LAW OFFICE

608 West Franklin Street
Boise, Idaho 83702

Dana@IdahoWaterLaw.com

Dana L. Hofstetter
Attorney at Law

RECEIVED

OCT 19 2005

DEPARTMENT OF
WATER RESOURCES

Telephone: (208) 424-7800
Facsimile: (208) 424-8774

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OCT 19 2005

DEPARTMENT OF
WATER RESOURCES

October 14, 2005

RECEIVED

OCT 17 2005

WATER RESOURCES
WESTERN REGION

Via Facsimile and U.S. Mail

Steve Lester
Water Rights Supervisor
Western Region
Idaho Department of Water Resources
2735 Airport Way
Boise, Idaho 83705-5082

Re: Ted &/or Sandy Cantrell
Applications for Transfer of Water Right Nos. 57-7100 and 2-202A

Dear Mr. Lester:

I assisted Mr. and Mrs. Cantrell with preparation and submission of the Applications for Transfer of Water Right Nos. 57-7100 and 2-202A. I write in response to your September 19, 2005 letter inquiring as to whether the processing of the Transfer Application for Water Right No. 57-7100 should be delayed although it strictly is not subject to the Idaho Department of Water Resources' ("IDWR") transfer processing hold policy since Water Right No. 57-7100 already has been decreed in the SRBA.

The Cantrells have installed pivots and have been leasing their water rights through the Water Supply Bank in an attempt to cover the changed places of use. Ms. Bridge Clark of IDWR informed the Cantrells that the Water Supply Bank could not be used indefinitely in lieu of filing a formal Transfer Application. Accordingly, to the extent that the processing of both Transfer Applications is delayed there likely will be the need for the Cantrells to continue to lease their water rights through the Water Supply Bank again next year. The Cantrells filed separate Transfer Applications for the two water rights in an

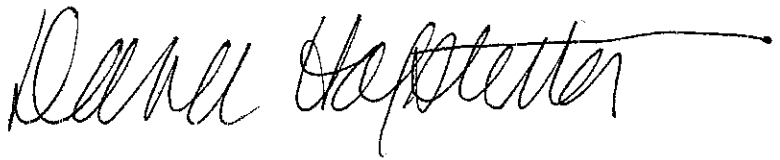
Steve Lester
October 14, 2005
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attempt to facilitate the processing of the Transfer Application at least for the water right that had been decreed in the SRBA. To the extent that Transfer processing will be delayed for both rights, the Cantrells wish to confirm that IDWR will not object to the Water Supply Bank procedure being utilized again next irrigation season as necessary.

Please let me know if you have any further questions about this matter. Thank you.

Sincerely,

HOFSTETTER LAW OFFICE, LLC

A handwritten signature in black ink, appearing to read "Dana L. Hofstetter", with a long horizontal flourish extending to the right.

Dana L. Hofstetter

cc: Cynthia Bridge Clark
Ted and Sandy Cantrell
D:/4037 1/6649



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082 - (208) 334-2190

FAX (208) 334-2348

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

September 19, 2005

TED &/OR SANDY CANTIRELL
28294 RIVER RD
BRUNEAU ID 83604

Re: Applications for Transfer of Water Right Nos. 57-7100 and 2-202A

Dear Applicants:

You recently filed two applications for transfer on the above referenced water rights. This letter explains the situation with respect to processing the applications. Water Right No. 57-7100 from Shoofly Creek was decreed in the Snake River Basin Adjudication (SRBA) in 1997. Snake River Water Right No. 2-202A remains pending for final determination in the SRBA. Both transfers describe a proposed permissible place of use for the combined rights.

The application for right 2-202A describes a water right for which a SRBA Claim has been filed. SRBA Claims for rights diverted from the Snake River are currently being reviewed. The role of the Idaho Department of Water Resources (IDWR) in the SRBA is to review claims and make recommendations regarding those claims to the SRBA Court. Recommendations are presented to the court in a Director's Report. Potentially affected parties may object to recommendations in a Director's Report. This process introduces uncertainty regarding water rights until the objection period is over.

IDWR's limited staff resources must be used to complete the remaining Director's Reports during the next year. Additionally, experience indicates that processing an application for transfer in an area where a Director's Report is being prepared can result in confusion and complications by mixing judicial (SRBA) and administrative (transfer) actions.

The SRBA objection period for SRBA Claim 2-202A is expected to conclude sometime during the latter half of next year. Based on that schedule and the above reasoning, the application for this water right cannot be processed at this time. IDWR will hold the transfer application and will notify you at the appropriate time for it to be processed.

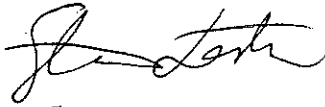
The application for right 57-7100 is not subject to delays related to the SRBA. However, it may be problematic to process one application for the proposed place of use while not processing the other one. Since both applications constitute a water right package to provide the desired coverage, it seems better to delay processing the transfer application for this right until the other one can be

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processed. I will assume you want both applications held together unless you let me know otherwise within the next thirty (30) days.

IDWR regrets the inconvenience undoubtedly caused by this necessary delay. Please contact me at 208-334-2190 if you have any questions in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Lester". The signature is fluid and cursive, with the first name "Steve" written in a larger, more prominent script than the last name "Lester".

Steve Lester
Water Rights Supervisor

RIVER BIRDS

OF

P.R.

AREA

Proposal P/M in
55 46 E 30 SW
5.31 NW
132.5 Acres combined
Rights

Gandover Mutual Canal Co. Canal

ELMORE CO
OWYHEE CO

Point of
Diversion
from Canal

Pond

Proposed
Permissible
Place of
Use

Permissible Place
of Use

480.0
FEET

4759

4758

4757

57'

4756

32

2425

2500

2500

2500

2500

2500

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Attorney at Law

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Dana L. Hofstetter

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