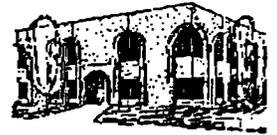


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Ron Kerl  
Steven V. Richert  
James A. Spinner  
Kay M. Christensen

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WATER RESOURCES  
WESTERN REGION

June 22, 1998

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JUL 21 1998

Randy C. Budge, Esquire  
P.O. Box 1391  
Pocatello, ID 83204-1391

Gary Spackman  
Idaho Department of Water Resources  
2735 Airport Way  
Boise, ID 83705-5082

Department of Water Resources

Harold Jones  
Idaho Department of Water Resources  
150 Shoup Ave, Ste 15  
Idaho Falls, ID 83402

Re: In the Matter of Petition of McCammon Ditch Company

Gentleman:

I have spoken to each of you on the phone recently regarding efforts to move the issue forward in the McCammon Ditch Company Petition for administration of water within Water District 29. This letter is to summarize those conversations and the proposal, of which either I or Kay Christensen have spoken to you about.

McCammon Ditch Company is agreeable to reserving issues regarding the substantive water rights issues, such as the shrink issue with Portneuf Marsh Valley Canal Company, and others until the Snake River Adjudication reaches the area and the whole system is reviewed. The Company specifically would reserve those issues until that time and not waive any claims or objections.

The other major issue raised in the Petition was measurement and control of diversions from the river. In speaking with Randy Budge and the Department of Water Resources it makes sense to try to pin down measurement and control issues prior to the adjudication, which would hopefully facilitate resolution of a number of issues, and make other issues easier to resolve. McCammon Ditch Company has several concerns regarding diversions along the Portneuf River as well as inflows into the Chesterfield Reservoir. They propose a tour of the river with representatives from the Portneuf River Advisory Committee, the Watermaster, a representative or representatives from the Idaho Department of Water Resources, and parties to the Petition, to review the various diversion structures along the river as well as inflows and measurement devices into and out of the Chesterfield Reservoir. They propose the tour take place some time in the latter part of July or sometime in August and I request available dates from your offices for those individual who would participate in the tour, as well as a representative from the Department of Water Resources. McCammon Ditch Company would then make arrangements on a consistent date with all parties, the Watermaster and the Portneuf River

June 22, 1998

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Advisory Committee, to coordinate the river tour. The river tour would be for informational gathering purposes only and would hopefully resolve a number of questions regarding measurement and control issues.

McCammon Ditch Company did also want to reserve a continued hearing date to resolve any measurement and control issues that are identified and can not be resolved either from the river tour or through communications thereafter, prior to the hearing. In speaking with Gary Spackman, he proposes two days in October, the 20th and 21st for the continued hearing date on the measurement and control issue, if necessary. I believe those dates will fit in nicely with the timing of the river tour and perhaps some informational exchange following the tour to narrow down any remaining issues. If Randy or Harold have a problem with those dates, please let me know and I can get back with Gary Spackman on alternative dates.

I appreciate the Department's and Randy Budge's clients consideration with the proposal and handling in this manner. I believe everybody will be benefitted by a tour of the river and a discussion on measurement and control of diversions, not only in regard to McCammon Ditch Company Petition, but as a precursor to the Snake River Adjudication.

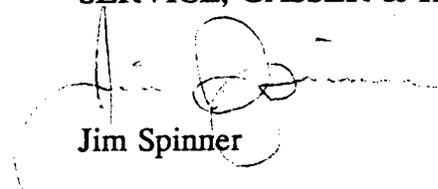
I have attached hereto a list of some of the issues that McCammon Ditch Company would be reviewing on the river tour to give you an idea of some of the questions they have brought to my attention. Hopefully that will give you an idea of what McCammon Ditch Company hopes to review as part of the river tour.

I would appreciate it if you would get back with me with your available dates in late July and August for the river tour so that we can coordinate that with the Portneuf River Advisory Committee and the Watermaster.

If you have any questions on any of these matters, please don't hesitate to contact me. Best regards.

Very truly yours,

SERVICE, GASSER & KERL



Jim Spinner

JS/kr

Enc.

cc: Byron Allen and Howard Hall  
04-12-05.173

## QUESTIONS TO BE REVIEWED ON RIVER TOUR

1. Survey of Chesterfield Reservoir. Is this completed or not?
2. If survey of Chesterfield Reservoir is not done or going to be completed in the near future then there must be a discussion on getting a measurement inflow and outflow recording of the reservoir.
3. Establish with the Rivermaster a way of measuring water from Toponce Creek.
4. On intermingled waters below Chesterfield and upper Portneuf River, review how measured and diversions.
5. On King Creek, review alteration of the natural flow to the Portneuf.
6. Review Topaz Canal or Lava Canal and Fish Creek water intermingling. How is the water in Fish Creek measured and provided?
7. Dempsey, Topaz Canal. How is water coming from Topaz Canal being measured into Dempsey Creek.
8. Portneuf - Marsh Valley, Portneuf Irrigating (Downey Canal) review auto-recorder as mentioned in Decree so as to qualify and quantify water being diverted.
9. Review whether or not Portneuf Irrigation diversion (Downey Canal) should be controlled by a Rivermaster or not.
10. Review other diversions and users on the river to try to better understand how waters are measured and distributed.

WATER DISTRICT #34  
PO BOX 53  
MACKAY, IDAHO 83251

DECREES 1997

DATE	DECREE
5/01/97	All Rights On
6/01/97	All Rights On
7/01/97	All Rights On
7/24/97	6/01/1902
8/01/97	5/10/1897
9/01/97	3/13/1887
10/1/97	5/10/1897
10/15/97	10/02/1905