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November 4, 2005

Steve Lester 
Idaho Department of Water Resources
2735 Airport Way
Boise, ID 83705

RECEIVED

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WATER RESOURCES
WESTERN REGION

RE: Ron Sali water right transactions

Dear Mr. Lester:

Enclosed are a number of water right transactions in the name of Ron Sali or Ron Sali Properties Inc. The overall goal of this submittal is to have the water rights accurately reflect the use and ownership of water on Mr. Sali's property.

The property is along Linder Road on Eagle Island. Mr. Sali operates a gravel operation and currently does not need a water right for water removed from the gravel pits. However, as the operation comes to an end in the future, the water will be put to beneficial use. The enclosed applications seek to properly identify the use of the water and provide no net impact to the water resource.

Included in this submittal are the following:

original e.s.o. ✓
already

Change in Ownership (copy): The original Change in Ownership and \$100 filing fee were submitted to the state office. The change is for a portion of water right 63-11381 from Ron Sali Properties Inc. to Ron Sali.

to S.O. 11/15/05 ✓

Proof of Beneficial Use: Water right permit 63-31593 proof due notice is not due until 2007, but is submitted now for convenience. The \$50 filing fee is included.

Application for Transfer: A portion of 63-11273 (ground water irrigation) needs to be converted to mitigation use so that processing can proceed on the north pond's application for permit. A filing fee of \$250 is needed.

Application for Permit – North: Seeks the permit for the north pond. Mitigation is proposed to compensate for the consumptive losses. The request to process is included. A filing fee of \$1080 is included.

Application for Permit – South: Seeks the permit for the south pond. Mitigation is proposed in the form of Hart-Davis shares and the remaining portion of water right 63-11381 (Island Creek irrigation). This includes irrigation of 6 acres from the new pond (new POD). The request to process is included. A filing fee of \$610 is included.

The Hart-Davis Ditch Company will have to be involved at some point in this process, because they own two water rights that serve Mr. Sali's property. We have begun discussions with Hart-Davis to map out the changes needed. Hart-Davis will be asked

to allow a certain amount of water to be used for mitigation as identified in the enclosed applications for permit. The agreement has not been finalized yet, because we felt that IDWR should have the opportunity to conduct a preliminary review of the documents and that the review may be delayed until the SRBA director reports are complete.

I look forward to your review.

Regards,

A handwritten signature in cursive script, reading "Steve R. Hannula". The signature is written in dark ink and is positioned above the printed name.

Steven R. Hannula