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LAW GROUP  
BORTON

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August 6, 2008

Steve Lester  
Idaho Department of Water Resources  
Western Region  
2735 Airport Way  
Boise, ID 83705-5082

RECEIVED  
AUG 11 2008  
WATER RESOURCES  
WESTERN REGION

Re: Orchard Ranch LLC Permit Application #63-32703 and Transfer #73834  
Kuna Cole 880 ("Vista") Permit Application #63-32680

Dear Steve:

I received your voice mail message on August 5, 2008 regarding the status of the above-referenced applications.

You indicated that you are expecting help after Labor Day and that processing of applications could start in September or October. Since there are still two other applicants waiting in line in front of the Orchard Ranch and Vista projects, you further indicated that it would be at least October before processing of our clients' applications.

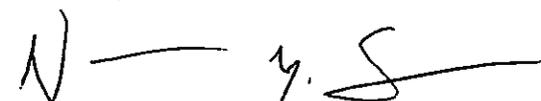
While I appreciate you responding to my telephone inquiry, to say that I was disappointed with the substance of your response would be putting it mildly.

In December of last year, I received a letter from John Westra stating: "it is estimated the above applications would come up for processing in March 2008." Having heard nothing between December and March, I sent a follow-up inquiry to John Westra on April 21, 2008. While I received a telephone response, the fact is that the summer months have nearly come and gone and still nothing has been processed.

Our clients have significant resources invested in these projects already. Representations have been made based upon communicated timelines that have not come close to being upheld by IDWR. Please explain what has occurred that has caused IDWR to diverge so wildly from the previous time estimates that were provided for processing of these applications.

We would appreciate your efforts to get this process on a more reasonable – and dependable – timeframe. If there is anything we can do to assist in making this possible, please let me know. Thank you for your attention to this matter.

Sincerely,



Norman M. Semanko

cc: Roxanne Brown, SPF Water Engineering, LLC  
Clients

NMS/kdt

SEVERAL telephone conversations with N.M.S. re this  
(messages only) -SL 10/16/08