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FEB 25 2005

DEPARTMENT OF
WATER RESOURCES

City of Hailey City Engineer

115 South Main Street
Hailey, ID 83333

(208) 788-9830, Ext 14
(208) 788-2924 (Fax)

February 23, 2005

Idaho Department of Water Resources
Attn: Kay Walker
322 East Front Street
P O Box 83720
Boise, ID 83720-0098

RE: Water Right Permit No. 37-7854

Dear Ms Walker:

We received your letter of January 24, 2005 and are protesting the action to remove this water right permit on two points.

The first point is the time between the application for the water right in 1985 and the examination in 2000. In the time between the application and the examination this area had been through a drought condition for seven of the last ten years. We had seen a drop in the flow out of the Indian Creek Spring source for this water right. We do not feel this leads to a decreased need from the 5 cfs requested in the original application.

The second point relates to the use of this water right. It is a non-consumptive right, using the water from our three municipal water rights out of Indian Creek Spring; 37-296, 37-717 & 37-1216; for power generation with no loss of water. There is no difference in water use between generating power with this right versus sending it directly into the Indian Creek Storage Tank.

We have checked our flow meters at each site and show a difference of approximately 70 gpm between the spring and the tank. We are investigating for a leak along the three mile pipeline.

As a final note I find no difference between the location requested for this water right permit in 1985 and where we are located. I have included the legal description of the cogeneration site for your review.

In conclusion, we feel that the water permit right is appropriate at 5 cfs. The Indian Creek Spring has produced in excess of 5 cfs in the past and, with a couple above average snow seasons, we feel it will produce that in the future.

Please let me know if you have any questions.

February 23, 2005

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Hellen", written in a cursive style.

Thomas Hellen
City Engineer

Enclosure

cc: Mayor Susan McBryant
Jim Speck, Speck & Aanestad
Ray Hyde, Public Works Director
Bob Schulz, Water Superintendent

LEGAL DESCRIPTION
CITY OF HAILEY
COGENERATION
1661-02.34.01.00

A parcel of land located in Indian Creek Subdivision, Section 33, Township 3 North, Range 18 East, Boise Meridian, Blaine County, Idaho more particularly described as follows:

Commencing at the northeast corner of said Section 33;

Thence S $87^{\circ}18'57''$ W, 1880.99 feet to the REAL POINT OF BEGINNING;

Thence S $11^{\circ}30'06''$ W, 34.00 feet;

Thence N $78^{\circ}29'54''$ W, 20.00 feet;

Thence N $11^{\circ}30'06''$ E, 34.00 feet;

Thence S $78^{\circ}29'54''$ E, 20.00 feet to the REAL POINT OF BEGINNING.

NE corner

2475226.31 ↔

1372900.26 ↓

*puts it in NWNE, S33
3N, 18E*