KONNETH R. ARMENT, A.

A Professional Corporation

IDAHO BUILDING

Edson Law Offices 280 North 8th Street, Suite 132 Post Office Box 448 Boise, Idaho 83701-0448

Telephone 208 345-8700 Facsimile 208 389-9449



RECEIVED

JUL 2 2 1994

WATER RESOURCES WESTERN REGION

July 21, 1994

John W. Homan
Deputy Attorney General
Idaho Department of Water Resources
P.O. Box 83720
Boise, Idaho 83720-0098

Re: Stewart Gulch Water District No. 63-S

Dear John:

This letter is to advise the Idaho Department of Water Resources (Department) that Quail Hollow Golf Club reserves the rights to seek damages against the responsible parties for the improper curtailment of ground water diversions at Quail Hollow Golf Club. The record compiled in Ada County District Court Case No. 97293 clearly establishes there are outstanding issues of forfeiture, substantial enlargement and changes in use of the water rights now claimed by Flora, Inc. Flora's predecessors did not comply with the Silkey v. Tiegs decree with regard to measuring devices, limit of the beneficial use of water, the mandatory ground water appropriation and license procedure, and mandatory transfer laws.

As you know, Quail Hollow Golf Club has focused its resources on finding an alternative cold water source. Our request to access the Boise Canal has been denied for this year. Flora has not responded to our overtures to alleviate their water supply difficulties, allegedly due to their concern with regard to adverse impacts which Terteling may raise at some point in the future. Last year we obtained a temporary hook-up from the Boise Water Corporation in order to mitigate our damages and keep the golf club functioning.

This year, we have been advised that a permanent hook-up is required. We are making that hook-up at this time to avoid substantial increases which have gone into effect this week. Initial cost to us to obtain this alternative source is estimated at approximately \$25,000 plus Boise Water Corporation's fee for consumption of water (delay beyond this week would have resulted in costs of approximately \$80,000). Estimated time of completion for permanent hook-up is six weeks. We have initiated that hook-up procedure.

copied to

DET ___

JH __

(3.5

John W. Homan July 21, 1994 Page 2

Quail Hollow Golf Club is prepared to assert its rights beyond the pending appeal to an action for damages on in conjunction for writ of mandamus before the SRBA District Court in the event there is a call for water by Flora and a distribution is handled as it was last year (out of priority). Thank you for your attention to this matter. If you have any comments or questions, do not hesitate to contact me.

Very truly yours,

GERY W. EDSON, P.A.

Kenneth R. Arment

KRA:cgj

cc: Dave Hendrickson

Steve Lester