

Department of Water Resources

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April 28, 2004

Kent W. Foster, Esq.
Holden Kidwell Hahn & Crapo PLLC
1000 Riverwalk Drive, Suite 200
P.O. Box 50130
Idaho Falls, ID 83405-0130

Re: Sagewillow Stipulation
Our File No. 3314-10

Dear Kent:

In confirmation of our discussion this afternoon, I understand that you have signed the Stipulation on behalf of Sagewillow and forwarded it, together with Sagewillow's irrigation plan to the Department of Water Resources for its review and action. You intend to supplement the irrigation plan with a chart prepared by Chuck Brockway showing acres irrigated under the various water rights.

Also, with respect to Sagewillow's agreement to pay \$100,000 to the Canal Company and Mays as part of the settlement, assuming the Department approves the Stipulation as written, submits its recommendations to the Special Master consistent with the recommendation and Special Master Bilyeau then recommends partial decrees consistent with the IDWR recommendations, Sagewillow will be obligated for the \$100,000 without adjustments. As I mentioned, my clients would like to receive this payment at the earliest possible time—preferably when the Special Master recommends the partial decrees to the presiding judge, but no later than immediately after the partial decrees have been issued.

Once the Department issues its Proposed Order, we will arrange a status conference with the Special Master to update her and determine how soon her recommendations can be ready to go to the Presiding Judge. Our goal is to complete this process before the scheduled June 16, 2004 status conference.

Kent W. Foster, Esq.
April 28, 2004
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Thank you for your cooperation in moving this along.

Sincerely,



Michael C. Creamer

cc: Candace McHugh
James Mays
Bill Stauffer

MCC:kdt S:\CLIENTS\3314\10\MCC Ltr to Kent Foster re Stipulation Filing & Follow Up.DOC