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WATER RESOURCES
WESTERN REGION

Pg. 1

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR EXCHANGE OF WATER

Under the provisions of Section 42-240, *Idaho Code*, any person holding a surface water right may apply to exchange such water for the use of water from the same source or a different surface water source. Surface water right holders may also apply to exchange for the use of water authorized for diversion under one or more other valid water rights from the same source or a different surface water source. A filing fee must be submitted with this application.

1. INFORMATION ABOUT THE APPLICANT

Applicant United Water Idaho Inc.
(Name of Applicant)

P. O. Box 7488, Boise, ID 83707 Telephone No.: 362-1300
(Mailing Address) (Zip Code)

Applicant's Water Right(s) to be exchanged 02-02341, 02-02358, and 02-02420, to be exchanged with
fish-augmentation flows released by the Bureau of Reclamation.

Attach a photocopy of the License, Permit, Transfer, Decree, or Claim evidencing the right(s) or attach a printout obtained from IDWR.

2. INFORMATION ABOUT THE CO-APPLICANT

Complete this portion if the applicant proposes to exchange for water diverted under a water right held by another party. The co-applicant is the holder of the right to be exchanged for the applicant's right. If more space is needed, please attach another sheet containing information about each co-applicant.

Co-applicant N/A
(Name of Applicant)

Telephone No.:
(Mailing Address) (Zip Code)

3. EXCHANGE AGREEMENT — Attach a copy of the written agreement between the applicant and the co-applicant(s).

4. EXCHANGE INFORMATION — Complete Part A or Part B to explain how the proposed exchange will operate.

Part A — For an exchange involving two or more water right holders.

The applicant proposes to divert cfs and/or acre feet per year of water authorized to be diverted under the co-applicant's water right(s) listed above at 1/4 of 1/4, Govt. Lot Sec. Township Range B.M., County.

1. made available to the co-applicant for diversion at 1/4 of 1/4, Govt. Lot Sec. Township Range B.M., County.
Additional points of diversion, if any:

2. released from storage by the co-applicant into at 1/4 of 1/4, Govt. Lot Sec. Township Range B.M., County.

AMENDED 1/27/03

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Part B — For an exchange involving only the applicant's water right(s).

The applicant proposes to divert 35.21 cfs and/or _____ acre feet per year of water at SE
1/4 of NE 1/4, Govt. Lot 7 Sec. 14 Township 3N Range 2E B.M.,
Ada County (Marden Street water treatment plant). Additional points of diversion, if any: NW 1/4, NE 1/4,
Sec. 4, Township 2N, Range 3E, B.M., Ada County (planned Columbia Bench water treatment plant).

1. diverted from _____ at _____ 1/4 of _____ 1/4, Govt. Lot _____ Sec. _____
Township _____ Range _____ B.M., _____ County and injected into _____ at _____ 1/4 of _____
1/4, Govt. Lot _____ Sec. _____ Township _____ Range _____ B.M., _____ County.
2. released from storage by applicant into _____ at _____ 1/4 of _____
1/4, Govt. Lot _____ Sec. _____ Township _____ Range _____ B.M., _____ County.

Additional Explanation — Attach additional sheets if necessary.

See Attachments A, B, C, D, E, F, G and H

If this exchange is not intended to be a permanent arrangement, please describe the circumstances under which the proposed exchange will terminate. See Attachment A

5. MAPS — Attach two maps, one showing the water right(s) as it is (they are) now used, and another showing how the water right(s) will be used under the proposed exchange. Each map should be on an 8 1/2" x 11" sheet and should clearly identify the locations of the point(s) of diversion, injection, and re-diversion of water and the place(s) of use by 40-acre subdivisions, section, township and range of the public land survey. Photocopies of USGS 7 1/2-minute topographic quadrangles are preferred as base maps. See Attachment I

SIGNATURE

Applicant hereby asserts that no one will be injured by such exchange of water and acknowledges that the applicant and/or the co-applicant will be responsible for all actions taken pursuant to this exchange. I understand that any willful misrepresentations made in this application may result in voiding its approval.

Gregory P. Wyatt, President
Applicant's Signature (and Title if application is for an organization)
Gregory P. Wyatt, President
United Water Idaho Inc.

1-23-03
Date

FOR DEPARTMENT USE ONLY

This exchange application contains 26 pages, including attachments. = Pg 1+2, Attachments A-I
Received by JH Date 1-27-03 Fee \$50.00 (cancellation fee to Republish)
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Copies of protests forwarded by _____
Watermaster recommendation requested on _____
Watermaster recommendation received on _____
Hearing held by _____ Date _____
Recommended for Approval _____ Denial _____ By _____

ATTACHMENT A

To Application for Exchange of Water Filed by United Water Idaho

United Water Idaho Inc. ("United Water") has purchased licensed water right nos. 02-2341, 02-2358, and 02-2420 on the Snake River ("Snake River water rights"). Right no. 02-2341 is a 1964-priority right to divert 12.52 cubic feet per second ("cfs") for irrigation of 626 acres of land. Right no. 02-2358 is a 1964-priority right to divert 14.5 cfs for irrigation of 725 acres of land. Right no. 02-2420 is a 1963-priority right to divert 14.08 cfs for irrigation of 704 acres of land. The Snake River water rights share a combined diversion limitation of 35.21 cfs. Copies of the licenses for the Snake River water rights are attached to the Exchange Application as Attachments B, C, and D. Copies of the purchase deeds of these water rights are included as Attachments G and H. On July 15, 2002, United Water filed a Change of Ownership form with the Idaho Department of Water Resources ("IDWR") for the Snake River water rights.

The purpose of this Application is to exchange deliveries under the Snake River water rights for fish augmentation flows released by the U.S. Bureau of Reclamation ("Bureau") in the Boise River pursuant to Idaho Code § 42-1763B. During the last several years, the Bureau has augmented flows in the Boise River by releasing approximately 400 cfs from its Boise River reservoir system. The Bureau's flow releases, which are intended to improve downstream passage conditions for migrating juvenile salmon and steelhead, occur between June 10 and August 31. Idaho law provides authorities and procedures whereby IDWR may "shepherd" or otherwise assure this amount of water will be delivered to the mouth of the Boise River and then down the Snake River to the state border at Lewiston. Idaho Code § 42-1763B.

Under this exchange, during those times when the Bureau is making flow releases to the Boise River, United Water would be entitled to divert up to 35.21 cfs from the Boise River and simultaneously forego a like amount of diversions under the Snake River water rights. This amount of flow thus made available under the Snake River water rights would be delivered in the Snake River to the mouth of the Boise River where it would fully replace the depletion occurring to the Bureau's storage releases by way of United Water's Boise River diversions. United Water anticipates the Bureau would not oppose such a program provided the exchange water from the Snake River water rights fully replaces all depletions to the Bureau's storage releases.

United Water would divert the Boise River augmentation flows at or near its Marden Street plant and, alternatively, at or near its new water treatment plant—the Columbia Bench plant. At the Marden Street plant, United Water currently holds a 1993-priority water right, number 63-12055, which entitles United Water to divert 24.8 cfs of natural flow from the Boise River below the Diversion Dam for use in its municipal water supply system. The Marden Street water right carries a junior priority and generally is entitled to divert only during periods of higher flow in the winter or spring, and not necessarily in all years. A copy of the Marden Street water right is attached as Attachment E for the purpose of demonstrating one of the two alternate points of diversion to be used in this exchange.

United Water has a pending application with IDWR for 20 cfs to be used at the Columbia Bench plant. United Water filed Application No. 63-31409 for Permit to Appropriate Waters of the State of Idaho on November 16, 2001. If approved, the Columbia Bench water right will carry a junior priority and would be entitled to divert only during periods of higher flow in the winter or spring, and not necessarily in all years. A copy of the Columbia Bench water right application is attached as Attachment F for the purpose of demonstrating one of the two alternate points of diversion to be used in this exchange.

The amounts United Water would divert from the Boise River under this exchange would be used within United Water's service area. To ensure this exchange will not injure other water rights, United Water requests that the following conditions be placed on this exchange:

1. United Water's diversions from the Boise River under this exchange would occur only during times when the Bureau is providing flow augmentation water from Boise River reservoirs, so as not to affect any senior Boise River water rights.
2. United Water's diversion from the Boise River under this exchange would not exceed the lesser of:
 - a. The instantaneous rate at which the exchange water is available in priority under the Snake River water rights and is being delivered in the Snake River and administered in accordance with Idaho law to the confluence of the Boise and the Snake Rivers, not to exceed 35.21 cfs, or
 - b. The instantaneous rate of the Bureau's Boise River reservoir releases for flow augmentation.
3. United Water recognizes that the Bureau is not expected or required to alter its operations in any way to accommodate this exchange, that the exchange depends upon the Bureau's release of such storage water, and that United Water is not entitled to demand that any storage releases occur.
4. United Water would divert from the Boise River under this exchange only pursuant to a lawful order of the Director of IDWR approving the exchange consistent with these conditions.

State of Idaho
Department of Water Resources

Attachment B

WATER RIGHT LICENSE

License of Water Right No. 02-2341 Priority December 28, 1964 Amount 12.52 cfs

THIS IS TO CERTIFY, that Initial Butte Farms
of Nampa, Idaho, has complied with the terms and conditions of Permit
No. 02-2341 issued pursuant to Application for Permit dated December 28, 1964,
and has submitted proof to the Department of Water Resources on December 17, 1979,
that he has applied water to a beneficial use; an examination by the Department indicates that the works have a
capacity for the diversion of 35.21 cfs of water from Snake River,
tributary to Columbia River, and that the permit holder has applied to a beneficial use and
established a right to use water as follows:

Beneficial Use	Period of Use	Rate of Diversion	Annual Volume
<u>Irrigation</u>	<u>from March 15 to November 15</u>	<u>at 12.52 cfs</u>	<u>and 2817.0 acre feet</u>
	<u>from to at cfs and</u>		
	<u>from to at cfs and</u>		
(both dates inclusive)			

Subject, however, to the condition that no more than 12.52 cfs of water be diverted at any one time, and
that the amount of water so diverted and to which such right is entitled and confirmed is for the purpose
aforementioned and is limited to the amount which can actually be beneficially used and shall not exceed
2817.0 acre feet per year, said waters to be diverted within the Government Lot 4 (SW $\frac{1}{4}$ NE $\frac{1}{4}$),
Section 35, Twp. 1S, Rge. 1W in the County of Ada

Description and location of place of use:

Twp.	Range	Sec.	NE $\frac{1}{4}$				NW $\frac{1}{4}$				SW $\frac{1}{4}$				SE $\frac{1}{4}$				Totals
			NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	
1S	1W	16	39	39	40	39	39	37	39	40	40	39	30	39	39	40	39	39	626

Total number of acres irrigated 626

This right when combined with Rights 02-2358 and 02-2420 shall not exceed
35.21 cfs.

NOTE: Modifications to or variance from this license must be made within the limits of Section 42-222, Idaho
Code, or applicable Idaho Law. This right may be forfeited by five years of non-use.

The right to the use of the water hereby confirmed is restricted and appurtenant to the lands or place of use
herein described, and is subject to all prior water rights, as provided by the laws of Idaho.

Witness the seal and signature of the Director, affixed at Boise, Idaho, this 2nd day of
May, 19 83

SCANNED

MAR 10 2002

Acting for the Director

Norman C. Young

State of Idaho
Department of Water Resources

Attachment C

WATER RIGHT LICENSE

License of Water Right No. 02-2358 Priority July 28, 1964 Amount 14.50 cfs

THIS IS TO CERTIFY, that Initial Butte Farms, Inc.
of Nampa, Idaho, has complied with the terms and conditions of Permit
No. 02-2358 issued pursuant to Application for Permit dated July 28, 1964,
and has submitted proof to the Department of Water Resources on December 17, 1979,
that he has applied water to a beneficial use; an examination by the Department indicates that the works have a
capacity for the diversion of 35.21 cfs of water from Snake River,
tributary to Columbia River, and that the permit holder has applied to a beneficial use and
established a right to use water as follows:

Beneficial Use	Period of Use	Rate of Diversion	Annual Volume
<u>Irrigation</u>	from <u>March 15</u> to <u>November 15</u> at <u>14.50</u> cfs and	<u>3262.5</u> acre feet	
	from _____ to _____ at _____ cfs and		
	from _____ to _____ at _____ cfs and		
	(both dates inclusive)		

Subject, however, to the condition that no more than 14.50 cfs of water be diverted at any one time, and
that the amount of water so diverted and to which such right is entitled and confirmed is for the purpose
aforementioned and is limited to the amount which can actually be beneficially used and shall not exceed
3262.5 acre feet per year, said waters to be diverted within the Government Lot 4 (SW $\frac{1}{4}$ NE $\frac{1}{4}$),
Section 35, Twp. 1S, Rge. 1W in the County of Ada

Description and location of place of use:

Twp.	Range	Sec.	NE $\frac{1}{4}$				NWW $\frac{1}{4}$				SW $\frac{1}{4}$				SE $\frac{1}{4}$				Totals
			NE $\frac{1}{4}$	NWW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NWW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NWW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NWW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	
1S	1W	26					38	38	38	39	38	40							231
		27	40	38	39	40	37	37	37	37					29				334
		28	40	40	40	40													160

Total number of acres irrigated 725

This right when combined with Rights 02-2420 and 02-2341 shall not exceed 35.21
cfs.

SCANNED

MAR 18 2002

NOTE: Modifications to or variance from this license must be made within the limits of Section 42-222, Idaho
Code, or the applicable Idaho Law. This right may be forfeited by five years of non-use.

The right to the use of the water hereby confirmed is restricted and appurtenant to the lands or place of use
hereby described, and is subject to all prior water rights, as provided by the laws of Idaho.

Witness the seal and signature of the Director, affixed at Boise, Idaho, this 2nd day of
May, 19 83.

Acting for the Director

Norman C. Young

Department of Water Resources

WATER RIGHT LICENSE

License of Water Right No. 02-2420 Priority December 31, 1963 Amount 14.08 cfs

THIS IS TO CERTIFY, that Initial Butte Farms
of Nampa, Idaho, has complied with the terms and conditions of Permit
No. 02-2420 issued pursuant to Application for Permit dated December 31, 1963,
and has submitted proof to the Department of Water Resources on December 17, 1979,
that he has applied water to a beneficial use; an examination by the Department indicates that the works have a
capacity for the diversion of 35.21 cfs of water from Snake River,
tributary to Columbia River, and that the permit holder has applied to a beneficial use and
established a right to use water as follows:

Beneficial Use	Period of Use	Rate of Diversion	Annual Volume
Irrigation	from <u>March 15</u> to <u>November 15</u> at <u>14.08</u> cfs and <u>3168.0</u> acre feet		
	from _____ to _____ at _____ cfs and _____		
	from _____ to _____ at _____ cfs and _____		

(both dates inclusive)

Subject, however, to the condition that no more than 14.08 cfs of water be diverted at any one time, and
that the amount of water so diverted and to which such right is entitled and confirmed is for the purpose
aforementioned and is limited to the amount which can actually be beneficially used and shall not exceed
3168.0 acre feet per year, said waters to be diverted within the Government Lot 4 (SW $\frac{1}{4}$ NE $\frac{1}{4}$),
Section 35, Twp. 1S, Rge. 1W in the County of Ada

Description and location of place of use:

Twp.	Range	Sec.	NE $\frac{1}{4}$				NW $\frac{1}{4}$				SW $\frac{1}{4}$				SE $\frac{1}{4}$				Totals
			NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	
1S	1W	26	38	38	39	38									40	40			233
		36	39	38	39	39	39	39	39	39					40	40	40	40	471

Total number of acres irrigated 704

This right when combined with Right No. 02-2341 and Right No. 02-2358 shall not
exceed 35.21 cfs.

MAR 26 2002

NOTE: Modifications to or variance from this license must be made within the limits of Section 42-222, Idaho
Code, or the applicable Idaho Law. This right may be forfeited by five years of non-use.

The right to the use of the water hereby confirmed is restricted and appurtenant to the lands or place of use
herein described, and is subject to all prior water rights, as provided by the laws of Idaho.

Witness the seal and signature of the Director, affixed at Boise, Idaho, this 25th day of
April, 19 83.

Acting for the Director

Norman C. Young

State of Idaho
Department of Water Resources
Permit To Appropriate Water

Attachment E

NO. 63-12055

Proposed Priority: September 8, 1993 Maximum Diversion Rate: 24.80 CFS

This is to certify, that BOISE WATER CORPORATION
PO BOX 7488

BOISE ID 83707-7488

has applied for a permit to appropriate water from:
BOISE RIVER tributary of SNAKE RIVER

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

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>RATE OF DIVERSION</u>
MUNICIPAL	01/01 to 12/31	24.80 CFS

LOCATION OF POINT(S) OF DIVERSION: Lot 7 (SENE), Sec. 14, Township 03N, Range 02E
ADA County

PLACE OF USE: See Remarks

CONDITIONS/REMARKS:

1. Proof of construction of works and application of water to beneficial use shall be submitted on or before March 1, 2000.
2. Subject to all prior water rights.
3. Use of water under this right may be affected by an agreement between the protestant and the right holder.
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 permit holder had no control.
5. Use of water under this right is subject to control by the watermaster of State Water District No. 63.
6. A measuring device and lockable controlling works of a type acceptable to the Department shall be permanently installed and maintained as part of the diverting works prior to diversion of water under this right.
7. The Director retains jurisdiction of this right and any license subsequently issued to require streamflow augmentation or other action determined to be appropriate to protect prior surface water or ground water rights. Such streamflow augmentation or other action will be required only upon a determination of need and applicability by the Director.

3/10/2001

MAR 10 2001

State of Idaho
Department of Water Resources

Permit To Appropriate Water

NO. 63-12053

CONDITIONS/REMARKS:

8. A separate stream alteration permit from the IDWR is required for any activity in the stream channel other than construction and/or maintenance of the diversion structure. If the proposed construction or operation involves construction of an outfall or any other work in the stream channel other than a water diversion, the right holder shall contact the Department and obtain a Stream Channel Alteration permit prior to the start of construction.
9. The issuance of this right in no way grants any right-of-way or easement across the land of another.
10. Place of use is within city limits of Boise and within the Area of Certification as shown by the 18th Amended Certificate of Convenience and Necessity No. 143 issued by the Idaho Public Utilities Commission.
11. The domestic use occurring under this municipal right shall not exceed 13,000 gallons per day per dwelling in accordance with Section 42-111, Idaho Code.
12. The daily diversion volume for the non-domestic uses under this municipal right shall not exceed 2,500 gallons per day in accordance with the provisions of Section 42-111, Idaho Code.
13. This permit authorizes irrigation of up to 1/2 acre within each platted subdivision lot upon which a domestic dwelling has been constructed.
14. Use of water for large projects such as irrigation of parks, golf courses, or sports activities fields is not authorized under this permit.

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

10 day of March, 1995


for R. Keith Higginson, Director

2/1/95

Ident. No. _____

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
AMENDED APPLICATION FOR PERMIT

To appropriate the public waters of the State of Idaho

1. Name of Applicant: **United Water Idaho Inc. ("UWID")** Phone: **208-362-1704**
Mailing address: **8248 W. Victory Road, P.O. Box 7488, Boise, Idaho 83709-4165**
2. Source of water supply: **Boise River** which is a tributary of **Snake River**
3. Location of points of diversion is: **Township 2N, Range 3E, Sec 4, NW ¼, NE ¼, Ada County;**
Township 3N, Range 2E, Sec 14, SE ¼, NE ¼ (lot 7), Ada County
(existing river intake at Marden Treatment Plant)
4. Water will be used for the following purposes (all dates inclusive)
Amount: **20.0 cfs** for **municipal** purposes from **January 1 to December 31**
Amount: **20.0 cfs** for **groundwater recharge** purposes from **January 1 to December 31**
5. Total quantity to be appropriated is (a) **20.0 cfs**
6. Proposed diverting works:
 - a. Describe type and size of devices used to divert water from the source: **Existing intake pipe and pump station to deliver water to proposed new treatment plant, existing intake structure for the Marden Treatment Plant.**
 - b. Height of storage dam: **NA** active reservoir capacity: **NA** total reservoir capacity: **NA**
 - c. Proposed well diameter and well depth is: **NA.**
 - d. Is ground water with a temperature of greater than 85° being sought? **No**
 - e. If well is already drilled, when? **NA**; Drilling firm: **NA**
7. Time required for completion of works and application of water to proposed beneficial use is: **Five years** *SMW*
(minimum 1 year).
8. Description of proposed uses (if irrigation only, go to item 9):
 - a. Hydropower; show total feet of head and proposed capacity in kW: **NA**
 - b. Stockwatering; list number and kind of livestock: **None**
 - c. Municipal; show name of municipality. **United Water holds a franchise to supply water to Boise, Idaho and surrounding areas and is a municipal provider pursuant to I.C. § 202B(2)(b)**
 - d. Other; describe fully: **NA**
9. Description of place of use: **Within the Service Area of United Water Idaho, Inc. (See Exhibit 1 to Attachment A).**
 - a. If water is for irrigation, indicate acreage in each subdivision in the tabulation below.
 - b. If water is used for other purposes, place a symbol of the use (example: D for Domestic) in the corresponding place of use below. See instructions for standard symbols.

ATTACHMENT A

United Water
Application for Permit
February 4, 2002

By this application, United Water seeks a permit for a municipal water right from the Boise River to supply a new drinking water treatment facility (the "Columbia Plant"). This new facility is necessary to serve the year-round municipal needs of the Treasure Valley's expanding population, primarily new growth in the eastern and southern portions of the Boise area where ground water supplies may be insufficient to meet current and anticipated municipal needs. The geographical location of the Columbia Plant, however, is such that it can supply water to any portion of United Water's interconnected delivery system.

United Water will build the Columbia plant in phases, with the first phase planned for completion in 2004. Under current plans and projections, additional production capacity will be added in 2006 and third expansion will occur in 2009, bringing the plant up to full designed capacity of 20.0 cfs. United Water will deliver water to the Columbia Plant via an existing river intake and pumping station adjacent to the Highway 21 bridge that United Water shares with Micron Technology, Inc. United Water has an existing delivery pipeline in place, along with related easements, through the Highway 21 right-of-way that will be extended to the plant site. A map of the plant location, river intake and pipeline is attached as Exhibit 1.

This permit seeks a water right to allow United Water to divert and use surface flows for the Columbia Plant when water is available in the river in excess of demand by senior diverters. United Water has consulted with Lee Sisco, Boise River Watermaster, to confirm that water is available for appropriation under this permit. The flow records at Lucky Peak indicate that water is available for this right during most years. *See Exhibit 2.*

United Water anticipates that the Columbia Plant at times will directly treat and deliver all 20.0 cfs diverted from the Boise River to its municipal customers. At other times when water under this right is available and United Water is using other sources or water rights to meet demand, United Water proposes to inject treated water into the aquifer underlying the Southeast Boise Ground Water Management Area (the "Boise-Fan Aquifer") as part of an aquifer storage and recovery ("ASR") project.

United Water will file a separate permit and associated mitigation plan to divert water out of the Boise-Fan Aquifer. United Water, in conjunction with the Department, has been instrumental in studying the Boise-Fan Aquifer. These studies confirm that the

Boise-Fan Aquifer is a confined aquifer, composed primarily of alluvial deposits, making it an ideal location for an ASR project.

United Water also has included the river intake at its existing Marden Treatment Plant as an alternate point of diversion for this proposed right and anticipates that this right may at times be diverted at that location. For water rights 63-12055, the existing permitted right to divert 24.8 cfs at the Marden site, United Water intends to apply to amend the permit to include the Columbia plant diversion structure as an alternate point of diversion, providing United Water flexibility to use its Boise River water rights at either treatment plant.

Because this application seeks a permit for diversions in excess of five cfs, Water Appropriation Rule 40 requires the submission of additional information. IDAPA 37.03.08.40.05(c)-(g). United Water's responses to these requirements are as follows:

Rule .05(c)(iii) (design, construction, or operation techniques to eliminate or reduce impacts on other water rights): The existing intake structure and pumping station includes a flow meter. Accurate metering, operating in conjunction with Idaho's priority system, will ensure that no injury occurs to other users. United Water will exercise the right sought by this permit only when all valid rights on the river with priority dates earlier than this right are satisfied.

Rule .05(d) (information about sufficiency of water supply): Exhibit 3 contains water flow information in the Boise River for the years 1994 through 2000. Notations on the charts indicate days during each of these years when the right sought by this permit would have been available for diversion. Per conversations with Lee Sisco, Boise River Watermaster, spring and summertime flows of approximately 4100 cfs in the Boise River satisfy all existing water rights. An additional 400-500 cfs of recorded flow is assumed to be salmon release flows in June and July. In the winter months, this proposed right would be in priority by agreement at flows above the 150 to 250 cfs minimum streamflow released from storage. As Exhibit 2 shows, water is available under this right during many years.

Rule .05(d)(i) (information about water requirements of proposed project): United Water has filed its Integrated Municipal Application Package (IMAP) with the Department. The IMAP provides details of the projected population and water demand in United Water's system over the next 50 years, documenting that the peak municipal demand that United Water will be expected to meet will increase by approximately 150 cfs over the next 50 years. The Columbia Plant, and this proposal to divert 20.0 cfs from the Boise River are a part of United Water's program to meet this future demand.

Rule .05(d)(ii) (information about aquifer properties): The Boise-Fan Aquifer that UWID intends to use for its ASR project is well studied. Relatively impermeable

subsurface structural features separate the aquifer from the Boise River and other aquifers underlying the Boise area. The Boise-Fan Aquifer itself, however, is composed primarily of alluvial fan deposits, providing for transmissivity and storativity features favorable for aquifer storage.

The report *Groundwater Conditions and Hydraulic Testing of the Boise-Fan Aquifer or Southeast Boise River Valley, Ada County Idaho* by Edward Squires et. al. provides a detailed analysis of the hydrogeology of the Boise-Fan Aquifer. A copy of this report is available upon request.

Rule .05(e)(i) (copies of deeds, easements, leases and similar documents): See Exhibit 3.

Rule .05(e)(ii) (copies of applications for other needed approvals): United Water is seeking approval of a conditional use permit from Ada County and approvals from the Idaho Department of Environmental Quality for meeting drinking water standards. Both approval processes are ongoing.

Rule .05(f)(i) (financial statement or financial commitment letter): Estimated construction costs are \$12 million. As a public utility regulated by the Public Utilities Commission ("PUC"), United Water is required to meet municipal demand in the Boise area. The PUC approves reasonable investments in capital improvements and allows United Water to recover its costs through adjustments in its rate base.

Rule .05(f)(ii) (plans, specifications, and estimated construction costs): United Water has signed a contract with Montgomery Watson to design and build the Columbia Plant. Project design is underway and a preliminary plant layout has been developed, utilizing an innovative membrane treatment process. Detailed plans, however, are not yet available and are depend to some degree on the outcome of the application for a conditional use permit with Ada County. United Water will forward engineering plans when they are available.

Rule .05(g) (information relative to the local public interest): Letters were sent by United Water to each of the following:

1. John Priester
County Engineer
Ada County Development Services
650 Main Street
Boise, Idaho 83702
2. Rod Sando
Director

Idaho Department of Fish & Game
600 South Walnut
Post Office Box 25
Boise, Idaho 83707

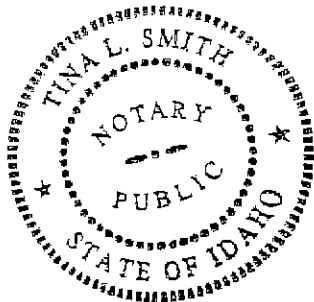
3. C. Stephen Allred
Director
Idaho Department of Environmental Quality
1410 N. Hilton
Boise, Idaho 83712
4. Charles Mickelson
City Engineer
City of Boise Public Works Department
150 N. Capital, 4th Floor
Boise, Idaho 83702

Copies are attached as Exhibit 4. United Water has not received any responses.

STATE OF IDAHO)
) ss.
County of Ada)

On this 26th day of June, in the year 2002, before me, a Notary Public in and for the State of Idaho, personally appeared Gene Stunz and Rosemary Henigson, of Southwest, Inc., known or identified to me to be the president and secretary of the corporation that executed the instrument or the person or persons who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Tina L. Smith
Notary Public for Idaho
Residing at: Boise
My commission expires: 7-25-05

EXHIBIT A

Legal Description of Real Property to Which the Water Rights Are Appurtenant

Water Right No. 02-02341: All of Section 16, Township 1 South, Range 1 West, B.M., Ada County, on 626 acres.

Water Right No. 02-02358: NW¼ and N½SW¼ of Section 26; N½ and NE¼SE¼ of Section 27; and NE¼ of Section 28, all in Township 1 South, Range 1 West, B.M., Ada County, on 725 acres.

Water Right No. 02-02420: NE¼ and N½SE¼ in Section 26; and N½ and SE¼ of Section 36, all in Township 1 South, Range 1 West, B.M., Ada County, on 704 acres.

19
WILCO M

ADA COUNTY RECORDER
J. DAVID NAVARRO
BOISE, IDAHO

RECORDED - REQUEST OF

FEE

9- [Signature]
DEPOSIT

2002 JUN 26 PM 12:07

102071817

FIRST AMERICAN

When recorded return to:

GIVENS PURSLEY LLP
277 North Sixth Street, Suite 200
P.O. Box 2720
Boise, Idaho 83701-2720
Attn: Deborah E. Nelson

Attachment H

WATER RIGHT GENERAL WARRANTY DEED AND ASSIGNMENT

FOR VALUE RECEIVED, Duane Pancheri and Laura Pancheri, husband and wife, whose address is 19010 South Canada Road, Melba, Idaho 83614 ("Grantors"), do hereby grant, bargain, sell, convey, and assign unto United Water Idaho Inc., an Idaho corporation whose address is 8248 Victory Road, Boise, Idaho 83709 ("Grantee"), all of Grantors' right, title and interest in and to the water right represented by Water Right License Number 02-02358 and Snake River Basin Adjudication ("SRBA") Claim Number A02-02358 (the "Water Right"), and also assigns such license and SRBA claim to Grantee. The Water Right heretofore has been diverted and beneficially used by Grantors and is appurtenant to real property located in Ada County, Idaho, more particularly described on Exhibit A attached hereto.

TO HAVE AND TO HOLD the Water Right unto the Grantee, its successors and assigns, forever.

The Idaho Department of Water Resources shall be entitled to enter the change in ownership of the Water Right effected hereby upon its records and those of the Snake River Basin Adjudication, Fifth Judicial District, in the State of Idaho, in and for the County of Twin Falls, Case No. 39576.

IN WITNESS WHEREOF, the Grantors have caused the Grantors' names to be subscribed to the within instrument effective the 26th day of June, 2002.

GRANTORS: DUANE PANCHERI

[Signature of Duane Pancheri]

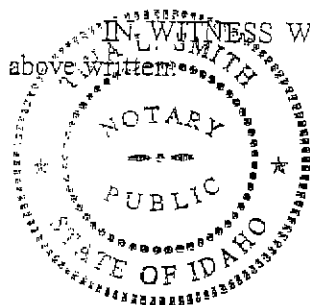
LAURA PANCHERI

[Signature of Laura Pancheri]

STATE OF IDAHO)
) ss.:
County of Ada)

On this 20th day of June, 2002, before me, a Notary Public of the State of Idaho, appeared Duane Pancheri, known or identified to me to be the person who executed the foregoing instrument and acknowledged to me that they executed same.

IN WITNESS WHEREOF I have hereunto set my hand and seal as of the date and year first above written.

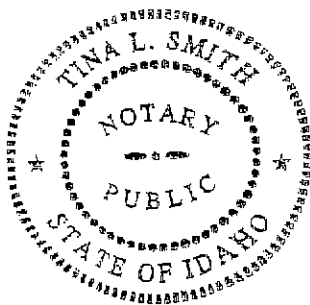


Tina L. Smith
Notary Public of the State of Idaho
Residing at: BOLE
My Commission Expires: 7-25-05

STATE OF IDAHO)
) ss.:
County of Ada)

On this 20th day of June, 2002, before me, a Notary Public of the State of Idaho, appeared Laura Pancheri, known or identified to me to be the person who executed the foregoing instrument and acknowledged to me that they executed same.

IN WITNESS WHEREOF I have hereunto set my hand and seal as of the date and year first above written.



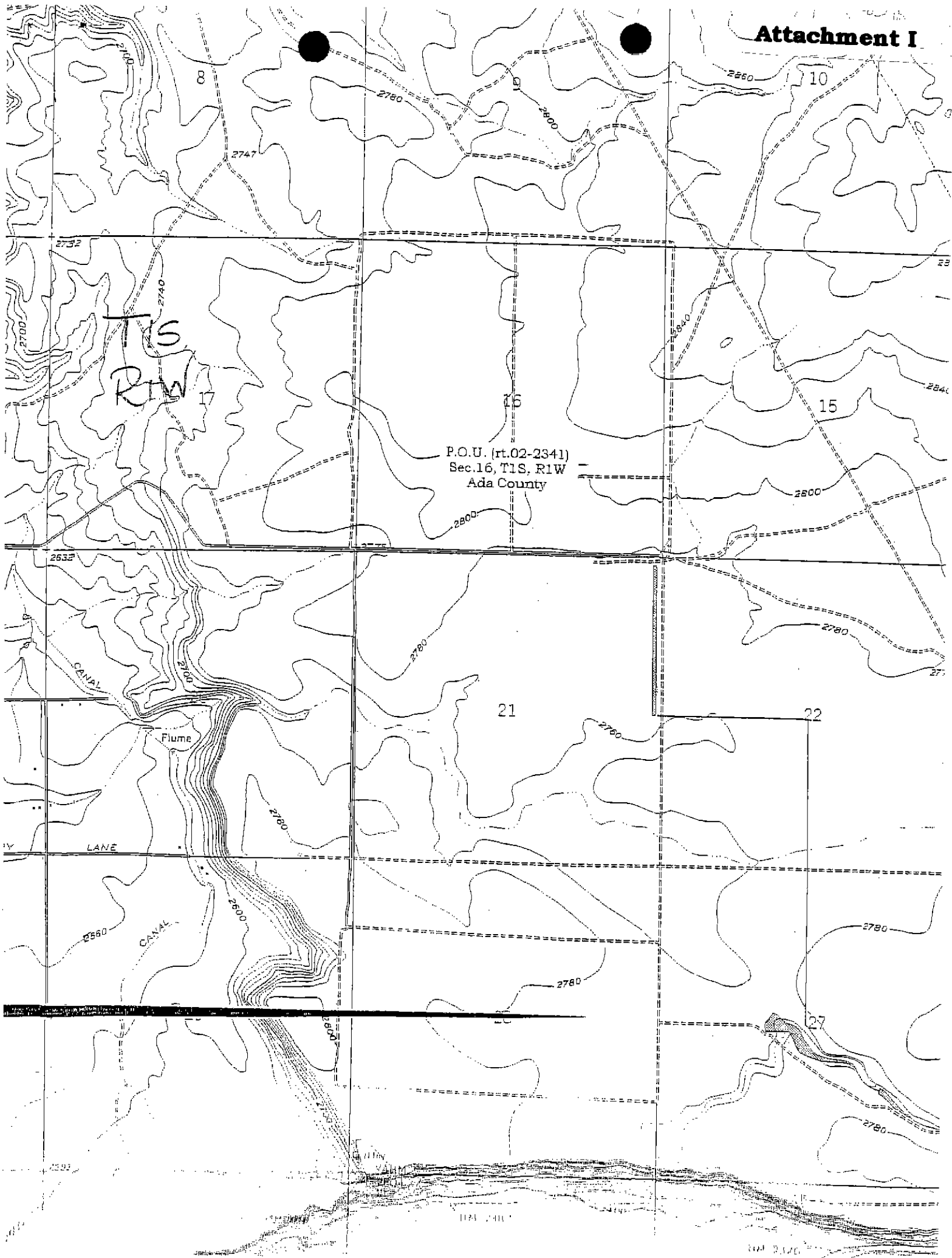
Tina L. Smith
Notary Public of the State of Idaho
Residing at: BOLE
My Commission Expires: 7-25-05

EXHIBIT A

Legal Description of Real Property to Which the Water Right Is Appurtenant

Water Right No. 02-02358: NW¼ and N¼SW¼ of Section 26; N½ and NE¼SE¼ of Section 27; and NE¼ of Section 28, all in Township 1 South, Range 1 West, B.M., Ada County, on 725 acres.

Attachment I



P.O.U. (rt.02-2341)
Sec.16, T1S, R1W
Ada County

T1S
R1W

Flume

LANE

CANAL

2560

2600

2700

21

22

27

2780

2780

2760

2760

2760

2800

2800

15

16

10

2560

2600

2780

2747

2732

2740

2700

2840

2840

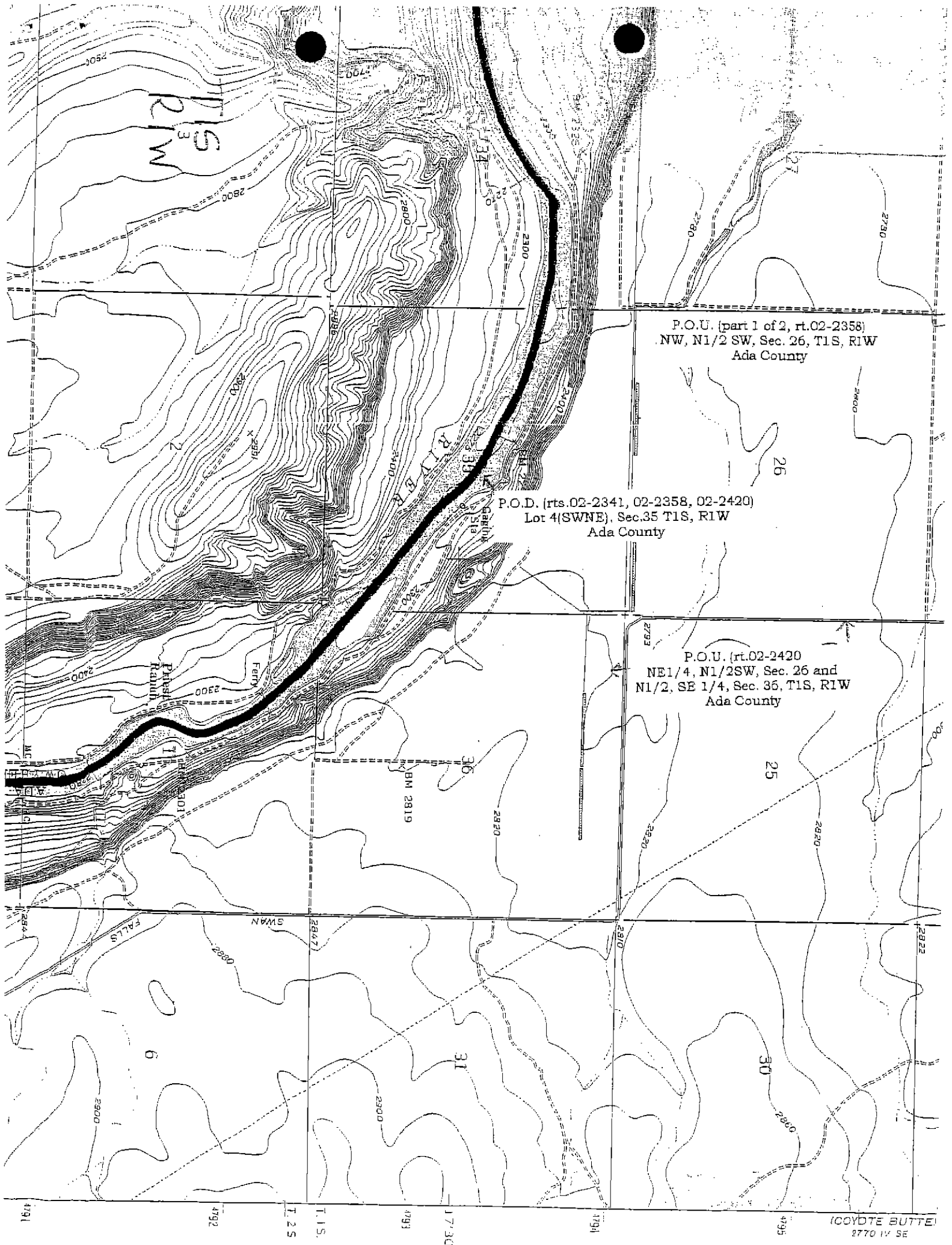
28

IV

2080

100' 200'

100' 200'



P.O.U. (part 1 of 2, rt.02-2358)
NW, N1/2 SW, Sec. 26, T1S, R1W
Ada County

P.O.D. (rts.02-2341, 02-2358, 02-2420)
Lot 4(SWNE), Sec.35 T1S, R1W
Ada County

P.O.U. (rt.02-2420
NE1/4, N1/2SW, Sec. 26 and
N1/2, SE 1/4, Sec. 35, T1S, R1W
Ada County

COYOTE BUTTE
2770 IV SE

163

T. 1 S.
R. 2 E.

17'30"

4793

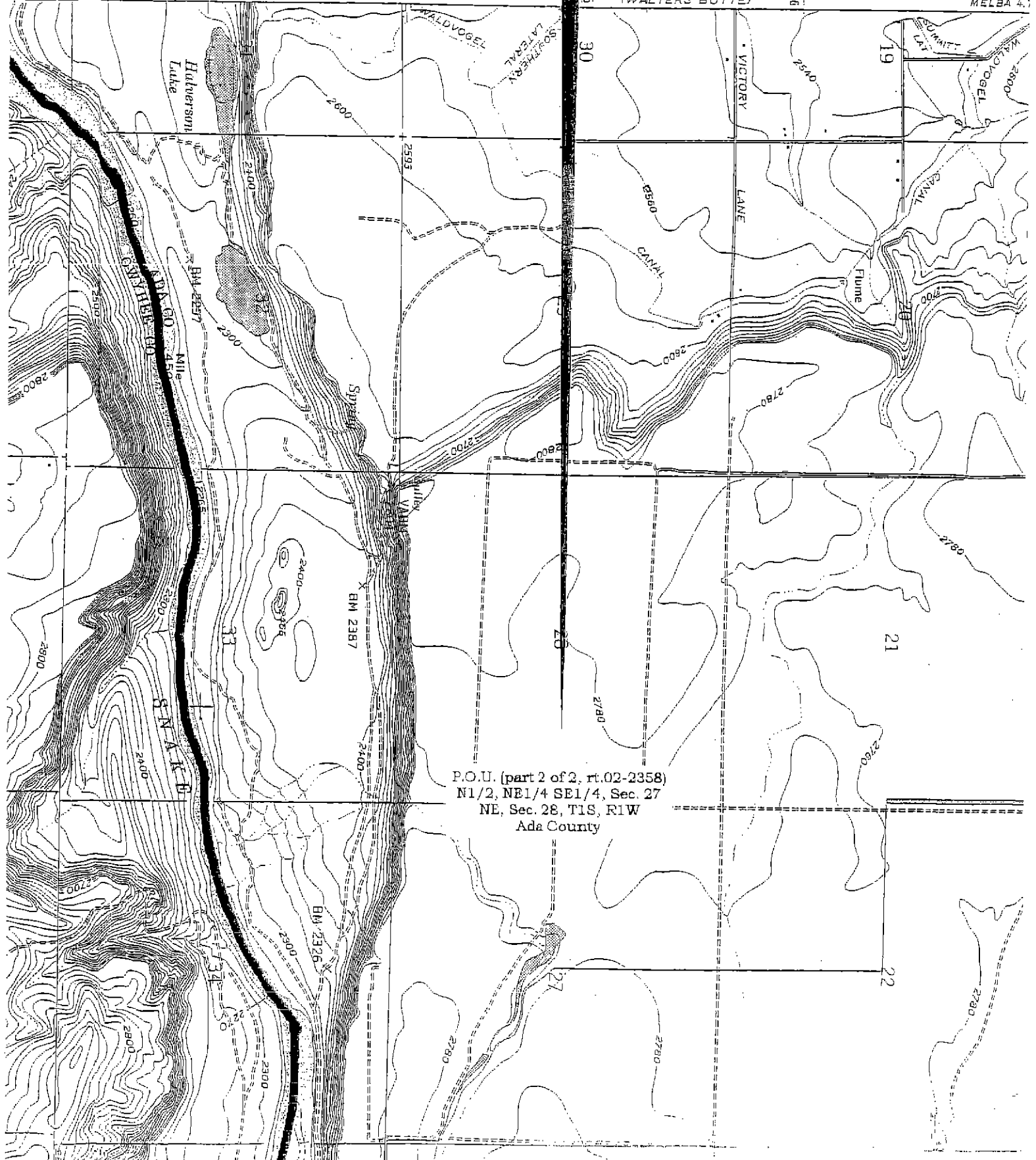
4794

4795

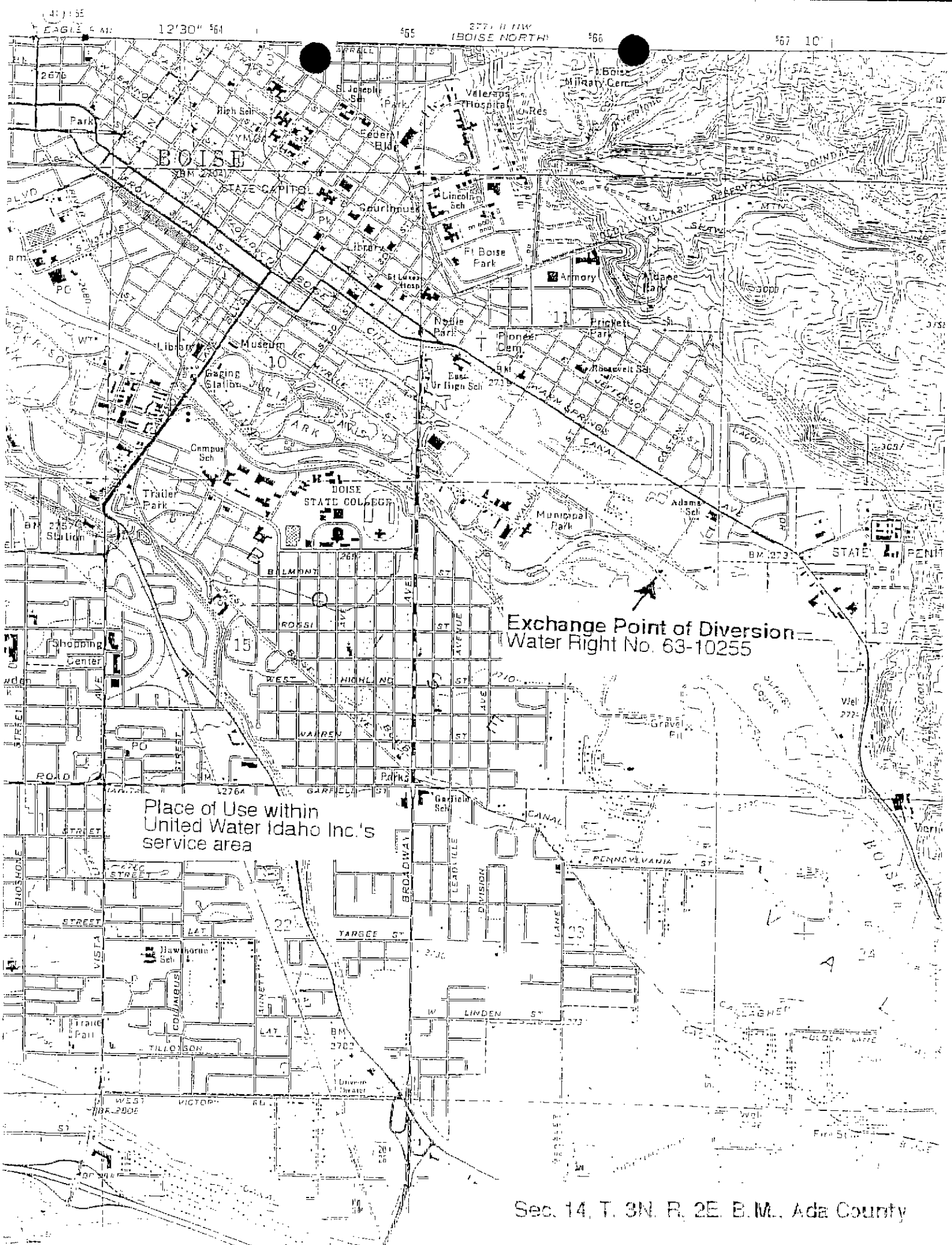
4796

2670 1 SE
(WALTERS BUTTE)

NAMPA 20
MELBA 4.1



P.O.U. (part 2 of 2, rt. 02-2358)
N1/2, NE1/4 SE1/4, Sec. 27
NE, Sec. 28, T1S, R1W
Ada County



12'30" 561

277.11 NW
BOISE NORTH

567 10'

BOISE

STATE CAPITOL

DOISE STATE COLLEGE

Exchange Point of Diversion
Water Right No. 63-10255

Place of Use within
United Water Idaho Inc.'s
service area

Sec. 14, T. 3N. R. 2E. B.M. Ada County

