

**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 ) Docket No. CM-DC-2010-001  
THE BENEFIT OF A&B IRRIGATION DISTRICT, )  
AMERICAN FALLS RESERVOIR DISTRICT #2, ) **ORDER DENYING PETITION**  
BURLEY IRRIGATION DISTRICT, MILNER ) **FOR RECONSIDERATION**  
IRRIGATION DISTRICT, MINIDOKA IRRIGATION )  
DISTRICT, NORTH SIDE CANAL COMPANY, )  
AND TWIN FALLS CANAL COMPANY )  
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**INTRODUCTION**

On November 26, 2012, the Director (“Director”) of the Idaho Department of Water Resources (“Department”) issued a *Final Order Establishing 2012 Reasonable Carryover (Methodology Step 9)* (“*Final Order*”). The *Final Order* concluded that American Falls Reservoir District #2 (“AFRD2”) would have a carryover shortfall in 2012. Junior ground water users were ordered to inform the Director, within 14 days, of their intention to provide the carryover shortfall or ask for implementation of Methodology Step 10. *Final Order* at 5.<sup>1</sup>

On December 10, 2012, the Department received a *Petition for Reconsideration of Final Order Establishing 2012 Reasonable Carryover (Methodology Step 9)* (“*Petition*”) from AFRD2. In the *Petition*, AFRD2 alleges that the Director incorrectly calculated the reasonable carryover shortfall for AFRD2. *Petition* at 2-3. AFRD2 alleges that the error is linked to the way the watermaster for Water District 01 accounts for storage under water right no. 1-6. *Id.*

The Director denies AFRD2’s *Petition* because water right no. 1-6 is not a storage water right as is suggested by AFRD2 and the watermaster for Water District 01 correctly accounted for water right no. 1-6 in the 2012 season.

**ANALYSIS**

Water right no. 1-6 was decreed in the Snake River Basin Adjudication (“SRBA”) for 1,700 c.f.s. with a priority date of March 30, 1921, in the name of the United States Bureau of Reclamation. *Partial Decree Pursuant to I.R.C.P. 54(b) For Water Right 01-00006* (May 1,

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<sup>1</sup> On December 10, 2012, AFRD2 and junior ground water users jointly filed a *Stipulated Notice of Secured Water in Compliance with Final Order Establishing 2012 Reasonable Carryover*, the adequacy of which is addressed in a separate order.

2012) (“Partial Decree”).<sup>2</sup> The decreed purpose of use is irrigation. *Id.* The authorized point of diversion is the Milner-Gooding Canal, which conveys water from the Snake River just above Milner Dam to AFRD2. *Id.* The authorized place of use is within the boundary of AFRD2. *Id.*

In its *Petition*, AFRD2 alleges that water right no. 1-6 “authorizes the diversion of 1,700 c.f.s from the Snake River for irrigation *and storage*.”<sup>3</sup> *Petition* at 2 (emphasis added). AFRD2 claims that the watermaster for Water District 01 incorrectly accounted for water right no. 1-6 in 2012 by failing to account for a storage component in water right no. 1-6. There are two problems with AFRD2’s allegations.

### **1. The Only Authorized Purpose of Use for Water Right No. 1-6 is Irrigation.**

First, AFRD2 is incorrect in its assertion that water right no. 1-6 authorizes the use of water for both irrigation and storage. Water right no. 1-6 only authorizes use of the water for irrigation. This is evidenced by a review of the water right elements. First, the only authorized purpose of use decreed for this water right is irrigation. Storage does not appear under the decreed purpose of use for this right. Next, the point of diversion for water right no. 1-6 is the Milner-Gooding Canal. AFRD2 does not have a reservoir to store water at this point of diversion. Furthermore, the quantity element for this water right is described in cubic feet per second (“c.f.s.”), the units associated with irrigation water rights. The water right does not use the standard units of storage, which are acre-feet per year. In sum, the decreed elements of 1-6 are consistent with the elements of a water right for irrigation purposes, not of a water right for storage purposes. *See Idaho Power Co. v. State, By and Through Dept. of Water Resources*, 104 Idaho 575, 581, 661 P.2d 741, 747 (1983) (“Following construction of Idaho Power’s three Hells Canyon dams, state water licenses were issued. Seven of those licenses appear in the record here. One is a storage right measured in acre-feet, and the six others are flow rights measured in cubic feet per second (cfs).”).

AFRD2 looks past these issues and, in support of its assertion, points to a condition under the quantity element. The condition provides as follows:

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<sup>2</sup> The partial decree includes a *Pioneer* ownership remark. *See United States v. Pioneer Irr. Dist.*, 144 Idaho 106, 115, 157 P.3d 600, 609 (2007).

<sup>3</sup> AFRD2 also argues that the partial decree authorizes diversions of water under water right no. 1-6 for “either natural flow or storage” *Petition* at 2. This contention fails because “natural flow” is not a purpose of use under Idaho water law, and is not recognized as a purpose of use in the partial decree for water right no. 1-6. In making this argument, AFRD2 incorrectly mixes separate water concepts. “Natural flow” is unappropriated water available to be distributed by a watermaster to in-priority water rights. “Storage” is water released from a reservoir and distributed to users pursuant to their contractual entitlements. While “storage” can also refer to a purpose of use under a water right, “natural flow” does not. All water rights divert natural flow for the authorized purposes of use. The natural flow is distributed by priority date. If a water right with an irrigation purpose of use is in priority, the available natural flow goes to the irrigation water right. If a water right with a storage purpose of use is in priority, the available natural flow goes to the storage water right. AFRD2’s argument that water right no. 1-6 is both a storage water right and a natural flow water right ignore this legal distinction and conflates water rights that authorize diversions of natural flow and contractual rights that authorize diversions of stored water released from an upstream reservoir.

The right to divert as natural flow during each irrigation season under this water right, having a March 30, 1921, priority, as follows: From May 1 of each irrigation season continuing during that season so long as there is natural flow available for that priority, the first 1,700 cubic feet per second of flow to be available one-half (1/2) to American Falls Reservoir District No. 2 and one-half (1/2) to American Falls Reservoir, except that in any year in which American Falls Reservoir is full to capacity on April 30 or fills after that date, taking into account any water that may be temporarily stored to its credit in upstream reservoirs, all water diverted by American Falls Reservoir District No. 2 within the maximum of 1,700 cubic feet per second during the year prior to the initial storage draft on American Falls Reservoir after the reservoir finally fills in that year shall be considered as natural flow under water right No. 1-6. Nothing herein shall prevent American Falls Reservoir District No. 2 from diverting water under said license prior to May 1 of a given irrigation season but all such diversions shall be charged as storage in the event the reservoir is not full on April 30 of that season or does not fill after April 30 of that season.

This condition was included in the Amended Director's Report for SRBA Subcase No. 01-0006 and decreed pursuant to stipulation. *Standard Form 5 – Stipulated Elements Of A Water Right, Subcase No. 01-6* (Mar. 13, 2012).

Contrary to AFRD2's assertion, this condition under the quantity element does not add a storage purpose of use to this water right. The *Petition* asserts that the plain language of the condition in the "Quantity" element of the partial decree authorizes the "diversion" or "accumulation" of water into storage in American Falls Reservoir in some circumstances. *Petition* at 2-3. While it may be hard to describe the language of the condition as "plain", AFRD2's interpretation actually conflicts with the language of the condition. The condition does not include the terms "accumulation" or "accumulate." The only "diversions" referenced in the condition are diversions by AFRD2. AFRD2 does not divert any Snake River water into storage at the authorized point of diversion. Rather, all diversions from the Snake River by AFRD2 are conveyed directly to its irrigation system via the Milner-Gooding Canal and are used for irrigation purposes. Thus, the "plain" language of the condition does not support a conclusion that water right no. 1-6 authorizes the "diversion" or "accumulation" of Snake River water into storage at American Falls Reservoir.

At its core, the condition restricts AFRD2's diversions under water right no. 1-6 by expressly limiting the timing and quantity of the diversions. The condition limits AFRD2's post-May 1 diversions of natural flow to one-half of "the first 1,700 cubic feet per second of flow" available under the March 30, 1921 priority. *Partial Decree*. The condition does not prohibit AFRD2 from diverting prior to May 1 or from diverting additional water, but provides that "all such diversions shall be charged as storage" rather than as natural flow under water right no. 1-6. *Partial Decree*.<sup>4</sup>

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<sup>4</sup> This aspect of the condition is consistent with standard administration in Water District No. 1 where diversions in excess of natural flow rights are routinely charged as storage use. AFRD2 has contracted with the United States Bureau of Reclamation ("Bureau") for storage in American Falls Reservoir. However, as is described in greater detail

The arguably “unique” aspect of the condition, *Petition* at 2, is the exception to the limits it otherwise imposes on AFRD2’s natural flow diversions under water right no. 1-6: if American Falls Reservoir fills, “taking into account any water that may be temporarily stored to its credit in upstream reservoirs,” AFRD2 is authorized to divert up to 1,700 c.f.s. as natural flow under water right no. 1-6. *Partial Decree*.

This exception also applies to AFRD2’s diversions prior to May 1, which are charged as storage use “in the event the reservoir is not full on April 30 of that season or does not fill after April 30 of that season.” *Id.* Thus, in years American Falls Reservoir does not fill until after May 1 (taking into account water that may be temporarily stored to its credit in upstream reservoirs), the condition may require that some or all of the storage use charges AFRD2 incurred earlier in the season under the preliminary accounting “shall be considered as natural flow.” *Partial Decree*. While the *Petition* asserts this provision constitutes “a unique administration process,” *Petition* at 2, it is only an accounting provision for determining whether AFRD2’s diversions are to be considered natural flow diversions under water right no. 1-6, or to be charged as storage use. It does not “authorize diversions of water under the right to . . . storage” at American Falls Reservoir. *Petition* at 2.

The authorization to divert water into storage at American Falls Reservoir is provided by water right no. 1-2064, which has the same priority date as water right no. 1-6: March 30, 1921.<sup>5</sup> Both water rights are held by the Bureau, and the fact that both have the same priority date but different uses and beneficiaries<sup>6</sup> explains the need for the condition in the “Quantity” element of water right no. 1-6. The two Bureau rights compete for the same water, and the condition provides the basis for allocating between them the natural flow available under their shared priority of March 30, 1921. Other than the natural flow AFRD2 may divert under water right no. 1-6, all natural flow under priority of March 30, 1921 is available for diversion into American Falls Reservoir under water right no. 1-2064, which is not limited by a diversion rate but rather by an annual volume.<sup>7</sup>

## **2. The Historical Record Establishes That The Intent Behind The Quantity Condition Was To Provide The Watermaster Guidance On How To Deliver Water Between Two Water Rights With The Same Priority Date.**

The condition under the quantity element has an extensive history.<sup>8</sup> The condition comes from, with minor changes, a portion of the “Eagle Decree.” “Supplemental Decree,” *Burley Irr.*

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later in this order, the water is stored in American Falls Reservoir pursuant to water right no. 1-2064, not water right no. 1-6.

<sup>5</sup> Water right no. 1-2064 has not yet been decreed in the SRBA, but it appears there is no dispute over its recommended priority date of March 30, 1921.

<sup>6</sup> Water right no. 1-6 is an irrigation right that benefits AFRD2 only, while water right no. 1-2064 is a storage right that benefits all spaceholders in American Falls Reservoir, including AFRD2.

<sup>7</sup> The license for the American Falls Reservoir water right, License No. R-269, authorized an annual volume of 1.8 million acre-feet.

<sup>8</sup> In the SRBA, the parties to Subcase No. 1-6 disagreed as to the interpretation of the condition’s language, but stipulated to including the language without resolving their substantive dispute.

*Dist. v. Eagle* (5<sup>th</sup> Jud. Dist.) (Jul. 10, 1968).<sup>9</sup> However, the condition did not originate with the Eagle Decree, which simply recited a pre-existing provision of the “Palisades Contracts” of the 1950s. The Palisades Contracts’ provision also was intended to simply confirm pre-existing language: instructions in a 1936 letter from the United States Commissioner of Reclamation to the Superintendent of the Minidoka Project. *Letter from John C. Page, Acting Commissioner, to E.B. Darlington, Superintendent, Minidoka Project* (Apr. 6, 1936) (the “1936 Letter”), a copy of which is attached hereto as Attachment A.

The 1936 Letter was intended to resolve, consistent with the “Woodville Decree,”<sup>10</sup> a dispute over allocation of water between two Bureau water right permits that had the same priority date (March 30, 1921) but different purposes. Permit No. 15134 authorized diversion of 1,700 c.f.s. for irrigation use by AFRD2, while Permit No. R-269 authorized storage of 1.7 million acre-feet at American Falls Reservoir. *Id.*<sup>11</sup> The fact that the two Bureau rights had the same priority resulted in a dispute between AFRD2 and the other spaceholders in American Falls Reservoir<sup>12</sup> over which “should have the superior or preference right to use natural flow available for filling the said priority rights of March 30, 1921.” *Id.* The dispute arose during the drought of the early 1930s and immediately escalated into federal court litigation, which ended inconclusively because the United States, as legal owner of the two rights, was deemed a necessary party but had not consented to suit. *Am. Falls Res. Dist. No. 2 v. Crandall*, 82 F.2d 973 (9<sup>th</sup> Cir. 1936), *rehearing denied & opinion modified*, 85 F.2d 964 (9<sup>th</sup> Cir. 1936).

The Commissioner of Reclamation issued the 1936 Letter after the litigation was dismissed to resolve the question of the allocation of natural flow between the two Bureau rights. The 1936 Letter included three discrete instructions for allocating flows available under the shared priority date of March 30, 1921:

1. From October 1 to May 1, all such flows to the reservoir;
2. After May 1, half of the first 1,700 c.f.s. to AFRD2 with remaining flows to the reservoir;
3. In years the reservoir fills and spills over, AFRD2’s diversions prior to the filling of the reservoir to be considered natural flow and not charged as storage use.<sup>13</sup>

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<sup>9</sup> See also “Supplemental Decree,” *Aberdeen-Springfield Canal Co. v. Eagle* (7<sup>th</sup> Jud. Dist.) (Mar. 12, 1969).

<sup>10</sup> “Decree 661,” *Woodville Canal Co. v. Clark & Edwards Canal Co.*, (D. Idaho, Jun. 25, 1929).

<sup>11</sup> While the 1936 Letter refers to storage of 1.8 million acre-feet, 100,000 acre-feet of this volume was “bank storage.” See Water Right License No. R-269.

<sup>12</sup> AFRD2, as a spaceholder in American Falls, held (and still holds) a storage allocation to approximately 400,000 acre-feet of storage water in American Falls Reservoir under its contract with the Bureau.

<sup>13</sup> The pertinent portion of the 1936 Letter provided as follows:

That during the non-irrigation season of each year from October 1 of one year until May 1 of the next, all water available under the said priority rights of March 30, 1921, decreed to the Secretary of the Interior be stored in American Falls Reservoir; that during the month[s] of May and June, and so long thereafter during the irrigation season as there may be natural flow available for filling the said priority of March 30, 1921, that the first 1700 second feet thereof be divided on a fifty-fifty basis and one-half thereof furnished to the [AFRD2] and one-half to the American Falls Reservoir and that all water available for filling the said priority rights decreed to the Secretary of

These instructions contemplated different allocations between the two rights depending upon whether American Falls Reservoir filled and spilled, and limited the quantity of water available to AFRD2 under the irrigation right in years the reservoir did not fill. In years the reservoir did not fill and spill, the reservoir was to receive all natural flow available under priority of March 30, 1921 prior to May 1, and thereafter the reservoir right and the irrigation right would each receive half of the first 1,700 c.f.s., with the remaining flow going to the reservoir. In contrast, in years the reservoir filled and spilled, AFRD2 was to receive the full amount of the irrigation right (1,700 c.f.s.) during the entire period of use.

The Palisades Contracts and the Eagle Decree included a provision that was intended to confirm AFRD2's allocation of natural flow under the 1936 Letter.<sup>14</sup> This provision was incorporated into water right no. 1-6 as a condition in the "Quantity" element of the SRBA partial decree. Consistent with the 1936 Letter, the condition provides that "[f]rom May 1 . . . the first 1,700 cubic feet per second of flow" is to be divided, with "one-half (1/2)" going to AFRD2 and "one-half (1/2)" going to American Falls Reservoir. *Partial Decree*. The exception to this allocation is that in any year American Falls Reservoir fills on or after April 30 (taking into account water stored to its credit in other reservoirs), "all water diverted by District No. 2 within the maximum of 1,700 cubic feet per second during the year prior to the initial storage

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the Interior during the said months of the irrigation season over and above one-half of the first 1700 second-feet herein provided for the [AFRD2] be furnished to the American Falls Reservoir.

That in years when the American Falls Reservoir fills and spills over the water diverted into the [AFRD2] Canal during the period that American Falls Reservoir is filling will be considered natural flow water and will not be charged against District No. 2 as a part of its stored water supply.

1936 Letter at 3.

<sup>14</sup> Ltr. from F. M. Clinton, Acting Regional Director of the Bureau of Reclamation, to the Board of Directors, AFRD2 (May 21, 1952)("[O]ur proposal is to require other companies and districts to consent to the United States contracting with your District to administer [water right no. 1-6] in keeping with the order approved by the First Assistant Secretary of the Interior on April 6, 1936."); Ltr. from Branch Bird, Attorney for AFRD2, to Lynn Crandall, Watermaster (June 11, 1952)(Asking whether all or just one-half of the available natural flow had been delivered to AFRD2 under the authority of the April 6, 1936 letter.); Ltr. from Lynn Crandall, Watermaster, to Branch Bird, Attorney for AFRD2 (June 12, 1952)(Letter from the watermaster acknowledging that he "followed the instructions" of the April 6, 1936 letter.); Ltr from F.M. Clinton, Acting Regional Director of Bureau of Reclamation Region, to Branch Bird, Attorney for AFRD2 (Aug. 4, 1952) ("The intention is by this language to formalize by contract the Secretary's order of 1936 as that order has in fact been administered."); Ltr. from John Rosholt, Attorney, to Leon Grieve, Manager Big Wood Canal Company (Mar. 9, 1966)(Letter discussing how the goal of the supplemental adjudication that resulted in Eagle Decree was to confirm and decree provisions of the Palisades Contracts "which cleared up controversies which had existed on the river for many years."); Ltr from John Rosholt to Cecil Hobdey, Attorney for AFRD2 (Apr. 6, 1966)("These general provisions, as in the case of American Falls Reservoir District No. 2, verify the rights of several parties on the river which have heretofore (prior to Palisades) been unclear. . . . Actually, phase 2 of this lawsuit does nothing more than obtain the confirmation of the Idaho court so that the water rights be decreed as per the provisions of the Palisades contracts which were individually negotiated between each company and the government."); Ltr from H.C. Eagle, Watermaster, to John Rosholt, Attorney, (Nov. 16, 1966) ("The normal flow right for [AFRD2] is a complicated one. It is explained in detail in each of the Palisades Contracts... [t]his right is limited with reference to the status of American Falls storage..."); Ltr from John Rosholt, Attorney, to Cecil Hobdey, Attorney for AFRD2 (Nov. 23, 1966)(Explaining some of the history of water right no. 1-6, from the Woodville Decree through Palisades Contract.).

draft after the reservoir finally fills in that year shall be considered as natural flow under water right no. 1-6.” *Id.* The condition also expressly confirms that AFRD2 may divert water “prior to May 1 . . . but all such diversions shall be charged as storage in the event the reservoir is not full” on or after April 30, *id.*, which was implicit in the 1936 Letter.

The condition in water right no. 1-6 effectively allocates the natural flow available under priority of March 30, 1921 between water right no. 1-6 and water right no. 1-2064. This allocation is consistent with the intent and instructions of the 1936 Letter, and confirms that the *Petition*’s interpretation of the condition in water right no. 1-6 is incorrect. The only connection between water right no. 1-6 and storage in American Falls Reservoir under water right no. 1-2064 is that both rights compete for the same water, and the condition in water right no. 1-6 effectively allocates the available natural flow between the two Bureau rights by limiting AFRD2’s natural flow diversions under water right no. 1-6. AFRD2’s natural flow diversions under water right no. 1-6 may have the effect of allowing AFRD2 to reduce its storage use and consequently increase its storage carryover, but this is an indirect and incidental effect rather than the purpose of the right, as recognized by the Ninth Circuit in 1936:

The real and basic reason for this suit is shown by the following testimony of Watermaster Crandall:

. . . . The benefit received by [AFRD2] in 1932, by the use of the direct flow, permitted an additional holdover for irrigation in 1933 of approximately 110,000 a.f. at American Falls.

Thus it can be seen that if appellant district can maintain their claim in the years where a natural flow is available it will be able to restrict its use of water to natural flow water at such times, and if the amount of such natural flow water is not charged against its storage rights, the amount of unused storage water would be an additional amount upon which to draw during the following year, owing to the ‘holdover’ rights under its contract with the government.

*Am. Falls Res. Dist. No. 2*, 82 F.2d at 977. In sum, AFRD2’s assertion that the condition in the “Quantity” element of water right no. 1-6 authorizes diversions into storage at American Falls Reservoir lacks support in the plain language and intent of the condition.

### **3. AFRD2’s Challenge to the Watermaster Accounting Lacks a Basis.**

AFRD2 argues that if water right no. 1-6 authorizes the diversion of water for both irrigation and storage, the watermaster should have accounted for the water right as a storage right. *Petition* at 3. Since water right no. 1-6 does not authorize diversion into storage, AFRD2’s challenge to the watermaster accounting for 2012 is without basis.

## **CONCLUSION**

Water right no. 1-6 is a water right for irrigation purposes, not a water right for the storage in American Falls Reservoir. Storage in American Falls Reservoir is addressed under

water right no. 1-2064. An argument to the contrary ignores the elements of water right no. 1-6. AFRD2's suggestion that the Water Master should be "accumulating diversions to storage in American Falls Reservoir under water right 1-6" is based on an incorrect reading of water right no. 1-6. As detailed in the long history of water right no. 1-6, the purpose of the quantity condition is to provide guidance to the watermaster as to how to divide the natural flow between water right no. 1-6 and water right no. 1-2064. The language in water right no. 1-6 does not authorize diversions of natural flow to storage in American Falls Reservoir. As such, the Water District 01 watermaster properly accounted for water right no. 1-6 in the 2012 irrigation season.

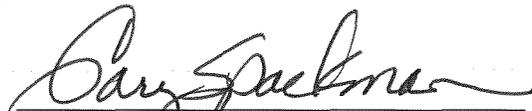
### ORDER

Based upon the foregoing, IT IS HEREBY ORDERED that AFRD2's *Petition for Reconsideration of Final Order Establishing 2012 Reasonable Carryover (Methodology Step 9)* is DENIED.

IT IS FURTHER ORDERED that unless the right to a hearing before the director or the water resource board is otherwise provided by statute, any person who is aggrieved by the action of the director, and who has not previously been afforded an opportunity for a hearing on the matter shall be entitled to a hearing before the director to contest the action. The person shall file with the director, within fifteen (15) days after receipt of written notice of the action issued by the director, or receipt of actual notice, a written petition stating the grounds for contesting the action by the director and requesting a hearing. Idaho Code § 42-1701A(3).

IT IS FURTHER ORDERED that pursuant to sections 67-5270 and 67-5272, Idaho Code, any party aggrieved by the final order or orders previously issued by the Director in this matter may appeal the final order and all previously issued orders in the matter to district court by filing a petition in the district court of the county in which a hearing was held, the final agency action was taken, the party seeking review of the order resides, or the real property or personal property that was the subject of the agency action is located. The appeal must be filed within twenty-eight (28) days: (a) of the service date of the final order; (b) of an order denying petition for reconsideration; or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. Idaho Code § 67-5273. The filing of an appeal to district court does not in itself stay the effectiveness or enforcement of the order under appeal.

Dated this 21<sup>st</sup> day of December, 2012.

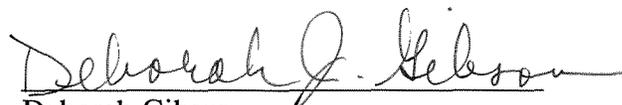
  
GARY SPACKMAN  
Director

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 21<sup>st</sup> day of December, 2012, the above and foregoing, was served by the method indicated below, and addressed to the following:

<p>John K. Simpson          Travis L. Thompson          Paul L. Arrington          BARKER ROSHOLT &amp; SIMPSON, LLP          195 RIVER VISTA PL STE 204          Twin Falls, ID 83301-3029  <a href="mailto:jks@idahowaters.com">jks@idahowaters.com</a>  <a href="mailto:tlt@idahowaters.com">tlt@idahowaters.com</a>  <a href="mailto:pla@idahowaters.com">pla@idahowaters.com</a></p>	<p><input checked="" type="checkbox"/> U.S. Mail, postage prepaid  <input type="checkbox"/> Hand Delivery  <input type="checkbox"/> Overnight Mail  <input type="checkbox"/> Facsimile  <input checked="" type="checkbox"/> Email</p>
<p>C. Thomas Arkoosh          ARKOOSH EIGUREN LLC          P.O. Box 2900          Boise, ID 83701  <a href="mailto:tom.arkoosh@aelawlobby.com">tom.arkoosh@aelawlobby.com</a></p>	<p><input checked="" type="checkbox"/> U.S. Mail, postage prepaid  <input type="checkbox"/> Hand Delivery  <input type="checkbox"/> Overnight Mail  <input type="checkbox"/> Facsimile  <input checked="" type="checkbox"/> Email</p>
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<p>Kathleen M. Carr          US Dept. Interior          960 Broadway Ste 400          Boise, ID 83706  <a href="mailto:kathleenmarion.carr@sol.doi.gov">kathleenmarion.carr@sol.doi.gov</a></p>	<p><input checked="" type="checkbox"/> U.S. Mail, postage prepaid  <input type="checkbox"/> Hand Delivery  <input type="checkbox"/> Overnight Mail  <input type="checkbox"/> Facsimile  <input checked="" type="checkbox"/> Email</p>
<p>David W. Gehlert          Natural Resources Section          Environment and Natural Resources Division          U.S. Department of Justice          999 18th St.          South Terrace, Ste 370          Denver, CO 80202  <a href="mailto:david.gehlert@usdoj.gov">david.gehlert@usdoj.gov</a></p>	<p><input checked="" type="checkbox"/> U.S. Mail, postage prepaid  <input type="checkbox"/> Hand Delivery  <input type="checkbox"/> Overnight Mail  <input type="checkbox"/> Facsimile  <input checked="" type="checkbox"/> Email</p>

<p>Matt Howard  US Bureau of Reclamation  1150 N Curtis Road  Boise, ID 83706-1234  <a href="mailto:mhoward@usbr.gov">mhoward@usbr.gov</a></p>	<input type="checkbox"/> U.S. Mail, postage prepaid <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email
<p>Sarah A. Klahn  Mitra M. Pemberton  WHITE JANKOWSKI  511 16<sup>th</sup> St., Ste. 500  Denver, CO 80202  <a href="mailto:sarahk@white-jankowski.com">sarahk@white-jankowski.com</a>  <a href="mailto:mitrap@white-jankowski.com">mitrap@white-jankowski.com</a></p>	<input checked="" type="checkbox"/> U.S. Mail, postage prepaid <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email
<p>Dean Tranmer  City of Pocatello  P.O. Box 4169  Pocatello, ID 83205  <a href="mailto:dtranmer@pocatello.us">dtranmer@pocatello.us</a></p>	<input checked="" type="checkbox"/> U.S. Mail, postage prepaid <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email
<p>William A. Parsons  PARSONS SMITH &amp; STONE  P.O. Box 910  Burley, ID 83318  <a href="mailto:wparsons@pmt.org">wparsons@pmt.org</a></p>	<input checked="" type="checkbox"/> U.S. Mail, postage prepaid <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email
<p>Michael C. Creamer  Jeffrey C. Fereday  GIVENS PURSLEY LLP  P.O. Box 2720  Boise, ID 83701-2720  <a href="mailto:mcc@givenspursley.com">mcc@givenspursley.com</a>  <a href="mailto:jcf@givenspursley.com">jcf@givenspursley.com</a></p>	<input checked="" type="checkbox"/> U.S. Mail, postage prepaid <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email
<p>Lyle Swank  IDWR—Eastern Region  900 N. Skyline Dr., Ste A  Idaho Falls, ID 83402-1718  <a href="mailto:lyle.swank@idwr.idaho.gov">lyle.swank@idwr.idaho.gov</a></p>	<input type="checkbox"/> U.S. Mail, postage prepaid <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email
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Deborah Gibson  
Administrative Assistant to the Director

UNITED STATES  
DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

WASHINGTON

APR - 6 1936

OFFICE OF THE COMMISSIONER

Mr. E. B. Darlington,  
Superintendent, Minidoka Project,  
Bureau of Reclamation,  
Burley, Idaho.

My dear Mr. Darlington:

Under date of June 25, 1929, the United States District Court for the District of Idaho made a decree adjudicating the rights to the use of water from Snake River in that certain decree commonly known as the Woodville Decree, under which water rights were decreed to the various parties to the said action in various amounts and under various dates of priority and among others the following rights were decreed to the Secretary of the Interior and his successors in office:

"To the Secretary of the Interior of the United States of America, and his successors in office, for use upon the various projects which have heretofore or may hereafter become entitled to the same by reason of contracts with the United States therefor, the water filed upon by the United States in connection with the construction of the American Falls Reservoir under permit number 15134, and reservoir permit number R-269, under date of priority of March 30th, 1921, the amount of water to be decreed to the Secretary of the Interior of the United States and his successors in office for such use under said date of priority of March 30th, 1921, to be One Million seven hundred thousand (1,700,000) acre feet per annum for storage in the American Falls Reservoir and Eight Thousand (8,000) second feet for direct diversion. It is understood and agreed that paragraph two of the stipulation herein does not apply to the said rights of priority of March 30, 1921, provided for in this paragraph or the rights decreed in the Foster and Rexburg decrees."

Thereafter proof of completion of works was made under permit number 15134 and reservoir permit number R-269 and the state commissioner of reclamation found that the United States had complied with the requirements of the above named permits to the extent of 1700 second feet under permit number 15134 and 1,800,000 acre feet under permit number R-269 and issued to the United States a certificate for 1700 second feet under priority of March 30, 1921, for use on the Gooding division of the Minidoka project and a certificate for 1,800,000 acre feet under priority of March 30, 1921, for storage in the American Falls Reservoir.

ATTACHMENT A

For several years past there has been a controversy pending between the American Falls Reservoir District No. 2, representing the Gooding division, on the one side and the American Falls Reservoir District and other parties interested in the American Falls Reservoir on the other side, as to whether during that part of the irrigation season when the American Falls Reservoir is in process of filling, the reservoir or the Gooding canal should have the superior or preference right to use natural flow water available for filling the said priority rights of March 30, 1921, decreed to the Secretary of the Interior.

As a compromise measure and in order to allow to each project an equitable portion of the benefits of these simultaneous water appropriations, directions were given that the preference or superior right be allowed in alternate years first to the one project and then to the other, under which order the Gooding canal had the preference in 1932 and the American Falls Reservoir in 1933.

This controversy resulted in the filing of a suit entitled "American Falls Reservoir District No. 2 v. Lynn Crandall et al" in which the district court made certain findings of fact and conclusions of law, including one as follows:

"Under the original decree and the contracts between the United States and the contract holders for storage water the right to direct the use of the water made available under said permit rests with the United States. However, under the laws of Idaho, the Secretary of the Interior has no discretion to allow plaintiff or other contract holders to use water in alternate years as such contract holders have the right to use it each year if they are complying with the terms of their contract."

During this litigation the representatives of both parties have expressed the view that it would be preferable and more in accord with state law to divide the water each year than to allow the preference right in alternate years first to one party and then to the other, as has been the practice in recent years. Although the order of the court offers no guide as to how the water should be delivered, the administrative officers of the government wish to conform as nearly as possible to the wishes of the interested parties and the views expressed in the above quoted conclusion of law filed by the trial court.

You are therefore instructed to direct the water master to deliver the water available under the water rights decreed to the Secretary of the Interior in the said Woodville Decree as follows:

That during the non-irrigation season of each year from October 1 of one year until May 1 of the next, all water available under the said priority rights of March 30, 1921, decreed to the Secretary of the Interior be stored in the American Falls Reservoir; that during the month of May and June, and so long thereafter during the irrigation season as there may be natural flow water available for filling the said priority of March 30, 1921, that the first 1700 second feet thereof be divided on a fifty-fifty basis and one-half thereof furnished to the Gooding Canal and one-half to the American Falls Reservoir and that all water available for filling the said priority rights decreed to the Secretary of the Interior during the said months of the irrigation season over and above the one-half of the first 1700 second-feet herein provided for the Gooding Canal be furnished to the American Falls Reservoir.

That in years when the American Falls Reservoir fills and spills over the water diverted into the Milner-Gooding canal during the period that American Falls Reservoir is filling will be considered natural flow water and will not be charged against District No. 2 as a part of its stored water supply.

That the foregoing instructions remain in effect until further instructions from this office, or until otherwise ordered by the Court.

*John C. Page*  
Acting Commissioner.

Approved: APR -6 1936

*J. A. [Signature]*  
First Assistant Secretary.