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North Side Canal Company, and Twin Falls
Canal Company*

**BEFORE THE DEPARTMENT OF WATER RESOURCES
OF THE STATE OF IDAHO**

IN THE MATTER OF DISTRIBUTION OF)
WATER TO VARIOUS WATER RIGHTS)
HELD BY OR FOR THE BENEFIT OF)
A&B IRRIGATION DISTRICT,)
AMERICAN FALLS RESERVOIR)
DISTRICT #2, BURLEY IRRIGATION)
DISTRICT, MILNER IRRIGATION)
DISTRICT, MINIDOKA IRRIGATION)
DISTRICT, NORTH SIDE CANAL)
COMPANY, AND TWIN FALLS)
CANAL COMPANY)
_____)

Docket No. CM-DC-2010-001

AFFIDAVIT OF BRIAN OLMSTEAD

STATE OF IDAHO)
)ss.
County of Twin Falls)

I, BRIAN OLMSTEAD, being first duly sworn upon oath, depose and say:

1. I am over the age of 18 and make this affidavit based upon my personal knowledge.

2. I am the manager of the Twin Falls Canal Company (TFCC).

3. The Director predicted an in-season material injury to TFCC in the amount of 14,200 acre-feet in his April 17, 2013 *Final Order Regarding April 2013 Forecast Supply (Methodology Steps 1-4)*. TFCC and the other members of the Surface Water Coalition disagreed with the Director's assessment of injury for the 2013 irrigation season and requested reconsideration of the order. TFCC further requested the Director to consider updated hydrologic information for purposes of assessing the 2013 water supply conditions. TFCC specifically requested the Director to consider updated modeling provided by TFCC for purposes of predicting available natural flow below Blackfoot during the irrigation season. Based upon my experience and knowledge of the Upper Snake water supply conditions, the predicted unregulated flow of the Snake River at Heise for the period of April – July is not a reliable or accurate indicator of expected natural flow below Blackfoot, particularly after any runoff period.

4. It was my understanding at that time, based upon representations and filings by IGWA, that IGWA had obtained and would assign 14,200 acre-feet to TFCC for use during the irrigation season. I relied upon this representation and the Director's order for purposes of my recommendations to the TFCC Board and the company's water management decisions for the 2013 irrigation season.

5. TFCC's water management goal is always to provide adequate water to the company's shareholders to grow an optimum crop with the available water. However, we also manage conservatively whenever possible to protect carryover storage for the following year. Since TFCC holds some of the hardest storage space to fill in the upper half of Jackson Lake, carryover is vitally important to protect against future dry years.

6. At the date of final storage allocation in June, TFCC received a full storage allocation for its water rights in Jackson and American Falls Reservoirs, minus evaporation and storage assigned for the Minidoka Return Flow credit, decreed by the SRBA Court. The net storage allocation was 239,545.6 according to Water District 01's preliminary allocation dated June 10, 2013.

7. Natural flow in the Snake River deteriorated very quickly in 2013. There was no large runoff past Blackfoot and it was obvious to me in the spring and early summer that the available water supply would be less than what the Director predicted in his order. With this in mind TFCC began discussions with IGWA to ensure the full 14,200 acre-feet, if not more, would be provided in a timely manner during the irrigation season.

8. On about June 15th, natural flow in the Snake River began to recede rapidly, and TFCC began drawing heavily on storage. On June 17th, after consultation with the Board of Directors, TFCC cut water deliveries from 3/4" to 5/8" per share, even though our shareholders demand the full 3/4" for irrigation beneficial use. We were really hoping to hold 3/4" deliveries pursuant to our water rights for another couple weeks for farmers to get through the peak demand period in early July, but we simply couldn't wait any longer without risking severe shortages in late August as had happened in 2001 and 2004. As of July 1st, TFCC had diverted and used approximately 64,000 acre-feet of storage and our natural flow was near record low at 1,000 to 1,200 cfs. Continuing this rate of storage use we would have run out of storage by mid-August thus causing extreme duress to the shareholders. Accordingly, the Board and I began to discuss cutting deliveries to 1/2" per share which results in very expensive repackaging of pivot systems, and even further deficit irrigation of all crops from that point forward.

9. Somewhat inexplicably from about July 5th until the end of July, natural flow rebounded into the 2,000 cfs range and we began to think our supply would hold out without having a disastrous cut in deliveries to 1/2" per share. Also on July 16th, the Water District Report showed that 10,450 acre-feet was assigned by IGWA to the TFCC storage account. We finished July with 114,000 acre-feet of storage remaining. This amount was not sufficient for planning the rest of the irrigation season, but appeared to be an amount we could stretch to late September when our natural flow usually rebounds and keeps up with demand at that time.

10. Again inexplicably on about August 5th, natural flow gains crashed from the 2,000 cfs range to the 1,200 cfs range and with record heat across the project our shareholder irrigation demand was still extremely high. At that point we had 100,000 acre-feet of storage remaining (including the 10,450 from IGWA) so we were expecting to completely run out of storage by August 28th. I again called the Board in to assess the water supply conditions and recommended a cut to 1/2". The company made preparations for such a reduction at that time. Without the 10,450 from IGWA in our storage account that cut would have been made and we would certainly have caused severe crop damage as temperatures were still near 100 degrees every day. Fortunately, on about August 13th, just when we had issued the 1/2" order to the ditchriders, the natural flow rebounded back towards the 2,000 cfs range, and we cancelled the cut.

11. Since about August 16th natural flows have appeared more reliable, and our crop demand has been slowly coming down so that I am now confident we will make it through the remainder of the season at 5/8" deliveries. However, due to the lack of available storage TFCC cannot deliver 3/4" even though we have shareholder demand for that quantity.

12. Without the 10,450 acre-feet storage assignment from IGWA, the month of August would have been a disaster for TFCC management and stockholders. We relied upon the


10,450 acre-feet as it was the first storage used for the year, and were expecting 14,200 acre-feet all along. We planned for the full assignment of 14,200 acre-feet and I was assured by Lynn Tominaga (executive director for IGWA) that it would be assigned to TFCC. The full assignment has yet to occur as promised.

13. If weather and demand conditions remain anywhere near previous dry year patterns and we continue with very conservative operations I am estimating that TFCC will finish the irrigation season with between 0 and 15,000 acre-feet of storage for carryover based upon preliminary accounting. TFCC's management decisions and water deliveries this year have been altered due to reduced water supply conditions, unreliable reach gains, and the lack of mitigation water provided by junior ground water users. Shareholders have also been denied water they have requested pursuant to TFCC's senior water rights.

14. The Director apparently revised our predicted material injury for the 2013 irrigation season from 14,200 acre-feet to 51,200 acre-feet. Although the methodology used by the Director is contested, had the 51,200 acre-feet been provided to TFCC during the irrigation we would have been able to deliver additional water to our shareholders for irrigation use. Many shareholders reminded the Board and me that they needed more water throughout the irrigation season. Instead of cutting deliveries to 5/8" we would have been able to deliver our full water right through the season to meet irrigation demands.

15. I certify under penalty of perjury pursuant to the law of the State of Idaho that the foregoing is true and correct.

DATED this ____ day of September, 2013.



Brian Olmstead Manager (TFCC)

CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of September, 2013, I served a true and correct copy of the foregoing *Affidavit of Brian Olmstead* on the following by the method indicated:

<p>Director Gary Spackman c/o Deborah Gibson State of Idaho Dept. of Water Resources 322 E Front St Boise ID 83720-0098 *** service by electronic mail</p> <p>facsimile – 208-287-6700 gary.spackman@idwr.idaho.gov deborah.gibson@idwr.idaho.gov</p>	<p>Matt Howard U.S. Bureau of Reclamation 1150 N. Curtis Rd. Boise ID 83706-1234</p> <p>*** service by electronic mail only</p> <p>mhoward@pn.usbr.gov emcgarry@pn.usbr.gov</p>	<p>IDWR – Eastern Region 900 N. Skyline Dr., Suite A Idaho Falls, ID 83402-1718</p> <p>*** service by electronic mail only lyle.swank@idwr.idaho.gov</p>
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 Travis L. Thompson