By

District Court - SRBA

Fifth Judicial District In Re: Administrative Appeals
County of Twin Falls - State of Idaho

SEP 1 8 2015

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Attorneys for Gary Spackman and the Idaho Department of Water Resources

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT OF THE

STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

CITY OF HAILEY, an Idaho municipal corporation, and CITY OF BELLEVUE, an Idaho municipal corporation,

Case No. CV-WA-2015-14419

STIPULATION- I

Petitioners,

V8.

GARY SPACKMAN in his official capacity as the Director of the IDAHO DEPARTMENT OF WATER RESOURCES; and the IDAHO DEPARTMENT OF WATER RESOURCES,

Respondents.

SUN VALLEY COMPANY, a Wyoming corporation,

Petitioners,

VS.

GARY SPACKMAN in his official capacity as the Director of the Idaho Department of Water Resources, and the IDAHO DEPARTMENT OF WATER RESOURCES,

Respondents.

IN THE MATTER OF DISTRIBUTION OF WATER TO WATER RIGHTS HELD BY MEMBERS OF THE BIG WOOD & LITTLE WOOD WATER USERS ASSOCIATION DIVERTING FROM THE BIG WOOD AND LITTLE WOOD RIVERS

CORRECTED STIPLUATION

Case No. CV-WA-2015-14500

CORRECTED STIPLUATION

The City of Hailey ("Hailey"); the City of Bellevue ("Bellevue"); Sun Valley Company ("SVC"); the Big & Little Wood Water Users Association ("WUA"); the City of Ketchum ("Ketchum"); the City of Fairfield ("Fairfield"), and the Idaho Department of Water Resources ("Department") and Gary Spackman, Director of the Department, by and through their respective attorneys of record, hereby enter into this Stipulation in the above-captioned matters.

STIPULATION-2

BACKGROUND

- The WUA, through their counsel, submitted written requests to the Department
 that the Watermaster of Water Districts 37 and 37B administer junior ground water rights that
 the WUA alleges are causing material injury to the surface water rights of the WUA's members.
- 2. The Department deemed the WUA's requests to be delivery calls as defined in the Department's Conjunctive Management Rules, IDAPA 37.03.11 ("CM Rules"), and initiated contested case proceedings for the Big Wood Delivery Call (Docket No. CM-DC-2015-001) and the Little Wood Delivery Call (Docket No. CM-DC-2015-002) ("Delivery Calls") under CM Rule 40.
- 3. In a letter dated March 20, 2015, the Department notified holders of certain ground water rights within Water Districts 37 and 37B of the filing of the WUA's requests for administration. The Department also published notice of the Delivery Calls in the Idaho Mountain Express and Camas Courier on March 25th, 2015 & April 1st, 2015; and the Times News on March 26th, 2015 & April 2nd, 2015.
- 4. Hailey, Bellevue, Ketchum, Fairfield and SVC, among others, filed notices of intent to participate in the Delivery Calls.
- 5. On June 25, 2015, SVC filed its Motion to Dismiss Contested Case Proceedings
 ("Sun Valley's Motion") arguing, among other things, the WUA failed to file petitions for
 delivery calls compliant with the requirements of Idaho Code § 42-237b, the Department's Rules
 of Procedure, and the CM Rules.
- 6. On June 26, 2015, Halley and Bellevue filed their Joint Motion to Designate ACGWS by Rulemaking and to Dismiss Delivery Calls ("Cities" Motion") arguing that the Department may not administer ground water rights in Water Districts 37 and 37B in response to a delivery call under CM Rule 40 unless and until the Department, through rulemaking,

establishes an area of common ground water supply ("ACGWS") that encompasses the WUA's members' water rights and potentially implicated junior ground water rights.

- 7. On July 22, 2015 the Department issued its Order Denying Sun Valley Company's Motion to Dismiss ("Sun Valley Order") denying Sun Valley's Motion, and its Order Denying Joint Motion to Designate ACGWS by Rulemaking and to Dismiss Delivery Calls ("ACGWS Order") denying the Cities' Motion. Neither the Sun Valley Order nor the ACGWS Order contained language or was accompanied by a document containing language indicating they were recommended orders, proliminary orders or final orders. Thus, under the Department's Rule of Procedure 710, the Sun Valley Order and ACGWS Order are interlocutory orders.
- 8. On August 6 and 8, 2015, respectively, SVC timely filed its Motion for Review of Interlocutory Order and Hailey and Bellevue timely filed their Joint Motion for Review of Interlocutory Order in the Delivery Calls (together the "Rule 711 Motions") seeking review of the Sun Valley Order and the ACGWS Order under the Department's Rule of Procedure 711, IDAPA 37.01.01.711. As of this date, the Director has taken no action to rescind, alter or amend the Sun Valley Order or the ACGWS Order in response to the Rule 711 Motions.
- 9. On August 18, 2015, Hailey and Bellevue filed their Petition for Judicial Review of Agency Action ("Cities" Petition") in Ada County District Court, Case No. CV-OC-1514419, seeking judicial review of the ACGWS Order pursuant to Idaho Codo §§ 67-5270 and 67-5271(2) and Rule 84 of the Idaho Rules of Civil Procedure, seeking judicial review of an intermediate agency action on the grounds that review of final agency action will not provide them with an adequate remedy.
- 10. On August 19, 2015, SVC filed its Perition for Judicial Review ("SVC Petition") in Ada County District Court, Case No. CV-OC-1514500, seeking judicial review of the Sun Valley Order pursuant to Idaho Code §§ 67-5270 and 67-5271(2) and Rule 84 of the Idaho Rules

of Civil Procedure, seeking judicial review of an intermediate agency action on the grounds that review of final agency action will not provide them with an adequate remedy.

- 11. The Cities' Petition and the SVC Petition (together the "Petitions") have been reassigned from the Fourth District to the Snake River Basin Adjudication District Court of the Fifth Judicial District. The Cities' Petition was renumbered by the Court from CV-OC-1514419 to CV-WA-2015-14419. The SVC Petition was renumbered by the Court from CV-OC-1514500 to CV-WA-2013-14500.
- The Department disputes that the ACGWS Order and the Sun Valley Order may be reviewed by the District Court at this time,
- 13. All of the parties to this Stipulation agree that expedited judicial review of the issues raised by the Cities' Motion and Sun Valley's Motion on the terms set forth below is in the interests of administrative and judicial economy.

STIPULATION

- 14. Designation of the ACGWS Order and the Sun Valley Order as Final Orders.

 Amendment of Petitions, and Augmentation of Records on Appeal. The parties to this

 Stipulation agree to take the following actions with respect to the ACGWS Order and the Sun

 Valley Order, the Petitions, and the records on appeal:
 - a. Hailey, Bellevue, Ketchum, Fairfield and SVC will file a motion requesting the Director designate the ACGWS Order and the Sun Valley Order as final orders pursuant to the Department's Rules of Procedure 710 and 750 with respect to issues presented by the Cities' Motion and Sun Valley's Motion ("Motion to Designate"). If no objection is filed to the Motion to Designate, the Director will issue separate orders designating the ACGWS Order and the Sun Valley Order as final orders subject to judicial review consistent with the Department's Rule of Procedure 740 ("Designation Orders"). If an objection is timely filed to the

- Motion to Designate, the Director will consider the objection and rule on the merits of the motion and objection accordingly.
- Hailey, Bellevue, Ketchum, Fairfield, SVC, and the WUA agree not to seek reconsideration of, or file exceptions to, the Designation Orders.
- c. Promptly following expiration of the time allowed for other parties to the Delivery Calls who are not parties to this Stipulation to seek reconsideration, file exceptions or request a hearing on the Designation Orders, assuming no parties have done so, Hailey and Bellevne and SVC will take appropriate steps to amend their respective Pattitions in the District Court to reflect that they are seeking judicial review of final agency actions. Within twenty-one (21) days of the filing of the settled records, the parties will take appropriate steps to augment the records before the District Court with the Motion to Designate and Designation Orders in accordance with Rule 84(1), Idaho Rules of Civil Procedure.
- d. The parties agree not to oppose the above-described amendments to the *Petitions*, or to assert that Hailey and Bellevue or SVC have failed to exhaust administrative remedies, or to take any other action to prevent review by the District Court, on the merits, of the issues presented.
- e. In the event the Director takes any action in response to the Rule 711 Motions within (wenty-one (21) days of the filling of the settled records, the parties agree that Hailey and Bellevue and SVC will take appropriate step to amend their Petitions, if necessary, and the parties will take appropriate steps to augment the records before the District Court with any record or evidence of such action in accordance with Rule 84(1), Idaho Rules of Civil Procedure.
- None of the parties shall be deemed to have waived any claim or defense, including without limitation claims or defenses concerning adequate remedies,

exhaustion of administrative remedies and those claims, defenses, arguments, findings or conclusions contained in the Cities' Motion, Sun Valley's Motion, the ACGWS Order, the Sun Valley Order, or the Petitions in the event the District Court does not recognize the Designation Orders and/or Hailey and Bellevuc's or SVC's amendments of the Petitions as conferring jurisdiction on the Court to review the ACGWS Order or the Sun Valley Order as final agency actions.

- Stipulation to Expedite Judicial Review. The parties agree to take all reasonable steps to expedite the District's Court judicial review of the Patitions.
 - Joint Motion to Stay Contested Case Proceedings.
 - a. Hailey, Bellevne, Ketchum, Fairfield, SVC, and the WUA will file with the Department a Joint Motion for Stay of Delivery Calls substantially in the form attached hereto as <u>Attachment A</u> ("Motion for Stay"), which is hereby incorporated by reference.
 - b. Consistent with the Department's Rule of Procedure 270, any party to the Delivery Calls may file a responsive pleading to the Motion for Stay within fourteen (14) days of the filing of the motion.
 - c. The Department will expedite its decision on the Motion for Stay.
 - d. Following issuance of Rule 54 final and appealable judgments on both Petitions by the District Court, the Department will promptly notice scheduling of a status conference at which the parties to the Delivery Calls and the Department will consult concerning the procedural steps required to give effect to the District Court's decisions, including without limitation, dismissal of the contested cases, or establishing a hearing schedule.
- 17. Stimulation as to Hearing Schedule as to Further Proceedings in the Delivery

 Calls.

- a. If proceedings resume on the Delivery Calls following the stay ordered pursuant to the Motion for Stay, the parties to the Delivery Calls shall be entitled to a schedule providing the following time frames at a minimum:
 - i. <u>Discovery</u>. The parties to the Delivery Calls shall be entitled to resume discovery as authorized by the Director's May 13, 2015, Order Authorizing Discovery: Notice of Pre-Hearing Conference, for a minimum period of one hundred eighty (180) days, ending no earlier than thirty (30) days prior the Hearing.
 - ii. Export Witness Disclosures. The parties to the Delivery Calls shall disclose export witnesses expected to testify at the Hearing, including information required by I.R.C.P. 16(a)(1) and 24(b)(4)(A), no later than sixty (60) days prior to the Hearing.
 - Hearing. Any evidentiary hearings on the Dollvery Calls shall be held no earlier than two hundred forty (240) days following the conclusion of the stay ordered pursuant to Mation for Stay.

DATED this 181 day of Section 2015.

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STIPULATION- 8

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IDAHO DEPARTMENT OF WATER RESOURCES

Susun B. Buxton

Attorneys for Cities of Ketchan and Fairfield

By: Carriok D. Buxtur

Atturney for the Idaho Department of Water Resources and Gary Spackman, Director of the Idaho Department of Water Resources

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this	day of September 2015, I caused a true and
correct copy of the foregoing document	to be filed with the Court and served on the following
parties by the indicated methods:	

. 114

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Attorneys for the Cities of Ketchum and Fairfield

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

IN THE MATTER OF DISTRIBUTION OF WATER TO WATER RIGHTS HELD BY MEMBERS OF THE BIG WOOD & LITTLE WOOD WATER USERS ASSOCIATION DIVERTING FROM THE BIG WOOD RIVER

IN THE MATTER OF DISTRIBUTION OF WATER TO WATER RIGHTS HELD BY MEMBERS OF THE BIG WOOD & LITTLE Candice M. McHugh, ISB # 5908 Chris M. Bromley, ISB # 6530 MCHUGH BROMLEY, PLLC 380 S. 4th St., Ste. 103 Boise, Idaho 83702 Telephone: 208-287-0991 Fax: 208-287-0864

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Attorneys for Big & Little Wood Water Users Association

Docket No. CM-DC-2015-001

Docket No. CM-DC-2015-002

WOOD WATER USERS ASSOCIATION DIVERTING FROM THE LITTLE WOOD RIVER

JOINT MOTION FOR STAY OF DELIVERY CALLS

The City of Hailey ("Hailey"), the City of Bellevue ("Bellevue"), Sun Valley Company ("SVC"), the Big & Little Wood Water Users Association ("WUA"), the City of Ketchum ("Ketchum"), and the City of Fairfield ("Fairfield") (collectively, the "Movants"), by and through their respective attorneys of record, jointly file this Joint Motion for Stay of Delivery Calls ("Joint Motion") requesting the Director ("Director") of the Idaho Department of Water Resources ("Department") stay all further proceedings in the above-captioned matters (the "Delivery Calls") for the reasons and upon the terms set forth herein.

RECITALS

- The WUA, through their attorney, initiated proceedings before the Department seeking administration of junior ground water rights in Water Districts 37 and 37B alleging that diversions of water under such junior ground water rights cause material injury to the surface water rights of the WUA's members.
- 2. On August 18, 2015, Hailey and Bellevue filed their Petition for Judicial Review of Agency Action ("Cities" Petition") in Ada County District Court, Case No. CV-OC-1514419, seeking judicial review of the July 22, 2015, Order Denying Jaint Motion to Designate ACGWS by Rulemaking and to Dismiss Delivery Calls ("ACGWS Order") issued by the Director.
- On August 19, 2015, SVC filed its Petition for Judicial Review ("SVC Petition")
 in Ada County District Court, Case No. CV-OC-1514500, seeking judicial review of the July 22,
 2015, Order Denying Sun Valley Company's Motion To Dismiss ("Sun Valley Order") issued by
 the Director.

- 4. The Cities' Petition and the SVC Petition (together the "Petitions") have been reassigned from the Fourth District to the Snake River Basin Adjudication District Court of the Fifth Judicial District. The Cities' Petition was renumbered by the Court from CV-OC-1514419 to CV-WA-2015-14419. The SVC Petition was renumbered by the Court from CV-OC-1514500 to CV-WA-2015-14500.
- Department entered into a Stipulation in which they agreed: (a) that Hailey, Bellevue, Ketchum, Fairfield and SVC would file a motion requesting the Director designate the ACGWS Order and Sun Valley Order as final orders pursuant to the Department's Rules of Procedure 710 and 750 subject to judicial review under the Idaho Administrative Procedure Act, Idaho Code § 67-5270(3); (b) that the Movants would file this Joint Motion requesting that the Director stay all administrative proceedings on the Delivery Calls, including without limitation all discovery and motion practice, until the District Court issues Rule 54 final and appealable judgments on the Cities' Petition and the SVC Petition; and (c) that the terms and conditions of the stay would be set forth in this Joint Motion.

JOINT MOTION

- 6. The Movants hereby move the Director to:
- a. Order the stay of all administrative proceedings on the Delivery Calls, including without limitation all discovery and motion practice, until the District Court has issued Rule 54 final and appealable judgments on both the Cities' Petition and the SVC Petition (the "Stay"); and
- b. Order that, following issuance of Rule 54 final and appealable judgments by the District Court on both the Cities' Petition and the SVC Petition, whichever is later, the Department will promptly notice scheduling of a status conference at which the parties to the

Delivery Calls and the Department will consult concerning the procedural steps required to give effect to the District Court's decisions, including without limitation, dismissal of the contested cases, or establishing a hearing schedule. Any further proceedings shall be consistent with the time frames set forth in the Stipulation.

- 7. The Movants further agree as follows:
- a. All rights to further administrative and judicial proceedings are reserved to the parties of such proceedings, and the Stay shall not affect such rights, including without limitation the right of any party of the Department to seek reconsideration or appellate review of the District Court's decisions on the Cities' Petition and the SVC Petition, or any other relief provided by law;
- b. Nothing herein precludes any party or person from seeking a stay or any other relief provided by law in any administrative and judicial proceeding; and
- c. No party or person agrees to any stay of proceedings except as expressly provided herein.

DATED this day of	September 2015.
GIVENS PURSLEY LLP	MCHUOH BROMLEY, PLLC
Ву:	Ву:
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MOFFATT, THOMAS, BARRETT, ROCK & FIELDS, CHARTERED	BROWN & JAMES
By:	By:
Matthew J. McGee Attorneys for Sun Valley Company	Joseph F. James Attorneys for Big & Little Wood Water Users Association

MOORE SM CHTD.	ITH BUXTON & TURCKE,
By:Susan E. Bux	vion.
	tties of Ketchum and Fairfield
	CERTIFICATE OF SERVICE
correct copy Services List call-actions/t	REBY CERTIFY that, on this day of 2015, I served a true and of the foregoing document to all parties listed on the Combined Certificate of posted on the Department's website at http://idwr.idaho.gov/legal-actions/delivery-rig-wood-river.html and http://idwr.idaho.gov/legal-actions/delivery-call-wood-river.html updated the 19th day of August2015, by the following method:
	Placing a copy of the document in the United States mail, postage prepaid and properly addressed.
	Emailing only to parties who have consented to service by email as indicated on the above-described Certificate of Service List; placing a copy of the document in the United States mail, postage prepaid and properly addressed, to parties who have not consented to service by email; and emailing to parties who provided email addresses to the Department but have not consented to service by email.
	Michael C. Creamer Attorneys for City of Hailey