



State of Idaho
DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082 - (208) 334-2190
FAX (208) 334-2348

November 3, 1998

PHILIP E. BATT
GOVERNOR

KARL J. DREHER
DIRECTOR

H ROBERT PRICE
CAPITOL WATER CORP
2626 ELDORADO
BOISE ID 83704

Re: Application for Transfer No. 5180

Dear Mr. Price:

After a meeting with you and others on May 15, 1998, I wrote you a letter that set forth the terms of an agreement to determine the capacity of Capitol Water Corporation's system. A measurement of the capacity is necessary for limiting the diversion of water under Capitol Water Corporation's water right. I have inquired of Ed Squires several times about whether that test was complete. He represents to me that it was not done during the summer of 1998.

The Idaho Department of Water Resources (IDWR) issued you a drilling permit prior to approval of the application for transfer because you felt some urgency about completing the well. If you have diverted any water from the new point of diversion without approval of the application for transfer, the diversion is in violation of Idaho law. Please be advised that until the capacity of Capitol Water Corporation's system is measured, and the application for transfer is approved, you should not divert water from the new point of diversion.

Respectfully,

Gary Spackman

GS:st

CC: Ed Squires, United Water