BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

IN THE MATTER OF THE COALITION OF CITIES’ SECOND MITIGATION PLAN FOR THE DISTRIBUTION OF WATER TO WATER RIGHT NOS. 36-15501, 36-02551, AND 36-07694 HELD BY RANGEN, INC.

CM-DC-2011-004

CM-DC-2014-004

IN THE MATTER OF DISTRIBUTION OF WATER TO WATER RIGHT NOS. 36-02551 & 36-07674 (RANGEN, INC.)

COALITION OF CITIES’ SECOND MITIGATION PLAN

IN THE MATTER OF DISTRIBUTION OF WATER TO RANGEN, INC’S WATER RIGHT NOS. 36-15501, 36-135B, AND 36-135A (RANGEN, INC.)

COME NOW the cities of Bliss, Burley, Carey, Declo, Dietrich, Gooding, Hazelton, Heyburn, Jerome, Paul, Richfield, Rupert, Shoshone and Wendell (collectively referred to herein as “Coalition of Cities” or “Cities”) by and through their counsel and, pursuant to Rule 43 of the Idaho Department of Water Resources’ (“IDWR”) Rules for Conjunctive Management of Surface and Ground Water Resources, IDAPA 37.03.11 (“CM Rules”), hereby submit this Second Mitigation Plan (“Mitigation Plan” or “Plan”) in response to the Rangen, Inc. (“Rangen”)
delivery call. As evidenced by the signature page, below, this Mitigation Plan is entered into between the Cities and Rangen by stipulation. CM Rule 43.03.o.

I. COALITION OF CITIES’ SECOND MITIGATION PLAN

The Cities present the following information in support of this Mitigation Plan.

A. Name and Address of Applicants and Identification of Water Rights to Receive Mitigation Through the Cities’ Mitigation Plan

All correspondence regarding this Mitigation Plan can be sent to:

Robert E. Williams
Williams, Meservy & Lothspeich, LLP
153 East Main Street
P. O. Box 168
Jerome, Idaho 83338
(208) 324-2303

Candice McHugh & Chris Bromley
McHugh Bromley, PLLC
380 South 4th Street, Suite 103
Boise, Idaho 83702
(208) 287-0991

CM Rule 43.01.a.

As listed in Exhibit 1 and attached hereto, the Cities hold groundwater rights junior to Rangen. CM Rule 43.01.b.

B. Identification of Water Rights to Receive the Benefit of the Mitigation Plan

The water rights held by the Cities that are junior to Rangen are identified in Exhibit 1. The senior water rights that will benefit from the Mitigation Plan are water right nos. 36-00135B, 36-00135A, 36-15501, 36-2551, and 36-7694, held by Rangen, which are at issue in CM-DC-2011-004 and CM-DC-2014-004. CM Rule 43.01.b.

C. Summary Description of the Mitigation Plan

The Mitigation Plan proposes to mitigate material injury to Rangen by managed recharge through the American Falls Reservoir District No. 2 (“AFRD2”) delivery and conveyance system to an approved recharge site near Gooding, Shoshone, or Box Canyon (“Recharge Site”), and described with more particularity in the Memorandum Agreement, attached hereto as Exhibit
2. The recharge site near Gooding is the preferred location and will be used for this Plan unless necessary approvals cannot be obtained. By stipulation, Rangen agrees the Mitigation Plan shall be deemed to mitigate the Cities’ out-of-priority ground water pumping in CM-DC-2011-004 and CM-DC-2014-004 for the term of the mitigation plan.¹

D. Term of the Mitigation Plan

The term of this Mitigation Plan shall be effective as of the date of this Mitigation Plan up to and including March 31, 2016. This Mitigation Plan may be extended by agreement of the parties.

E. Reservation of Defenses

By entering into this Mitigation Plan with Rangen, the Cities, and any member city thereof, do not waive any defenses they may have in any on-going or future proceeding.

By entering into this Mitigation Plan with the Cities, Rangen does not waive any defenses it may have in any on-going or future proceeding.

F. Groundwater Recharge through AFRD2

The Cities will conduct managed groundwater recharge using the AFRD2 delivery and conveyance system with delivery to the Recharge Site. Attached hereto as Exhibit 2 is the Memorandum Agreement between the Cities and Rangen, among others, to divert Upper Snake storage water into the AFRD2 delivery system for managed recharge at the Recharge Site. To date, and as can be seen in Exhibit 2, many signatures have been secured. The fully executed Memorandum Agreement will be provided on or before any hearing date.

An agreement has been reached with the AFRD2 board of directors to allow use of the AFRD2 delivery and conveyance system to deliver the recharge water to the Recharge Site. A

¹ The Cities reserve the right to file other mitigation plans that may make continued recharge unnecessary or will reduce the amount they may need to deliver for recharge.
fully executed agreement with AFRD2 will be provided on or before any hearing date. The
delivery of Upper Snake storage water through the AFRD2 system to the Recharge Site will not
enlarge any element of any water rights. CM Rule 43.03.i.

The Recharge Site is located within the Eastern Snake Plain Aquifer Model’s area of
common ground water supply. CM Rule 43.03.d. Delivery of surface water through the AFRD2
delivery and conveyance system will result in recharge to the aquifer in two ways: 1) from
seepage or conveyance lost through the canal itself; and 2) seepage from the Recharge Site and
surrounding area. The recharge can be measured and modeled. CM Rule 43.03.e, f.

The Cities propose to begin managed recharge at the Recharge Site as soon as possible,
continuing through the winter, to the extent AFRD2 and the requisite storage volume authorize
such activity.

G. Stipulated Mitigation Plan

This Plan is being submitted to the Director as a stipulated mitigation plan, consistent
with CM Rule 43.03.o. According to that Rule, the Director, “in determining whether a
proposed mitigation plan will prevent injury to senior rights include, but are not limited to, the
following: . . . [w]hether the petitioners and respondents have entered into an agreement or an
acceptable mitigation plan even though such plan may not otherwise be fully in compliance with
these provisions.” CM Rule 43.03.o.

Here, Rangen has been found materially injured in CM-DC-2011-004 and has a pending
delivery call in CM-DC-2014-004. As evidenced by the signature page, below, Rangen
stipulates to the Mitigation Plan with the Cities, agreeing that the Plan shall be deemed to
mitigate the Cities’ out-of-priority ground water pumping in CM-DC-2011-004 and CM-DC-
2014-004 for the term of the mitigation plan.
If requested by the Director for approval, the Cities will provide other information in support of the Plan.

II. REQUEST FOR RELIEF

The Cities hereby request that IDWR process this plan as soon as possible and request that:

1. IDWR advertise the Coalition of Cities' Second Mitigation Plan as required under the CM Rules;
2. IDWR hold any hearing as may be necessary; and
3. The Director enter an order approving the Coalition of Cities' Second Mitigation Plan.

RESPECTFULLY SUBMITTED.

DATED this 20th day of November, 2014.

ROBERT E. WILLIAMS
Attorneys for Coalition of Cities

CANDICE M. MCHUGH
Attorneys for Coalition of Cities

CHRISt M. BR0MLEY
Attorneys for Coalition of Cities

J. JUSTIN MAY
Attorneys for Rangen, Inc.

ERITZ X. HAEMMERLE
Attorneys for Rangen, Inc.

ROBYN M. BRODY
Attorneys for Rangen, Inc.
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 20th day of November, 2014, I served a true and correct copy of the foregoing document on the person(s) whose names and addresses appear below by the method indicated:

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<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Method</th>
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<td>Director Gary Spackman</td>
<td>IDAHO DEPARTMENT OF WATER RESOURCES PO Box 83720 Boise, ID 83720</td>
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<tr>
<td>Deputy Attorney General</td>
<td>IDAHO DEPARTMENT OF WATER RESOURCES PO Box 83720 Boise, ID 83720-0098</td>
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<tr>
<td>J. Justin May</td>
<td>MAY BROWNING &amp; MAY, PLLC 1419 W Washington Boise, ID 83702</td>
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<tr>
<td>Robyn M. Brody</td>
<td>ATTORNEY AT LAW PO Box 554 Rupert, ID 83350</td>
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<tr>
<td>Fritz X. Haemmerle</td>
<td>HAEMMERLE &amp; HAEMMERLE, PLLC PO Box 1800 Hailey, ID 83333</td>
<td>US Mail, Postage Paid</td>
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Fax: 208-287-6700
garrick.baxter@idwr.idaho.gov
kimi.white@idwr.idaho.gov
Fax: (208) 342-7278
jmay@maybrowning.com
Fax: (208) 434-2780
robynbrody@hotmail.com
Fax: (208) 578-0520
fxh@haemlaw.com
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<tr>
<th>Name</th>
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<th>Email Address</th>
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<td>Randall C. Budge</td>
<td>RACINE OLSON NYE BUDGE &amp; BAILEY, PO Box 1391</td>
<td><a href="mailto:rcb@racinelaw.net">rcb@racinelaw.net</a></td>
</tr>
<tr>
<td>Thomas J. Budge</td>
<td>Pocatello, ID 83204-1391</td>
<td><a href="mailto:tjb@racinelaw.net">tjb@racinelaw.net</a></td>
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<tr>
<td>Sarah Klahn</td>
<td>WHITE &amp; JANKOWSKI, 511 16th Street, Suite 500</td>
<td><a href="mailto:sarahk@whitejankowski.com">sarahk@whitejankowski.com</a></td>
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<tr>
<td>Mitra Pemberton</td>
<td>Denver, CO 80202</td>
<td><a href="mailto:mitrap@whitejankowski.com">mitrap@whitejankowski.com</a></td>
</tr>
<tr>
<td>Jerry R. Rigby</td>
<td>RIGBY ANDRUS &amp; RIGBY, 25 North Second East</td>
<td><a href="mailto:jrigby@rex-law.com">jrigby@rex-law.com</a></td>
</tr>
<tr>
<td>John K. Simpson</td>
<td>BARKER ROSHOLT &amp; SIMPSON, P.O. Box 2139</td>
<td><a href="mailto:jks@idahowaters.com">jks@idahowaters.com</a></td>
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<tr>
<td>Travis L. Thompson</td>
<td>BARKER ROSHOLT &amp; SIMPSON, 195 River Vista Place, Suite 204</td>
<td><a href="mailto:tlt@idahowaters.com">tlt@idahowaters.com</a></td>
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EXHIBIT 1

LIST OF COALITION OF CITIES’ WATER RIGHTS JUNIOR TO RANGEN, INC.
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## Exhibit 1: Coalition of Cities’ Water Rights Junior to October 9, 1884

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### Exhibit 1: Coalition of Cities' Water Rights Junior to October 9, 1884

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MEMORANDUM OF AGREEMENT
ESPA SUSTAINABILITY PROJECTS

THIS AGREEMENT is made and entered into this ___ day of _____________, 2014 ("Effective Date"), by and between the CITIES OF BLISS, BURLEY, CAREY, DECLO, DIETRICH, GOODING, HAZELTON, HEYBURN, JEROME, PAUL, RICHFIELD, RUPERT, SHOSHONE and WENDELL (collectively "Cities"), each a municipal corporation existing under the laws of the state of Idaho; Clear Springs Foods, an Idaho Corporation ("Clear Springs"); Idaho Power Company ("IPC"); and Rangen Inc. ("Rangen").

RECITALS

WHEREAS, the Idaho Legislature through HB 547 has directed the Idaho Water Resource Board("IWRB") to initiate aquifer stabilization programs on the Eastern Snake Plain Aquifer("ESPA"); and

WHEREAS, the IWRB has initiated the study and identification of projects on the ESPA with the intent of sustaining and restoring aquifer levels and spring flows in reaches of the Snake River between Milner Dam and King Hill ("Thousand Springs Reach"); and

WHEREAS, a number of projects have been identified in the Thousand Springs, including the City of Gooding Recharge site ("Gooding Site") which merit further study; and

WHEREAS, the parties recognize the importance of implementing projects which are supported by the best technical and scientific processes to ensure that recharge or other actions taken achieve the stated goals of HB547;

WHEREAS, the parties further recognize the value of directly cooperating with the IWRB on projects;

WHEREAS, the parties recognize that individually entities or individuals may have particular goals for participating in projects which don't conflict with the IWRB goals;

WHEREAS, the Cities hold individual ground water rights for municipal and other purposes; and

WHEREAS, certain ground water rights held by the Cities are subject to a curtailment order issued by the Director of the Idaho Department of Water Resources ("IDWR") dated June 20th, 2014 in Case Nos. CM-MP-2014-002 and CM-DC-2011-004 in response to a water right delivery call filed by Rangen; and

WHEREAS, Cities own water rights which may be subject to further curtailment in an additional Petition for Delivery Call filed by Rangen now pending before the IDWR under Case No. DM-DC-2014-004; and
WHEREAS, the Cities have filed a mitigation plan pursuant to Rule 43 of IDWR’s *Rules for Conjunctive Management of Surface and Ground Water Resources*, IDAPA 37.03.11 (“CM Rules”) in Case No. CM-DC-2011-004; and

WHEREAS, some of the Cities hold irrigation shares or rights with ability to receive water from surface water delivery organizations overlying portions of the ESPA; and

WHEREAS, some of these irrigation shares could potentially support the conversion of groundwater lands to receive surface water; and

WHEREAS, the parties are aware of the Cities’ current and continuing mitigation obligation through 2014 and beyond and have discussed cooperating on future projects for purposes of mitigation for the Rangen call and sustaining and restoring the ESPA; and

WHEREAS, the Cities need to recharge an as yet undetermined amount of water to mitigate for the Rangen call through March 31, 2016. The exact amount is unknown because the impact from cities’ out of priority groundwater pumping was not included in the IDWR’s calculation of impacts under the Rangen calls; and

WHEREAS, Rangen holds certain aquaculture water rights which rely entirely upon spring discharge from the Thousand Springs Reach which are the subject of an on-going delivery call and mitigation; and

WHEREAS, Clear Springs holds certain aquaculture water rights which rely entirely upon spring discharge from the ESPA in the Thousand Springs Reach; and

WHEREAS, Clear Springs through a prior mitigation agreement has storage water available for possible use on aquifer projects; and

WHEREAS, IPC holds certain surface water rights for hydropower and aquaculture water rights which rely entirely upon spring discharge from the ESPA in the Thousand Springs reach;

WHEREAS, the parties, individually and collectively, desire to see aquifer ground water levels and spring discharges sustained and restored; and

WHEREAS, the parties, individually and collectively, recognize that actions taken to sustain and restore ground water levels and springs must consider the water quality impacts on the water source; and

WHEREAS, the parties desire to make their assets available where individual and collective interests support actions taken to sustain and restore the groundwater levels, spring flow levels and reach gains; and
WHEREAS, the parties acknowledge the need for certain parties to this Agreement to obtain mitigation from their participation and that the parties shall work cooperatively in recognizing such mitigation;

WHEREAS, the parties have identified three projects identified on Attachment “A” which the parties believe merit further analysis; and

WHEREAS, the parties desire to implement a pilot project at the Gooding Site;

WHEREAS, the parties wish to delineate their agreement to writing;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

COVENANTS

1. TERM. The term of this agreement shall commence with the Effective Date and terminate March 31st, 2016. This agreement may be renewed or extended by the parties should such intent be memorialized in writing.

2. SCOPE. The parties have sought and will continue to seek necessary approvals and funding to implement a pilot recharge program at the Gooding Site with the intent of recharging up to 1500 acre-ft of storage water supplied by Clear Springs which it obtained through other mitigation agreements. The recharge activities shall be completed in compliance with the procedures identified in Attachment “B”. Additionally, the parties shall cooperate in further studying the additional projects identified in Attachment “A” and where agreed upon, the parties shall move forward with engineering and pilot programs.

3. FUNDING. The parties recognize that American Falls Reservoir District #2 (“AFRD#2) will charge a conveyance fee associated with the delivery of storage water through its delivery system to the Gooding Site. The estimated costs of the pilot project are identified in Attachment “B.” The IWRB has agreed to pay for Ten Thousand Dollars ($10,000.00) of the costs for engineering and construction as shown on Attachment “B”. The parties have agreed to pay their own attorney’s fees for the project as shown on Attachment “B”. Cities agree to pay the remaining portion of the conveyance, engineering and construction costs as shown on Attachment “B” in the amount of Twenty-Two Thousand Four Hundred Eighty-Four Dollars ($22,484.00).

4. RECHARGE ACTIVITIES. The parties shall seek the IWRB approval to utilize the IWRB’s recharge right for actions at the Gooding Site, recognizing that such actions require IWRB approval. As such the parties shall seek the IWRB as a signatory to the pilot program.
5. **WATER FOR CONVEYANCE.** The parties have contacted AFRD#2 and negotiated for the conveyance of water through the AFRD#2 canal system. AFRD#2 has tentatively agreed, pending full Board approval, to convey the 1,500 acre feet of storage water to the Gooding Site. AFRD#2 will assess conveyance charges as described on Attachment “C”. Upon obtaining a conveyance agreement, the Water District 01 Watermaster shall be notified of the amount to be conveyed and assign the storage water to AFRD#2’s storage account. The parties, prior to conveyance or delivery of any water, shall present to the AFRD#2 manager, acceptable proof that the parties have leased or are entitled to use such storage water to be conveyed. AFRD#2 will only convey storage water, rented or acquired by the parties pursuant to the terms of the Agreement. In the event the parties acquire a natural flow water right, by lease or purchase, the parties agree to discuss the potential conveyance and delivery of any water under that right at a future date. No water under a natural flow water right, leased or owned by the parties, will be conveyed without a future written agreement with AFRD#2. The parties recognize the preclusion of irrigation water rights or shares of surface water irrigation entities for use on recharge projects.

6. **MITIGATION.** The parties hereby agree that: (a) the Cities shall be entitled to seek mitigation credit towards the Rangen call; (b) In receiving mitigation credit, the Cities agree to hold harmless and indemnify the other parties to this agreement with respect to the recharge activities identified in Attachment “B” as provided in Paragraph 7 below; and (c) the delivery of 1,500 acre feet of the Clear Springs storage water to the Gooding Site as contemplated by this Agreement shall constitute full mitigation for the depleting effect of the Cities out of priority groundwater pumping under Case Nos. CM-DC-2011-004 and CM-DC-2014-004 through March 31st, 2016. The Cities acknowledge the consideration provided by the parties and will look towards the future projects identified in Attachment “A” or other mutually agreed upon projects as the basis for future cooperation for the benefit of the water resource.

7. **INDEMNIFICATION.** Any party to this Agreement seeking mitigation credit shall agree to indemnify and hold harmless any and all parties to this agreement for the recharge activities taken which cause injury or damage to any person or property as a result of the delivery and discharge of the storage water at the Gooding Site.

8. **ADDITIONAL MONITORING.** IPC will investigate opportunities to conduct tracer studies on the water recharged at Gooding to assist in assessing the local groundwater characteristics.

9. **ADDITIONAL DOCUMENTS; COOPERATION.** The parties agree to execute such further and additional documents, including but not limited to consents to any amended mitigation plan that may be filed by the Cities with IDWR, implementing this Agreement which may be necessary to carry this Agreement into full force and effect. Clear Springs and Rangen agree to cooperate with Cities by providing supporting affidavits and/or testimony in any proceeding.
10. **INTEGRATION.** The parties hereto acknowledge that the terms, conditions and covenants of this agreement shall supersede any prior negotiations and agreements of the parties, that there are no other agreements not contained in this agreement, and that this agreement shall be the final expression of the agreement of the parties and shall control. No modifications of this agreement shall be valid unless in writing and executed by all the parties hereto.

11. **BINDING EFFECT.** This agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

12. **COUNTERPARTS.** This Agreement may be executed in original counterparts.

SIGNED BY THE MAYOR this 32 day of October, 2014.

CITY OF BLISS, IDAHO

By: Chris Pruefert

Mayor

ATTEST: ____________________

City Clerk

SIGNED BY THE MAYOR this _____ day of __________________, 20__.

CITY OF BURLEY, IDAHO

By: _________________________

Mayor

ATTEST: _________________________

City Clerk

SIGNED BY THE MAYOR this _____ day of __________________, 20__.

CITY OF CAREY, IDAHO

By: _________________________

Mayor

ATTEST: _________________________

City Clerk
10. **INTEGRATION.** The parties hereto acknowledge that the terms, conditions and covenants of this agreement shall supersede any prior negotiations and agreements of the parties, that there are no other agreements not contained in this agreement, and that this agreement shall be the final expression of the agreement of the parties and shall control. No modifications of this agreement shall be valid unless in writing and executed by all the parties hereto.

11. **BINDING EFFECT.** This agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

12. **COUNTERPARTS.** This Agreement may be executed in original counterparts.

SIGNED BY THE MAYOR this ___ day of ________________, 20__.

CITY OF BLISS, IDAHO

By: ______________________
    Mayor

ATTEST: ______________________
       City Clerk

SIGNED BY THE MAYOR this ___ day of October, 2014.

CITY OF BURLEY, IDAHO

By: ______________________
    Mayor

ATTEST: ______________________
       City Clerk

SIGNED BY THE MAYOR this ___ day of ________________, 20__.

CITY OF CAREY, IDAHO

By: ______________________
    Mayor

ATTEST: ______________________
       City Clerk
SIGNED BY THE MAYOR this ___ day of ______________, 20__.

CITY OF DECLO, IDAHO

By: __________________________
   Mayor

ATTEST: __________________________
    City Clerk

SIGNED BY THE MAYOR this ___ day of ______________, 20__.

CITY OF DIETRICH, IDAHO

By: __________________________
   Mayor

ATTEST: __________________________
    City Clerk

SIGNED BY THE MAYOR this ___ day of ______________, 20__.

CITY OF GOODING, IDAHO

By: __________________________
   Mayor

ATTEST: __________________________
    City Clerk

SIGNED BY THE MAYOR this 24 day of October, 2014.

CITY OF HAZELTON, IDAHO

By: __________________________
   Mayor

ATTEST: __________________________
    City Clerk
SIGNED BY THE MAYOR this ____ day of ____________, 20__.

CITY OF HEYBURN, IDAHO

By: ______________________
   Mayor

ATTEST: ______________________
   City Clerk

SIGNED BY THE MAYOR this ____ day of ____________, 20__.

CITY OF JEROME, IDAHO

By: ______________________
   Mayor

ATTEST: ______________________
   City Clerk

SIGNED BY THE MAYOR this ____ day of ____________, 20__.

CITY OF PAUL, IDAHO

By: ______________________
   Mayor

ATTEST: ______________________
   City Clerk

SIGNED BY THE MAYOR this ____ day of ____________, 20__.

CITY OF RICHFIELD, IDAHO

By: ______________________
   Mayor

ATTEST: ______________________
   City Clerk
SIGNED BY THE MAYOR this ___ day of _____________, 20__.

CITY OF HEYBURN, IDAHO

By: __________________________
   Mayor

ATTEST: _______________________
   City Clerk

SIGNED BY THE MAYOR this ___ day of _____________, 20__.

CITY OF JEROME, IDAHO

By: __________________________
   Mayor

ATTEST: _______________________
   City Clerk

SIGNED BY THE MAYOR this 12th day of November, 2014.

CITY OF PAUL, IDAHO

By: __________________________
   Mayor

ATTEST: _______________________
   City Clerk

SIGNED BY THE MAYOR this ___ day of _____________, 20__.

CITY OF RICHFIELD, IDAHO

By: __________________________
   Mayor

ATTEST: _______________________
   City Clerk
SIGNED BY THE MAYOR this 29th day of October, 2014.

CITY OF RUPERT, IDAHO

[Signature]

By: [Name]

Mayor

ATTEST: [Signature]

City Clerk

SIGNED BY THE MAYOR this ____ day of ______________, 20__.

CITY OF SHOSHONE, IDAHO

By: [Name]

Mayor

ATTEST: [Name]

City Clerk

SIGNED BY THE MAYOR this ____ day of ______________, 20__.

CITY OF WENDELL, IDAHO

By: [Name]

Mayor

ATTEST: [Name]

City Clerk
SIGNED BY THE MAYOR this ___ day of ________________ , 20__.

CITY OF RUPERT, IDAHO

By: ____________________________

Mayor

ATTEST: __________________________

City Clerk

SIGNED BY THE MAYOR this 21 day of October , 2014.

CITY OF SHOSHONE, IDAHO

By: ____________________________

Mayor

ATTEST: __________________________

City Clerk

SIGNED BY THE MAYOR this ___ day of ________________ , 20__.

CITY OF WENDELL, IDAHO

By: ____________________________

Mayor

ATTEST: __________________________

City Clerk
SIGNED BY THE MAYOR this ____ day of _____________, 20__.

CITY OF RUPERT, IDAHO

By: _______________________

Mayor

ATTEST: _____________________

City Clerk

SIGNED BY THE MAYOR this ____ day of _____________, 20__.

CITY OF SHOSHONE, IDAHO

By: _______________________

Mayor

ATTEST: _____________________

City Clerk

SIGNED BY THE MAYOR this 21st day of October, 2014.

CITY OF WENDELL, IDAHO

By: _______________________

Mayor

ATTEST: _____________________

City Clerk
SIGNED BY THE MAYOR this ___ day of ____________, 20__.

CITY OF RUPERT, IDAHO

By: ______________________
   Mayor

ATTEST: ____________________
   City Clerk

SIGNED BY THE MAYOR this ___ day of ____________, 20__.

CITY OF WENDELL, IDAHO

By: ______________________
   Mayor

ATTEST: ____________________
   City Clerk

CLEAR SPRINGS FOODS
An Idaho corporation

By: ______________________
   ______________________
   Its: _________________
       Attorney

IDAHO POWER COMPANY

By: ______________________
   ______________________
   Its: _________________

RANGEN, INC.

By: ______________________
   ______________________
   Its: _________________
SIGNED BY THE MAYOR this ___ day of ________________, 20___.

CITY OF RUPERT, IDAHO

By: ______________________
    Mayor

ATTEST: ______________________
    City Clerk

SIGNED BY THE MAYOR this ___ day of ________________, 20___.

CITY OF WENDELL, IDAHO

By: ______________________
    Mayor

ATTEST: ______________________
    City Clerk

CLEAR SPRINGS FOODS
An Idaho corporation

By: ______________________
    Its: ______________________

IDAHO POWER COMPANY

By: ______________________
    Its: ______________________

RANGEN, INC.

By: ______________________
    Its: ______________________

Memorandum of Agreement
ESPN Sustainability Project

10-27-2014

-8-
ATTACHMENTS

Attachment “A”
Map Showing Location of 3 Projects

Attachment “B”
City Of Gooding Recharge Site
Project Description

Attachment “C”
American Falls Reservoir District #2 Wheeling Rates
Attachment “A”
Map Showing Location of 3 Projects
Attachment “B”
City Of Gooding Recharge Site
Project Description
Proposal to Investigate the Feasibility of Developing Managed Aquifer Recharge near Gooding, Idaho

Submitted to the Idaho Water Resources Board by Clear Springs Foods, Inc. and Idaho Power Company

Prepared by Brockway Engineering, PLLC
Charles G. Brockway, Ph.D., P.E.

Overview

Managed recharge is recognized as a critical strategy in the effort to mitigate and potentially reverse the well-documented declines in groundwater levels in the Eastern Snake Plain Aquifer. Large-scale recharge projects such as Milepost 31 and others have been partially successful at introducing water to the aquifer on a reliable basis. Smaller-scale projects also have the potential to be significant contributors to the overall recharge effort. Small-scale projects may be more readily available and suitable for recharge with minimal site work, and typically require less infrastructure development and less cost.

One such potential small-scale project is located northeast of Gooding. This recharge site consists of an ancient channel in the basalts, extending approximately 2.8 miles and running generally westerly (see Figure 1). The Little Wood River would be the source of water for the recharge, and water would be conveyed to the site via an existing man-made channel.

The City of Gooding has recently obtained the necessary water right authorization to utilize this site to recharge its decreed surface water rights as mitigation for additional groundwater withdrawal and usage within the City's municipal water system. The maximum recharge rate under this authorization would be 7.05 cfs and the typical annual recharge volume would be 1,850 acre-feet. It appears that the recharge site likely has a much greater infiltration capacity, both in terms of instantaneous rate and annual volume. The site has a number of other advantages that make it worthwhile to investigate further. Informally, the City has indicated it is generally supportive of additional recharge at the site and is willing to assist with the effort.

Diversion Methodology

An existing diversion from the Little Wood River would be utilized for the project. The location of the diversion is about 4.5 miles east of the City as shown on Figure 1. The diversion was constructed by the Corps of Engineers several decades ago as part of a
flood control system, and under an agreement with the Corps, the City of Gooding maintains this structure.

The diversion system consists of a 3-bay concrete check structure across the stream channel of the Little Wood River, with the two outer bays being check board devices and the center bay containing a hydraulically-actuated sluice gate. The check board bays are normally obstructed and the gate is utilized to maintain a relatively constant head in the channel under various discharges. A second concrete structure forms the entrance to a man-made channel on the north side of the river. This structure contains three 3-foot manually-operated headgates. The concrete of both structures appears to be in good condition. The structures are protected from erosion with wingwalls adequately keyed into the channel banks, and are stable. Based on this preliminary evaluation, it appears that this diversion is adequate and will allow water to be safely diverted from the Little Wood River.

From the river diversion described above, the man-made channel, also constructed by the Corps of Engineers, runs west-northwest for approximately 0.7 miles where it joins the natural channel in the basalt. The basalt channel extends approximately 2.8 miles, running generally westerly. Historically, this channel has carried flood flows diverted at the structure described above in order to relieve water levels downstream through the City of Gooding. The City has historically managed this diversion using informal operating criteria.

Recharge Area Description

The ancient basalt channel is well-defined, sometimes running directly on basalt and sometimes exhibiting fine-grained depositionary structure in reaches with lower slopes and slower velocities. Numerous areas where water can infiltrate exist. Abundant anecdotal evidence exists based on the City’s management of the flood control system that the entire basalt channel may easily lose 30 to 40 cfs along its length. Observational evidence supports this conclusion; however, a controlled test is needed to ascertain the actual capacity of the recharge area.

If the infiltration capacity of the recharge area is exceeded, the excess water would flow westward and could ultimately return to the Big Wood River. Further investigation is needed to evaluate whether water can be easily prevented from returning, i.e. with a small dam structure, or could be measured in order to determine the net recharge by subtracting the return flow from the diversion.

Water Measurement

No means of measuring the flow rate diverted from the river exists at this time. It appears likely that a standard weir device could be installed in the channel downstream of the headgate structure. An evaluation of flow and volume measurement would be made in the feasibility study.
Ownership and Legal Concerns

As shown on Figure 2, most of the recharge area lies on federal land managed by the Bureau of Land Management. Two private parcels also intersect the site. The BLM is in the process of issuing a special use permit to the City of Gooding to utilize the site for recharge purposes. It is possible that additional recharge could be covered under the City’s permit or an amendment to the permit. The private owners have granted permission to the City of Gooding to utilize the land for recharge purposes. They should be contacted to ensure that the proposed additional water will not cause concern.

Preliminary Modeling

Preliminary evaluation of aquifer response to recharge at the Gooding site has been done using the final, calibrated ESPAM 2.1 model, which is the best available tool at this time. The model indicates that recharge at the Gooding site enhances spring flow primarily in the reach from Blue Lakes to Bliss. 91% of the aquifer input is realized within this reach, with the greatest benefits concentrated in the Crystal to Thousand Springs reach (Figure 3). The Malad River also receives a significant gain. The following table shows the steady-state responses at the major springs to a continuous recharge at the Gooding site:

<table>
<thead>
<tr>
<th>Spring</th>
<th>Response (percent of recharge input)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malad River</td>
<td>13.2%</td>
</tr>
<tr>
<td>Box Canyon</td>
<td>12.8%</td>
</tr>
<tr>
<td>Thousand Springs</td>
<td>10.5%</td>
</tr>
<tr>
<td>Clear Lakes</td>
<td>7.6%</td>
</tr>
<tr>
<td>Crystal Springs</td>
<td>7.0%</td>
</tr>
<tr>
<td>Niagara Spring</td>
<td>5.7%</td>
</tr>
<tr>
<td>Rangen Spring</td>
<td>4.1%</td>
</tr>
<tr>
<td>Sand Springs</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

The results of this modeling are preliminary. One of the tasks of the feasibility study will be to conduct more detailed analysis in order to quantify the predicted benefits in reach gain and spring flow, on both a transient and steady-state basis. The objective of the modeling will be to predict a definite flow response at each major spring complex over time and at equilibrium. The latest approved version of the ESPA model (currently v2.1) will be utilized. Model scenarios will be developed based on estimates of the amount and duration of typical recharge volumes that could potentially be infiltrated at the Gooding site in the future.
Potential Benefits of Site

The Gooding site has a number of advantages when compared with some other potential sites. In particular,

- The diversion structures and delivery channel are already in place and may need only minor maintenance to be serviceable.
- The recharge site is a natural location with likely no site work needed to achieve a high infiltration capacity.
- Water can be delivered to the site from the Little Wood or Big Wood system or from the Snake River via the Milner-Gooding Canal.
- The diversion structure is oversized and capable of handling significantly more than may be proposed at this time. The feasibility study will determine the maximum capacity.
- Preliminary modeling indicates recharge is well-targeted to problematic springs.
- The project appears to be consistent with the objectives and procedures established in the Comprehensive Aquifer Management Plan.

Proposed Field Testing – Fall 2014

As part of the feasibility study, it is proposed to conduct a controlled test to better define the infiltration capacity of the recharge site. Clear Springs Foods will make available 1,500 acre-feet of storage in the Upper Snake reservoir system for this purpose. The testing plan will involve conveying the storage water to the diversion site on the Little Wood River through the Milner-Gooding Canal, and diverting it to the channel at a rate of approximately 38 cfs over a 20-day period. The test would begin on or about October 15, 2014.

During the test, observations will be made of the recharge area in order to document the flow path of the water, the maximum downstream extent of the water, and whether any water returns to the Big Wood River.

A modest amount of preparatory work will be needed for the test:

- The channel between the headgate and the recharge area will need to be cleaned out. It is estimated that this can be accomplished with a local backhoe operator and will require a maximum of 3 days of work.
- The City of Gooding will need to be involved and approve the use of the diversion for the testing purposes. Coordination will be made with Todd Bunn, the City’s public works director and manager of all of the City’s water supply efforts. Preliminary indications are that utilization of the facility for the test is acceptable to the City.
- A survey of the diversion structure is needed to define the geometry of the channel and headgate. This will be conducted by Brockway Engineering and should require no more than one day of effort.
• An agreement will need to be reached with American Falls Reservoir District No. 2 to convey the water through the Milner-Gooding Canal. This effort will be managed by John Simpson of Barker, Rosholt, and Simpson.

• Finally, the Watermaster of District 130 will need to be informed and should provide a concurrence that the activity can take place. Brockway Engineering will take the lead in meeting with the watermaster, on site if necessary.

Measurement of the rate of diversion during the test will be made by developing a rating curve for the existing sluice gates. A theoretical curve will first be developed based on precise measurements of the sluice gate geometry, and a current meter measurement will be made during the test to verify the curve and correct the discharge coefficient as necessary. The upstream head on the gate will be measured and recorded using a staff gauge and submersible transducer. The downstream head on the gate will be measured only if the gate is submerged. Efforts will be made to induce the gate to operate under free discharge conditions so that the rating curve may be expressed in terms of upstream head only. Since the flow rate during the test will be nearly constant, the accuracy of this approach will be adequate for the purposes of this test. Only one gate will be used in order to minimize the measurement error.

Groundwater Monitoring

If the testing and analysis described herein indicates that a recharge effort at the Gooding site is feasible, monitoring of groundwater conditions over time will likely be a component of a long-term plan. Monitoring would likely be accomplished using dedicated wells for the purpose of water level recording and water quality sampling. However, monitoring is not recommended for this initial feasible study, as the one-time injection of 1,500 acre-feet will have little or no discernible effect on groundwater levels or water quality.

Feasibility Study Tasks and Sequence

The proposed feasibility study will include the following tasks.

1. Site survey and measurements of diversion structure.

2. Inspection of feeder channel and recharge site including return point, identification of hydraulic or other constraints, and evaluation of return flow path and need for control.

3. Controlled infiltration test in October 2014, which includes the following sub-tasks:
   a. Obtain concurrence from interested parties: City of Gooding, Watermaster, BLM
   b. Negotiate agreement with AFRD#2 to convey the test water
   c. Clean out feeder channel
   d. Develop rating curve for the existing diversion structure and install staff gauges and transducers
e. Divert water for 20 days with notification and concurrence of watermaster, measure and monitor the infiltration patterns approximately every other day.

4. Develop conceptual design of measuring device and any other infrastructure needs identified in the above tasks.

5. Detailed ESPAM modeling based on results of tests, transient and steady-state at all springs.

6. Prepare Engineer’s Preliminary Cost Estimates for infrastructure construction and ongoing maintenance for full project, if feasible.

7. Feasibility study report. The report will include a detailed description of the study methodology, data collected, interpretation of test results, and recommendation as to the feasibility of the projects and requirements for implementation. A description of the costs and hydrologic benefits of the project will also be provided.

8. Meeting with IWRB. One meeting is anticipated at which the report will be presented and questions will be taken about the methodology and results.

Estimated Cost for Feasibility Study

Costs to complete the feasibility study consist of engineering, physical construction work, water conveyance, and legal assistance. The attached man-day estimate shows estimated time and expenses for engineering and construction needed to complete the above tasks. This cost along with the other estimated costs are tabulated below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering and construction</td>
<td>$27,984</td>
</tr>
<tr>
<td>Legal services</td>
<td>$3,000</td>
</tr>
<tr>
<td>Water conveyance</td>
<td>$4,300</td>
</tr>
<tr>
<td>Total estimated cost</td>
<td>$37,484</td>
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</table>
ESPAM 2.1 STEADY STATE RESPONSE FROM AVERAGE RECHARGE AT GOODING RECHARGE SITE TO SPRING CELLS. 91% OF RECHARGE SIMULATED TO SPRING FLOW.
Gooding Recharge Site Photographs

Concrete headgate structure at Little Wood River diversion

Recharge area (typical)
## MANAGED AQUIFER RECHARGE FEASIBILITY STUDY

### GOODING SITE

**Scope of Services and Man-Day Estimate for Engineering**

Broadway Engineering, PLLC / July 2, 2014

### TABLE 1: TASKS AND COST

<table>
<thead>
<tr>
<th>TASK</th>
<th>PROJECT</th>
<th>ENGR CHIEF</th>
<th>SENIOR ENGINEER</th>
<th>DESIGN ENGINEER</th>
<th>HYDROL-OPT</th>
<th>TECH</th>
<th>EXPENSES</th>
<th>TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>On-site survey and measurements at diversion</td>
<td>0.40</td>
<td>0.40</td>
<td>0.40</td>
<td>0.40</td>
<td>0.40</td>
<td>$400.00</td>
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<td>2</td>
<td>Inspection of feeder channel along its length, recharge area.</td>
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<td>0.10</td>
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<td>$100.00</td>
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<td>3</td>
<td>Potential return point to map</td>
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<td>0.05</td>
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<td>Analysis and calculations for concept design</td>
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<td>0.05</td>
<td>0.05</td>
<td>$50.00</td>
<td></td>
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<td>7</td>
<td>Technical concept drawings</td>
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<td>8</td>
<td>ESRI model runs and output processing, mapping</td>
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<td>Steering w/ NWRA, presentation</td>
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<td></td>
<td></td>
<td>$535.00</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL ESTIMATED COST FOR SERVICES**

$577,054

---

Broadway Engineering, PLLC 7/2/2014

Cost estimate - engineering and construction - Gooding Memorandum of Agreement Final.docx
Attachment “C”
American Falls Reservoir District #2 Wheeling Rates

<table>
<thead>
<tr>
<th>Number of Days Water Delivered within the Recharge Season during the Year</th>
<th>Payment rate per AF delivered within Annual Recharge Season</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-to-25 days</td>
<td>$3/AF</td>
</tr>
<tr>
<td>26-to-50 days</td>
<td>$5/AF</td>
</tr>
<tr>
<td>51-to-80 days</td>
<td>$7/AF</td>
</tr>
<tr>
<td>81-to-120 days</td>
<td>$10/AF</td>
</tr>
<tr>
<td>More than 120 days</td>
<td>$14/AF</td>
</tr>
</tbody>
</table>