IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF JEROME

IDAHO GROUND WATER APPROPRIATORS, INC.,

Case No. CV27-22-00945

v.

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

Respondents.

Petitioner,

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

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

AGENCY RECORD ON APPEAL

Judicial Review from the Idaho Department of Water Resources
Director Gary Spackman Presiding

LAWRENCE G. WASDEN ATTORNEY GENERAL

GARRICK L. BAXTER

Acting Chief of Natural Resources Division

GARRICK L. BAXTER, ISB No. 6301 MARK CECCHINI-BEAVER, ISB No. 9297

Deputy Attorneys General Idaho Department of Water Resources P.O. Box 83720 Boise, Idaho 83720-0098 garrick.baxter@idwr.idaho.gov mark.cecchini-beaver@idwr.idaho.gov

Attorneys for Respondents

Thomas J. Budge Elisheva M. Patterson

RACINE OLSON, PLLP

P.O. Box 1391
Pocatello, ID 83204
tj@racineolson.com
elisheva@racineolson.com

Attorneys for Petitioner

Candice McHugh Chris M Bromley McHUGH BROMLEY, PLLC 380 S. 4th St., Ste. 103 Boise, ID 83702 cmchugh@mchughbromley.com cbromley@mchughbromley.com

Attorneys for Coalition of Cities

John K. Simpson
Travis L. Thompson
Michael A. Short
BARKER ROSHOLT & SIMPSON LLP
P.O. Box 63
Twin Falls, ID 83303
jks@idahowaters.com
tlt@idahowaters.com
mas@idahowaters.com

W. Kent Fletcher
FLETCHER LAW OFFICE
P.O. Box 248
Burley, ID 83318
wkf@pmt.org

Attorneys for Surface Water Coalition

Sarah A. Klahn **SOMACH SIMMONS & DUNN** 1155 Canyon Blvd., Suite 110 Boulder, CO 80302 sklahn@somachlaw.com

Attorney for City of Pocatello

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DEPARTMENT OF

W. Kent Fletcher, ISB #2248ER RESOURCES
FLETCHER LAW OFFICE

P.O. Box 248

Burley, Idaho 83318 Telephone: (208) 678-3250 Facsimile: (208) 878-2548

Attorneys for American Falls Reservoir District #2 and Minidoka

Irrigation District

John K. Simpson, ISB #4242 Travis L. Thompson, ISB #6168 Paul L. Arrington, ISB #7198 BARKER ROSHOLT & SIMPSON LLP 195 River Vista Place, Suite 204 Twin Falls, Idaho 83301-3029 Telephone: (208) 733-0700 Facsimile: (208) 735-2444

Attorneys for A&B Irrigation District, Burley Irrigation District, Milner Irrigation District, North Side Canal Company, and Twin Falls Canal Company

Randall C. Budge, ISB #1949 Thomas J. Budge, ISB #7465 RACINE OLSON NYE BUDGE & BAILEY, CHTD. 201 E. Center St. / P.O. Box 1391 Pocatello, Idaho 83204-1391 Telephone: (208) 232-6101

Attorneys for Idaho Ground Water Appropriators, Inc.

Facsimile: (208) 232-6109

BEFORE THE IDAHO DEPARTMENT OF WATER RESOURCES

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

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

Docket No. CM-MP-2016- DOI

Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order

SURFACE WATER COALITION'S AND IGWA'S STIPULATED MITIGATION PLAN AND REQUEST FOR ORDER -

A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively the "Surface Water Coalition" or "SWC"), and Idaho Ground Water Appropriators, Inc. ("IGWA") hereby stipulate and move the Director to enter the proposed *Order Approving IGWA's Mitigation Plan* attached hereto as *Exhibit A* under Rule 43 of the Department's Rules for Conjunctive Management of Surface and Ground Water Resources ("CMR").

STIPULATION

- 1. The Eastern Snake Plain Aquifer (ESPA) supplies groundwater to approximately one million irrigated acres and to numerous cities, businesses, dairies, factories and homes; and
- 2. The ESPA is hydraulically connected to the Snake River and discharges to the Snake River via tributary springs, which supply surface water for multiple beneficial uses, including aquaculture, hydropower, and the irrigation of approximately one million acres; and
- 3. Since 1952 the total volume of water stored in the ESPA has decreased due to increasing direct diversions of ground water, increasingly efficient surface water irrigation practices, and other factors; and
- 4. Current ESPA water levels and total storage content, after more than six decades of decline, are inadequate to provide a reasonably safe supply of water for sustainable surface and groundwater irrigation, hydropower, aquaculture, municipal and industrial uses, the curtailment of which would cause severe economic harm to the State of Idaho
- 5. In 2015, historic settlement agreements, identified herein, were entered into between the following surface water right holders: A & B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company and Twin Falls Canal Company, collectively known as the Surface Water Coalition (SWC); and the following ground water right holders: Aberdeen American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Carey Valley Ground Water District, Jefferson-Clark Ground Water District, Madison Ground Water District, Magic Valley Ground Water District, North Snake Groundwater District, Fremont-Madison Irrigation District, Anheuser-Busch, United Water, Glanbia Foods, City of Blackfoot, City of American Falls, City of Jerome, City of Rupert, City of Heyburn, City of Paul, City of Chubbuck and City of Hazelton, collectively known as the Idaho Ground Water Appropriators, Inc.; (IGWA) for the purpose of resolving pending water delivery calls and provide for on-going management of the ESPA to address the current hydrologic conditions identified in paragraphs nos. 3 and 4;
- 6. Attached hereto as *Exhibits B and C* respectively are true and correct copies of the *Settlement Agreement entered into June 30, 2015, between participating members of the Surface Water Coalition and participating members of the Idaho Ground Water Appropriators, Inc.* and *Addendum to Settlement Agreement* (collectively the "SWC-IGWA Settlement Agreement").

SURFACE WATER COALITION'S AND IGWA'S STIPULATED MITIGATION PLAN AND REQUEST FOR ORDER -

- 7. Attached hereto as *Exhibit D* is a true and correct copy of the *Agreement* dated October 7, 2015 between A&B Irrigation District and the IGWA members who entered into the SWC-IGWA Settlement Agreement (the "A&B-IGWA Agreement").
- 8. The parties hereby incorporate and submit the SWC-IGWA Settlement Agreement and the A&B-IGWA Agreement (collectively, the "Agreements") as a stipulated mitigation plan in reference to the Surface Water Coalition delivery call (IDWR Docket No. CM-DC-2010-001). The Coalition stipulates that the mitigation provided by participating IGWA members under the Agreements is, provided the Agreements are implemented, sufficient to mitigate for any material injury caused by the groundwater users who belong to, and are in good standing with, a participating IGWA member.
- 9. With respect to the 2015 obligation identified in the SWC-IGWA Agreement (Paragraph 2.a), on May 8, 2015, the SWC and IGWA filed the Surface Water Coalition and IGWA Stipulation and Joint Motion Regarding April as Applied Order and Third Methodology Order in IDWR Docket No. CM-DC-2010-0001, pursuant to which the Director entered an Order Approving Stipulation and Granting Joint Motion dated May 8, 2015 ("May 8, 2015 Order").
- 10. IGWA fully satisfied its 2015 obligation(SWC-IGWA Settlement Agreement, Paragraph 2.a) and the May 8, 2015 Order by leasing and assigning 110,000 acre feet of storage water to the SWC through the Water District 01 Rental Pool procedures.
- 11. With respect to the long term obligations identified in the SWC-IGWA Agreement (Paragraph 3), IGWA is proceeding to implement those actions commencing in 2016. Participating IGWA members providing the stipulated mitigation to the SWC are not subject to curtailment under the SWC delivery call, IDWR Docket No. CM-DC-2010-001, provided actions are implemented and performed as set forth in the SWC-IGWA Settlement Agreement. Junior ground water right holders who are not protected from curtailment under the Agreements and who do not otherwise have an approved Rule 43 mitigation plan will be subject to conjunctive administration pursuant to the Director's orders under IDWR Docket No. CM-DC-2010-001.
- 12. IGWA, on behalf of its participating members identified in the Agreements, stipulates and acknowledges the obligations, benchmarks and goal identified in Paragraphs 1 and 4 of the SWC-IGWA Settlement Agreement. Provided the obligations identified in the SWC-IGWA Settlement Agreement are performed, the parties stipulate this mitigation plan is effectively operating pursuant to CM Rules 40.01.b, 40.05 and 43.
- 13. The parties stipulate and request that the Director issue the attached Order approving the SWC-IGWA Settlement Agreement and the A&B-IGWA Agreement together as a mitigation plan under CMR 43 ("IGWA's Settlement Agreement Mitigation Plan").
- 14. Groundwater users who are not presently protected under IGWA's Mitigation Plan may participate on an equitable basis by joining an IGWA Ground Water District or Irrigation District that entered into the SWC-IGWA Settlement Agreement and the A&B-IGWA Agreement and by complying with such District's obligations under IGWA's Settlement

Agreement Mitigation Plan; or, secure Director approval of an individual mitigation plan which complies with CMR 43 and provides adequate mitigation to help achieve the groundwater level goal and benchmarks set forth in the SWC-IGWA Settlement Agreement.

Therefore, the parties request that the Director:

- (a) Publish notice of IGWA's 2015 Mitigation Plan in accordance with CMR 43.02; and
- (b)Approve the SWC-IGWA Settlement Agreement and the A&B-IGWA Agreement together as a complete mitigation plan under CMR 43.
- (c) Take the necessary management actions to address declining ESPA groundwater levels, water supply and sustainability issues in order that the benefits contemplated in the SWC-IGWA Settlement Agreement are realized.

DATED this ____ day of March, 2016.

BARKER ROSHOLT & SIMPSON LLP

John K. Simpson Travis L. Thompson Paul L. Arrington

Attorneys for A&B Irrigation District, Burley Irrigation District, Milner Irrigation District, North Side Canal Company, and Twin Falls Canal Company FLETCHER LAW OFFICE

W.Kent Fletcher

Attorneys for Minidoka Irrigation District and American Falls Reservoir District #2

RACINE OLSON NYE BUDGE & BAILEY, CHTD.

Randall C. Budge

Attorneys for Idaho Ground Water Appropriators, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this day of March, 2016, I served a true and correct copy of the foregoing Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order on the following by the method indicated:

D: + C C 1	D.C. WITT 1	IDWD E .
Director Gary Spackman	Matt Howard	IDWR – Eastern Region
c/o Deborah Gibson	U.S. Bureau of Reclamation	900 N. Skyline Dr., Suite A
State of Idaho	1150 N. Curtis Rd.	Idaho Falls, ID 83402-1718
Dept of Water Resources	Boise, ID 83706-1234	
322 E Front St		*** service by electronic
Boise, ID 83720-0098	*** service by electronic mail	mail only
*** service by electronic mail	only	lyle.swank@idwr.idaho.gov
facsimile – 208-287-6700	mhoward@pn.usbr.gov	
gary.spackman@idwr.idaho.go	emcgarry@pn.usbr.gov	
v		·
deborah.gibson@idwr.idaho.go		
V	·	
Randy Budge	Sarah A. Klahn	David Gehlert
T.J. Budge	Mitra Pemberton	ENRD – DOJ
Racine Olson	White & Jankowski, LLP	999 18 th St.
P.O. Box 1391	511 Sixteenth Street, Suite 500	South Terrace, Suite 370
Pocatello, ID 83204-1391	Denver, CO 80202	Denver, CO 80202
*** service by electronic mail	*** service by electronic mail	*** service by electronic
only	only	mail only
	facsimile – 303-825-5632	man only
rcb@racinelaw.net	sarahk@white-jankowski.com	david.gehlert@usdoj.gov
tjb@racinelaw.net	mitrap@white-jankowski.com	davia.gemer(a,asaoj.gov
tjo(a)racmeraw.net	imuapa,winte-jankowski.com	
A. Dean Tranmer	William A. Parsons	IDWR – Southern Region
City of Pocatello	Parsons, Smith & Stone LLP	1341 Fillmore St., Suite 200
P.O. Box 4169	P.O. Box 910	Twin Falls, ID 83301-3380
Pocatello, ID 83201	Burley, ID 83318	1 will 1 dills, 115 05501-5500
*** service by electronic mail	Duitey, 1D 03310	*** service by electronic
only	*** service by electronic mail	mail only
Only	only	allen.merritt@idwr.idaho.go
facsimile – 208-234-6297	Only	
dtranmer@pocatello.us	umarsons@nmt org	<u>v</u> <u>cindy.yenter@idwr.idaho.go</u>
dirammer(wpocatemo.us	wparsons@pmt.org	
		<u>V</u>

Michael C Creamer	Kathleen Carr	
Jeffrey C. Fereday	US Dept Interior, Office of	
Givens Pursley	Solicitor	·
601 W Bannock St Ste 200	Pacific Northwest Region,	
P.O. Box 2720	Boise	
Boise, ID 83701-2720	960 Broadway, Ste 400	
*** service by electronic mail	Boise, ID 83706	
only	*** service by electronic mail	
mcc@givenspursley.com	only	
jcf@givenspursley.com	facsimile – 208-334-1918	
	kathleenmarion.carr@sol.doi.go	
	<u>v</u>	

Randall C. Budge



BEFORE THE IDAHO DEPARTMENT OF WATER RESOURCES

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

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

FINAL ORDER

Based upon and consistent with the Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order filed herein, and good cause appearing therefore,

IT IS HEREBY ORDERED as follows:

The IGWA Settlement Agreement Mitigation Plan is APPROVED upon the following conditions:

- 1. The parties will work cooperatively in implementing the terms of the Agreement, to wit: Sections 3 (Long Term Practices, Commencing 2016), 3.m ("Steering Committee"), and 4.a ("Adaptive Water Management"). The parties will undertake the following actions to begin implementation:
 - a. Section 3. Long Term Practices, Commencing 2016:
 - Pursuant to 3.a of the Settlement Agreement, prior to April 1, 2016, the
 participating Districts will submit to the Steering Committee their proposed
 actions to be taken for the upcoming irrigation season, together with supporting
 information compiled by the Districts' consultants.
 - Pursuant to 3.e.i of the Agreement, IDWR will collect, process, archive and submit sentinel well data to the Steering Committee within 30 days of collection.

- Pursuant to 3.e. of the Agreement, the parties and their consultants will use a groundwater level index at the sentinel wells and mutually agreed upon calculation techniques ("3e Calculation Technique") to determine if the ground water level benchmarks and goal are met by June 1. This information shall be provided for use by the Steering Committee.
- IDWR will verify each District's well measurement and other diversion reduction data (recharge, CREP, conversions, end-gun removals, etc.) to confirm the accuracy of the data. This IDWR analysis shall be provided to the Steering Committee by ______ annually. IDWR will not take additional action following the analysis for non-conformance unless requested by the obligated District.
- Any District may elect to report to the Department and request enforcement against a member that is not in compliance with any mitigation plan or activity implemented by the District to comply with the Settlement Agreement. Such members will not be protected under the Settlement Agreement. The Director will evaluate the breach and if a breach is found to exist provide notice of violation and opportunity to cure to the breaching member. If the member fails to cure the breach the Director will issue an order against the breaching member requiring action to cure the breach or be subject to curtailment.

b. Section 3.m. Steering Committee:

- The Steering Committee will review the technical information supplied by IDWR together with technical reports compiled by the parties' consultants. This information will be reviewed at least bi-annually.
- If, based on the information reported and available, the Steering Committee finds that the Long Term Practices as set forth in paragraph 3 of the Agreement have been performed but the ground water level benchmarks or goal set forth in 3.e.ii have not been met, the Steering Committee shall recommend additional actions to be undertaken by the Districts pursuant to 3.m.iii of the Settlement Agreement. If the Steering Committee does not agree upon additional actions prior to March 1 of the following year, the Director shall issue an order requiring additional actions to be undertaken by the Districts to achieve the benchmarks or goal not met.

If, based on the information reported and available, the Steering Committee finds any breach of the Long Term Practices as set forth in paragraph 3 of the Agreement, the Steering Committee shall give ninety (90) days written notice of the breach to the breaching party specifying the actions that must be taken to cure such breach. If the breaching party refuses or fails to take such actions to cure the breach, the Steering Committee shall report the breach to the Director with all supporting information, with a copy provided to the breaching party. If the Director determines based on all available information that a breach exists which has not been cured, the Director shall issue an order specifying actions that must be taken by the breaching party to cure the breach or be subject to curtailment.

If the Steering Committee does not agree that a breach has occurred or upon actions that must be taken by the breaching party to cure the breach, the same will be reported to the Director who will evaluate all available information and issue an order specifying actions that must be taken by the breaching party to cure the breach or be subject to curtailment.

• The Steering Committee will submit a report to the parties and the Department prior to April 1 annually reporting on: (a) progress on implementation and achieving the benchmarks and goals of the Settlement Agreement, (b) performance of the Long Term Practices set forth in paragraph 3 of the Settlement Agreement, (c) the status and resolution of any breaches, and (d) adaptive water management measures recommended and implemented pursuant to paragraph 4 of the Settlement Agreement.

c. Section 4. Adaptive Water Management Measures:

• The intent of the Adaptive Management Provision is to provide a forum for the parties to resolve implementation issues without a party seeking an enforcement order from IDWR or a district court. The terms of the Settlement Agreement and this order approving the same as a mitigation plan control and satisfy any mitigation obligations imposed by the Methodology Order on the parties to the Settlement Agreement. IDWR involvement in the described annual actions and enforcement will be limited to those actions described herein. If the Agency is required by law to conduct additional oversight, the parties would engage the IDWR in the necessary actions.

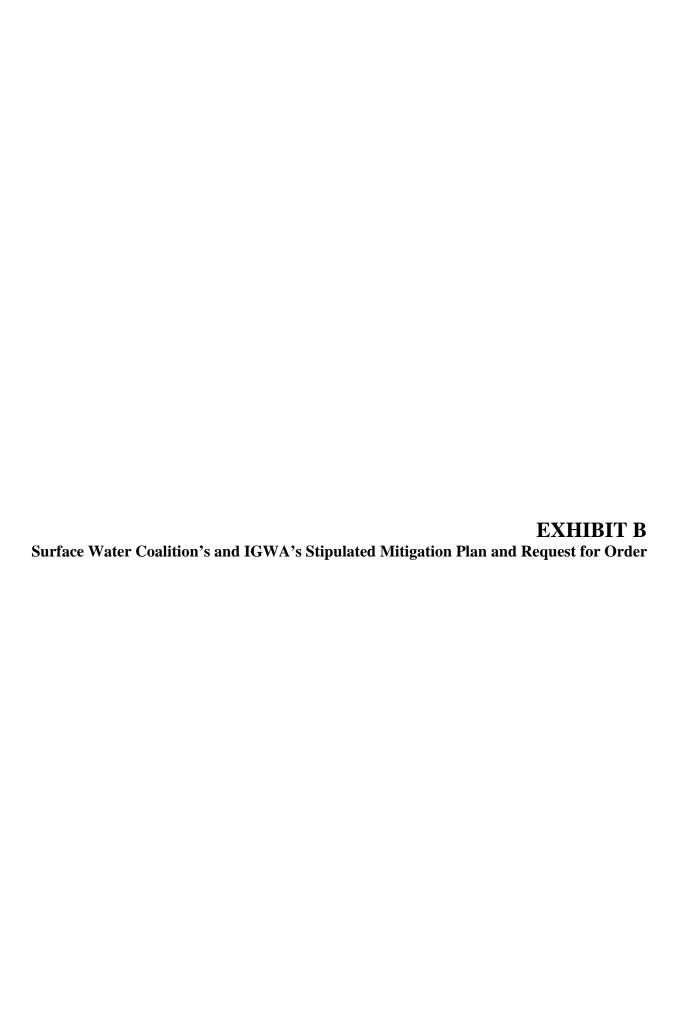
2. On-going measures:

- a. Total groundwater diversions from the ESPA shall be reduced by 240,000 acre-feet annually starting in 2016 and based on a 3-year rolling average going forward. This diversion reduction has been allocated pro-rata by agreement between the Districts.
- b. IGWA shall provide 50,000 acre-feet of storage through private leases from the Upper Snake Reservoir system to the SWC twenty-one (21) days after the date of allocation (as set by the Water District 01 Watermaster).
- c. IGWA shall use its best efforts to continue existing conversions in Water Districts 130 and 140.
- d. IGWA's participating members shall not irrigate sooner than April 1 or later than October 31 in any year.
- e. IGWA's participating members shall install approved closed conduit flow meters on all remaining unmeasured and power consumptive coefficient measured ground water diversions by the beginning of the 2018 irrigation season. The parties will determine the sequence to phase in this condition by ground water district each year. If an adequate measurement device is not installed by the beginning of the 2018 irrigation season, a power consumption coefficient methodology will be utilized to evaluate and verify the individual consumptive groundwater use reduction condition.
- f. The parties intend based on modeling results that the foregoing actions, coupled with the State's commitment to 250,000 AF of annual recharge, will return the groundwater level to the average aquifer level of 1991-2001 in mutually agreed upon wells using mutually agreed upon calculation techniques. A preliminary list of 19 wells has been agreed upon and will be used (Exhibit A), recognizing that the list may be modified based on additional technical information. The groundwater level benchmarks and goal are as follows:
 - *i.* Benchmark 1: The ground water levels at the identified wells must be stabilized by April 2020 to 2015 ground water levels.
 - *ii.* Benchmark 2: The ground water levels at the identified wells must increase by April 2023 to a point halfway between 2015 ground water levels and the 1991-2001 average. (Benchmark 2)
- 3. Recovery Goal: The ground water levels at the identified wells must increase by April 2026 to the 1991-2001 average. No groundwater user who belongs to and is in good standing with an IGWA member who is participating in the SWC-IGWA Settlement Agreement will be subject to curtailment so long as the obligations under the SWC-IGWA Settlement Agreement identified herein are being performed. Junior ground water right holders who are not protected from curtailment under the SWC-IGWA Settlement Agreement and who do not otherwise have an approved Rule 43 mitigation plan which

complies with CMR will be subject to conjunctive administration pursuant to the Director's orders under IDWR Docket No. CM-DC-2010-001, consistent with Conjunctive Management Rules, including, but not limited to 40.05.

- 4. This is a FINAL ORDER of the agency. Any party may file a petition for reconsideration of this final order within fourteen (14) days of the service of this order. The agency will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law pursuant to Idaho Code § 67-5246.
- 5. 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. See Idaho Code§ 42-1701A(3).
- 6. 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 a petition for reconsideration; or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. See 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.
- 7. Nothing in this Order shall modify or change the rights of the parties to the settlement agreement between the Surface Water Coalition and the participating groundwater districts, dated June 30, 2015. This Order and mitigation plan deal with the rights and obligations of the parties to the Agreement only.

Dated this	day of March, 2016.			
			l.	
		GARY SPACKMAN Director	- 1	



ORIGINAL

SETTLEMENT AGREEMENT ENTERED INTO JUNE 30, 2015 BETWEEN PARTICIPATING MEMBERS OF THE SURFACE WATER COALITION AND PARTICIPATING MEMBERS OF THE IDAHO GROUND WATER APPROPRIATORS, INC. 2

IN SETTLEMENT OF LITIGATION INVOLVING THE DISTRIBUTION OF WATER TO THE MEMBERS OF THE SURFACE WATER COALITION, THE PARTIES AGREE AS FOLLOWS:

1. Objectives.

- a. Mitigate for material injury to senior surface water rights that rely upon natural flow in the Near Blackfoot to Milner reaches to provide part of the water supply for the senior surface water rights.
- b. Provide "safe harbor" from curtailment to members of ground water districts and irrigation districts that divert ground water from the Eastern Snake Plain Aquifer (ESPA) for the term of the Settlement Agreement and other ground water users that agree to the terms of this Settlement Agreement.
- c. Minimize economic impact on individual water users and the state economy arising from water supply shortages.
- d. Increase reliability and enforcement of water use, measurement, and reporting across the Eastern Snake Plain.
- e. Increase compliance with all elements and conditions of all water rights and increase enforcement when there is not compliance.
- f. Develop an adaptive groundwater management plan to stabilize and enhance ESPA levels to meet existing water right needs.

¹ The Surface Water Coalition members ("SWC") are A&B Irrigation District (A&B), American Falls Reservoir District No. 2 (AFRD2), Burley Irrigation District (BID), Milner Irrigation District (Milner), Minidoka Irrigation District (MID), North Side Canal Company (NSCC), and Twin Falls Canal Company (TFCC). The acronym "SWC" in the Settlement Agreement is used for convenience to refer to all members of the Surface Water Coalition who are the actual parties to this Settlement Agreement.

² The Idaho Ground Water Appropriators, Inc. ("IGWA") are Aberdeen-American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Carey Valley Ground Water District, Jefferson Clark Ground Water District, Madison Ground Water District, Magic Valley Ground Water District, North Snake Ground Water District, Southwest Irrigation District, and Fremont-Madison Irrigation District, Anheuser-Busch, United Water, Glambia Cheese, City of Blackfoot, City of American Falls, City of Jerome, City of Rupert, City of Heyburn, City of Paul, City of Chubbuck, and City of Hazelton. The acronym "IGWA" in the Settlement Agreement is used for convenience to refer to all members of the Idaho Ground Water Appropriators, Inc. who are the actual parties to this Settlement Agreement.

2. Near Term Practices.

- a. For 2015 IGWA on behalf of its member districts will acquire a minimum of 110,000 ac-ft for assignment as described below:
 - i. 75,000 ac-ft of private leased storage water shall be delivered to SWC;
 - *ii.* 15,000 ac-ft of additional private leased storage water shall be delivered to SWC within 21 days following the date of allocation;
 - iii. 20,000 ac-ft of common pool water shall be obtained by IGWA through a TFCC application to the common pool and delivered to SWC within 21 days following the date of allocation; and
 - *iv.* Secure as much additional water as possible to be dedicated to on-going conversion projects at a cost not to exceed \$1.1 million, the cost of which will be paid for by IGWA and/or the converting members.
- b. The parties stipulate the director rescind the April 16 As-Applied Order and stay the April 16 3rd Amended Methodology Order, and preserve all pending rights and proceedings.
- c. "Part a" above shall satisfy all 2015 "in-season" mitigation obligations to the SWC.
- d. This Settlement Agreement is conditional upon approval and submission by the respective boards of the Idaho Ground Water Appropriators, Inc. ("IGWA") and the Surface Water Coalition ("SWC") to the Director by August 1.
- e. If the Settlement Agreement is not approved and submitted by August 1 the methodology order shall be reinstated and implemented for the remainder of the irrigation season.
- f. Parties will work to identify and pass legislative changes needed to support the objectives of this Settlement Agreement, including, development of legislation memorializing conditions of the ESPA, obligations of the parties, and ground water level goal and benchmarks identified herein.

3. Long Term Practices, Commencing 2016.

- a. Consumptive Use Volume Reduction.
 - *i.* Total ground water diversion shall be reduced by 240,000 ac-ft annually.
 - Each Ground Water and Irrigation District with members pumping from the ESPA shall be responsible for reducing their proportionate share of the total annual ground water reduction or in conducting an equivalent private recharge activity. Private recharge activities cannot rely on the Water District 01 common Rental Pool or credits acquired from third parties, unless otherwise agreed to by the parties.
- b. Annual storage water delivery.
 - i. IGWA will provide 50,000 ac-ft of storage water through private lease(s) of water from the Upper Snake Reservoir system, delivered to SWC 21 days after the date of allocation, for use to the extent needed to meet irrigation

- requirements. Any excess storage water will be used for targeted conversions and recharge as determined by SWC and IGWA.
- *ii.* IGWA shall use its best efforts to continue existing conversions in Water Districts 130 and 140.
- c. Irrigation season reduction.

Ground water users will not irrigate sooner than April 1 or later than October 31.

d. Mandatory Measurement Requirement.

Installation of approved closed conduit flow meter on all remaining unmeasured and power consumption coefficient (PCC) measured ground water diversions will be completed by the beginning of the 2018 irrigation season. Measurement device installation will be phased in over three years, by ground water district, in a sequence determined by the parties. If an adequate measurement device is not installed by the beginning of the 2016 irrigation season, a cropping pattern methodology will be utilized until such measuring device is installed.

- e. Ground Water Level Goal and Benchmarks.
 - i. Stabilize and ultimately reverse the trend of declining ground water levels and return ground water levels to a level equal to the average of the aquifer levels from 1991-2001. Utilize groundwater levels in mutually agreed upon wells with mutually agreed to calculation techniques to measure ground water levels. A preliminary list of 19 wells has been agreed to by the parties, recognizing that the list may be modified based on additional technical information.
 - *ii.* The following benchmarks shall be established:
 - Stabilization of ground water levels at identified wells by April 2020, to 2015 ground water levels;
 - Increase in ground water levels by April 2023 to a point half way between 2015 ground water levels and the ground water level goal;
 and
 - o Increase of ground water levels at identified wells by April 2026 to the ground water level goal.
 - *iii.* Develop a reliable method to measure reach gain trends in the Blackfoot to Milner reach within 10 years.
 - *iv.* When the ground water level goal is achieved for a five year rolling average, ground water diversion reductions may be reduced or removed, so long as the ground water level goal is sustained.
 - v. If any of the benchmarks, or the ground water level goal, is not achieved, adaptive measures will be identified and implemented per section 4 below.
- f. Recharge.

Parties will support State sponsored managed recharge program of 250 KAF annual-average across the ESPA, consistent with the ESPA CAMP and the direction in HB

547. IGWA's contributions to the State sponsored recharge program will be targeted for infrastructure and operations above American Falls.

g. NRCS Programs.

Parties will support NRCS funded permanent water conservation programs.

h. Conversions.

IGWA will undertake additional targeted ground water to surface water conversions and/or fallow land projects above American Falls (target near Blackfoot area as preferred sites).

i. Trust Water Rights.

The parties will participate and support the State in initiating and conducting discussions regarding long-term disposition of trust water rights and whether trust water rights should be renewed or cancelled, or if certain uses of trust water rights should be renewed or cancelled.

j. Transfer Processes.

Parties agree to meet with the State and water users to discuss changes in transfer processes within or into the ESPA.

k. Moratorium Designations.

State will review and continue the present moratoriums on new applications within the ESPA, including the non-trust water area.

1. IDWR Processes.

Develop guidelines for water right applications, transfers and water supply bank transactions for consideration by the IDWR.

- m. Steering Committee.
 - *i*. The parties will establish a steering committee comprised of a representative of each signatory party and the State.
 - *ii.* Steering committee will be formed on or before September 10, 2015 and will meet at least once annually.
 - *iii.* The Steering Committee will develop an adaptive management plan for responding to changes in aquifer levels and reach gain trends, review progress on implementation and achieving benchmarks and the ground water goal.
 - iv. A technical work group ("TWG") will be created to support the Steering Committee. The TWG will provide technical analysis to the Steering Committee, such as developing a better way to predict and measure reach gains and ground water levels, to assist with the on-going implementation and adaptive management of the Settlement Agreement.

4. Adaptive Water Management Measures.

a. If any of the benchmarks or the ground water level goal is not met, additional recharge, consumptive use reductions, or other measures as recommended by the

Steering Committee shall be implemented by the participating ground water parties to meet the benchmarks or ground water level goal.

b. The SWC, IGWA and State recognize that even with full storage supplies, present (2015) reach gain levels in the Near Blackfoot to Milner reach (natural flows) are not sufficient to provide adequate and sustainable water supplies to the SWC.

5. Safe Harbor.

No ground water user participating in this Settlement Agreement will be subject to a delivery call by the SWC members as long as the provisions of the Settlement Agreement are being implemented.

6. Non-participants.

Any ground water user not participating in this Settlement Agreement or otherwise have another approved mitigation plan will be subject to administration.

7. Term.

This is a perpetual agreement.

8. Binding Effect.

This Agreement shall bind and inure to the benefit of the respective successors of the parties.

9. Entire Agreement.

This Agreement sets forth all understandings between the parties with respect to SWC delivery call. There are no other understandings, covenants, promises, agreements, conditions, either oral or written between the parties other than those contained herein. The parties expressly reserve all rights not settled by this Agreement.

10. Effect of Headings.

Headings appearing in this Agreement are inserted for convenience and reference and shall not be construed as interpretations of the text.

11. Effective Date.

This Agreement shall be binding and effective when the following events have occurred:

- a. This Agreement is approved and executed by the participating parties consistent with paragraph 2.e. above; and
- b. IGWA has assigned all of the storage water required by paragraph 2.a.i., ii., and iii. to the SWC by July 8, 2015.

The parties have executed this Agreement on the date following their respective signatures.

RACINE OLSON NYE BUDGE AND BAILEY, CHARTERED

Randall C. Budge 7/1/18

Date

Attorney for Idaho Ground Water Appropriators, Inc.

IDAHO GROUND WATER APPROPRIATORS, INC.

rım Deeg

President

FLETCHER LAW OFFICE

W. Kent Fletcher

Date

On Behalf of the Surface Water Coalition

BARKER ROSHOLT AND SIMPSON LLP

John K. Simpson

On Behalf of the Surface Water Coalition

The following signature pages are for the August 1 Deadline

FLETCHER LAW OFFICE	72-7
W Will	7-7-15
W. Kent Fletcher	Date
MINIDOKA IRRIGATION DIST	TRICT
BY: Jeanh Heart	
Title: Chauman	Date 7-7-/5
AMERICAN FALLS RESERVO	OR DISTRICT NO. 2
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BY: Title:

attested by:

Lana K. Pincock Occretary / Treasurer

12.1 | Page

MILNER IRRIGATION DISTRICT

Title:

12.2 | Page

NORTH SIDE CANAL COMPANY

BY: (

Date: 7/20/15

TWIN FALLS CANAL COMPANY

BY: Z

le: CHOW. BOD

Date: Auly 22, 2015

12.4 | Page

ABERDEEN-AMERICAN FALLS GROUND WATER DISTRICT

Nick Behrend

Date

BINGHAM GROUND WATER DISTRICT

7/29/15 Craig Evans Date

BONNEVILLE-JEFFERSON GROUND WATER DISTRICT

Dane Watkins

Date

CAREY VALLEY GROUND WATER DISTRICT

'Leta Hansen

JEFFERSON CLARK GROUND WATER DISTRICT

Kirk Jacobs

MADISON GROUND WATER DISTRICT

Jason Webster Date

Chairman

MAGIC VALLEY GROUND WATER DISTRICT

Dean Stevenson

Date

NORTH SNAKE GROUND WATER DISTRICT

zymi gayquist

FREEMONT MADISON IRRIGATION DISTRICT

Dale-L. Swenson

Date

Manager-

SOUTHWEST IRRIGATION DISTRICT

RANDY BROWN Date



ADDENDUM TO SETTLEMENT AGREEMENT

This Addendum To Settlement Agreement ("Addendum Agreement") is entered into between the parties to the Settlement Agreement Entered Into June 30, 2015, Between Participating Members of the Surface Water Coalition and Participating Members of Idaho Ground Water Appropriators, Inc., ("Settlement Agreement").

RECITALS

WHEREAS, all members of the Surface Water Coalition, excepting A&B Irrigation District, and all eight Ground Water Districts and Fremont-Irrigation District, executed the *Settlement Agreement* (Ex. A) by August 1, 2015; and

WHEREAS, all parties wish to clarify certain issues related to the settlement discussions;

WHEREAS, the parties wish to address and resolve this issue in this *Addendum Agreement*.

COVENANTS

NOW THEREFORE, in consideration of the above recitals and the mutual agreements contained herein, the parties to the *Settlement Agreement* further agree as follows:

- 1. Incorporation of Recitals. The Recitals set forth above are an integral part of this *Addendum Agreement* and are fully incorporated herein by this reference.
- 2. Area of Common Groundwater Supply. All parties in the *Settlement Agreement* reserve the right to participate in any administrative or other proceeding to establish a new area of common groundwater supply if the existing Conjunctive Management Rule 50 boundary is rescinded.
- **3. Legislation.** As contemplated in the *Settlement Agreement*, all parties have a right to fully participate in the drafting and passage of any legislation proposed to implement the *Settlement Agreement*.
- **4. Binding Effect**. This Agreement shall bind and inure to the benefit of the respective successors of the parties.
- 5. Entire Agreement. This Agreement and the *Settlement Agreement* set forth all understandings between the parties. There are no other understandings, covenants, promises, agreements, conditions, either oral or written between the parties other than those contained herein and in the Agreement between A&B and IGWA dated _____. The parties expressly reserve all rights not settled by this Agreement.

convenience and reference and shall not be construed as interpretations of the text.

The parties have executed this Agreement on the date following their respective signatures.

SURFACE WATER COALITION:

American Falls Reservoir District No. 2

Ellis Gooch

President

000049

Burley Irrigation District

Dean Edgar Chairman

Milner Irrigation District

Scott Breeding Chairman

Date

Minidoka Irrigation District

Frank Hunt Chairman

North Side Canal Company

John Beukers Chairman

Twin Falls Canal Company

Dan Shewmaker Chairman

IDAHO GROUNDWATER APPROPRIATOR'S, INC.:

ABERDEEN-AMERICAN FALLS GROUND WATER DISTRICT

Nick Behrend

L

BINGHAM GROUND WATER DISTRICT

traig Evans Date Det 8, 2015

BONNEVILLE-JEFFERSON GROUND WATER DISTRICT

Dane Watkins

CAREY VALLEY GROUND WATER DISTRICT

ila Honsen 10/7/15

JEFFERSON CLARK GROUND WATER DISTRICT

MADISON GROUND WATER DISTRICT

Kason Webster

MAGIC VALLEY GROUND WATER DISTRICT

Dean Stevenson

Date

NORTH SNAKE GROUND WATER DISTRICT

FREEMONT MADISON IRRIGATION DISTRICT

Date Liswenson Date
Manager Jeff Ruy bound
Chair man



AGREEMENT

This Agreement is made this 7th day of October, 2015, by and between A&B Irrigation District ("A&B") and the Idaho Ground Water Appropriators, Inc., Aberdeen-American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Carey Valley Ground Water District, Jefferson-Clark Ground Water District, Madison Ground Water District, Magic Valley Ground Water District, North Snake Ground Water District, and Fremont-Madison Irrigation District (referred to collectively herein as the "Ground Water Districts").

RECITALS

WHEREAS, all members of the Surface Water Coalition, except A&B Irrigation District, and all eight Ground Water Districts and Fremont-Irrigation District, executed the *Settlement Agreement* (Ex. A) by August 1, 2015; and

WHEREAS, disputes have arisen concerning the scope of A&B's participation in the *Settlement Agreement*; and

WHEREAS, the parties wish to address and resolve these issues in this Agreement.

COVENANTS

NOW THEREFORE, in consideration of the above recitals and the mutual agreements contained herein, the parties agree as follows:

- 1. Incorporation of Recitals. The Recitals set forth above are an integral part of this *Agreement* and are fully incorporated herein by this reference.
- 2. A&B Irrigation District Surface Water Delivery Call. A&B agrees to participate in the *Settlement Agreement* as a surface water right holder only. The obligations of the Ground Water Districts set forth in Paragraphs 2 4 of the *Settlement Agreement* do not apply to A&B and its ground water rights. A&B agrees to not make a surface water delivery call against junior-priority ground water rights held by participating members of the Ground Water Districts as set forth in Paragraph 6 of the *Settlement Agreement*.
- 3. A&B Irrigation District Ground Water Delivery Call. A&B further agrees to not make a ground water delivery call against junior-priority ground water rights held by participating members of the Ground Water Districts.
- 4. A&B Irrigation District "Soft Conversions." A&B agrees to implement approximately 3,000 acres of "soft conversions" within its project. A&B has already developed approximately 1,500 acres and is currently in the process of developing an additional 1,500 acres to receive water through a new pumping plant and pipeline project to be completed in the future.

SETTLEMENT AGREEMENT (A&B / GROUND WATER DISTRICTS)

- 5. Ground Water Districts' Implementation of Settlement Agreement. The safe harbor identified above is conditioned upon the Ground Water Districts implementing the Settlement Agreement in accordance with its terms.
- 6. Ground Water Districts' Delivery Calls. The safe harbor provided by A&B above shall be null and void against any Ground Water District and/or against any participating member of a Ground Water District that files a surface or ground water delivery call against A&B's ground water rights.
- 7. Ground Water Recharge Projects. A&B and the Ground Water Districts agree to cooperate and work together to identify and implement recharge projects within or near A&B's irrigation project that benefit aquifer levels, and the sentinel wells identified in the Settlement Agreement.
- 8. Binding Effect. This Agreement shall bind and inure to the benefit of the respective successors of the parties.
- 9. Entire Agreement. This Agreement sets forth all understandings between the parties. There are no other understandings, covenants, promises, agreements, conditions, either oral or written between the parties other than those contained herein. The parties expressly reserve all rights not settled by this Agreement.
- 10. Effect of Headings. Headings appearing in this Agreement are inserted for convenience and reference and shall not be construed as interpretations of the text.

The parties have executed this Agreement on the date following their respective signatures.

A&B IRRIGATION DISTRICT

Harold Mohlman

Chairman

Date

IDAHO GROUNDWATER APPROPRIATOR'S, INC.:

ABERDEEN-AMERICAN FALLS GROUND WATER DISTRICT

Nick Behrend

BINGHAM GROUND WATER DISTRICT

Craig Evans Chairman

BONNEVILLE-JEFFERSON GROUND WATER DISTRICT

Dane Watkins

Date

CAREY VALLEY GROUND WATER DISTRICT

Hamsen 10/7/15
Date Chairman

JEFFERSON CLARK GROUND WATER DISTRICT

Kirk Jacobs

Date

MADISON GROUND WATER DISTRICT

Jason Webster

Date

MAGIC VALLEY GROUND WATER DISTRICT

10/1/2015 Date

Dean Stevenson

Chairman

NORTH SNAKE GROUND WATER DISTRICT

Chairman

FREEMONT MADISON IRRIGATION DISTRICT

Dale L. Swenson Jeff Rayboard

Chairman

NOTICE OF MITIGATION PLAN SUBMITTED BY THE IDAHO GROUND WATER APPROPRIATOR'S, INC., IN RESPONSE TO THE SURFACE WATER COALITION WATER DELIVERY CALL

Notice is hereby given that, on March 9, 2016, the Idaho Ground Water Appropriators, Inc. ("IGWA"), and A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively the "Surface Water Coalition"), through counsel of the firms Racine Olson Nye Budge & Bailey, Chtd., P.O. Box 1391, Pocatello, Idaho 83204-1391; Barker Rosholt & Simpson LLP, 195 River Vista Place, Suite 204, Twin Falls, Idaho 83301-3029; and Fletcher Law Office, P.O. Box 248, Burley, Idaho 83318, submitted to the Idaho Department of Water Resources ("Department") the Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order ("Request for Order"). Attached to the Request for Order as Exhibits B and C respectively are the Settlement Agreement Entered into June 30, 2015, Between Participating Members of the Surface Water Coalition and Participating Members of the Idaho Ground Water Appropriator's, Inc. and the Addendum to Settlement Agreement (collectively the "SWC-IGWA Settlement Agreement"). Attached to the Request for Order as Exhibit D is the October 7, 2015, Agreement between A&B Irrigation District and the IGWA members who entered into the SWC-IGWA Settlement Agreement (the "A&B-IGWA Agreement"). The Surface Water Coalition and IGWA submit the SWC-IGWA Settlement Agreement and the A&B-IGWA Agreement (collectively the "Mitigation Plan") as a stipulated mitigation plan in response to the Surface Water Coalition delivery call. Request for Order at 3.

The Department will process the Mitigation Plan pursuant to the Department's Conjunctive Management Rules (IDAPA 37.03.11). The Mitigation Plan may be viewed online at the following website link:

http://www.idwr.idaho.gov/legal-actions/mitigation-plan-actions/SWC/IGWA,html#CM-MP-2016-001

IGWA represents numerous ground water right holders whose ground water rights have priority dates junior to the priority dates of surface water rights held by the Surface Water Coalition and are subject to potential curtailment in the Surface Water Coalition delivery call. The Mitigation Plan intends to benefit senior water rights held by members of the Surface Water Coalition involved in the Surface Water Coalition delivery call.

The Mitigation Plan seeks approval of long term practices commencing 2016 including a total ground water diversion reduction of 240,000 ac-ft annually, annual delivery of 50,000 ac-ft of storage water to the Surface Water Coalition through private lease(s) of water from the Upper Snake Reservoir system, a reduction in irrigation season, contributions to the State sponsored recharge program, ground water to surface water conversions and/or fallow land projects, and adaptive water management measures if benchmarks or the ground water level goal identified in the SWC-IGWA Settlement Agreement are not met. See Exhibit B at 2-5.

The Department has not determined the adequacy of the proposed Mitigation Plan. A complete copy of the Mitigation Plan is available for review at either the Department's State Office in Boise, the Department's Regional Office in Twin Falls, or at the website link above.

Any protest against approval of the Mitigation Plan must be filed with any Department office, together with a protest fee of \$25, on or before April 4, 2016. The protest must include a certificate of service showing that a copy of the protest has been mailed to or served upon counsel for IGWA and the Surface Water Coalition.

GARY SPACKMAN, Director

Published in the Idaho Mountain Express & Mountain Home News on March 16th & 23rd; and the Times News, Post Register, Idaho State Journal, and Idaho Statesman on March 17th & 24th, 2016.



State of Idaho DEPARTMENT OF WATER RESOURCES

Southern Region • 650 Addison Ave W, Suite 500 • Twin Falls, Idaho 83301-5858 Phone: (208) 736-3033 • Fax: (208) 736-3037 • Website: <u>www.idwr.idaho.gov</u>

C.L. "BUTCH" OTTER Governor

GARY SPACKMAN Director

March 11, 2016

RACINE OLSON NYE BUDGE & BAILEY CHTD PO BOX 1391 POCATELLO, ID 83204

BARKER ROSHOLT & SIMPSON 195 RIVER VISTA PL, STE 204 TWIN FALLS, ID 83301

FLETCHER LAW OFFICE PO BOX 248 BURLEY, ID 83318

RE: Notice of Mitigation Plan Submitted by the Idaho Ground Water Appropriator's Inc., in Response to the Surface Water Coalition Water Delivery Call

Gentlemen:

The Department of Water Resources has prepared a legal notice for the above referenced mitigation plan.

A legal notice of the mitigation plan has been prepared and is scheduled for publication in the MOUNTAIN HOME NEWS and IDAHO MOUNTAIN EXPRESS on 3/16/2016 and 3/23/2016; and the TIMES NEWS, IDAHO STATESMAN, IDAHO STATE JOURNAL, and POST REGISTER on 3/17/2016 and 3/24/2016. Protests to the mitigation plan may be submitted to any Department office for a period ending ten (10) days after the second publication (April 4, 2016). If the mitigation plan is protested, you will be sent a copy of each protest.

Please contact this office; or our State Office at (208) 287-4800 if you have any questions regarding the publication.

Sincerely.

Denise Maline

Administrative Assistant

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RECEIMED

AFFIDAVIT of PUBLICATION

COPY OF NOTICE

State of Idaho MAR 2 5 2016	0011 01 110110
County of Blaine Part S, being the fissual Figure RES DURCES, being the fissual Figure RES DURCES	
sworn, deposes and says that she is the printer (publisher) of the Idaho	Negal Notic
Mountain Express, a newspaper published every week in Ketchum, County	TITLE OF NOTICE
of Blaine, State of Idaho; that said newspaper has been continuously and	
uninterruptedly published for a period of seventy-eight consecutive weeks	
prior the first publication of the annexed notice, and is a newspaper qualified	PLAINTIFF ATTORNE
to publish legal notices as provided by act of the 1919 session of the	
legislature of the State of Idaho, known as House Bill 145; that the annexed	
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Ta-Mynn	APPROPRIATOR'S, INC., II RESPONSE TO THE SURFA
1/	WATER COALITION WATE
Subscribed and sworn to before me this day of	DELIVERY CALL
March, 20 16.	Notice is hereby given the March 9, 2016, the Idaho G
(M. of Gol M.	Water Appropriators, Inc. ("IG and A&B Irrigation District, Ame
10HA NOTA PA PURE VO	Falls Reservoir District #2, Burlet
NOVARY PUBLIC	gation District, Milner Irrigation D
O HOTARY	Minidoka Irrigation District, North Canal Company, and Twin Falls
0.7	Company (collectively the "Su
	Water Coalition"), through coun the firms Racine Olson Nye Bu
PUBLICO	Bailey, Chtd., P.O. Box 1391, Poc
The Common of th	Idaho 83204-1391; Barker Rosl Simpson LLP, 195 River Vista
ATE OF THE RESIDING AT HAILEY, IDAHO	Suite 204, Twin Falls, Idaho 8
RESIDING AT HAILEY, IDAHO MY COMMISSION EXPIRES ON 7/10/3018	3029; and Fletcher Law C
	P.O. Box 248, Burley, Idaho 8 submitted to the Idaho Depar
18	of Water Resources ("Departm
IDAHO MOUNTAIN EXPRESS	the Surface Water Coalition's IGWA's Stipulated Mitigation
P.O. Box 1013	and Request for Order ("Reque
Ketchum, Idaho 83340	Order"). Attached to the Reque Order as Exhibits B and C respec
COST OF PUBLICATION	are the Settlement Agreement El
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•	of the Idaho Ground Water A priator's, Inc. and the Addenda
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The Department will process the Mitigation Plan pursuant to the Department's Conjunctive Management Rules (IDAPA 37.03.11). The Mitigation Plan may be viewed online at the following website link:

http://www.idwr.idaho.gov/legalactions/mitigation-plan-actions/SWC/ IGWA.html#CM-MP-2016-001

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The Department has not determined the adequacy of the proposed Mitigation Plan. A complete copy of the Mitigation Plan is available for review at either the Department's State Office in Boise, the Department's Regional Office in Twin Falls, or at the website link above.

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GARY SPACKMAN, Director

PUBLISH IDAHO MOUNTAIN EXPRESS MAR. 16 & 23, 2016

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APR 0 6 2016

DEPARTMENT OF WATER RESOURCES

9k BM 4-4-2016 NOTICE OF MITIGATION PLAN SUBMITTED BY THE IDAHO GROUND WATER APPROPRIA-TOR'S, INC., IN RESPONSE TO THE SURFACE WATER COALI-TION WATER DELIVERY CALL

Notice is hereby given that, on March 9, 2016, the Idaho Ground Water Appropriators, Inc. ("IGWA"), and A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively the "Surface Water Coalition"), through counsel of the firms Racine Olson Nye Budge & Bailey, Chtd., P.O. Box 1391, Pocatello, Idaho 83204-1391; Barker Rosholt & Simpson LLP, 195 River Vista Place, Suite 204, Twin Falls, Idaho 83301-3029; and Fletcher Law Office, P.O. Box 248, Burley, Idaho 83318, submitted to the Idaho Department of Water Resources ("Department") the Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order ("Request for Order"). Attached to the Re quest for Order as Exhibits B and C respec tively are the Settlement Agreement Entered into June 30, 2015, Between Participating Members of the Surface Water Coalition and Participating Members of the Idaho Ground Water Appropriator's, Inc. and the Addendun to Settlement Agreement (collectively the "SWC-IGWA Settlement Agreement"). tached to the Request for Order as Exhibit D i. the October 7, 2015, Agreement between A&F Irrigation District and the IGWA member who entered into the SWC-IGWA Settlemen Agreement (the "A&B-IGWA Agreement") The Surface Water Coalition and IGWA submi the SWC-IGWA Settlement Agreement and the A&B-IGWA Agreement (collectively the "Mitigation Plan") as a stipulated mitigation plan in response to the Surface Water Coalition delivery call. Request for Order at 3

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AFFIDAVIT OF PUBLICATION

County of Elmore State of Idaho

355.

I, **Brenda M. Fincher**, do solemnly swear that I am the Publisher of the:

Mountain Home News

A weekly newspaper of general circulation, published once a week, in Mountain Home, Idaho, that the notice attached hereto which is a part of publication thereof; was published in said newspaper for _____ consecutive weeks, the first publication having been made on the ______ day of ______ 2016, and the last publication having been made on the ______ 23 day of ______ 2016; every Wednesday issue of the paper during the period and time of publication and that the notice was published in the paper proper and not in a supplement thereof.

And I further swear that the said Mountain Home News has been continuously and uninterruptedly published in said Elmore County during the period of 78 consecutive weeks prior to the first publication of the attached notice.

Publisher

Subscribed and sworn to me this 244 day of March 2016.

Notary Public

Residing in Mountain Home, Elmore County, Idaho.

My commission expires 11-17-2017.



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DEPARTMENT OF WATER RESOURCES RECEIVED

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DEPT OF WATER RESOURCES SOUTHERN REGION

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V OK DM 4-4-2016

Idaho Statesman

The Newspaper of the Tressure Valley
IDAHOSTATESMAN.COM PO Box 40, Boise, ID 83707-0040

LEGAL PROOF OF PUBLICATION

Account #	Ad Number	Identification	PO	Amount	Cols	Lines
263982	0002326924	LEGAL NOTICE NOTICE OF MITIGATION	Mitigation Plan	\$215.98	2	67

Attention: DENISE MALINE

IDAHO DEPT OF WATER RESOURCE / SOUTH 650 ADDISON AVE W SUITE 500 TWIN FALLS, ID 83301

LEGAL NOTICE

NOTICE OF MITIGATION PLAN SUBMITTED BY THE IDAHO
GROUND WATER APPROPRIATOR'S, INC., IN RESPONSE TO T
SURFACE WATER COALITION WATER DELIVERY CALL

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GARY SPACKMAN, Director

Pub. Mar. 17,24, 2016

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DEPT OF WATER RESOURCES SOUTHERN REGION

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DEPARTMENT OF WATER RESOURCES

JANICE HILDRETH, being duly sworn, deposes and says: That she is the Principal Clerk of The Idaho Statesman, a daily newspaper printed and published at Boise, Ada County, State of Idaho, and having a general circulation therein, and which said newspaper has been continuously and uninterruptedly published in said County during a period of twelve consecutive months prior to the first publication of the notice, a copy of which is attached hereto: that said notice was published in The Idaho Statesman, in conformity with Section 60-108, Idaho Code, as amended, for:

Insertions

Beginning issue of: 03/17/2016

Ending issue of: 03/24/2016

STATE OF IDAHO)

COUNTY OF ADA)

On this 24th day of March in the year of 2016 before me, a Notary Public, personally appeared before me Janice Hildreth known or identified to me to be the person whose name subscribed to the within instrument, and being by first duly sworn, declared that the statements therein are true, and acknowledged to me that she executed the same.

Notary Public FOR Idaho Residing at: Boise, Idaho

My Commission expires: 7/25/202

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DEPARTMENT OF

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MAR 2 8 2016

DEPT OF WATER RESOURCES SOUTHERN REGION

PROOF OF PUBLICATION

STATE OF IDAHO County of Bannock

LN 23247

NOTICE OF MITIGATION PLAN SUBMITTED BY THE IDAHO GROUND WATER APPROPRIATOR'S, INC., IN RESPONSE TO THE SURFACE WATER COALITION WATER DELIVERY CALL

Notice is hereby given that, on March 9, 2016, the Idaho Ground Water Appropriators, Inc. ("IGWA"), and A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Mindoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company, (collec-

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Request for Order at 3.

ing Members of the Surface Water

KAREN MASON

being first duly sworn on oath deposes and says: that <u>SHE</u> was at all times herein mention a citizen of the United States of America more than 21 years of age, and the Principal Clerk of the Idaho State Journal, a daily newspaper, printed and published at Pocatello, Bannock County Idaho and having a general circulation therein.

That the document or notice, a true copy of which is attached, was published in the said IDAHO STATE JOURNAL, on the following dates, towit:

Mar. 17	2016	Mar	2016
Mar. 24	2016	Mar.	2016
Mar	2016	Mar.	2016
Mar	2016	Mar	2016

That said paper has been continuously and uninterruptedly published in said County for a period of seventy-eight weeks prior to the publication of said notice of advertisement and is a newspaper within the meaning of the laws of Idaho.

LMasou

STATE OF IDAHO COUNTY OF BANNOCK

On this 24th. of Mar. in the year of 2016, before me, a Notary Public, personally appeared KAREN MASON Known or identified to me to be the person whose name subscribed to the within instrument, and being by me first duly sworn declared that the statements therein are true, and acknowledge to me that he executed the same.

Notary of Public

On G. Suku7

Residing at Arimo exp. 3/3/2021

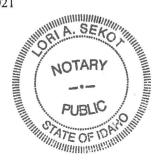
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http://www.idwr.idaho.gov/legalactions/mitigation-plan-actions/SWC/ IGWA.html#CM-MP-2016-001

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VOR DM 4-4-2016



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MAR 28 2016

APT OF WATER BESOURCES SOUTHERN REGION APR D 6 2016

DEPARTMENT OF

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GARY SPACKMAN, Director

March 17, 24, 2016

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Proof of Publication The Post Register EIVED

RECEIVED MAR 2 8 2016

State of Idaho
Bonneville County:

APR 0 6 2016 DEPARTMENT OF

DEPT OF WATER RESOURCES

I, Dawn Giannini or Staci Dockery, first being dully sworn, depose and say: That I am the Classifieds Manager or Legal Notice Representative of the Post Company, a corporation of Idaho Falls, Bonneville County, Idaho, publishers of The Post Register, a newspaper of general circulation, published Tuesday through Sunday at Idaho Falls, Idaho; said Post Register being a consolidation of the Idaho Falls Times, established in the year 1890, The Idaho Register, established in the year 1880, and the Idaho Falls Post, established in 1903, such consolidation being made on the First day of November 1931, and each of said newspapers have been published continuously and uniterruptedly, prior to consolidation, for more than twelve consecutive months and said Post Register having been published continuously and uninterruptedly from the date of such

That the notice, of which a copy is hereto attached and made a part of this affidavit, was published in said Post Register under this ad number: 775414, for 2 consecutive (days) weeks, between 03/17/2016 and 03/24/2016,

consolidations up to and including the last publication of notice hereinafter referred to.

and that the said notice was published in the regular and entire issue of said paper on the respective dates of publication, and that such notice was published in the newspaper and not in a supplement.

Subscribed and sworn to before me, this 24 day of March 2016

Notary Public

My Commission expires: 5/9/2019

STATE OF IDAHO

STATE OF IDAH

STAT

COUNTY OF BONNEVILLE

Subscribed and sworn to before me, this 24 day of March 2016, before me, the undersigned, a Notary public for said state, personally appeared Dawn Giannini or Staci Dockery, known or identified to me to be the person(s) whose name(s) is/are subscribed to the within instrument, and being by me duly sworn, declared that the statements therein are true, and acknowledged to me that he/she/they executed the same,

SS

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for The Post Company

Residing at: Idaho Falls

My Commission expires: 5/9/2019

4-4-8016



MAR 28 2016

DEPT OF WATER RESOURCES SOUTHERN REGION.

NOTICE OF MITIGATION PLAN
SUBMITTED BY THE IDAHO GROUND WATER
APPROPRIATOR'S, INC., IN RESPONSE TO
THE SURFACE WATER COALITION WATER
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GARY SPACKMAN, Director

Published in the Idaho Mountain Express & Mountain Home News on March 16th & 23rd; and the Times News, Post Register, Idaho State Journal, and Idaho Statesman on March 17th & (775414)24th, 2016.

V OK BM 4-4 2016



MAR 3 1 201

DEPARTMENT OF WATER RESOURCES

RANDALL C. BUDGE rcb@racinelaw.net

March 31, 2016

Directory Gary Spackman
Idaho Department of Water Resources
322 East Front Street
Boise, ID 83702
gary.spackman@idwr.idaho.gov

Sent Via Email & U.S. Mail

Re:

SWC-IGWA Stipulated Mitigation Plan and Request for Order

Docket No. CM-MP-2016-001

Dear Director Spackman:

I am writing with regard to the Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order ("Stipulation") and a proposed Order Approving IGWA's Mitigation Plan ("Order") attached thereto as Exhibit A previously filed on March 9, 2016. The SWC and IGWA jointly submit the attached revised proposed Order. It is the same as previously submitted, except for the following additional language added at the end of paragraph 2.b.:

"Following the SWC's determination of its irrigation needs, it will notify IGWA by September 15 each year of the balance of 50,000 acre-feet, if any, remaining for potential recharge or conversions. The assignment of the balance of the remaining storage water shall only occur upon consensus of the parties to the Agreement. Absent consensus, the storage balance shall remain available for SWC use. Such assignments do not replace or count towards the obligations of the parties otherwise identified in the Agreement."

Thank you for your consideration.

Respectfully,

RANDALL C. BUDGE

Foundall C. Bridge

RCB:ts

C:

IGWA SWC

John K. Simpson W. Kent Fletcher

March 31, 2016 Page 2 of 2

Travis L. Thompson Paul L. Arrington



BEFORE THE IDAHO DEPARTMENT OF WATER RESOURCES

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

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

Docket No. CM-MP-2016-001

FINAL ORDER

Based upon and consistent with the Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order filed herein, and good cause appearing therefore,

IT IS HEREBY ORDERED as follows:

The IGWA Settlement Agreement Mitigation Plan is APPROVED upon the following conditions:

- 1. The parties will work cooperatively in implementing the terms of the Agreement, to wit: Sections 3 (Long Term Practices, Commencing 2016), 3.m ("Steering Committee"), and 4.a ("Adaptive Water Management"). The parties will undertake the following actions to begin implementation:
 - a. Section 3. Long Term Practices, Commencing 2016:
 - Pursuant to 3.a of the Settlement Agreement, prior to April 1, 2016, the
 participating Districts will submit to the Steering Committee their proposed
 actions to be taken for the upcoming irrigation season, together with supporting
 information compiled by the Districts' consultants.
 - Pursuant to 3.e.i of the Agreement, IDWR will collect, process, archive and submit sentinel well data to the Steering Committee within 30 days of collection.

- Pursuant to 3.e. of the Agreement, the parties and their consultants will use a
 groundwater level index at the sentinel wells and mutually agreed upon
 calculation techniques ("3e Calculation Technique") to determine if the ground
 water level benchmarks and goal are met by June 1. This information shall be
 provided for use by the Steering Committee.
- IDWR will verify each District's well measurement and other diversion reduction data (recharge, CREP, conversions, end-gun removals, etc.) to confirm the accuracy of the data. This IDWR analysis shall be provided to the Steering Committee by ______ annually. IDWR will not take additional action following the analysis for non-conformance unless requested by the obligated District.
- Any District may elect to report to the Department and request enforcement against a member that is not in compliance with any mitigation plan or activity implemented by the District to comply with the Settlement Agreement. Such members will not be protected under the Settlement Agreement. The Director will evaluate the breach and if a breach is found to exist provide notice of violation and opportunity to cure to the breaching member. If the member fails to cure the breach the Director will issue an order against the breaching member requiring action to cure the breach or be subject to curtailment.

b. Section 3.m. Steering Committee:

- The Steering Committee will review the technical information supplied by IDWR together with technical reports compiled by the parties' consultants. This information will be reviewed at least bi-annually.
- If, based on the information reported and available, the Steering Committee finds that the Long Term Practices as set forth in paragraph 3 of the Agreement have been performed but the ground water level benchmarks or goal set forth in 3.e.ii have not been met, the Steering Committee shall recommend additional actions to be undertaken by the Districts pursuant to 3.m.iii of the Settlement Agreement. If the Steering Committee does not agree upon additional actions prior to March 1 of the following year, the Director shall issue an order requiring additional actions to be undertaken by the Districts to achieve the benchmarks or goal not met.
- If, based on the information reported and available, the Steering Committee finds any breach of the Long Term Practices as set forth in paragraph 3 of the Agreement, the Steering Committee shall give ninety (90) days written notice of

the breach to the breaching party specifying the actions that must be taken to cure such breach. If the breaching party refuses or fails to take such actions to cure the breach, the Steering Committee shall report the breach to the Director with all supporting information, with a copy provided to the breaching party. If the Director determines based on all available information that a breach exists which has not been cured, the Director shall issue an order specifying actions that must be taken by the breaching party to cure the breach or be subject to curtailment.

If the Steering Committee does not agree that a breach has occurred or upon actions that must be taken by the breaching party to cure the breach, the same will be reported to the Director who will evaluate all available information and issue an order specifying actions that must be taken by the breaching party to cure the breach or be subject to curtailment.

• The Steering Committee will submit a report to the parties and the Department prior to April 1 annually reporting on: (a) progress on implementation and achieving the benchmarks and goals of the Settlement Agreement, (b) performance of the Long Term Practices set forth in paragraph 3 of the Settlement Agreement, (c) the status and resolution of any breaches, and (d) adaptive water management measures recommended and implemented pursuant to paragraph 4 of the Settlement Agreement.

c. Section 4. Adaptive Water Management Measures:

• The intent of the Adaptive Management Provision is to provide a forum for the parties to resolve implementation issues without a party seeking an enforcement order from IDWR or a district court. The terms of the Settlement Agreement and this order approving the same as mitigation plan control and satisfy any mitigation obligations imposed by the Methodology Order on the parties to the Settlement Agreement. IDWR involvement in the described annual actions and enforcement will be limited to those actions described herein. If the Agency is required by law to conduct additional oversight, the parties would engage the IDWR in the necessary actions.

2. On-going measures:

- a. Total groundwater diversions from the ESPA shall be reduced by 240,000 acre-feet annually starting in 2016 and based on a 3-year rolling average going forward. This diversion reduction has been allocated pro-rata by agreement between the Districts.
- b. IGWA shall provide 50,000 acre-feet of storage through private leases from the Upper Snake Reservoir system to the SWC twenty-one (21) days after the date of

allocation (as set by the Water District 01 Watermaster). Following the SWC's determination of its irrigation needs, it will notify IGWA by September 15 each year of the balance of 50,000 acre-feet, if any, remaining for potential recharge or conversions. The assignment of the balance of the remaining storage water shall only occur upon consensus of the parties to the Agreement. Absent consensus, the storage balance shall remain available for SWC use. Such assignments do not replace or count towards the obligations of the parties otherwise identified in the Agreement.

- c. IGWA shall use its best efforts to continue existing conversions in Water Districts 130 and 140.
- d. IGWA's participating members shall not irrigate sooner than April 1 or later than October 31 in any year.
- e. IGWA's participating members shall install approved closed conduit flow meters on all remaining unmeasured and power consumptive coefficient measured ground water diversions by the beginning of the 2018 irrigation season. The parties will determine the sequence to phase in this condition by ground water district each year. If an adequate measurement device is not installed by the beginning of the 2018 irrigation season, a power consumption coefficient methodology will be utilized to evaluate and verify the individual consumptive groundwater use reduction condition.
- f. The parties intend based on modeling results that the foregoing actions, coupled with the State's commitment to 250,000 AF of annual recharge, will return the groundwater level to the average aquifer level of 1991-2001 in mutually agreed upon wells using mutually agreed upon calculation techniques. A preliminary list of 19 wells has been agreed upon and will be used (Exhibit A), recognizing that the list may be modified based on additional technical information. The groundwater level benchmarks and goal are as follows:
 - i. Benchmark 1: The ground water levels at the identified wells must be stabilized by April 2020 to 2015 ground water levels.
 - ii. Benchmark 2: The ground water levels at the identified wells must increase by April 2023 to a point halfway between 2015 ground water levels and the 1991-2001 average. (Benchmark 2)
- 3. Recovery Goal: The ground water levels at the identified wells must increase by April 2026 to the 1991-2001 average. No groundwater user who belongs to and is in good standing with an IGWA member who is participating in the SWC-IGWA Settlement Agreement will be subject to curtailment so long as the obligations under the SWC-IGWA Settlement Agreement identified herein are being performed. Junior ground water right holders who are not protected from curtailment under the SWC-IGWA Settlement Agreement and who do not otherwise have an approved Rule 43 mitigation plan which complies with CMR will be subject to conjunctive administration pursuant to the

Director's orders under IDWR Docket No. CM-DC-2010-001, consistent with Conjunctive Management Rules, including, but not limited to 40.05.

· · 4

- 4. This is a FINAL ORDER of the agency. Any party may file a petition for reconsideration of this final order within fourteen (14) days of the service of this order. The agency will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law pursuant to Idaho Code § 67-5246.
- 5. 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. See Idaho Code§ 42-1701A(3).
- 6. 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 a petition for reconsideration; or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. See 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.
- 7. Nothing in this Order shall modify or change the rights of the parties to the settlement agreement between the Surface Water Coalition and the participating groundwater districts, dated June 30, 2015. This Order and mitigation plan deal with the rights and obligations of the parties to the Agreement only.

Dated this	day of March, 2016.		
		CARVCRACVMAN	
		GARY SPACKMAN	
		Director	

*** Proof of Publication ***

Twin Falls Times-News 132 Fairfield St W, Twin Falls, Idaho 83301

RUBY AUFDERHEIDE, being duly sworn, deposes and says: That she is the Principal Clerk of the Times-News, a daily newspaper printed and published at Twin Falls, Twin Falls County, State of Idaho, and having a general circulation therein, and which said newspaper has been continuously and uninterruptedly published in said County during a period of twelve consecutive months prior to the first publication of the notice, a copy of which is attached hereto: that said notice was published in the Times-News, in conformity with Section 60-108, Idaho Code, as amended, for:



ID DEPARTMENT OF WATER RESOURCES 650 ADDISON AVE W, STE 500 TWIN FALLS, ID 83301

ORDER NUMBER

(Legals Clerk)

STATE OF IDAHO)

COUNTY OF TWIN FALLS)

On this they of Mull in the year of Mefore me, a Notary Public, personally appeared before me Ruby Aufderheide known or identified to me to be the person whose name subscribed to the within instrument, and being by first duly sworn, declared that the statements therein are true, and acknowledged to me that she executed the same.

relleugliman Notary Public FOR Idaho

Residing at: Twin Falls, Idaho My Commission expires:

PUBLISHED ON: 03/17/2016, 03/24/2016

NOTICE OF MITIGATION PLAN SUBMITTED BY THE IDAHO GROUND WATER APPROPRIATOR'S, INC., IN RESPONSE TO THE SURFACE WATER COALITION WATER DELIVERY CALL

Notice is hereby given that, on March 9, 2016, the Idaho Ground Water Appropriators, Inc. ("IGWA"), and A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District. North Side Milner Irrigation District, Minidoka Irrigation District. North Side Canal Company, and Twin Falls Canal Company (collectively the "Surface Water Coalition"), through counsel of the firms Racine Olson Nye Budge & Bailey, Chtd., P.O. Box 1391, Pocatello, Idaho 83204-1391; Barker Rosholt & Simpson LLP, 195 River Vista Place, Suite 204, Twin Falls, Idaho 83301-3029; and Fletcher Law Office, P.O. Box 248, Burley, Idaho 83318, submitted to the Idaho Department of Water Resources ("Department") the Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order ("Request for Order"). Attached to the Request for Order as Exhibits B and C respectively are the Settlement Agreement Exhibits B and C respectively are the Settlement Agreement Entered into June 30, 2015, Between Participating Members of the Surface Water Coalition and Participating Members of the Idaho Ground Water Appropriator's, Inc. and the Addendum to Settlement Agreement (collectively the "SWC-IGWA Settlement Agreement (collectively the "SWC-IGWA Settlement settlement Agreement (collectively the "SWC-IGWA Settlement Agreement"). Attached to the Request for Order as Exhibit D is the October 7, 2015, Agreement between A&B Irrigation District and the IGWA members who entered into the SWC-IGWA Settlement Agreement (the "A&B-IGWA Agreement"). The Surface Water Coalition and IGWA submit the SWC-IGWA Settlement Agreement and the A&B-IGWA Agreement (collectively the "Mitigation Plan") as a stipulated mitigation plan in response to the Surface Water Coalition delivery call. Request for Order at 3.

The Department will process the Mitigation Plan pursuant to the Department's Conjunctive Management Rules (IDAPA 37.03.11). The Mitigation Plan may be viewed online at the following website link:

http://www.idwr.idaho.gov/legal-actions/mitigation-plan-actions/SWC/IGWA.html#CM-MP-2016-001

IGWA represents numerous ground water right holders whose ground water rights have priority dates junior to the priority dates of surface water rights held by the Surface Water Coalition and are subject to potential curtailment in the Surface Water Coalition delivery call. The Mitigation Plan intends to benefit senior water rights held by members of the Surface Water Coalition involved in the Surface Water Coalition delivery

The Mitigation Plan seeks approval of long term practices commencing 2016 including a total ground water diversion reduction of 240,000 ac-ft annually, annual delivery of 50,000 ac-ft of storage water to the Surface Water Coalition through private lease(s) of water from the Upper Snake Reservoir system, a reduction in irrigation season, contributions to the State sponsored recharge program, ground water to surface water conversions and/or fallow land projects, and adaptive water management measures if benchmarks or the ground

water Inaliagement measures in benchmarks of the ground water level goal identified in the SWC-IGWA Settlement Agreement are not met. See Exhibit B at 2-5.

The Department has not determined the adequacy of the proposed Mitigation Plan. A complete copy of the Mitigation Plan is available for review at either the Department's State Office in Twie Falls. Office in Boise, the Department's Regional Office in Twin Falls. or at the website link above.

Any protest against approval of the Mitigation Plan must be filed with any Department office, together with a protest fee of \$25. on or before April 4, 2016. The protest must include a certificate of service showing that a copy of the protest has been mailed to or served upon counsel for IGWA and the Surface Water Coalition.

GARY SPACKMAN, Director

PUBLISH: March 17 and 24, 2016

TOTAL AD COST:

FILED ON:

212.70

3/24/2016

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MAR 3 1 2016

DEPT OF WATER RESOURCES SOUTHERN REGION

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APR 0 6 2016

DEPARTMENT OF WATER RESOURCES



Randall D. Fife, Esq. (ISB #4010) rfife@idahofallsidaho.gov
City Attorney
CITY OF IDAHO FALLS
P.O. Box 50220

P.O. Box 50220 Idaho Falls, ID 83405 Telephone: (208) 612-8177

Robert L. Harris, Esq. (ISB #7018)

rharris@holdenlegal.com

HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

P.O. Box 50130 1000 Riverwalk Drive, Suite 200

Idaho Falls, ID 83405

Telephone: (208) 523-0620 Facsimile: (208) 523-9518

Attorneys for the City of Idaho Falls

APR 0 4 2016

Department of Water Resources Eastern Region

BEFORE THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF IDAHO

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

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

Docket No. CM-MP-2016-001

CITY OF IDAHO FALLS PROTEST TO SURFACE WATER COALITION'S AND IGWA'S STIPULATED MITIGATION PLAN AND REQUEST FOR ORDER

CITY OF IDAHO FALLS PROTEST TO SURFACE WATER COALITION'S AND IGWA'S STIPULATED MITIGATION PLAN AND REQUEST FOR ORDER - PAGE I

The City of Idaho Falls (the "City"), an Idaho municipal corporation, by and through its above-identified counsel, hereby submits this *Protest to the Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order*. The *Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order* (the "SWC/IGWA Plan") was filed with the Idaho Department of Water Resources ("IDWR" or "Department") on March 9, 2016, and has a protest deadline of on or before April 4, 2016. This protest is filed pursuant to the provisions of Rule 43 of the Idaho Department of Water Resources' *Rules for Conjunctive Management of Surface and Ground Water Resources* found at IDAPA 37.03.11 (hereinafter, the "CM Rules"), IDWR procedural rule 250 (IDAPA 37.01.01.250), and other applicable law.

The City in no way opposes or protests the mitigation-related contents of the agreement negotiated between IGWA and the SWC entitled Settlement Agreement Entered Into June 30, 2015 Between Participating Members of the Surface Water Coalition and Participating Members of the Idaho Ground Water Appropriators, Inc. (hereinafter, the "SWC-IGWA Agreement"). It appears that the SWC-IGWA Agreement was negotiated in good faith between the parties thereto to address issues specific to them. The City has no interest in injecting itself into a contract to which it was not a party, and applauds the parties to the SWC-IGWA Agreement for arriving at a written agreement.

However, the City is not a member of Idaho Ground Water Appropriators, Inc. ("IGWA")²

I "IDAPA" is an acronym for rules promulgated pursuant to the Idaho Administrative Procedure Act (Chapter 52 of Title 67 of the Idaho Code). The IDAPA administrative rules can be accessed at http://adminrules.idaho.gov/rules/current/index.html

² References to IGWA herein incorporate its member ground water districts (North Snake Ground Water District, Magic Valley Ground Water District, Carey Valley Ground Water District, Aberdeen-American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Madison Ground Water

CITY OF IDAHO FALLS PROTEST TO SURFACE WATER COALITION'S AND IGWA'S STIPULATED MITIGATION PLAN AND REQUEST FOR ORDER - PAGE 2

or one of its member ground water districts, and therefore, did not participate in the negotiations of the *SWC-IGWA Agreement*. As a result, the City is not entitled to safe harbor under paragraph 5 of the agreement, and, under paragraph 6 of the agreement, would be considered a non-participant subject to priority administration under the Department's most recent methodology order unless the City pursues and receives approval for a mitigation plan under the CM Rules. Accordingly, the City has submitted its own mitigation plan, which has been consolidated with two other plans submitted by sister municipalities under Docket Nos. CM-MP-2015-001, CM-MP-2015-004, and CM-MP-2015-005. The City has therefore proceeded to mitigate for its ground water use independent of IGWA in order for the City to address possible curtailment resulting from the Surface Water Coalition (the "Coalition") water call.

Given the independent nature of the City's mitigation plan and the SWC/IGWA Plan, the City is concerned that certain provisions of the SWC/IGWA Plan recently submitted appear to extend beyond simply mitigating to the Coalition and therefore, extend beyond the plain language of the SWC-IGWA Agreement. These provisions are unrelated to mitigation under the CM Rules and potentially implicate, bind, or otherwise involve the City. These provisions should not be included or addressed in a final order approving the SWC/IGWA Plan. Therefore, the initial bases for the City's protest are as follows:

1. IGWA and the Coalition request that the Director require under the SWC/IGWA Plan that other individual mitigation plans (including the City's) should be approved if such plans "provide[] adequate mitigation to help achieve the groundwater level goal and benchmarks set forth in the SWC-IGWA Settlement Agreement." SWC/IGWA Plan at 4. This provision

District, and Jefferson Clark Ground Water District).

CITY OF IDAHO FALLS PROTEST TO SURFACE WATER COALITION'S AND IGWA'S STIPULATED MITIGATION PLAN AND REQUEST FOR ORDER - PAGE 3

appears to request an order from the Director to bind the City to the goals, benchmarks, and/or other provisions of the SWC-IGWA Agreement despite the City's non-party status (lack of privity) to that contractual agreement, and therefore, makes the goals, benchmarks, and/or other provisions binding on the City. IGWA's and the Coalition's attempts to do so are inconsistent with Department precedent in the recently-approved Southwest and Goose Creek Irrigation District 2016 mitigation plan, where the Director ordered the following:

- 7. The Mitigation plan requires numerous on-going activities, such as monitoring, reporting and verification of data. The parties to the Mitigation Plan should be responsible for these activities.
- 8. Covenants 7 and 8 of the Mitigation Plan include reference to certain hydrologic goals. The goals are applicable only to the parties to the Mitigation Plan.

Final Order Approving Mitigation Plan for 2016, In the Matter of Southwest and Goose Creek Irrigation Districts Mitigation Plan for the Surface Water Coalition Delivery Call, Docket No. CM-MP-2010-01, March 29, 2016, at 3 (emphasis added). While the City believes that aquifer enhancement activities such as those contained in the SWC-IGWA Agreement are positive actions to be undertaken, the City was not privy to the information that led to the decision to implement the goals and benchmarks under the SWC/IGWA Plan, and therefore, cannot agree to be bound by such goals or benchmarks that it had no hand in negotiating. This is particularly critical in that the City is clearly designated as a non-participant under the SWC-IGWA Agreement and is not entitled to its protections. Just as the City has no intention of binding IGWA as a party to the provisions of the City's independent mitigation plan, the City should not be bound as a party to the terms of the SWC/IGWA Plan.

2. IGWA and the Coalition request that the Director do more than approve the

CITY OF IDAHO FALLS PROTEST TO SURFACE WATER COALITION'S AND IGWA'S STIPULATED MITIGATION PLAN AND REQUEST FOR ORDER - PAGE 4

SWC/IGWA Plan under the CM Rules, but also request that the Director take action under Idaho Code § 42-233b to designate the Eastern Snake Plain Aquifer ("ESPA") as a ground water management area without directly saying so. The SWC/IGWA Plan requests that the Director "[t]ake the necessary management actions to address declining ESPA groundwater levels, water supply and sustainability issues in order that the benefits contemplated in the SWC-IGWA Settlement Agreement are realized." SWC/IGWA Plan at 4. It is unclear what the phrase "take the necessary management actions" means because there is no citation to statute, administrative rule, or other law in this statement. However, to the extent this refers to, or implicates in any way, designation of the ESPA as a ground water management area, the City believes that a CMR 43 mitigation plan administrative proceeding is not the appropriate forum to designate a ground water management area for the ESPA or to even begin the process of attempting to do so. To the extent the above-quoted provision requests that the Director designate a ground water management area for the ESPA or to even begin the process of attempting to do so, the City requests that the Director deny inclusion of this provision into a final order approving the Plan and otherwise not designate the ESPA as a ground water management area without commencing a separate administrative proceeding for that purpose.

3. For such other and further reasons as may be discovered or offered at the hearing on this matter relating to the above items.

REQUEST FOR RELIEF

Wherefore, the City requests that the Director approve the SWC/IGWA Plan as to IGWA and the Coalition only, including a provision in the final order approving said plan that the goals, benchmarks, and/or other provisions should be "applicable only to the parties to the [SWC/IGWA].

CITY OF IDAHO FALLS PROTEST TO SURFACE WATER COALITION'S AND IGWA'S STIPULATED MITIGATION PLAN AND REQUEST FOR ORDER - PAGE 5

Plan]," and not include or implicate the City in the SWC/IGWA Plan. This is because the City is

a non-party to the SWC-IGWA Agreement (and accordingly receives no safe harbor) and is

proceeding to seek approval for its own independent mitigation plan under the CM Rules.

Further, the City requests that the Director not designate the ESPA as a ground water

management area without commencing a separate administrative proceeding for that purpose.

The City in no way opposes or protests the actual mitigation-related contents of the SWC/IGWA

Plan and the associated SWC-IGWA Agreement, and desires that the Director approve the

SWC/IGWA Plan as to IGWA and the SWC only for these mitigation-related measures, but not

include language similar to or referencing paragraph 14 of the SWC/IGWA Plan and subsection

(c) of the request (prayer for relief) found on page 4 of the SWC/IGWA Plan.

DATED this 4th day of April, 2016.

Randall D. Fife

CITY OF IDAHO FALLS

Robert L. Harris, Esq.

HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

CITY OF IDAHO FALLS PROTEST TO SURFACE WATER COALITION'S AND IGWA'S STIPULATED MITIGATION PLAN AND REQUEST FOR ORDER – PAGE 6

CERTIFICATE OF SERVICE

I hereby certify that I am a duly licensed attorney in the State of Idaho, with my office in Idaho Falls, Idaho, and that on this 4th day of April 2016, I served a true and correct copy of City of Idaho Falls Protest to Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order on the persons listed below by first class mail, with the correct postage thereon, or by causing the same to be delivered as defined by Rule 5(b), I.R.C.P.

Persons Served:	Method of Service:
Randall C. Budge Thomas J. Budge RACINE, OLSON, NYE, BUDGE, & BAILEY, CHAR P.O. Box 1391 201 E. Center Street Pocatello, Idaho 83204-1391 Email: rcb@racinelaw.net	() Mail () Overnight Mail TERED () Facsimile, (208) 232-6109 () Electronic Mail
John K. Simpson Travis L. Thompson Paul L. Arrington BARKER ROSHOLT & SIMPSON, LLP 195 River Vista Place, Suite 204 Twin Falls, Idaho 83301-3029 Email: jks@idahowaters.com tlt@idahowaters.com pla@idahowaters.com	() Mail () Overnight Mail () Facsimile (208) 735-2444 () Electronic Mail
W. Kent Fletcher FLETCHER LAW OFFICE P.O. Box 248 Burly, Idaho 83318 Email: wkf@pmt.org	() Mail () Overnight Mail () Facsimile, (208) 878-2548 () Electronic Mail
	Robert L. Harris, Esq. HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

G/WPDATA\RLH\17358-01 CITY OF IDAHO FALLS\IGWA PROTEST.DOCX

CITY OF IDAHO FALLS PROTEST TO SURFACE WATER COALITION'S AND IGWA'S STIPULATED MITIGATION PLAN AND REQUEST FOR ORDER – PAGE 7

RECEIVED

APR 0 4 2016 DEPARTMENT OF

A. Dean Tranmer, I.B. #2793 City of Pocatello P. O. Box 4169 Pocatello, ID 83201 (208) 234-6149 (208) 234-6297 (Fax) dtranmer@pocatello.us

Sarah A. Klahn, I.B. #7928
Mitra M. Pemberton
White & Jankowski, LLP
511 Sixteenth Street, Suite 500
Denver, CO 80202
(303) 595-9441
(303) 825-5632 (Fax)
sarahk@white-jankowski.com
mitrap@white-jankowski.com

Attorneys for the City of Pocatello

BEFORE THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF IDAHO

IN THE MATTER OF THE DISTRIBUTION OF)	Docket No. CM-MP-2016-001
OF WATER TO VARIOUS WATER RIGHTS)	
HELD BY AND FOR THE BENEFIT OF A&B)	
IRRIGATION DISTRICT, AMERICAN FALLS)	
RESERVIOR DISTRICT #2, BURLEY)	
IRRIGATION DISTRICT, MILNER)	
IRRIGATION DISTRICT, MINIDOKA)	
IRRIGATION DISTRICT, NORTH SIDE CANAL)	CITY OF POCATELLO'S
COMPANY, AND TWIN FALLS CANAL)	PROTEST
COMPANY)	
	ز	
)	
IN THE MATTER OF IGWA'S SETTLEMENT)	
AGREEMENT MITIGATION PLAN)	
	Š	

Comes now, the City of Pocatello ("Pocatello") by and through its attorneys, and files this Protest to Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order ("Mitigation Plan") filed with the Idaho Department of Water Resources ("Department") on March 9, 2016.

04-04-16;04:05PM; ; # 3/ 7

The initial bases for Pocatello's Protest are as follows:

1. Pocatello is not a member of IGWA or located within a Ground Water District, has filed its own Mitigation Plan in CM-MP-2015-01 and is not participating either actively or passively in IGWA's Mitigation Plan;

- The Mitigation Plan does not meet the requirements of Rule 43.03 of the Rules for Conjunctive Management of Surface and Ground Water Resources ("CMR") (IDAPA 37.03.11,43.03);
- 3. The Mitigation Plan and its published notice does not identify the water rights of junior users who are participating in the Mitigation Plan, making it impossible to determine the adequacy of the plan, including whether the plan will sufficiently "offset the depletive effect of ground water withdrawal on the water available" to the SWC and "[w]hether the mitigation plan reasonably calculates the consumptive use component of ground water diversion and use" (CMR 43.03.b, g):
- 4. IGWA's proposed mitigation activities, including reduced pumping and recharge, are not described with any particularity, i.e. the location of such activities, water rights involved, and the estimated benefits that might accrue from such projects;
- 5. The Mitigation Plan fails to provide any information regarding how the Plan will be implemented to achieve the terms of the Agreement found at Exhibit B to the Mitigation Plan, making it impossible to evaluate under CMR 43.03, including, *inter alia*, whether its technical bases are sound and will in fact result in mitigation for all injury from IGWA's junior pumping;
- 6. The Mitigation Plan does not provide a technical basis to support the contention that the activities described therein will have the effect of "stabiliz[ing] and ultimately revers[ing] the trend of declining ground water levels," (Exhibit B to the Mitigation Plan at 3), and fails to establish "whether such plan uses generally accepted and appropriate engineering and hydrogeologic formulae for calculating the depletive effect of the ground water withdrawal" (CMR 43.03.e);
- 7. The Plan does not describe how reducing "total ground water <a href="diversion[s]" by 240,000" acre-feet annually will accomplish a reduction in depletions to the aquifer, or how credits would be determined from reduced groundwater pumping, making it impossible to evaluate the Plan, including whether the plan will sufficiently "offset the depletive effect of ground water withdrawal on the water available" to the SWC (Exhibit B to the Mitigation Plan at 2(emphasis added)); (CMR 43.03.b);
- 8. The Plan does not describe with any particularity how groundwater recharge would be accomplished, including the projected benefits to the SWC from state-sponsored managed recharge, the source of water used for groundwater water recharge, how credit might be obtained from groundwater recharge, or a technical basis to support its conclusion that recharge will mitigate injury to the SWC and achieve agreed-upon ground

water level benchmarks, making it impossible to determine whether the plan will sufficiently "offset the depletive effect of ground water withdrawal on the water available" to the SWC (CMR 43.03.b);

- 9. The Mitigation Plan fails to establish that it will not "transfer or impose upon [another] junior any portion of the total mitigation obligation attributable to the stipulating junior's diversion." *Memorandum Decision and Order*, Case No. CV-2015-172, at 8 (Fifth Jud. Dist., Minidoka County, Sept. 8, 2015). Further, the Mitigation Plan provides safe harbor to participating ground water users so long as the plan is being "implemented," but such safe harbor is not expressly contingent on success of the plan, calling into question whether this plan will shift a portion of participating juniors' mitigation obligation to other junior water users (Exhibit B to the Mitigation Plan at 5);
- 10. The Mitigation Plan requests the Director require non-participating juniors to "secure Director approval of an individual mitigation plan which complies with CMR 43 and provides adequate mitigation to help achieve the groundwater level goal and benchmarks set forth in the SWC-IGWA Settlement Agreement" (Mitigation Plan at 4 (emphasis added)) which is, inter alia:
 - a. inconsistent with the standards applicable to mitigation plans pursuant to CMR
 43.03, the doctrine of prior appropriation, and principles of due process; and
 - b. unlawful as it would shift the burden to other junior ground water users to ensure that the IGWA-SWC Settlement Agreement is satisfied. Memorandum Decision and Order at 10-11 (Fifth Jud. Dist., Minidoka County, Sept. 8, 2015).
- 11. The Mitigation Plan requests the Director "[t]ake the necessary management actions to address declining ESPA groundwater levels, water supply and sustainability issues in order that the benefits contemplated in the SWC-IGWA Settlement Agreement are realized" (Mitigation Plan at 4).
 - a. This relief is, *inter alia* inconsistent with the Director's current authority under the law of conjunctive management in Idaho, and violates the doctrine of prior appropriation and principles of due process.
 - this relief also appears to seek imposition of a Ground Water Management Area ("GWMA") without satisfying the notice and procedural requirements of a GWMA announced in statute and regulation. See, e.g., I.C. §42-233b; CMR 50.01.d.

Pocatello reserves the right to protest the Mitigation Plan on other grounds as issues arise in this proceeding.

04-04-16;04:05PM; # 5/ 7

Respectfully submitted this 4th day of April, 2016.

CITY OF POCATELLO ATTORNEY'S OFFICE

A. Dean Tranmer

WHITE & JANKOWSKI, LLP

Attorneys for the City of Pocatello

Sarah A Klahn

Mitra M Damhartha

CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of April, 2016, I caused to be served a true and correct copy of the foregoing City of Pocatello's Protest in Docket No. CM-MP-2016-001 upon the following by the method indicated:

Sarah Klahn, White & Jankowski, LLP

	77.0 37.11 5
Gary Spackman, Director	U.S. Mail, Postage Prepaid
State of Idaho, Dept of Water Resources	Hand Delivery
322 E Front St	X Federal Express (208-287-4942)
P.O. Box 83720	Facsimile 208-287-6700
Boise ID 83720-0098	X Email
deborah.gibson@idwr.idaho.gov	
John K. Simpson	U.S. Mail, Postage Prepaid
Travis L. Thompson	Hand Delivery
Paul L. Arrington	Federal Express
Barker Rosholt & Simpson .	Facsimile 208-735-2444
195 River Vista Place Ste 204	X Email
Twin Falls ID 83301-3029	
tlt@idahowaters.com	
jks@idahowaters.com	
pla@idahowaters.com	
W. Kent Fletcher	U.S. Mail, Postage Prepaid
Fletcher Law Office	Hand Delivery
P.O. Box 248	Federal Express
Burley, ID 83318	Facsimile 208-878-2548
wkf@pmt.org	X Email
Garrick L. Baxter	U.S. Mail, Postage Prepaid
Deputy Attorneys General - IDWR	Hand Delivery
P.O. Box 83720	Federal Express
Boise ID 83720-0098	X Facsimile 208-287-6700
garrick.baxter@idwr.idaho.gov	X Email
Randall C, Budge	U.S. Mail, Postage Prepaid
Thomas J. Budge	Hand Delivery
Racine Olson Nye Budge & Bailey	Federal Express
201 E Center St / PO Box 1391	Facsimile 208-232-6109
Pocatello ID 83204-1391	X Email
rcb@racinelaw.net	
tib@racinelaw.net	
Dean Tranmer	U.S. Mail, Postage Prepaid
City of Pocatello	Hand Delivery
P.O. Box 4169	Federal Express
Pocatclio ID 83201	Facsimile 208-234-6297
dtranmer@pocatello.us	X Email
Kathleen Carr	U.S. Mail, Postage Prepaid
US Dept Interior	Hand Delivery
960 Broadway Ste 400	Federal Express
Boise ID 83706	Facsimile 208-334-1907
kathleenmarion.carr@sol.doi.gov	X Email
kauneemnanion.can@sor.dor.gov	

D TIM CHI	77.0.34 11 0 1 0 11
David W. Gehlert	U.S. Mail, Postage Prepaid
Natural Resources Section	Hand Delivery
Environment & Natural Resources Division	Federal Express
US Dept of Justice	Facsimile 303-844-1350
999 18th St, South Terrace Ste 370	X Email
Denver CO 80202	
david.gehlert@usdoj.gov	
Michael C Creamer	U.S. Mail, Postage Prepaid
Jeffery C. Fereday	Hand Delivery
Givens Pursley	Federal Express
601 W Bannock St Ste 200	Facsimile 208-388-1300
P.O. Box 2720	X Email
Boise ID 83701-2720	
mcc@givenspursley.com	
jcf@givenspursley.com	
William A. Parsons	U.S. Mail, Postage Prepaid
Parsons Smith Stone Loveland & Shirley LLP	Hand Delivery
137 West 13th St	Federal Express
P.O. Box 910	Facsimile 208-878-8382
Burley ID 83318	X Email
wparsons@pmt.org	
Matt Howard	U.S. Mail, Postage Prepaid
US Bureau of Reclamation	Hand Delivery
1150 N Curtis Road	Federal Express
Boisc ID 83706-1234	Facsimile
mhoward@usbr.gov	X Email
Lyle Swank	U.S. Mail, Postage Prepaid
IDWR - Eastern Region	Hand Delivery
900 N Skyline Dr	Federal Express
Idaho Falls ID 83402-6105	Facsimile
lyle.swank@idwr.idaho.gov	X Email
Allen Merritt	U.S. Mail, Postage Prepaid
Cindy Yenter	Hand Delivery
IDWR - Southern Region	Federal Express
1341 Filmore St Ste 200	Facsimile
Twin Falls ID 83301-3033	X Email
allen.merritt@idwr.idaho.gov	
cindy.yenter@idwr.idaho.gov	
AND	



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street . P.O. Box 83720 . Boise, Idaho 83720-0098 Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER Governor

GARY SPACKMAN Director

April 8, 2016

Sarah A. Klahn Mitra M. Pemberton White & Jankowski, LLP 511 Sixteenth St., Ste. 500 Denver, CO 8020

A. Dean Tranmer City of Pocatello PO Box 4169 Pocatello, ID 83201

Re: City of Pocatello's Protest in response to the SWC-IGWA stipulated mitigation plan, Docket No. CM-MP-2016-001

Dear Interested Parties:

On March 9, 2016, the Surface Water Coalition ("SWC") and Idaho Ground Water Appropriators, Inc., submitted to the Idaho Department of Water Resources ("Department") a stipulated mitigation plan in response to the SWC delivery call.

The Department published notice of the stipulated mitigation plan. Protests against the stipulated mitigation plan were due on or before April 4, 2016.

On April 4, 2016, the City of Pocatello ("Pocatello") submitted to the Department the City of Pocatello's Protest, but did not also submit the \$25 filing fee as required by Idaho Code section 42-221(L).

Rule 58 of the Department's Rules of Procedure states: "Filings required to be accompanied by a fee shall not be complete until the fee is paid."

Because the filing fee was not paid by April 4, 2016, the protest document submitted by Pocatello to the Department on April 4, 2016, was not timely filed. As a result, Pocatello is not a protestant/party to the contested case pending before the Department regarding the stipulated mitigation plan.

Sincerely.

Director

Randall C. Budge Thomas J. Budge John K. Simpson Travis L. Thompson Paul L. Arrington

cc:

W. Kent Fletcher Randall D. Fife Robert L. Harris

Gibson, Deborah

Subject:

FW: City of Pocatello's protest on 4/4/2016

From: Sarah Klahn [mailto:SarahK@white-jankowski.com]

Sent: Monday, April 11, 2016 10:05 AM **To:** Gibson, Deborah; Mitra Pemberton

Cc: Baxter, Garrick

Subject: RE: City of Pocatello's protest on 4/4/2016

Garrick—we believe this statute applies to exempt the City, as a public entity, from filing fees in this matter. Relevant language highlighted in yellow.

No fees or compensation of any kind (except the regular salary or compensation paid by the state to the officer, agent, or employee individually for his services) shall be charged or received by any state board, officer, agent or employee for duties performed or services rendered to or for the state or to or for any state board, officer, agent, or employee in the performance of his or their official duties, or to or for the state or any state board, officer, agent and employee in any action or proceeding in which they or any of them are parties. No filing or recording fee shall be charged or received for duties performed or services rendered to or for the state or to or for any state board, officer, agent, employee or any subdivision of the state, to include a county, municipal corporation or district created pursuant to statute, or an officer of such subdivision in the performance of his or their official duties.

Idaho Code Ann. § 67-2301 (West)

Thanks in advance for your consideration.

Best.

Sarah

From: Gibson, Deborah [mailto:Deborah.Gibson@idwr.idaho.gov]

Sent: Monday, April 11, 2016 9:33 AM **To:** Sarah Klahn; Mitra Pemberton

Cc: Baxter, Garrick

Subject: City of Pocatello's protest on 4/4/2016

Hello Sarah and Mitra,

Please see the attached letter that is going out in today's mail regarding your protest filing in the SWC-IGWA Mitigation Plan, Docket no. CM-MP-2016-001. Please contact Garrick Baxter by phone at (208) 287-4811 to discuss further.

Thank you.

Deborah Gibson

Admin. Assistant for the Director Idaho Dept. of Water Resources

Phone: (208) 287-4803



State of Ioaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098 Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER Governor

GARY SPACKMAN Director

April 13, 2016

Sarah A. Klahn Mitra M. Pemberton White & Jankowski, LLP 511 Sixteenth St., Ste. 500 Denver, CO 80202 A. Dean Tranmer City of Pocatello PO Box 4169 Pocatello, ID 83201

Re: City of Pocatello's Protest in response to the SWC-IGWA stipulated mitigation plan, Docket No. CM-MP-2016-001

Dear Sarah, Mitra, and Dean,

On April 11, 2016, I sent you a letter regarding the *City of Pocatello's Protest* submitted to the Idaho Department of Water Resources ("Department") on April 4, 2016, protesting the stipulated mitigation plan filed by the Surface Water Coalition and Idaho Ground Water Appropriators, Inc.

The letter explained that the deadline for filing protests to the stipulated mitigation plan was April 4, 2016, the City of Pocatello ("Pocatello") did not submit the \$25 filing fee required by Idaho Code section 42-221(L) along with the protest document, and Rule 58 of the Department's Rules of Procedure states: "Filings required to be accompanied by a fee shall not be complete until the fee is paid." Thus, the letter informed Pocatello that its protest was not timely filed and it was not a protestant/party to the contested case.

On April 11, 2016, counsel for Pocatello sent email correspondence to counsel for the Department, asserting that Idaho Code section 67-2301 applies to exempt Pocatello from paying the fee for filing a protest as required by Idaho Code section 42-221(L). Upon review, it appears that Idaho Code section 67-2301 exempts Pocatello from paying the fee for filing a protest. Accordingly, the Department will treat the *City of Pocatello's Protest* as timely filed and consider Pocatello a protestant/party to the contested case regarding the stipulated mitigation plan.

With respect to future filings, please specify if you intend to rely on the exemption set forth in Idaho Code section 67-2301.

Sincerely,

Gary Spackman

Director

cc:

Randall C. Budge Thomas J. Budge John K. Simpson Travis L. Thompson Paul L. Arrington W. Kent Fletcher Randall D. Fife Robert L. Harris



Chris M. Bromley cbromley@mchughbromley.com www.mchughbromley.com 380 S. 4th St., Ste. 103 Boise, Idaho 83702 (208) 287-0991

April 22, 2016

Director Gary Spackman Idaho Dept. of Water Res. 322 E. Front St. Boise, ID 83702

Hand Delivered

Re: Motion for Order Approving Stipulation to Conditionally Withdraw Protests

Dear Director Spackman:

Please find enclosed a *Motion for Order Approving Stipulation to Conditionally Withdraw Protests* in the mitigation plan filed between the Coalition of Cities, the City of Idaho Falls, the City of Pocatello, and the Surface Water Coalition; and the mitigation plan filed between the Idaho Ground Water Appropriators, Inc. and the Surface Water Coalition.

Given that the Department has just recently issued its *Final Order Regarding April 2016 Forecast Supply (Methodology Steps 1-3)*, the parties respectfully request that the Department expedite its review and approval of these mitigation plans.

Sincerely,

CHRIS M. BROMLEY

Encl.

c.c. Garrick Baxter, DAG

RECEIVED

APR 2 2 2016

DEPARTMENT OF WATER RESOURCES

A. Dean Tranmer, ISB No. 2793 City of Pocatello P. O. Box 4169 Pocatello, ID 83201 Telephone: (208) 234-6149 dtranmer@pocatello.us

Sarah A. Klahn, ISB No. 7928 Mitra M. Pemberton WHITE & JANKOWSKI, LLP 511 Sixteenth Street, Suite 500 Denver, CO 80202 Telephone: (303) 595-9441 sarahk@white-jankowski.com

Attorneys for the City of Pocatello

mitrap@white-jankowski.com

Robert E. Williams, ISB No. 1693
WILLIAMS, MESERVY & LOTHSPEICH,
LLP

P.O. Box 168 Jerome, ID 83338 Telephone: (208) 324-2303 rewilliams@cableone.net

Chris M. Bromley, ISB No. 6530 MCHUGH BROMLEY, PLLC 380 S. 4th St., Ste. 103 Boise, ID 83702 Telephone: (208) 287-0991 cbromley@mchughbromley.com

Attorneys for the Coalition of Cities

Randall C. Budge, ISB No. 1949

Thomas J. Budge, ISB No. 7465
RACINE, OLSON, NYE, BUDGE & BAILEY, CHTD
201 E. Center St. / P.O. Box 1391
Pocatello, ID 83204-1391
Telephone: (208) 232-6101
rcb@racinelaw.net
tjb@racinelaw.net

Randall D. Fife, ISB No. 4010 City Attorney CITY OF IDAHO FALLS P.O. Box 50220 Idaho Falls, ID 83405

Telephone: (208) 612-8177 rfife@idahofallsidaho.gov

Robert L. Harris, ISB No. 7018 HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

P.O. Box 50130 1000 Riverwalk Drive, Suite 200 Idaho Falls, ID 83405 Telephone: (208) 523-0620 rharris@holdenlegal.com

Attorneys for the City of Idaho Falls

John K. Simpson, ISB No. 242 Travis L. Thompson, ISB No. 6168 Paul L. Arrington, ISB No. 7198 BARKER, ROSHOLT & SIMPSON, LLC

195 River Vista Place, Suite 204 Twin Falls, ID 83301-3029 Telephone: (208) 733-0700 tlt@idahowaters.com

tlt@idahowaters.com jks@idahowaters.com pla@idahowaters.com

Attorneys for A&B Irrigation District, Burley Irrigation District, Milner Irrigation District, North Side Canal Company, and Twin Falls Canal Company

W. Kent Fletcher, ISB No. 2248 FLETCHER LAW FIRM P.O. Box 248 Burley, ID 83318 Telephone (208) 678-3250 wkf@pmt.org

Attorneys for American Falls Reservoir District #2 and Minidoka Irrigation District

MOTION FOR ORDER APPROVING STIPULATION TO CONDITIONALLY WITHDRAW PROTESTS

Attorneys for Idaho Ground Water Appropriators, Inc.

BEFORE THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF IDAHO

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

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

IN THE MATTER OF THE MITIGATION PLAN FILED BY THE CITY OF POCATELLO

IN THE MATTER OF THE MITIGATION PLAN FILED BY THE COALITION OF CITIES

IN THE MATTER OF THE CITY OF IDAHO FALLS MITIGATION PLAN FOR THE SURFACE WATER COALITION CALL

Docket Nos. CM-MP-2016-001, CM-MP-2015-001, CM-MP-2015-004, CM-MP-2015-005

MOTION FOR ORDER APPROVING STIPULATION TO CONDITIONALLY WITHDRAW PROTESTS

The City of Idaho Falls (the "City"), an Idaho municipal corporation, the City of Pocatello ("Pocatello") an Idaho municipal corporation, the Coalition of Cities ("COC") (collectively "cities"), the Surface Water Coalition and the Idaho Ground Water Appropriators (collectively,

"Parties"), by and through their above-identified counsel, hereby submits this *Motion for Order*Approving Stipulation to Conditionally Withdraw Protests.

The Parties hereby stipulate as follows:

- The Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for
 Order (the "SWC/IGWA Plan") was filed with the Idaho Department of Water Resources
 ("IDWR" or "Department") on March 9, 2016, and the Cities timely filed protest on April
 4, 2016.
- 2. To resolve the Idaho Falls and Pocatello's Protests of the SWC/IGWA Plan, the Parties agree:
 - a. Pocatello and Idaho Falls are not participants in the SWC/IGWA Plan and are not bound by any of the terms or conditions found therein.
 - b. SWC and IGWA will not ask the Department to impose the obligations and goals of the SWC/IGWA Plan on any of the cities, despite the fact that the March 9, 2016, SWC/IGWA Request for Order at paragraph 14 requests such relief.
 - c. The Pocatello and Idaho Falls Protests to the IGWA/SWC Plan are to be withdrawn upon entry of an order of the Department approving the SWC/IGWA Plan which includes the following provisions, or provisions in substantially the same form or content:
 - "The SWC/IGWA Plan requires numerous on-going activities, such as monitoring, reporting, and verification of data. The parties to the SWC/IGWA Plan should be responsible for these activities."

- "The SWC/IGWA Plan includes reference to certain hydrologic goals and benchmarks. The goals and benchmarks are applicable only to the parties to the SWC/IGWA Plan."
- "Approval of the SWC/IGWA Plan does not begin the process of establishing the Eastern Snake Plain Aquifer ("ESPA") as a 'ground water management area' pursuant to Idaho Code § 42-233b. Any such action to establish the ESPA as a 'ground water management area' pursuant to Idaho Code § 42-233b shall only be addressed through a separate administrative proceeding designated for that purpose."
- d. In the event the above provisions or provisions in substantially the same form or content are not included in the order approving the SWC/IGWA Plan, this stipulation shall be null and void.
- 3. The Joint Motion for Order Entering Settlement Between Pocatello, Coalition of Cities,

 Idaho Falls and the Surface Water Coalition ("Cities' Plan") was filed with the

 Department on March 15, 2016 and IGWA timely filed a protest on April 18, 2016.
- 4. In order to resolve the Protest to the Cities' Plan:
 - a. SWC agrees to provide a letter to IGWA by May 5, 2016, stating that, in the event SWC determines it does not require the 2600 acre-feet of storage water provided pursuant to the Cities Plan in 2016 for irrigation purposes, the SWC commits to using that 2600 acre-feet of water for recharge instead.

¹ Similar language for paragraphs 1 and 2 herein are found in the *Final Order Approving Mitigation Plan for 2016*, In the Matter of Southwest and Goose Creek Irrigation Districts Mitigation Plan for the Surface Water Coalition Delivery Call, Docket No. CM-MP-2010-01, March 29, 2016, at 3.

b. Upon receipt of the above-referenced letter, IGWA will file a formal withdrawal of its Protest to the Cities Plan.

Therefore, the Parties request that the Director enter an order approving this Stipulation.

DATED this 27nd day of April, 2016.

CITY OF POCATELLO ATTORNEY'S WILLIAMS, MESERVY & LOTHSPEICH **OFFICE** LLP Attorneys for the Coalition of Cities A. Dean Tranmer WHITE & JANKOWSKI, LLP Attorneys for the City of Pocatello MCHUGH BROMLEY, PLLC Attorneys for the Coalition of Cities Mitra M. Pemberton CITY OF IDAHO FALLS ATTORNEY'S BARKER, ROSHOLT & SIMPSON, LLC **OFFICE** Attorneys for A&B Irrigation District, Burley Irrigation District, Milner Irrigation District, North Side Canal Company, and Twin Falls Randall D. Fife Canal Company HOLDEN, KIDWELL, HAHN & CRAPO, By John K. Simpson P.L.L.C. Attorneys for the City of Idaho Falls By Travis L. Thompson for

Paul L. Arrington

RACINE, OLSON, NYE, BUDGE & BAILEY, FLETCHER LAW FIRM **CHTD**

Attorneys for Idaho Ground Water Appropriators, Inc.

Randall C. Budge

Thomas J. Budge

Attorneys for American Falls Reservoir District #2 and Minidoka Irrigation District

By W. Kent Fletcher

CERTIFICATE OF SERVICE

I hereby certify that on this 22 day of April, 2016, I caused to be served a true and correct copy of the foregoing MOTION FOR ORDER APPROVING STIPULATION TO CONDITIONALLY WITHDRAW PROTESTS in Docket Nos. CM-MP-2016-001; CM-MP-2015-001, CM-MP-2015-004, CM-MP-2015-005 upon the following by the method indicated:

Sarah Klahn, White & Jankowski, LLP

Gary Spackman, Director	U.S. Mail, Postage Prepaid
State of Idaho, Dept of Water Resources	Hand Delivery
322 E Front St	X Federal Express (208-287-4942)
P.O. Box 83720	Facsimile 208-287-6700
Boise ID 83720-0098	X Email
deborah.gibson@idwr.idaho.gov	
John K. Simpson	U.S. Mail, Postage Prepaid
Travis L. Thompson	Hand Delivery
Paul L. Arrington	Federal Express
Barker Rosholt & Simpson	Facsimile 208-735-2444
195 River Vista Place Ste 204	X Email
Twin Falls ID 83301-3029	
tlt@idahowaters.com	
jks@idahowaters.com	
pla@idahowaters.com	
W. Kent Fletcher	U.S. Mail, Postage Prepaid
Fletcher Law Office	Hand Delivery
P.O. Box 248	Federal Express
Burley, ID 83318	Facsimile 208-878-2548
wkf@pmt.org	X Email
Garrick L. Baxter	U.S. Mail, Postage Prepaid
Deputy Attorneys General – IDWR	X Hand Delivery
P.O. Box 83720	Federal Express
Boise ID 83720-0098	X Facsimile 208-287-6700
garrick.baxter@idwr.idaho.gov	X Email
Randall C. Budge	U.S. Mail, Postage Prepaid
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201 E Center St / PO Box 1391	Facsimile 208-232-6109
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rcb@racinelaw.net	
tjb@racinelaw.net	
Dean Tranmer	U.S. Mail, Postage Prepaid
City of Pocatello	Hand Delivery
P.O. Box 4169	Federal Express
Pocatello ID 83201	Facsimile 208-234-6297
dtranmer@pocatello.us	X Email
Kathleen Carr	U.S. Mail, Postage Prepaid
US Dept Interior	Hand Delivery
960 Broadway Ste 400	Federal Express
Boise ID 83706	Facsimile 208-334-1907
kathleenmarion.carr@sol.doi.gov	X Email
	1

David W. Gehlert	U.S. Mail, Postage Prepaid
Natural Resources Section	Hand Delivery
Environment & Natural Resources Division	Federal Express
US Dept of Justice	Facsimile 303-844-1350
999 18th St, South Terrace Ste 370	X Email
Denver CO 80202	
david.gehlert@usdoj.gov	
Michael C Creamer	U.S. Mail, Postage Prepaid
Jeffery C. Fereday	Hand Delivery
Givens Pursley	Federal Express
601 W Bannock St Ste 200	Facsimile 208-388-1300
P.O. Box 2720	X Email
Boise ID 83701-2720	
mcc@givenspursley.com	
jcf@givenspursley.com	
William A. Parsons	U.S. Mail, Postage Prepaid
Parsons Smith Stone Loveland & Shirley LLP	Hand Delivery
137 West 13 th St	Federal Express
P.O. Box 910	Facsimile 208-878-8382
Burley ID 83318	X Email
wparsons@pmt.org	
Matt Howard	U.S. Mail, Postage Prepaid
US Bureau of Reclamation	Hand Delivery
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Boise ID 83706-1234	Facsimile Facsimile
mhoward@usbr.gov	X Email
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900 N Skyline Dr	Federal Express
Idaho Falls ID 83402-6105	Facsimile
lyle.swank@idwr.idaho.gov	X Email
Allen Merritt	U.S. Mail, Postage Prepaid
Cindy Yenter	Hand Delivery
IDWR - Southern Region	Federal Express
1341 Filmore St Ste 200	Facsimile .
Twin Falls ID 83301-3033	X Email
allen.merritt@idwr.idaho.gov	
cindy.yenter@idwr.idaho.gov	
Robert E. Williams	U.S. Mail, Postage Prepaid
Williams, Meservy & Lothspeich, LLC	Hand Delivery
P.O. Box 168	Federal Express
Jerome, ID 83338	Facsimile
rewilliams@cableone.net	X Email
Chris M. Bromley	U.S. Mail, Postage Prepaid
McHugh, Bromley, PLLC	Hand Delivery
380 S. 4 th St., Ste. 103	Federal Express
Boise, ID 83702	Facsimile
cbromley@mchughbromley.com	X Email
Randall D. Fife	U.S. Mail, Postage Prepaid
City Attorney	Hand Delivery
City of Idaho Falls	Federal Express
~, ~- 100110 1 0110	
	Facsimile
P.O. Box 50220 Idaho Falls, ID 83405	Facsimile X Email

Robert L. Harris	U.S. Mail, Postage Prepaid
Holden, Kidwell, Hahn & Crapo, PLLC	Hand Delivery
P.O. Box 50130	Federal Express
1000 Riverwalk Drive, Ste. 200	Facsimile
Idaho Falls, ID 83405	X Email
rharris@holdenlegal.com	

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

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

Docket No. CM-MP-2016-001

FINAL ORDER APPROVING STIPULATED MITIGATION PLAN

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

The Director ("Director") of the Idaho Department of Water Resources ("Department") finds, concludes and orders as follows:

FINDINGS OF FACT

- 1. On March 9, 2016, the Idaho Ground Water Appropriator's Inc. ("IGWA"), and A&B Irrigation District, American Falls Reservoir District No. 2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively referred to herein as "Surface Water Coalition" or "SWC"), submitted to the Department the Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order ("Request for Order").
- 2. Attached to the Request for Order as Exhibits B and C respectively are the Settlement Agreement Entered Into June 30, 2015, Between Participating Members of the Surface Water Coalition and Participating Members of the Idaho Ground Water Appropriator's, Inc. and the Addendum to Settlement Agreement (collectively the "SWC-IGWA Settlement Agreement"). Attached to the Request for Order as Exhibit D is the October 7, 2015, Agreement between A&B Irrigation District and the IGWA members who entered into the SWC-IGWA Settlement Agreement (the "A&B-IGWA Agreement"). The SWC and IGWA submitted the SWC-IGWA Settlement Agreement and the A&B-IGWA Agreement (collectively, the "Mitigation Plan") as a stipulated mitigation plan in response to the SWC delivery call. Request for Order at 3.

FINAL ORDER APPROVING STIPULATED MITIGATION PLAN

Page 1

- 3. The Department published notice of the Mitigation Plan in the Idaho Mountain Express and Mountain Home News on March 16th and 23rd, 2016; and the Times News, Post Register, Idaho State Journal, and Idaho Statesman on March 17th and 24th, 2016.
- 4. The SWC "stipulates that the mitigation provided by participating IGWA members under the [Mitigation Plan] is, provided the [Mitigation Plan is] implemented, sufficient to mitigate for any material injury caused by the groundwater users who belong to, and are in good standing with, a participating IGWA member." *Request for Order* at 3. The SWC and IGWA agree that "[n]o ground water user participating in the [Mitigation Plan] will be subject to a delivery call by the SWC members as long as the provisions of the [Mitigation Plan] are being implemented." *Mitigation Plan* at Exhibit B, p. 5.
- 5. Through the Mitigation Plan, the SWC and IGWA members agree to: (a) a total ground water diversion reduction of 240,000 acre-feet annually, (b) annual delivery of 50,000 acre-feet "of storage water through private lease(s) of water from the Upper Snake Reservoir system, delivered to the SWC 21 days after the date of allocation," (c) IGWA using "its best efforts to continue existing conversions in Water Districts 130 and 140," (d) ground water users not irrigating sooner than April 1 or later than October 31, (e) installation of approved closed conduit flow meters on all remaining unmeasured and power consumption coefficient measured ground water diversions by the beginning of the 2018 irrigation season, (f) establishment of a ground water level goal and benchmarks to "[s]tabilize and ultimately reverse the trend of declining ground water levels," (g) development of a method "to measure reach gain trends in the Blackfoot to Milner reach," (h) contributions by the SWC and IGWA to the State sponsored managed recharge program, (i) support by the SWC and IGWA of "NRCS funded permanent water conservation programs," (j) IGWA undertaking "additional targeted ground water to surface water conversions and/or fallow land projects above American Falls," and (k) "[i]f any of the benchmarks or ground water level goal is not met, additional recharge, consumptive use reductions, or other measures as recommended by" a steering committee established by the SWC and IGWA. Mitigation Plan at Exhibit B, p. 2-5.
- 6. On April 4, 2016, the City of Pocatello ("Pocatello") and the City of Idaho Falls ("Idaho Falls") protested the Mitigation Plan.
- 7. On April 22, 2016, Pocatello and Idaho Falls filed a *Motion for Order Approving Stipulation to Conditionally Withdraw Protests* ("Motion"). Pocatello and Idaho Falls agreed to withdraw their protests to the Mitigation Plan if the Director includes provisions in an order approving the Mitigation Plan: (a) clarifying that the parties to the Mitigation Plan are responsible for the ongoing activities and ground water level goal and benchmarks identified in the Mitigation Plan, and (b) that approval of the plan does not create a ground water management area pursuant to Idaho Code § 42-233b.

CONCLUSIONS OF LAW

1. Idaho Code § 42-602 authorizes the Director to supervise water distribution within water districts:

FINAL ORDER APPROVING STIPULATED MITIGATION PLAN

The director of the department of water resources shall have direction and control of the distribution of water from all natural water sources within a water district to the canals, ditches, pumps and other facilities diverting therefrom. Distribution of water within water districts created pursuant to section 42-604, Idaho Code, shall be accomplished by watermasters as provided in this chapter and supervised by the director. The director of the department of water resources shall distribute water in water districts in accordance with the prior appropriation doctrine. The provisions of chapter 6, title 42, Idaho Code, shall apply only to distribution of water within a water district.

- 2. Idaho Code § 42-1805(8) authorizes the Director to "promulgate, adopt, modify, repeal and enforce rules implementing or effectuating the powers and duties of the department."
- 3. Idaho Code § 42-603 grants the Director authority to adopt rules governing water distribution.
- 4. Pursuant to Chapter 52, Title 67, Idaho Code, and Sections 42-603 & 42-1805(8), Idaho Code, the Department promulgated the Rules for Conjunctive Management of Surface and Ground Water Resources ("CM Rules"), effective October 7, 1994. IDAPA 37.03.11.000-001.
- 5. The CM Rules "prescribe procedures for responding to a delivery call made by the holder of a senior-priority surface or ground water right against the holder of a junior-priority ground water right in an area having a common ground water supply." IDAPA 37.03.11.001.
- 6. CM Rule 42.02 states: "The holder of a senior-priority surface or ground water right will be prevented from making a delivery call for curtailment of pumping of any well used by the holder of a junior-priority ground water right where use of water under the junior-priority right is covered by an approved and effectively operating mitigation plan." IDAPA 37.03.11.042.02.
- 7. CM Rule 43.03 establishes factors the Director may consider "in determining whether a proposed mitigation plan will prevent injury to senior rights." IDAPA 37.03.11.043.03(a-o).
- 8. CM Rule 43.03(o) states: "Whether the petitioners and respondents have entered into an agreement on an acceptable mitigation plan even though such plan may not otherwise be fully in compliance with these provisions." IDAPA 37.03.11.043.03(o).
- 9. The SWC and IGWA "have entered into an agreement on [a] . . . mitigation plan" in accordance with CM Rule 43.03(o). The SWC "stipulates that the mitigation provided by participating IGWA members under the [Mitigation Plan] is, provided the [Mitigation Plan is] implemented, sufficient to mitigate for any material injury caused by the groundwater users who belong to, and are in good standing with, a participating IGWA member." Request for Order at 3. The SWC and IGWA agree that "[n]o ground water user participating in the [Mitigation Plan] will be subject to a delivery call by the SWC members as long as the provisions of the [Mitigation Plan] are being implemented." Mitigation Plan at Exhibit B, p. 5.

- 10. As discussed above, the Mitigation Plan requires numerous ongoing activities, including: (a) annual ground water diversion reductions and storage water deliveries, (b) irrigation season reduction, (c) installation of measurement devices, (d) support of the State sponsored managed recharge program and NRCS funded permanent water conservation programs, (e) efforts to continue existing conversions, (f) additional conversions and/or fallow land projects, and (g) establishment of and oversight by a steering committee and technical work group. *Mitigation Plan* at Exhibit B, p. 2-5. The Mitigation Plan also references a ground water level goal and benchmarks, development of a method "to measure reach gain trends in the Blackfoot to Milner reach," and additional recharge, consumptive use reductions, or other measures should any of the benchmarks or the ground water level goal not be met. *Id.* at Exhibit B, p. 3-5. The parties to the Mitigation Plan should be responsible for these activities and the ground water level goal and benchmarks should only be applicable to the parties to the Mitigation Plan as specified in the Mitigation Plan.
- 11. Having reviewed the Mitigation Plan, the CM Rules, and the proceedings herein, the Director will approve the Mitigation Plan.

ORDER

Based upon and consistent with the foregoing, IT IS HEREBY ORDERED that the Mitigation Plan submitted by the SWC and IGWA is APPROVED with the following conditions:

- a. All ongoing activities required pursuant to the Mitigation Plan are the responsibility of the parties to the Mitigation Plan.
- b. The ground water level goal and benchmarks referenced in the Mitigation Plan are applicable only to the parties to the Mitigation Plan.
- c. Approval of the Mitigation Plan does not create a ground water management area pursuant to Idaho Code § 42-233b.

DATED this 2 day of May 2016.

Gary Spackman

Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 2 day of May 2016, the above and foregoing was served on the following by the method(s) indicated below:		
John K. Simpson Travis L. Thompson Paul L. Arrington BARKER ROSHOLT & SIMPSON, LLP 195 River Vista Place, Ste 204 Twin Falls, ID 83301-3029 jks@idahowaters.com tlt@idahowaters.com pla@idahowaters.com	 ☑ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☒ Email 	
W. Kent Fletcher FLETCHER LAW OFFICE P.O. Box 248 Burley, ID 83318 wkf@pmt.org	 ✓ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ✓ Email 	
Randall C. Budge Thomas J. Budge RACINE OLSON NYE BUDGE & BAILEY, CHTD. 201 East Center Street P.O. Box 1391 Pocatello, ID 83207-1391 Telephone: (208) 395-0011 Facsimile: (208) 232-6109 rcb@racinelaw.net tjb@racinelaw.net	 ☑ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☒ Email 	
William A. Parson PARSONS SMITH & STONE P.O. Box 910 Burley, ID 83318 wparson@pmt.org	 ✓ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ✓ Email 	
Matt Howard BUREAU OF RECLAMATION 1150 N. Curtis Rd. Boise, ID 83706 mhoward@pn.usbr.gov emcgarry@pn.usbr.gov	 U.S. Mail, postage prepaid Hand Delivery Overnight Mail Facsimile Email 	

FINAL ORDER APPROVING STIPULATED MITIGATION PLAN

Kathleen Marion Carr US DEPT OF INTERIOR Office of Solicitor, PNW Region 960 Broadway, Ste 400 Boise, ID 83706 Kathleenmarion.carr@sol.doi.gov	 ☑ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☑ Email
David W. Gehlert Natural Resources Section US DEPT OF JUSTICE 999 18 TH Street South Terrace, Ste 370 Denver, CO 80202 David.gehlert@usdoj.gov	 ✓ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ✓ Email
A. Dean Tranmer City Attorney CITY OF POCATELLO P.O. Box 4169 Pocatello, ID 83205 dtranmer@pocatello.us	 ☑ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☑ Email
Sarah Klahn Mitra Pemberton WHITE JANKOWSKI 511 16 th Street, Ste 500 Denver, CO 80202 sarahk@white-jankowski.com mitrap@white-jankowski.com	 ✓ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ✓ Email
Robert L. Harris Holden, Kidwell, Hahn & Crapo, PLLC P.O. Box 50130 1000 Riverwalk Drive, Ste. 200 Idaho Falls, ID 83405 rharris@holdenlegal.com	 ☑ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☑ Email
Randall D. Fife City Attorney City of Idaho Falls P.O. Box 50220 Idaho Falls, ID 83405	 ☑ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☒ Email

FINAL ORDER APPROVING STIPULATED MITIGATION PLAN

rfife@idahofallidaho.gov

IDWR-Eastern Region 900 N. Skyline Dr., Ste A Idaho Falls, ID 83402-1718 lyle.swank@idwr.idaho.gov	 ☐ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☒ Email
IDWR-Southern Region 1341 Fillmore St., Ste 200 Twin Falls, ID 83301-3380 allen.merritt@idwr.idaho.gov cindy.yenter@idwr.idaho.gov	 ☐ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☑ Email
	Kimi White

EXPLANATORY INFORMATION TO ACCOMPANY A FINAL ORDER

(To be used in connection with actions when a hearing was not held)

(Required by Rule of Procedure 740.02)

The accompanying order is a "Final Order" issued by the department pursuant to section 67-5246, Idaho Code.

PETITION FOR RECONSIDERATION

Any party may file a petition for reconsideration of a final order within fourteen (14) days of the service date of this order as shown on the certificate of service. **Note: The petition must** be <u>received</u> by the Department within this fourteen (14) day period. The department will act on a petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. See section 67-5246(4), Idaho Code.

REQUEST FOR HEARING

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. See section 42-1701A(3), Idaho Code. Note: The request must be received by the Department within this fifteen (15) day period.

APPEAL OF FINAL ORDER TO DISTRICT COURT

Pursuant to sections 67-5270 and 67-5272, Idaho Code, any party aggrieved by a final order or orders previously issued in a matter before the department 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:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or
- iv. 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 of: a) the service date of the final order, b) the service date 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. See section 67-5273, Idaho Code. The filing of an appeal to district court does not in itself stay the effectiveness or enforcement of the order under appeal.

Revised July 1, 2010



Randall C. Budge (ISB# 1949)
Thomas J. Budge (ISB# 7465)
RACINE OLSON NYE BUDGE & BAILEY, CHARTERED 201 E. Center St. / P.O. Box 1391
Pocatello, Idaho 83204
(208) 232-6101 - phone
(208) 232-6109 - fax
rcb@racinelaw.net
tjb@racinelaw.net

Attorneys for IGWA

IDAHO DEPARTMENT OF WATER RESOURCES

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

Docket No. CM-DC-2010-001

IGWA's Notice of Mitigation

Idaho Ground Water Appropriators, Inc. (IGWA), by and through counsel, hereby provides notice of its mitigation in response to the *Final Order Regarding April 2016 Forecast Supply (Methodology Steps 1 – 3)* ("*April Order"*) ("*2016 April As-Applied Order"*) issued April 19, 2016, in this matter.

The 2016 April As-Applied Order requires ground water users holding consumptive water rights bearing priority dates junior to February 8, 1989, to establish, to the satisfaction of the Director, that they can mitigate for their proportionate share of the predicted demand shortfall of 44,200 acre-feet to the Surface Water Coalition (SWC).

On May 2, 2016, the Director issued the *Final Order Approving Stipulated Mitigation Plan* in docket no. CM-MP-2016-001 approving the IGWA-SWC Settlement Agreement Mitigation Plan. Under Section 5 of the IGWA-SWC Settlement Agreement, "No ground water user participating in this Settlement

IGWA'S NOTICE OF MITIGATION-1

Agreement will be subject to a deliver call by the SWC members as long as the provisions of the Settlement Agreement are being implemented." Notice is hereby given that the ground water users participating in the Settlement Agreement consist of the members of Aberdeen-American Falls Ground Water District, Bingham Ground Water District, Bonneville Jefferson Ground Water District, Carey Valley Ground Water District, Jefferson-Clark Ground Water District, Madison Ground Water District, Magic Valley Ground Water District, North Snake Ground Water District, and Fremont-Madison Irrigation District. A digital file listing the protected water right numbers owned by members of these Districts has been provided to IDWR Water Compliance Bureau Chief Tim Luke contemporaneous herewith. Should additional ground water users subsequently join any of these Districts, IGWA will notify Mr. Luke accordingly.

DATED this 3rd day of May, 2016.

RACINE OLSON NYE BUDGE & BAILEY,

CHARTERED

Randall C. Budge
Thomas J. Budge

Attorneys for IGWA

CERTIFICATE OF SERVICE

I certify that on this 3rd day of May, 2016, a true and correct copy of the foregoing was served on the following persons in the manner indicated:

Randall C. Budge Thomas J. Budge

U.S. Mail Director Gary Spackman Idaho Department of Water Resources Facsimile PO Box 83720 Overnight Mail Boise, ID 83720-0098 Hand Delivery Deborah.gibson@idwr.idaho.gov **Email** U.S. Mail Deputy Attorneys General Garrick L. Baxter Facsimile Emmi L. Blades Overnight Mail Idaho Department of Water Resources Hand Delivery P.O. Box 83720 **Email** Boise, Idaho 83720-0098 Fax: 208-287-6700 garrick.baxter@idwr.idaho.gov emmi.blades@idwr.idaho.gov kimi.white@idwr.idaho.gov U.S. Mail John K. Simpson Facsimile Travis L. Thompson Overnight Mail Paul L. Arrington Barker Rosholt & Simpson Hand Delivery 195 River Vista Place, Suite 204 Email l Twin Falls, ID 83301-3029 tlt@idahowaters.com iks@idahowaters.com pla@idahowaters.com W. Kent Fletcher U.S. Mail Fletcher Law Office Facsimile P.O. Box 248 Overnight Mail Burley, ID 83318 **Hand Delivery** wkf@pmt.org **Email**

IGWA'S NOTICE OF MITIGATION- 3

Sarah Klahn Mitra Pemberton WHITE JANKOWSKI, LLP 511 16 th St., Suite 500 Denver, Colorado 80202 sarahk@white-jankowski.com mitrap@white-jankowski.com	U.S. MailFacsimileOvernight MailHand DeliveryEmail
Dean Tranmer City of Pocatello P.O. Box 4169 Pocatello, ID 83201 dtranmer@pocatello.us	U.S. Mail Facsimile Overnight Mail Hand Delivery Email
William A. Parsons PARSONS, SMITH & STONE, LLP PO Box 910 Burley, ID 83318 wparsons@pmt.org	U.S. Mail☐ Facsimile☐ Overnight Mail☐ Hand Delivery☑ Email
Lyle Swank IDWR—Eastern Region 900 N. Skyline Drive Idaho Falls, ID 83402-6105 lyle.swank@idwr.idaho.gov	☐ U.S. Mail ☐ Facsimile ☐ Overnight Mail ☐ Hand Delivery ☐ Email
Allen Merritt Cindy Yenter IDWR—Southern Region 1341 Fillmore St., Ste. 200 Twin Falls, ID 83301-3033 allen.merritt@idwr.idaho.gov cindy.yenter@idwr.idaho.gov	☐ U.S. Mail ☐ Facsimile ☐ Overnight Mail ☐ Hand Delivery ☑ Email
Kathleen Marion Carr US Dept. Interior 960 Broadway Ste 400 Boise, Idaho 83706 kathleenmarion.carr@sol.doi.gov	U.S. Mail Facsimile Overnight Mail Hand Delivery Email

IGWA'S NOTICE OF MITIGATION- 4

David W. Gehlert Natural Resources Section Environment and Natural Resources Div. U.S. Department of Justice 999 18th St, South Terrace, Ste 370 Denver, CO 80202 david.gehlert@usdoj.gov	U.S. Mail Facsimile Overnight Mail Hand Delivery Email
Matt Howard US Bureau of Reclamation 1150 N Curtis Road Boise, Id 83706-1234 mhoward@pn.usbr.gov	U.S. Mail Facsimile Overnight Mail Hand Delivery Email

RECEIVED

JUN 1 5 2016

DEPARTMENT OF WATER RESOURCES

John K. Simpson, ISB #4242
Travis L. Thompson, ISB #6168
Paul L. Arrington, ISB #7198
BARKER ROSHOLT & SIMPSON LLP
163 Second Avenue West

P.O. Box 63 Twin Falls, Idaho 83303-0063

Telephone: (208) 733-0700 Facsimile: (208) 735-2444

Attorneys for A&B Irrigation District, Burley Irrigation District, Milner Irrigation District, North Side Canal Company, and Twin Falls Canal Company

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

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

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

Docket No. CM-MP-2016-001

SURFACE WATER COALITION'S NOTICE OF CHANGE OF ADDRESS OF COUNSEL

Please note the following change of address of counsel, effective May 26, 2016:

John A. Rosholt, ISB # 1037
Travis L. Thompson, ISB # 6168
Paul L. Arrington, ISB #7198
BARKER ROSHOLT & SIMPSON LLP
163 2nd Avenue West
P.O. Box 63
Twin Falls, Idaho 83303-0063
Telephone (208) 733-0700
Facsimile (208) 735-2444

SURFACE WATER COALITION'S NOTICE OF CHANGE OF ADDRESS OF COUNSEL

1

All documents pertaining to this matter should be served upon counsel at the above-listed address.

DATED this 15th day of June, 2016.

BARKER ROSHOLT & SIMPSON LLP

Travis L. Thompson Paul L. Arrington

Attorneys for Burley Irrigation District, Milner Irrigation District, North Side Canal Company, and Twin Falls Canal Company

CERTIFICATE OF SERVICE

I hereby certify that on this 15th day of June, 2016, I served a true and correct copy of the foregoing *Surface Water Coalition's Notice of Change of Address of Counsel* on the following by the method indicated:

Director Gary Spackman c/o Deborah Gibson State of Idaho Dept of Water Resources 322 E Front St Boise, ID 83720-0098 *** service by electronic mail facsimile - 208-287-6700 gary.spackman@idwr.idaho.gov deborah.gibson@idwr.idaho.gov	Matt Howard U.S. Bureau of Reclamation 1150 N. Curtis Rd. Boise, ID 83706-1234 *** service by electronic mail only mhoward@pn.usbr.gov emcgarry@pn.usbr.gov	IDWR – Eastern Region 900 N. Skyline Dr., Suite A Idaho Falls, ID 83402-1718 *** service by electronic mail only lyle.swank@idwr.idaho.gov
Randy Budge T.J. Budge Racine Olson P.O. Box 1391 Pocatello, ID 83204-1391 *** service by electronic mail only rcb@racinelaw.net tjb@racinelaw.net	Sarah A. Klahn Mitra Pemberton White & Jankowski, LLP 511 Sixteenth Street, Suite 500 Denver, CO 80202 *** service by electronic mail only facsimile 303-825-5632 sarahk@white-jankowski.com mitrap@white-jankowski.com	David Gehlert ENRD – DOJ 999 18th St. South Terrace, Suite 370 Denver, CO 80202 *** service by electronic mail only david.gehlert@usdoj.gov
A. Dean Tranmer City of Pocatello P.O. Box 4169 Pocatello, ID 83201 *** service by electronic mail only facsimile — 208-234-6297 dtranmer@pocatello.us	William A. Parsons Parsons, Smith & Stone LLP P.O. Box 910 Burley, ID 83318 *** service by electronic mail only wparsons@pmt.org	IDWR – Southern Region 1341 Fillmore St., Suite 200 Twin Falls, ID 83301-3380 *** service by electronic mail only allen.merritt@idwr.idaho.gov cindy.yenter@idwr.idaho.gov
Michael C Creamer Jeffrey C. Fereday Givens Pursley 601 W Bannock St Ste 200 P.O. Box 2720 Boise, ID 83701-2720 *** service by electronic mail only mcc@givenspursley.com jcf@givenspursley.com	Kathleen Carr US Dept Interior, Office of Solicitor Pacific Northwest Region, Boise 960 Broadway Ste 400 Boise, ID 83706 *** service by electronic mail only facsimile – 208-334-1918 kathleenmarion.carr@sol.doi.gov	W. Kent Fletcher Fletcher Law Office P.O. Box 248 Burley, Idaho 83318 *** service by electronic mail only wkf@pmt.org

Garrick Baxter	Robert E. Williams	Chris Bromley
Emmi Blades	Williams, Meservy & Lothspeich,	McHugh, Bromley, PLLC
Deputy Attorneys General - IDWR	LLC	380 S. 4th Street, Ste. 103
P.O. Box 83720	P.O. Box 168	Boise, ID 83702
Boise, ID 83720-0098	Jerome, ID 83338	*** service by electronic mail only
*** service by electronic mail only	*** service by electronic mail only	cbromley@mchughbromley.com
garrick.baxter@idwr.idaho.gov	rewilliams@cableone.net	
emmi.blades@idwr.idaho.gov		
kimi.white@idaho.idaho.gov		
Randall D. Fife	Robert L. Harris	34.0
City Attorney	Holden, Kidwell, Hahn & Crapo,	
City of Idaho Falls	PLLC	
P.O. Box 50220	P.O. Box 50130	
Idaho Falls, ID 83405	1000 Riverwalk Drive, Ste. 200	
*** service by electronic mail only	Idaho Falls, ID 83405	
rfife@idahofallsidaho.gov	*** service by electronic mail only	
-	rharris@holdenlegal.com	

RECEIVED

FEB 0 7 2017

DEPARTMENT OF

John K. Simpson, ISB #4242 Travis L. Thompson, ISB #6168 Paul L. Arrington, ISB #7198 BARKER ROSHOLT & SIMPSON LLP 163 Second Ave. West P.O. Box 63

Twin Falls, Idaho 83303-0063 Telephone: (208) 733-0700 Facsimile: (208) 735-2444

Attorneys for A&B Irrigation District, Burley Irrigation District, Milner Irrigation District, North Side Canal Company, and Twin Falls Canal Company

Randall C. Budge, ISB #1949 Thomas J. Budge, ISB #7465 RACINE OLSON NYE BUDGE & BAILEY, CHTD. 201 E. Center St. / P.O. Box 1391 Pocatello, Idaho 83204-1391 Telephone: (208) 232-6101 Facsimile: (208) 232-6109

Attorneys for Idaho Ground Water Appropriators, Inc.

W. Kent Fletcher, ISB #2248 FLETCHER LAW OFFICE P.O. Box 248 Burley, Idaho 83318 Telephone: (208) 678-3250

Telephone: (208) 678-3250 Facsimile: (208) 878-2548

Attorneys for American Falls Reservoir District #2 and Minidoka Irrigation District

BEFORE THE IDAHO DEPARTMENT OF WATER RESOURCES

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

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

Docket No. CM-MP-2016-001

Surface Water Coalition's and IGWA's Stipulated Amended Mitigation Plan and Request for Order

SURFACE WATER COALITION'S AND IGWA'S STIPULATED MITIGATION PLAN AND REQUEST FOR ORDER -

A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively the "Surface Water Coalition" or "SWC"), and Idaho Ground Water Appropriators, Inc. ("IGWA") hereby stipulate and move the Director to enter an order approving the parties' Second Addendum to Settlement Agreement attached hereto as Exhibit A under Rule 43 of the Department's Rules for Conjunctive Management of Surface and Ground Water Resources ("CMR").

STIPULATION

- 1. In 2015, historic settlement agreements, identified herein, were entered into between the following surface water right holders: A & B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company and Twin Falls Canal Company, collectively known as the Surface Water Coalition (SWC); and the following ground water right holders: Aberdeen American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Carey Valley Ground Water District, Jefferson-Clark Ground Water District, Madison Ground Water District, Magic Valley Ground Water District, North Snake Groundwater District, Fremont-Madison Irrigation District, Anheuser-Busch, United Water, Glanbia Foods, City of Blackfoot, City of American Falls, City of Jerome, City of Rupert, City of Heyburn, City of Paul, City of Chubbuck and City of Hazelton, collectively known as the Idaho Ground Water Appropriators, Inc.; (IGWA) for the purpose of resolving pending water delivery calls and provide for on-going management of the ESPA.
- 2. Following execution of the agreement the parties filed the *Stipulated Mitigation Plan and Request for Order* with the Director on March 9, 2016. The parties adopt and incorporate that stipulation.
- 3. The Director approved the stipulated mitigation plan. See Final Order Approving Stipulated Mitigation Plan (May 2, 2016).
- 4. The parties recently executed the *Second Addendum to Settlement Agreement* (Ex. A) which provides further details concerning implementation of the agreement addressing Sections 3.a (Consumptive Use Volume Reduction); 3.e (Ground Water Level Goal and Benchmarks), 3.m (Steering Committee), and 4.a (Adaptive Water Management).
- 5. The parties hereby incorporate and submit the *Second Addendum to Settlement Agreement* as a proposed amendment to the stipulated mitigation plan filed and approved by the Director last year.
- 6. The parties stipulate and request that the Director issue an Order approving the Second Addendum to Settlement Agreement as an amendment to the previously approved mitigation plan under CMR 43.

SURFACE WATER COALITION'S AND IGWA'S STIPULATED MITIGATION PLAN AND REQUEST FOR ORDER -

Therefore, the parties request that the Director:

- (a) Publish notice of the amendment in accordance with CMR 43.02; and
- (b)Approve the amendment as part of the previously approved mitigation plan together as a complete mitigation plan under CMR 43.
- (c) Take the necessary management actions to address declining ESPA groundwater levels, water supply and sustainability issues in order that the benefits contemplated in the SWC-IGWA Settlement Agreement are realized.

DATED this 7 day of February, 2017.

BARKER ROSHOLT & SIMPSON LLP

FLETCHER LAW OFFICE

John K. Simpson Travis L. Thompson Paul L. Arrington

Attorneys for A&B Irrigation District, Burley Irrigation District, Milner Irrigation District, North Side Canal Company, and Twin Falls Canal Company Attorneys for Minidoka Irrigation District and American Falls Reservoir District #2

RACINE OLSON NYE BUDGE & BAILEY, CHTD.

Randall C. Budge

Attorneys for Idaho Ground Water Appropriators, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this <u>4</u> day of February, 2017, I served a true and correct copy of the foregoing Surface Water Coalition's and IGWA's Stipulated Amended Mitigation Plan and Request for Order on the following by the method indicated:

Director Gary Spackman c/o Deborah Gibson State of Idaho Dept of Water Resources 322 E Front St Boise, ID 83720-0098 *** service by electronic mail facsimile – 208-287-6700 gary.spackman@idwr.idaho.gov deborah.gibson@idwr.idaho.gov	Matt Howard U.S. Bureau of Reclamation 1150 N. Curtis Rd. Boise, ID 83706-1234 *** service by electronic mail only mhoward@pn.usbr.gov emcgarry@pn.usbr.gov	IDWR – Eastern Region 900 N. Skyline Dr., Suite A Idaho Falls, ID 83402-1718 *** service by electronic mail only lyle.swank@idwr.idaho.gov
Randy Budge T.J. Budge Racine Olson P.O. Box 1391 Pocatello, ID 83204-1391 *** service by electronic mail only rcb@racinelaw.net tjb@racinelaw.net	Sarah A. Klahn Mitra Pemberton White & Jankowski, LLP 511 Sixteenth Street, Suite 500 Denver, CO 80202 *** service by electronic mail only facsimile – 303-825-5632 sarahk@white-jankowski.com mitrap@white-jankowski.com	David Gehlert ENRD – DOJ 999 18 th St. South Terrace, Suite 370 Denver, CO 80202 *** service by electronic mail only david.gehlert@usdoj.gov
A. Dean Tranmer City of Pocatello P.O. Box 4169 Pocatello, ID 83201 *** service by electronic mail only facsimile – 208-234-6297 dtranmer@pocatello.us	William A. Parsons Parsons, Smith & Stone LLP P.O. Box 910 Burley, ID 83318 *** service by electronic mail only wparsons@pmt.org	IDWR – Southern Region 1341 Fillmore St., Suite 200 Twin Falls, ID 83301-3380 *** service by electronic mail only allen.merritt@idwr.idaho.gov cindy.yenter@idwr.idaho.gov

SURFACE WATER COALITION'S AND IGWA'S STIPULATED MITIGATION PLAN AND REQUEST FOR ORDER -

Michael C Creamer	Kathleen Carr	
Jeffrey C. Fereday	US Dept Interior, Office of	
Givens Pursley	Solicitor	
601 W Bannock St Ste 200	Pacific Northwest Region, Boise	
P.O. Box 2720	960 Broadway, Ste 400	
Boise, ID 83701-2720	Boise, ID 83706	
*** service by electronic mail only	*** service by electronic mail only	
mcc@givenspursley.com	facsimile - 208-334-1918	
jcf@givenspursley.com		
	kathleenmarion.carr@sol.doi.gov	

Travis L. Thompson

Exhibit A

SECOND ADDENDUM TO SETTLEMENT AGREEMENT

This Second Addendum dated December 14th, 2016 ("Second Addendum") augments the Settlement Agreement Entered Into June 30, 2015, Between Participating Members of the Surface Water Coalition and Participating Members of Idaho Ground Water Appropriators, Inc. ("IGWA"), the Addendum Agreement between the same entered into October 19, 2015 ("First Addendum"), and the Agreement between A&B Irrigation District and participating members of IGWA dated October 7, 2016. The foregoing agreements are referred to collectively herein as the "Settlement Agreement," and the parties thereto are referred to collectively herein as the "Parties."

RECITALS

- A. WHEREAS, on March 9, 2016 the Surface Water Coalition and IGWA submitted to the Idaho Department of Water Resources ("Department") the Surface Water Coalition and IGWA's Stipulated Mitigation Plan and Request for Order ("Request for Order"); and
- B. WHEREAS, the parties included as an attachment to the Request for Order a proposed "Final Order" for the purpose of Department approval of the Settlement Agreement as a mitigation plan under rule 43 of the Rules for Conjunctive Management of Surface and Ground Water Resources ("CMR"); and
- C. WHEREAS, the proposed Final Order contained provisions to address, clarify and resolve certain issues relating to the Settlement Agreement; and
- D. WHEREAS, on May 2, 2016 the Director entered a Final Order Approving Stipulated Mitigation Plan ("Director's Final Order") approving the Settlement Agreement as a CMR 43 mitigation plan; and
- E. WHEREAS, the Director's Final Order did not include certain provisions set forth in the Parties' proposed Final Order; and
- F. WHEREAS, the Parties now set forth and incorporate into the Settlement Agreement to the provisions set forth in this Second Addendum.

COVENANTS

NOW THEREFORE, in consideration of the above recitals and the mutual agreements contained herein, the parties to the Settlement Agreement agree as follows:

1. Incorporation of Recitals. The Recitals set forth above are an integral part of this Second Addendum and are fully incorporated herein by this reference.

SECOND ADDENDUM TO SETTLEMENT AGREEMENT

- 2. Implementation of Settlement Agreement. The Parties will work cooperatively in implementing the terms of the Settlement Agreement, to wit: Sections 3.a (Consumptive Use Volume Reduction), 3.e (Ground Water Level Goal and Benchmarks), 3.m (Steering Committee), and 4.a (Adaptive Water Management) as follows:
 - a. Section 3.a (Consumptive Use Volume Reduction):
 - i. Prior to April 1 annually the Districts will submit to the Steering Committee their groundwater diversion and recharge data for the prior irrigation season and their proposed actions to be taken for the upcoming irrigation season, together with supporting information compiled by the Districts' consultants.
 - b. Section 3.e (Ground Water Level Goal and Benchmarks):
 - i. The Parties and their consultants will work with the Department to collect, process, archive and submit sentinel well data to the Steering Committee within 30 days of collection.
 - ii. The Parties and their consultants will use the Technique For Calculating Groundwater Level Index and Determining Compliance with Settlement ("Calculation Technique") to determine if the groundwater level benchmarks and goal are met by June 1 of the year identified. This information shall be provided for use by the Steering Committee. Following experience with the Calculation Technique the technical working group may recommend amendments for approval by the Steering Committee.
 - iii. The Parties will request the Department to verify each District's annual diversion volume, and other diversion reduction data (recharge, CREP, conversions, end-gun removals, etc.) to confirm the accuracy of the data. The Department's analysis shall be provided to the Steering Committee no later than July 1 for the previous irrigation season.
 - iv. Any District may elect to report to the Department and request enforcement against any individual member of that District that is not in compliance with any mitigation plan or activity implemented by the District. Such members will not be protected under the Settlement Agreement. It is the Parties' intent that the Director will evaluate the breach and, if a breach is found to exist, provide notice of violation and opportunity to cure to the breaching member. If the member fails to cure the breach the Parties will request the Director to issue an order

against the breaching member requiring action to cure the breach or be subject to immediate curtailment as provided under CMR 40.05.

- c. Section 3.m (Steering Committee):
 - i. The Steering Committee will review the technical information supplied by the Department together with technical reports compiled by the Parties' consultants.
 - ii. If, based on the information reported and available, the Surface Water Coalition and IGWA find that the Long Term Practices as set forth in paragraph 3 of the Agreement have been performed but the groundwater level benchmarks or goal set forth in 3.e.ii have not been met, the Steering Committee shall recommend additional actions to be undertaken by the Districts pursuant to 3.m.iii of the Settlement Agreement. If the Surface Water Coalition and IGWA do not agree upon additional actions prior to March 1 of the following year, the Steering Committee will request that the Director issue an order requiring additional actions to be undertaken by the Districts to achieve the benchmarks or goal not met.
 - iii. If, based on the information reported and available, the Steering Committee finds any breach of the Long Term Practices as set forth in paragraph 3 of the Agreement, the Steering Committee shall give ninety (90) days written notice of the breach to the breaching party specifying the actions that must be taken to cure such breach. If the breaching party refuses or fails to take such actions to cure the breach, the Steering Committee shall report the breach to the Director with all supporting information, with a copy provided to the breaching party. If the Director determines based on all available information that a breach exists which has not been cured, the Steering Committee will request that the Director issue an order specifying actions that must be taken by the breaching party to cure the breach or be subject to immediate curtailment pursuant to CM Rule 40.05.
 - iv. If the Surface Water Coalition and IGWA do not agree that a breach has occurred or cannot agree upon actions that must be taken by the breaching party to cure the breach, the Steering Committee will report the same to the Director and request that the Director evaluate all available information, determine if a breach has occurred, and issue an order specifying actions that must be taken by the breaching party to cure the breach or be subject to curtailment.
 - v. The Steering Committee will submit a report to the Parties and the Department prior to May 1 annually reporting on: (a) progress on implementation and achieving the benchmarks and goals of the

Settlement Agreement, (b) performance of the Long Term Practices set forth in paragraph 3 of the Settlement Agreement, (c) the status and resolution of any breaches, and (d) adaptive water management measures recommended and implemented pursuant to paragraph 4 of the Settlement Agreement.

- d. Section 4 (Adaptive Water Management Measures):
 - i. The intent of the Adaptive Management Provision is to provide a forum for the Parties to resolve implementation issues without a party seeking an enforcement order from the Department or a district court. The terms of the Settlement Agreement and the Director's Final Order approving the same as a mitigation plan control and satisfy any mitigation obligations imposed by the Methodology Order on the Parties to the Settlement Agreement.
- 3. Binding Effect. This Second Addendum shall bind and inure to the benefit of the respective successors of the Parties.
- 4. Entire Agreement. This Second Addendum and the Settlement Agreement set forth all understandings between the Parties. There are no other understandings, covenants, promises, agreements, conditions, either oral or written between the Parties other than those contained herein and in the Agreement between A&B and IGWA dated October 7, 2015. The Parties expressly reserve all rights not settled by this Agreement. The parties further reserve all remedies, including the right to judicial action, to enforce the terms of the Settlement Agreement and this Second Addendum.
- 5. Effect of Headings. Headings appearing in this Agreement are inserted for convenience and reference and shall not be construed as interpretations of the text.

The Parties have executed this Agreement on the date following their respective signatures.

SURFACE WATER COALITION:

BARKER ROSHOLT & SIMPSON LLP

John K. Simpson

Date

Attorneys for A&B Irrigation District, Burley Irrigation District, Miner Irrigation District, North Side Canal Company, and Twin Falls Canal Company

FLETCHER LAW-OFFICE

W. Kent Fletcher

Date

Attorney for American Falls Reservoir District #2 and Minidoka Irrigation District

AMERICAN FALLS RESERVOIR DISTRICT NO. 2

Ellis Gooch President

BURLEY IRRIGATION DISTRICT

Dean Edgar

Chairman

MILNER IRRIGATION DISTRICT

Scott Breeding Chairman

Date Date

MINIDOKA IRRIGATION DISTRICT

Frank Hunt Chairman

NORTH SIDE CANAL COMPANY

John Beukers

3. luber A 12-16-16 Date

Chairman

TWIN FALLS CANAL COMPANY

Dan Shewmaker Chairman

IDAHO GROUND WATER APPROPRIATORS, INC.:

Fim Deeg Date
President

RACINE OLSEN NYE BUDGE & BAILEY, CHTD.

Randall C. Budge Date

Attorneys for Idaho Ground Water Appropriators, Inc. et al.

ABERDEEN-AMERICAN FALLS GROUND WATER DISTRICT

Nick Behrend

Chairman

Date

BINGHAM GROUND WATER DISTRICT

Craig Evan

BONNEVILLE-JEFFERSON GROUND WATER DISTRICT

Dane Watkins Chairman

Date

CARRIST YALLERS TROUNDEWATER DISTRICT

JEFFERSON CLARK GROUND WATER DISTRICT

Kirk Jacobs

MADISON GROUND WATER DISTRICT

Jasøn Webster

Date

MAGIC VALLEY GROUND WATER DISTRICT

Dean Stevenson

Date

Chairman

NORTH SNAKE GROUND WATER DISTRICT

FREEMONT MADISON IRRIGATION DISTRICT

Dale L. Swenson

Date

Manager

AFFIDAVIT of PUBLICATION

MAR 0 6 2017

COPY OF NOTICE MAR 2 2 2017 RECEIVED

State of Idaho County of Blaine DEPT OF WATER RE SOUTHERN RE	ESOURCES EGIOTI
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sworn, deposes and says that she is the printer (publisher) of the Idaho	Legal No
Mountain Express, a newspaper published every week in Ketchum, County	TITLE OF
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uninterruptedly published for a period of seventy-eight consecutive weeks	PLAINTIFF A
prior the first publication of the annexed notice, and is a newspaper qualified	PLAINTIFF
to publish legal notices as provided by act of the 1919 session of the	
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each week for consecutive issues	PLAIN
in said newspaper proper and not in a supplement; that the date of the first	IDWR
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Subscribed and sworn to before me this day of	WATER DEL
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March, 20 17.	February 7, 2017.
minus.	Water Appropriator and A&B Irrigation
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RESIDING AT HAILEY, IDAHO	63, Twin Falls, Idaho
MY COMMISSION EXPIRES ON 4/10/30/18	Fletcher Law Office Burley, Idaho 83318,
	Idaho Department of
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Ketchum, Idaho 83340	the Second Addenda
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PLAINTIFF	

BILL TO

AMENDED MITIGATION MITTED BY THE IDAHO ATER APPROPRIATOR'S, D SURFACE WATER IN RESPONSE TO THE E WATER COALITION R DELIVERY CALL

s hereby given that, on 2017, the Idaho Ground opriators, Inc. ("IGWA"), gation District, American pir District #2, Burley Irri-, Milner Irrigation District, ation District, North Side ny, and Twin Falls Canal llectively, "Surface Water rough counsel of the firms Nye Budge & Bailey, x 1391, Pocatello, Idaho arker Rosholt & Simpson and Ave. West, P.O. Box Idaho 83303-0063; and Office, P.O. Box 248, 83318, submitted to the nent of Water Resources the Surface Water Coali-/A's Stipulated Amended and Request for Order Order"). Attached to or Order as Exhibit A is ddendum to Settlement econd Addendum").

esents numerous ground ders whose rights have nior to the priority dates rights held by members Water Coalition and are ential curtailment in the Coalition delivery call.

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TOTAL COST \$172.50

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DEPARTMENT OF WATER RESOURCES

The Second Addendum "provides further details concerning implementation" of the mitigation plan that IGWA and the Surface Water Coalition previously submitted in response to the delivery call and the Director of the Department ("Director") approved on May 2, 2016. Request for Order at 2. Specifically, the Second Addendum amends four sections of the approved mitigation plan: "Sections 3.a (Consumptive Use Volume Reduction); 3.e (Ground Water Level Goal and Benchmarks), 3.m (Steering Committee), and 4 a (Adaptive Water Management)." Id. IGWA and the Surface Water Coalition request that the Director issue an order approving the Second Addendum "as an amendment to the previously approved" mitigation plan. Id.

The Department will process the Request for Order and Second Addendum (collectively, "Amended Mitigation Plan") pursuant to the Department's Conjunctive Management Rules (IDAPA 37.03.11). The Amended Mitigation Plan and documents regarding the previously approved mitigation plan may be viewed online at the following website link:

https://idwr.idaho.gov/legal-actions/mitigation-plan-actions/SWC/IGWA.html

The Department has not determined the adequacy of the Amended Mitigation Plan. A complete copy of the Amended Mitigation Plan is available for review at either the Department's State Office in Boise, the Department's Regional Office in Twin Falls, or at the website link above.

Any protest against approval of the Amended Mitigation Plan must be filed with any Department office, together with a protest fee of \$25, on or before March 13, 2017. The protest must include a certificate of service showing that a copy of the protest has been mailed to or served upon counsel for IGWA and the Surface Water Coalition.

GARY SPACKMAN, Director

PUBLISH IDAHO MOUNTAIN EXPRESS FEB. 22 & MAR. 1, 2017

VOK DM 3/6/2017



PO Box 40, Boise, ID 83707-0040

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LEGAL PROOF OF PUBLICATION

DEPARTMENT OF

Account #	Ad Number	Identification	PO	Amount	Cols	Lines
263982	0002935287	LEGAL NOTICE NOTICE OF AMENDED MITIG/	AmendedMitigationPlan	\$215.98	2	67

Attention: DENISE MALINE

IDAHO DEPT OF WATER RESOURCES / SOUTH 650 ADDISON AVE W SUITE 500 TWIN FALLS, ID 83301

RECEIVED

MAR 0 6 2017

DEPT OF WATER RESOURCES SOUTHERN REGION

LEGAL NOTICE

NOTICE OF AMENDED MITIGATION PLAN SUBMITTED BY THE IDAHO GROUND WATER APPROPRIATOR'S, INC., AND SURFACE WATER COALITION IN RESPONSE TO THE SURFACE WATER COALITION WATER DELIVERY CALL

Notice is hereby given that, on February 7, 2017, the Idaho Ground Water Appropriators, Inc. ("IGWA"), and A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Milnidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively, "Surface Water Coalition"), through counsel of the firms Racine Olson Nye Budge & Bailey, Chtd., P.O. Box 1391, Pocatello, Idaho 83204-1391; Barker Rosholt & Simpson LLP, 163 Second Ave. West, P.O. Box 63, Twin Falls, Idaho 83303-0063; and Fletcher Law Office, P.O. Box 248, Burley, Idaho 83318, submitted to the Idaho Department of Water Resources ("Department") the Surface Water Coalition's and IGWA's Stipulated Amended Mitigation Plan and Request for Order ("Request for Order"). Attached to the Request for Order as Exhibit A is the Second Addendum to Settlement Agreement ("Second Addendum"). IGWA represents numerous ground water right holders whose rights have priority dates junior to the priority dates of surface water rights held by members of the Surface Water Coalition and are subject to potential curtailment in the Surface Water Coalition and are subject to potential curtailment in the Surface Water Coalition delivery call. The Second Addendum "provides further details concerning implementation" of the mitigation plan that IGWA and the Surface Water Coalition previously submitted in response to the delivery call and the Director of the Department ("Director") approved on May 2, 2016. Request for Order at 2. Specifically, the Second Addendum amends four sections of the approved mitigation plan: "Sections 3.a (Consumptive Use Volume Reduction); 3.e (Ground Water Level Goal and Benchmarks), 3.m (Steering Committee), and 4.a. (Adaptive Water Management)." Id. IGWA and the Surface Water Coalition request that the Director issue an order

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Coalition. GARY SPACKMAN, Director

Pub. Feb. 23, Mar. 2, 2017

-0002935287-01

JANICE HILDRETH, being duly sworn, deposes and says: That she is the Principal Clerk of The Idaho Statesman, a daily newspaper printed and published at Boise, Ada County, State of Idaho, and having a general circulation therein, and which said newspaper has been continuously and uninterruptedly published in said County during a period of twelve consecutive months prior to the first publication of the notice, a copy of which is attached hereto: that said notice was published in The Idaho Statesman, in conformity with Section 60-108, Idaho Code, as amended, for:

Insertions

Beginning issue of: 02/23/2017

Ending issue of: 03/02/2017

egals Clerk)

STATE OF IDAHO)

.ss

COUNTY OF ADA)

On this 2nd day of March in the year of 2017 before me, a Notary Public, personally appeared before me Janice Hildreth known or identified to me to be the person whose name subscribed to the within instrument, and being by first duly swom, declared that the statements therein are true, and acknowledged to me that she executed the same.

Notary Public FOR Idaho Residing at: Boise, Idaho

My Commission expires: 08/17

V OK DM 3/6/2017

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MAR 0 6 2017

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DEPT OF WATER RESOURCES SOUTHERN REGION

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MAR 2 2 2017

STATE OF IDAHO County of Bannock

LN24087

NOTICE OF AMENDED MITIGATION
PLAN SUBMITTED BY THE IDAHO
GROUND WATER APPROPRIATOR'S, INC., AND SURFACE WATER
COALITION IN RESPONSE TO THE
SURFACE WATER COALITION

WATER DELIVERY CALL

Notice is hereby given that, on February 7, 2017, the Idaho Ground Water Appropriators, Inc. ("IGWA"), and A&B Irrigation District, American Falls Reservoir

District #2, Burley Irrigation District, Mil-ner Irrigation District, Minidoka Irrigation District, North Side Canal Company,

and Twin Falls Canal Company (collectively, "Surface Water Coalition"), through counsel of the firms Racine Olson Nye Budge & Bailey, Chtd., P.O. Box 1391, Pocatello, Idaho 83204-1391;

Box 1391, Pocatello, Idaho 83204-1391; Barker Rosholt & Simpson LLP, 163 Second Ave. West, P.O. Box 63, Twin Falls, Idaho, 83303-0063; and Fletcher Law Office, P.O. Box 248, Burley, Idaho 83318, submitted to the Idaho Depart-ment of Water Resources

("Department") the Surface Water Coali-tion's and IGWA's Stipulated Amended Mitigation Plan and Request for Order ("Request for Order"). Attached to the Request for Order as Exhibit A is the

IGWA represents numerous ground water right holders whose rights have priority

dates junior to the priority dates of sur-face water rights held by members of the Surface Water Coalition and are

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Surface Water Coalition delivery call.

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"Sections 3.a (Consumptive Use Vol-ume Reduction); 3.e (Ground Water Level Goal and Benchmarks), 3.m

(Steering Committee), and 4.a (Adaptive Water Management). Id. IGWA and the Surface Water Coalition request that the Director issue an order approving

the Second Addendum "as an amendment to the previously approved" mitiga-tion plan. Id.

Second Addendum to Settlement Agreement ("Second Addendum"). KAREN MASON

DEPARTMENT OF

being first duly sworn on oath deposes and says: that SHE was at all times herein mention a citizen of the United States of America more than 21 years of age, and the Principal Clerk of the Idaho State Journal, a daily newspaper, printed and published at Pocatello, Bannock County Idaho and having a general circulation therein. That the document or notice, a true copy of which

is attached, was published in the said IDAHO STATE JOURNAL, on the following dates, to-

Feb23	2017	Mar.	2017
Mar. 02	2017	Mar.	2017
Mar.	2017	Mar.	2017
Mar.	2017	Mar.	2017

That said paper has been continuously and uninterruptedly published in said County for a period of seventy-eight weeks prior to the publication of said notice of advertisement and is a newspaper within the meaning of the laws of Idaho.

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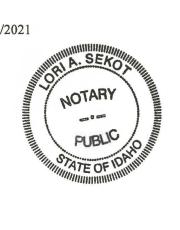
STATE OF IDAHO COUNTY OF BANNOCK

On this 02nd. of Mar. in the year of 2017, before me, a Notary Public, personally appeared KAREN MASON Known or identified to me to be the person whose name subscribed to the within instrument, and being by me first duly sworn declared that the statements therein are true, and acknowledge to me that he executed the same.

Lone a. Sekol Lesiding at Arimo exp. 3/3/2021

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DEPARTMENT OF WATER RESOURCES The Department will process the Request for Order and Second Addendum (collectively, "Amended Mitigation Plan") pursuant to the Department's Conjunctive Management Rules (IDAPA 37.03.11). The Amended Mitigation Plan and documents regarding the previously approved mitigation plan may be viewed online at the following website link:

https://idwr.idaho.gov/legal-actions/mitigation-plan-actions/SWC/IGWA.html

The Department has not determined the adequacy of the Amended Mitigation Plan. A complete copy of the Amended Mitigation Plan is available for review at either the Department's State Office in Boise, the Department's Regional Office in Twin Falls, or at the website link above.

Any protest against approval of the Amended Mitigation Plan must be filed with any Department office, together with a protest fee of \$25, on or before March 13, 2017. The protest must include a certificate of service showing that a copy of the protest has been mailed to or served upon counsel for IGWA and the Surface Water Coalition.

GARY SPACKMAN, Director

February 23, 2017 March 2, 2017

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DEPT OF WATER RESOURCES SOUTHERN REGION

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MAR 2 2 2017

PROOF OF PUBLICATION

STATE OF IDAHO **Madison and Fremont Counties**

SJ 7916

NOTICE OF AMENDED MITIGATION PLAN SUBMITTED BY THE IDAHO

GROUND WATER APPROPRIATOR'S, INCUMD WATER APPROPRIATOR'S
INC., AND SURFACE WATER
COALITION IN RESPONSE TO THE
SURFACE WATER COALITION
WATER DELIVERY CALL

Notice is hereby given that, on February 7, 2017, the Idaho Ground Water Appropriators, Inc. ("IGWA"), and A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively, "Surface Water Coalition"), through counsel of the firms Racine Olson Nye Budge & Bailey, Chtd., P.O. Box 1391, Pocatello, Idaho 83204-1391; Barker Rosholt & Simpson LLP, 163 Second Ave. West, P.O. Box 63, Twin Falls, Idaho 83303-0063; and Fletcher Law Office, P.O. Box 248, Burley, Idaho 83318, submitted to the Idaho Department of Water Resources ("Department") the Surface Water Coalition's and IGWA's Stipulated Amended Mitigation Plan and Request for Order ("Request for Order"). Attached to the Request for Order as Exhibit A is the Second Addendum to Settlement Agreement ("Second Addendum to Settlement Agreement ("Second Addendum to Muter Internative Inte

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Second Addendum "as an amendment to the previously approved" mitigation plan. Id. KAREN MASON

DEPARTMENT OF **ITER RESOURCES**

being first duly sworn on oath deposes and says: that SHE was at all times herein mention a citizen of the United States of America more than 21 years of age, and the Principal Clerk of the Standard Journal, a two times a week newspaper, published in Madison and Fremont Counties Idaho and having a general circulation therein. That the document or notice, a true copy of which is attached, was published in the said STANDARD JOURNAL, on the following dates,

Feb. 24	2017 Mar.	2017
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Mar.	2017_Mar.	2017
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That said paper has been continuously and uninterruptedly published in said County for a period of seventy-eight weeks prior to the publication of said notice of advertisement and is a newspaper within the meaning of the laws of Idaho.

aun Mason

STATE OF IDAHO

COUNTY OF Madison and Fremont

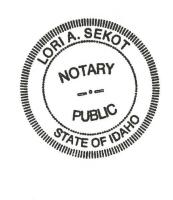
On this 03rd. of March in the year of 2017, before me, a Notary Public, personally appeared KAREN MASON Known or identified to me to be the person whose name subscribed to the within instrument, and being by me first duly sworn declared that the statements therein are true, and acknowledge to me that he executed the same.

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My commission expires 3/3//2021

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VOK DM 3/6/2017



MAR 2 2 2017

DEPARTMENT OF

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GARY SPACKMAN, Director

GARY SPACKMAN, Director
Published in the Idaho Mountain Express,
Mountain Home News, and Power
County Press on February 22nd &
March 1st, 2017; the Times News, Idaho Statesman, Post Register, and Idaho
State Journal on February 23rd & March
2nd, 2017; and the Rexburg Standard
Journal on February 24th & March 3rd,
2017

Published February 24, 2017 and March 3, 2017

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Proof of Publication The Post Register

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MAR 0 6 2017

DEPT OF WATER RESOURCES SOUTHERN REGION

State of Idaho County of Bonneville

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MAR 2 2 2017

I, Dawn Giannini or Staci Dockery, first being duly sworn, depose and say: That I am the Classified Manager, or Legal Notice Representative of The Post Company, a corporation of Idaho Falls, Bonneville County, Idaho, publishers of The Post Register, a newspaper of general circulation, published Tuesday through Sunday at Idaho Falls, Idaho; said Post Register being a consolidation of the Idaho Falls Times, established in the year 1890, The Idaho Register, established in the year 1880, and the Idaho Falls Post, established in 1903, such consolidation being made on the First day of November, 1931, and each of said newspapers have been published continuously and uninterruptedly, prior to consolidation, for more than twelve consecutive months and said Post Register having been published continuously and uninterruptedly from the date of such consolidations up to and including the last publication of notice hereinafter referred to.

DEPARTMENT OF WATER RESOURCES

That the notice, of which a copy is hereto attached and made a part of this affidavit, was published in said Post Register under ad number: 18086 for 2 consecutive (days) weeks, between 02/23/2017 and 03/02/2017, and that the said notice was published in the regular and entire issue of said paper on the respective dates of publication, and that such notice was published in the newspaper and not in a supplement.

Subscribed and sworn to before me, this 2nd day of March 2017

Notary Public

My commission expires: 05/09/2019

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CHIHIHI)

COUNTY OF BONNEVILLE

STATE OF IDAHO

Subscribed and sworn to before me, this 2nd day of March 2017, before me, the undersigned, a Notary public for said state, personally appeared Dawn Giannini or Staci Dockery, known or identified to me to be the person(s) whose name(s) is/are subscribed to the within instrument, and being by me duly sworn, declared that the statements therein are true, and acknowledged to me that he/she/they executed the same,

SS.

attached jurat

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

J PL DM 3/6/2017



Notary Public for The Post Company Residing: Idaho Falls, Idaho

Commission expires: 05/09/2019

NOTICE OF AMENDED MITIGATION PLAN SUBMITTED BY THE IDAHO GROUND WATER APPROPRIATOR'S, INC., AND SURFACE WATER COALITION IN RESPONSE TO THE SURFACE WATER COALITION

SURFACE WATER COALITION
WATER DELIVERY CALL
Notice is hereby given that, on February 7, 2017, the Idaho Ground Water Appropriators, Inc. ("IGWA"), and A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, Minier Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively, "Surface Water Coalition"), through counsel of the firms Racine Olson Nye Budge & Balley, Chtd., P.O. Box 1391, Pocatello, Idaho 83204-1391; Barker Rosholt & Simpson LLP, 163 Second Ave. West, P.O. Box 63, Twin Falls, Idaho 83303-0063; and Fletcher Law Office, P.O. Box 248, Burley, Idaho 83318, submitted to the Idaho Department of Water Resources ("Department") the Surface Water Coalition's and IGWA's Stipulated Amended Mitigation Plan and Request for Order ("Request for Order"). Attached to the Request for Order as Exhibit A is the Second Addendum to Settlement Agreement ("Second Addendum").

Request for Order as Exhibit A is the Second Addendum to Settlement Agreement ("Second Addendum to Settlement Agreement ("Second Addendum").

IGWA represents numerous ground water right holders whose rights have priority dates junior to the priority dates of surface water rights held by members of the Surface Water Coalition and are subject to potential curtaliment in the Surface Water Coalition delivery call. The Second Addendum "provides further details concerning implementation" of the mitigation plan that IGWA and the Surface Water Coalition previously submitted in response to the delivery call and the Director of the Department ("Director") approved on May 2, 2016. Request for Order at 2. Specifically, the Second Addendum amends four sections of the approved mitigation plan: "Sections 3.a (Consumptive Use Volume Reduction); 3.e (Ground Water Level Goal and Benchmarks), 3.m (Steering Committee), and 4.a (Adaptive Water Management)." Id. IGWA and the Surface Water Coalition request that the Director Issue an order approving the Second Addendum "as an amendment to the previously approved" mitigation plan. Id.

The Department will process the Request for Order and Second Addendum (collectively, "Amended Mitigation Plan") pursuant to the Department's Conjunctive Management Rules (IDAPA 37.03.11). The Amended Mitigation Plan and documents regarding the previously approved mitigation plan-actions/SWC/IGWA.html

The Department has not determined the adequation-plan-actions/SWC/IGWA.html

The Department has not determined the adequation of the Amended Mitigation Plan. A complete copy of the Amended Mitigation Plan. A complete copy of the Amended Mitigation Plan is available for review at either the Department's State Office in Twin

Falls, or at the website link above.

Any protest against approval of the Amended Mitigation Plan must be filed with any Department office, together with a protest fee of \$25, on or before March 13, 2017. The protest must include a certificate of service showing that a copy of the protest has been mailed to or served upon counsel for IGWA and the Surface Water Coefficien. for IGWA and the Surface Water Coalition. GARY SPACKMAN, Director

Published: February 23, and March 2, 2017

(18086)

V OK DM 3/6/2011



*** Proof of Publication ***

Twin Falls Times-News 132 Fairfield St W, Twin Falls, Idaho 83301

JANET CRANNEY, being duly sworn, deposes and says: That she is the Principal Clerk of the Times-News, a daily newspaper printed and published at Twin Falls, Twin Falls County, State of Idaho, and having a general circulation therein, and which said newspaper has been continuously and uninterruptedly published in said County during a period of twelve consecutive months prior to the first publication of the notice, a copy of which is attached hereto: that said notice was published in the Times-News, in conformity with Section 60-108, Idaho Code, as amended, for:

Insertions

ID DEPARTMENT OF WATER RESOURCES 650 ADDISON AVE W. STE 500 TWIN FALLS, ID 83301

ORDER NUMBER

41405

(Legals Clerk)

STATE OF IDAHO)

COUNTY OF TWIN FALLS)

On this Znol day of March in the year of 2017 before me, a Notary Public, personally appeared before me Janet Cranney known or identified to me to be the person whose name subscribed to the within instrument, and being by first duly sworn, declared that the statements therein are true, and acknowledged to me that she executed the same.

Notary Public FOR Idaho Residing at: Twin Falls, Idaho

My Commission expires: 4/21/2017

PUBLISHED ON: 02/23/2017, 03/02/2017

NOTICE OF AMENDED MITIGATION PLAN SUBMITTED BY THE IDAHO GROUND WATER APPROPRIATOR'S, INC., AND SURFACE WATER COALITION IN RESPONSE TO THE

SURFACE WATER COALITION WATER DELIVERY CALL SURFACE WATER COALITION WATER DELIVERY CALL Notice is hereby given that, on February 7, 2017, the Idaho Ground Water Appropriators, Inc. ("IGWA"), and A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively, "Surface Water Coalition"), through counsel of the firms Basine Olson Nye Burdee & Bailey, Chtd., P.O. Box 1391. Firms Racine Olson Nye Budge & Bailey, Chtd., P.O. Box 1391, Pocatello, Idaho 83204-1391; Barker Rosholt & Simpson LLP, 163 Second Ave. West, P.O. Box 63, Twin Falls, Idaho 83303-0063; and Fletcher Law Office, P.O. Box 248, Burley, daho 83318, submitted to the Idaho Department of Water Resources ("Department") the Surface Water Coalition's and IGWA's Stipulated Amended Mitigation Plan and Request for Order ("Request for Order"). Attached to the Request for Order as Exhibit A is the Second Addendum to Settlement Agreement "Second Addendum").

IGWA represents numerous ground water right holders whose rights have priority dates junior to the priority dates of surface water rights held by members of the Surface Water Coalition and are subject to potential curtailment in the Surface Water Coalition delivery call. The Second Addendum "provides further details concerning implementation" of the mitigation plan that IGWA and the Surface Water Coalition previously submitted in response to the delivery call and the Director of the Department ("Director") approved on May 2, 2016. Request for Order at 2. ("Director") approved on May 2, 2016. Request for Order at 2. Specifically, the Second Addendum amends four sections of the approved mitigation plan: "Sections 3.a (Consumptive Use Volume Reduction); 3.e (Ground Water Level Goal and Benchmarks), 3.m (Steering Committee), and 4.a (Adaptive Water Management)." Id. IGWA and the Surface Water Coalition request that the Director issue an order approving the Second Addendum "as an amendment to the previously approved" mitigation plan. Id.

The Department will process the Request for Order and Second

approved mitigation pian. id.

The Department will process the Request for Order and Second Addendum (collectively, "Amended Mitigation Plan") pursuant to the Department's Conjunctive Management Rules (IDAPA 37.03.11). The Amended Mitigation Plan and documents recording the provisional pages of the provisional process of the provisional process. regarding the previously approved mitigation plan and documents regarding the previously approved mitigation plan may be viewed online at the following website link: https://idwr.idaho.gov/legal-actions/mitigation-plan-actions/SWC

/IGWA.html

The Department has not determined the adequacy of the Amended Mitigation Plan. A complete copy of the Amended Mitigation Plan is available for review at either the Department's State Office in Boise, the Department's Regional Office in Twin Falls, or at the website link above

Any protest against approval of the Amended Mitigation Plan must be filed with any Department office, together with a protest fee of \$25, on or before March 13, 2017. The protest must include a certificate of service showing that a copy of the protest has been mailed to or served upon counsel for IGWA and the Surface Water Coalition.

GARY SPACKMAN, Director

Published in the Idaho Mountain Express, Mountain Home News, and Power County Press on February 22nd & March 1st, 2017; the Times-News, Idaho Statesman, Post Register, and Idaho State Journal on February 23rd & March 2nd, 2017; and the Rexburg Standard Journal on February 24th & March 3rd,

PUBLISH: February 23 and March 2, 2017

TOTAL AD COST:

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FILED ON:

3/2/2017

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DEPT OF WATER RESOURCES SOUTHERN REGION

RECEIVED MAR 2 2 2017 DEPARTMENT OF WATER RESOURCES

V or DM 3/6/2017

NOTICE OF AMENDED MITIGATION PLAN SUBMITTED BY THE IDAHO GROUND WATER APPROPRIATOR'S, INC., AND SURFACE WATER COALITION IN RESPONSE TO THE SURFACE WATER COALITION WATER DELIVERY CALL

Notice is hereby given that, on February 7, 2017, the Idaho Ground Water Appropriators, Inc. ("IGWA"), and A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively, "Surface Water Coalition"), through counsel of the firms Racine Olson Nye Budge & Bailey, Chtd., P.O. Box 1391, Pocatello, Idaho 83204-1391; Barker Rosholt & Simpson LLP, 163 Second Ave. West, P.O. Box 63, Twin Falls, Idaho 83303-0063; and Fletcher Law Office, P.O. Box 248, Burley, Idaho 83318, submitted to the Idaho Department of Water Resources ("Department") the Surface Water Coalition's and IGWA's Stipulated Amended Mitigation Plan and Request for Order ("Request for Order"). Attached to the Request for Order as Exhibit A is the Second Addendum to Settlement Agreement ("Second Addendum").

IGWA represents numerous ground water right holders whose rights have priority dates junior to the priority dates of surface water rights held by members of the Surface Water Coalition and are subject to potential curtailment in the Surface Water Coalition delivery call. The Second Addendum "provides further details concerning implementation" of the mitigation plan that IGWA and the Surface Water Coalition previously submitted in response to the delivery call and the Director of the Department ("Director") approved on May 2, 2016. Request for Order at 2. Specifically, the Second Addendum amends four sections of the approved mitigation plan: "Sections 3.a (Consumptive Use Volume Reduction); 3.e (Ground Water Level Goal and Benchmarks), 3.m (Steering Committee), and 4.a (Adaptive Water Management)." Id. IGWA and the Surface Water Coalition request that the Director issue an order approving the Second Addendum "as an amendment to the previously approved" mitigation plan. Id.

The Department will process the Request for Order and Second Addendum (collectively, "Amended Mitigation Plan") pursuant to the Department's Conjunctive Management Rules (IDAPA 37.03.11). The Amended Mitigation Plan and documents regarding the previously approved mitigation plan may be viewed online at the following website link: https://idwr.idaho.gov/legal-actions/mitigation-plan-actions/SWC/IGWA.html

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Any protest against approval of the Amended Mitigation Plan must be filed with any Department office, together with a protest fee of \$25, on or before March 13, 2017. The protest must include a certificate of service showing that a copy of the protest has been mailed to or served upon counsel for IGWA and the Surface Water Coalition.

GARY SPACKMAN, Director First publication: February 22, 2017 Last publication: March 1, 2017

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DEPT OF WATER RESOURCES SOUTHERN REGION

AFFIDAVIT OF PUBLICATION

County of Elmore State of Idaho

}ss.

I, **Brenda M. Fincher**, do solemnly swear that I am the Publisher of the:

Mountain Home News

A weekly newspaper of general circulation, published once a week, in Mountain Home, Idaho, that the notice attached hereto which is a part of publication thereof; was published in said newspaper for _____ consecutive weeks, the first publication having been made on the _____ day of _____, 2017, and the last publication having been made on the _____ day of _____, 2017; every Wednesday issue of the paper during the period and time of publication and that the notice was published in the paper proper and not in a supplement thereof.

And I further swear that the said Mountain Home News has been continuously and uninterruptedly published in said Elmore County during the period of 78 consecutive weeks prior to the first publication of the attached notice.

Publisher

Subscribed and sworn to me this 8th

day of Marz

Notary Public

Residing in Mountain Home, Elmore County, Idaho.

My commission expires 11-17-2017.

NOTAPL OF IDAKO

VOK Am 3/14/2017

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DEPARTMENT OF WATER RESOURCES

Affidavit of Publication

APR 2 8 2017

State of Idaho

DEPT OF WATER RESOURCES SOUTHERN REGION

County of Power

Brett Crompton being first duly sworn on oath, states:

That he is the Publisher of The Power County Press, a newspaper of general circulation in Power County, Idaho, published weekly at American Falls in said county, that said newspaper has been published in said county uninterruptedly and continuously for over seventy-eight consecutive weeks, prior to the first publication of the annexed notice or advertisement:

That the annexed notice or advertisement was published as per clipping attached in the regular and entire edition of said newspaper and not in any supplement thereof for successive weekly issues thereof, the date of the first publication being the Wday of February 20/7 and the date of the last publication being the day of March 20/7.

Signed

State of Idaho

County of Power

On this 1St day of Moudle in the year of 2017, before me, a Notary Public, personally appeared Brett Crompton, known or identified to me to be the person whose name is subscribed to the within instrument, and being by me first duly sworn, declared that the statements therein are true, and acknowledged to me that he executed the same.

ARTHUR ON THE PROPERTY OF THE PARTY OF THE P

Notary Public for Idaho Residing at American Falls, Idaho My commission expires: July 25, 2022

V OK AM 5-1-2017

Amended water mitigation plan submitted

Published in The Power County
Press Feb. 22, March 1, 2017.
NOTICE OF AMENDED MITTIGATION PLAN SUBMITTED BY
THE IDAHO GROUND WATER
APPROPRIATOR'S, INC., AND
SURFACE WATER COALITIÓN IN RESPONSE TO THE
SURFACE WATER COALITION
WATER DELIVERY CALL

Notice is hereby given that, on February 7, 2017, the Idaho Ground Water Appropriators, Inc. ("IGWA"), and A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively, "Surface Water Coalition"), through counsel of the firms Racine Olson Nye Budge & Bailey, Chtd., P.O. Box 1391, Pocatello, Idaho 83204-1391; Barker Rosholt & Simpson ELP, 163 Second Avc. West, P.O. Box 63, Twin Falls, Idaho 83303-0063; and Fletcher Law Office, P.O. Box 248, Burley, Idaho 83318, submitted to the Idaho Department of Water Resources ("Department") the Surface Water Coalition's and IGWA's Stipulated Amended Mitigation Plan and Request for Order ("Request for Order"). Attached to the Request for Order as Exhibit A is the Second Addendum to Settlement Agreement ("Second Addendum").

IGWA represents numerous ground water right holders whose rights have priority dates junior to the priority dates of surface water rights held by members of the Surface Water Coalition and are subject to potential curtailment in the Surface Water Coalition delivery call. The Second Addendum "provides further details concerning implementation" of the mitigation plan that IGWA and the Surface Water Coalition previously submitted in response to the delivery call and the Director of the Department ("Director") approved on May 2, 2016. Request for Order at 2. Specifically, the Second Addendum amends four sections of the approved. mitigation plan: "Sections 3.a (Consumptive Use Volume Reduction); 3.e (Ground Water Level Goal and Benchmarks), 3.m (Steering Committee), and 4.a (Adaptive Water Management)," Id. IGWA and the Surface Water Coalition request that the Director issue an order approving the Second Addendum "as an amendment to the previously approved" mitigation plan. Id.

The Department will process the Request for Order and Second Addendum (collectively, "Amended Mitigation Plan") pursuant to the Department's Conjunctive Management Rules (IDAPA 37.03.11). The Amended Mitigation Plan and documents regarding the previously approved mitigation plan may be viewed online at the following website link: https://idwr.idaho.gov/legal-actions/mitigation-plan-actions/SWC/IGWA.

html

The Department has not determined the adequacy of the Amended Mitigation Plan. A complete copy of the Amended Mitigation Plan is available for review at either the

Department's State Office in Boise, the Department's Regional Office in Twin Falls, or at the website link above.

Any protest against approval of the Amended Mitigation Plan must be filed with any Department office, together with a protest fee of \$25, on or before March 13, 2017. The protest must include a certificate of service showing that a copy of the protest has been malled to or served upon counsel for IGWA and the Surface Water Coalition.

GARY SPACKMAN, Director

Published in the Idaho Mountain Express, Mountain Home News, and Power County Press on February 22nd & March 1st, 2017; the Times News, Idaho Statesman, Post Register, and Idaho State Journal on February 23rd & March 2nd, 2017; and the Rexburg Standard Journal on February 24th & March 3rd, 2017.

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

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

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

Docket No. CM-MP-2016-001

FINAL ORDER APPROVING AMENDMENT TO STIPULATED MITIGATION PLAN

The Director ("Director") of the Idaho Department of Water Resources ("Department") finds, concludes, and orders as follows:

FINDINGS OF FACT

- 1. On March 9, 2016, the Idaho Ground Water Appropriator's Inc. ("IGWA"), and A&B Irrigation District, American Falls Reservoir District No. 2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively referred to herein as "Surface Water Coalition" or "SWC"), submitted to the Department the Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order ("Request for Order").
- 2. Attached to the Request for Order as Exhibits B and C respectively are the Settlement Agreement Entered Into June 30, 2015, Between Participating Members of the Surface Water Coalition and Participating Members of the Idaho Ground Water Appropriator's, Inc., and the Addendum to Settlement Agreement (collectively the "SWC-IGWA Settlement Agreement"). Attached to the Request for Order as Exhibit D is the October 7, 2015, Agreement between A&B Irrigation District and the IGWA members who entered into the SWC-IGWA Settlement Agreement (the "A&B-IGWA Agreement"). The SWC and IGWA submitted the SWC-IGWA Settlement Agreement and the A&B-IGWA Agreement (collectively, the "Mitigation Plan") as a stipulated mitigation plan in response to the SWC delivery call. Request for Order at 3.

FINAL ORDER APPROVING AMENDMENT TO STIPULATED MITIGATION PLAN Page 1

- 3. The SWC "stipulates that the mitigation provided by participating IGWA members under the [Mitigation Plan] is, provided the [Mitigation Plan is] implemented, sufficient to mitigate for any material injury caused by the groundwater users who belong to, and are in good standing with, a participating IGWA member." *Request for Order* at 3. The SWC and IGWA agree that "[n]o ground water user participating in the [Mitigation Plan] will be subject to a delivery call by the SWC members as long as the provisions of the [Mitigation Plan] are being implemented." *Mitigation Plan* at Exhibit B, p. 5.
- Through the Mitigation Plan, the SWC and IGWA members agree to: (1) a total ground water diversion reduction of 240,000 acre-feet annually, (2) annual delivery of 50,000 acre-feet "of storage water through private lease(s) of water from the Upper Snake Reservoir system, delivered to the SWC 21 days after the date of allocation," (3) IGWA using "its best efforts to continue existing conversions in Water Districts 130 and 140," (4) ground water users not irrigating sooner than April 1 or later than October 31, (5) installation of approved closed conduit flow meters on all remaining unmeasured and power consumption coefficient measured ground water diversions by the beginning of the 2018 irrigation season, (6) establishment of a certain ground water level goal and benchmarks to "[s]tabilize and ultimately reverse the trend of declining ground water levels," (7) development of a method "to measure reach gain trends in the Blackfoot to Milner reach," (8) contributions by the SWC and IGWA to the State sponsored managed recharge program, (9) support by the SWC and IGWA of "NRCS funded permanent water conservation programs," (10) IGWA undertaking "additional targeted ground water to surface water conversions and/or fallow land projects above American Falls," and (11) "[i]f any of the benchmarks or ground water level goal is not met, additional recharge, consumptive use reductions, or other measures as recommended by" a steering committee established by the SWC and IGWA. Mitigation Plan at Exhibit B, p. 2-5.
- 5. On May 2, 2016, the Department issued the *Final Order Approving Stipulated Mitigation Plan* ("Final Order"). The Final Order approved the Mitigation Plan upon the following conditions:
 - a. All ongoing activities required pursuant to the Mitigation Plan are the responsibility of the parties to the Mitigation Plan.
 - b. The ground water level goal and benchmarks referenced in the Mitigation Plan are applicable only to the parties to the Mitigation Plan.
 - c. Approval of the Mitigation Plan does not create a ground water management area pursuant to Idaho Code § 42-233b.

Final Order at 4.

6. On February 7, 2017, the SWC and IGWA submitted to the Department the Surface Water Coalition's and IGWA's Stipulated Amended Mitigation Plan and Request for Order ("Second Request for Order").

- 7. Attached to the Second Request for Order as Exhibit A is the *Second Addendum to Settlement Agreement* entered into on December 14, 2016, between the SWC and IGWA ("Second Addendum").
- 8. The Second Addendum amends the Mitigation Plan by providing "further details concerning implementation of the [Mitigation Plan] addressing Sections 3.a (Consumptive Use Volume Reduction); 3.e (Ground Water Level Goal and Benchmarks), 3.m (Steering Committee), and 4.a. (Adaptive Water Management)." Second Request for Order at 2. The SWC and IGWA request the Director issue an order approving the Second Addendum as an amendment to the Mitigation Plan. *Id*.
- 9. The Department published notice of the Second Request for Order and Second Addendum in the Idaho Mountain Express and Mountain Home News on February 22 and March 1, 2017; the Times News, Idaho Statesman, Post Register, and Idaho State Journal on February 23 and March 2, 2017; and the Standard Journal on February 24 and March 3, 2017. No protests were filed.

CONCLUSIONS OF LAW

1. Idaho Code § 42-602, addressing the authority of the Director over the supervision of water distribution within water districts, states:

The director of the department of water resources shall have direction and control of the distribution of water from all natural water sources within a water district to the canals, ditches, pumps and other facilities diverting therefrom. Distribution of water within water districts created pursuant to section 42-604, Idaho Code, shall be accomplished by watermasters as provided in this chapter and supervised by the director. The director of the department of water resources shall distribute water in water districts in accordance with the prior appropriation doctrine. The provisions of chapter 6, title 42, Idaho Code, shall apply only to distribution of water within a water district.

- 2. Idaho Code § 42-1805(8) authorizes the Director to "promulgate, adopt, modify, repeal and enforce rules implementing or effectuating the powers and duties of the department."
- 3. Idaho Code § 42-603 grants the Director authority to adopt rules governing water distribution.
- 4. Pursuant to Chapter 52, Title 67, Idaho Code, and Sections 42-603 & 42-1805(8), Idaho Code, the Department promulgated the Rules for Conjunctive Management of Surface and Ground Water Resources ("CM Rules"), effective October 7, 1994. IDAPA 37.03.11.000-001.
- 5. The CM Rules "prescribe procedures for responding to a delivery call made by the holder of a senior-priority surface or ground water right against the holder of a junior-priority ground water right in an area having a common ground water supply." IDAPA 37.03.11.001.

- 6. CM Rule 42.02 states: "The holder of a senior-priority surface or ground water right will be prevented from making a delivery call for curtailment of pumping of any well used by the holder of a junior-priority ground water right where use of water under the junior-priority right is covered by an approved and effectively operating mitigation plan." IDAPA 37.03.11.042.02.
- 7. CM Rule 43.03 establishes factors the Director may consider "in determining whether a proposed mitigation plan will prevent injury to senior rights." IDAPA 37.03.11.043.03(a-o).
- 8. CM Rule 43.03(o) states: "Whether the petitioners and respondents have entered into an agreement on an acceptable mitigation plan even though such plan may not otherwise be fully in compliance with these provisions." IDAPA 37.03.11.043.03(o).
- 9. The Mitigation Plan was entered into between the SWC and IGWA in accordance with CM Rule 43.03(o). Again, the SWC "stipulates that the mitigation provided by participating IGWA members under the [Mitigation Plan] is, provided the [Mitigation Plan is] implemented, sufficient to mitigate for any material injury caused by the groundwater users who belong to, and are in good standing with, a participating IGWA member." *Request for Order* at 3. The SWC and IGWA agree that "[n]o ground water user participating in the [Mitigation Plan] will be subject to a delivery call by the SWC members as long as the provisions of the [Mitigation Plan] are being implemented." *Mitigation Plan* at Exhibit B, p. 5.
- as annual ground water diversion reductions and storage water deliveries, irrigation season reduction, installation of measurement devices, support of the State sponsored managed recharge program and NRCS funded permanent water conservation programs, efforts to continue existing conversions, additional conversions and/or fallow land projects, and establishment and operation of a steering committee and technical work group. *Mitigation Plan* at Exhibit B, p. 2-5. The Mitigation Plan also includes reference to a certain ground water level goal and benchmarks, development of a method "to measure reach gain trends in the Blackfoot to Milner reach," and additional recharge, consumptive use reductions, or other measures should any of the benchmarks or the ground water level goal not be met. *Id.* at Exhibit B, p. 3-5. The parties to the Mitigation Plan should be responsible for these activities and the ground water level goal and benchmarks are only applicable to the parties to the Mitigation Plan as specified in the Mitigation Plan.
- 11. The Second Addendum "provides further details concerning implementation of the [Mitigation Plan] addressing Sections 3.a (Consumptive Use Volume Reduction); 3.e (Ground Water Level Goal and Benchmarks), 3.m (Steering Committee), and 4.a. (Adaptive Water Management)." Second Request for Order at 2.
- 12. The Second Addendum references the Department and requests the Department undertake specific actions in support of the Mitigation Plan and Second Addendum. The Department will exert its best efforts to support the activities of IGWA and the SWC. However, the Department is not a signatory to the Mitigation Plan or Second Addendum, and approval of the Second Addendum should not be construed to obligate the Department to undertake any

particular action. Furthermore, approval of the Second Addendum does not limit the Director's enforcement discretion or otherwise commit the Director to a particular enforcement approach.

13. Having reviewed the Second Request for Order, Second Addendum, Mitigation Plan, CM Rules, and the proceedings herein, the Director will approve the Second Addendum as an amendment to the Mitigation Plan.

ORDER

Based upon and consistent with the foregoing, IT IS HEREBY ORDERED that the Second Addendum is APPROVED as an amendment to the Mitigation Plan with the following conditions:

- a. While the Department will exert its best efforts to support the activities of IGWA and the SWC, approval of the Second Addendum does not obligate the Department to undertake any particular action.
- b. Approval of the Second Addendum does not limit the Director's enforcement discretion or otherwise commit the Director to a particular enforcement approach.

DATED this day of May 2017.

GARY SPACKMAN

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this ______ day of May 2017, the above and foregoing was served on the following by the method(s) indicated below:

John K. Simpson Travis L. Thompson Paul L. Arrington BARKER ROSHOLT & SIMPSON, LLP 163 Second Avenue West P.O. Box 63 Twin Falls, ID 83303-0063 jks@idahowaters.com tlt@idahowaters.com pla@idahowaters.com	 ☑ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☒ Email
W. Kent Fletcher FLETCHER LAW OFFICE P.O. Box 248 Burley, ID 83318 wkf@pmt.org	 ✓ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☒ Email
Randall C. Budge Thomas J. Budge RACINE OLSON NYE BUDGE & BAILEY, CHTD. 201 East Center Street P.O. Box 1391 Pocatello, ID 83207-1391 Telephone: (208) 395-0011 Facsimile: (208) 232-6109 rcb@racinelaw.net tjb@racinelaw.net	 ✓ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ✓ Email
William A. Parsons PARSONS SMITH & STONE P.O. Box 910 Burley, ID 83318 wparsons@pmt.org	 ✓ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ✓ Email
Matt Howard BUREAU OF RECLAMATION 1150 N. Curtis Rd. Boise, ID 83706 mhoward@pn.usbr.gov emcgarry@pn.usbr.gov	 U.S. Mail, postage prepaid Hand Delivery Overnight Mail Facsimile Email

FINAL ORDER APPROVING AMENDMENT TO STIPULATED MITIGATION PLAN

Kathleen Marion Carr US DEPT OF INTERIOR Office of Solicitor, PNW Region 960 Broadway, Ste 400 Boise, ID 83706 Kathleenmarion.carr@sol.doi.gov	 ☑ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☒ Email
David W. Gehlert Natural Resources Section US DEPT OF JUSTICE 999 18 TH Street South Terrace, Ste 370 Denver, CO 80202 David.gehlert@usdoj.gov	 ☑ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☒ Email
A. Dean Tranmer City Attorney CITY OF POCATELLO P.O. Box 4169 Pocatello, ID 83205 dtranmer@pocatello.us	 ☑ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☒ Email
Sarah Klahn Mitra Pemberton WHITE JANKOWSKI 511 16 th Street, Ste 500 Denver, CO 80202 sarahk@white-jankowski.com mitrap@white-jankowski.com	 ☑ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☒ Email
Robert L. Harris Holden, Kidwell, Hahn & Crapo, PLLC P.O. Box 50130 1000 Riverwalk Drive, Ste. 200 Idaho Falls, ID 83405 rharris@holdenlegal.com	 ☑ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☒ Email
Randall D. Fife City Attorney City of Idaho Falls P.O. Box 50220 Idaho Falls, ID 83405 rfife@idahofallidaho.gov	 ☑ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☒ Email
IDWR-Eastern Region 900 N. Skyline Dr., Ste A Idaho Falls, ID 83402-1718 lyle.swank@idwr.idaho.gov	 U.S. Mail, postage prepaid Hand Delivery Overnight Mail Facsimile Email

FINAL ORDER APPROVING AMENDMENT TO STIPULATED MITIGATION PLAN

IDWR-Southern Region 1341 Fillmore St., Ste 200 Twin Falls, ID 83301-3380 allen.merritt@idwr.idaho.gov cindy.yenter@idwr.idaho.gov	 U.S. Mail, postage prepaid Hand Delivery Overnight Mail Facsimile Email
Robert E. Williams Williams Meservey & Lothspeich, LLP P. O. Box 168 Jerome, Idaho 83338 rewilliams@cableone.net	☐ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ Facsimile ☑ Email
	Kimi White

EXPLANATORY INFORMATION TO ACCOMPANY A FINAL ORDER

(To be used in connection with actions when a hearing was not held)

(Required by Rule of Procedure 740.02)

The accompanying order is a "Final Order" issued by the department pursuant to section 67-5246, Idaho Code.

PETITION FOR RECONSIDERATION

Any party may file a petition for reconsideration of a final order within fourteen (14) days of the service date of this order as shown on the certificate of service. **Note: The petition must** be <u>received</u> by the Department within this fourteen (14) day period. The department will act on a petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. See section 67-5246(4), Idaho Code.

REQUEST FOR HEARING

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. See section 42-1701A(3), Idaho Code. Note: The request must be received by the Department within this fifteen (15) day period.

APPEAL OF FINAL ORDER TO DISTRICT COURT

Pursuant to sections 67-5270 and 67-5272, Idaho Code, any party aggrieved by a final order or orders previously issued in a matter before the department 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:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or
- iv. 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 of: a) the service date of the final order, b) the service date 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. See section 67-5273, Idaho Code. The filing of an appeal to district court does not in itself stay the effectiveness or enforcement of the order under appeal.

Revised July 1, 2010

SETTLEMENT AGREEMENT PERFORMANCE REPORT

TO: IGWA-SWC Settlement Agreement Steering Committee

FROM: Ground Water Districts

DATE: April 1, 2022

RE: 2021 Performance Report

Introduction

This document reports the Ground Water Districts' year 2021 performance under paragraph 3.a of the SWC-IGWA Settlement Agreement¹ which requires a 240,000 acre-feet reduction in ESPA groundwater withdrawals or equivalent private recharge. Paragraph 2.a. of the Second Addendum to Settlement Agreement requires the Districts to report to the Steering Committing by April 1 annually "their groundwater diversion and recharge data for the prior irrigation season and their proposed actions to be taken for the upcoming irrigation season, together with supporting information compiled by the Districts' consultants."

As explained below, the Districts' groundwater conservations efforts in 2021 totaled 122,784 acre-feet. This was a significant departure from the Districts' conservation during the 2016-2020 time period which averaged 373,096 acre-feet. The Districts faced exceptionally hot and dry weather conditions in 2021 that had not been experienced since the Settlement Agreement was entered into. These challenges have forced the Districts to revisit and adjust their groundwater conservation programs.

2021 Performance

A spreadsheet detailing the Districts' 2021 performance is attached to this report. The "Summary Table" tab provides a summary of each District's performance, including the diversion baseline, target conservation, usage, diversion reduction, recharge, total conservation, and mitigation balance.

The "Recharge Report" tab lists the recharge completed by each District, including the volume, source of water, recharge location, and date the recharge was performed. Documentation supporting the recharge data shown in the spreadsheet is also attached. A few items of supporting information are forthcoming as noted in the spreadsheet.

The spreadsheet also contains individual tabs for each District that list diversion volumes for each well by WMIS number. Where challenges or errors were encountered in the data for a particular well, notes have been added to the spreadsheet to explain how the District addressed it. For example, a few diversions could not be reliably calculated due to broken meters or other factors. In these instances, the well was assigned the baseline diversion value (i.e. no reduction in use) or PCC (power consumption coefficient) diversion volume. District consultants continue to work with District patrons and the Idaho Department of Water Resources to address questions and correct errors as needed.

¹ The Settlement Agreement consists of the Settlement Agreement Entered Into June 30, 2015, Between Participating Members of the Surface Water Coalition and Participating Members of Idaho Ground Water Appropriators, Inc. ("IGWA"), the Addendum Agreement between entered into October 15, 2015, the Agreement between A&B Irrigation District and participating members of IGWA dated October 2, 2016, and the Second Addendum to Settlement Agreement dated December 14, 2016.

The Districts' 240,000 acre-foot conservation obligation is measured from baseline groundwater diversions for the period 2010-2014. The baseline has been adjusted slightly since the original allocation to account for faulty or incomplete historic usage data and new groundwater users joining the Districts.

Several Districts fell short of their share of the 240,000 acre-foot obligation. This was due in part to the lack of rain combined with exceptional heat, and in part to the Districts being unable to secure as much water for recharge and conversions as anticipated. The Districts have responded by amending their conservation programs to require additional diversion reductions by their patrons, as explained below.

Because the SWC has made independent mitigation arrangements with A&B Irrigation District and Southwest Irrigation District, the spreadsheet assumes each of those Districts has satisfied its share of the total groundwater conservation.

Questions concerning the collection and reporting of data and compilation of this report may be directed to Jaxon Higgs as the lead consultant who will coordinate with other consultants used by the Districts.

2022 Conservation Programs

The Settlement Agreement requires groundwater users to conserve water in both wet years and dry years, rather than curtailing pumping during dry years only which would minimally increase surface water flows while creating additional demand for surface water during times when the supply is constrained. The conservation implemented by the Districts during the average and above-average water years from 2016-2020 resulted in surplus mitigation during that period, contributing to increased aquifer levels and Snake River reach gains. Still, the Districts recognize that their total groundwater conservation in 2021 was inadequate, and that they must conserve additional water in future dry years.

The Districts rely primarily upon a priority-based system of diversion reductions to conserve groundwater. They also use other tools such recharge, conversions, CREP, end-gun removals, and lease dry-ups to conserve groundwater. Districts that did not achieve their share of the 240,000 obligation in 2021 have made changes to their conservation programs to improve performance in 2022. For example, American Falls-Aberdeen Area Ground Water District and Bonneville-Jefferson Ground Water District lowered the diversion caps imposed on their patrons, and Bingham Ground Water District revised its reduction plan to impose strict priority-based diversion limits. An updated table summarizing the Districts' conservation programs for 2022 is attached.

By and large, District patrons have willingly made sacrifices to conserve water and comply with the District conservation programs by reducing irrigated acreage, growing crops that use less water, and carefully monitoring groundwater diversions. To enable Districts to more effectively address non-compliance, IGWA was successful in amending Idaho Code 42-5232 to allow stiff penalties for excess water use, and in enacting Idaho Code 42-5244A and 42-5244B to provide additional enforcement tools. The Districts have recently emphasized to their patrons the need to fully comply with their conservation programs in 2022.

Additional Information

While not part of the annual reporting requirement under the Settlement Agreement, the Districts submit the following additional information on long-term practices previously implemented and continuing:

1. Settlement Agreement 3.b.i. IGWA delivered to the SWC 50,000 acre-feet of storage

accomplished through private leases of water from the Upper Snake reservoir system. Per the request of Twin Falls Canal Company, IGWA consented to a portion of this water being utilized by groundwater users in Basin 37 for mitigation purposes. The remainder was used by the SWC to meet irrigation demand. No portion of the 50,000 acre-feet was made available for recharge in 2021.

- 2. **Settlement Agreement 3.b.ii.** IGWA has used its best efforts to continue existing conversions in Water Districts 130 and 140. The Districts see conversions as an important key to long-term management of the ESPA. They continue to explore opportunities to expand conversions, particularly in the Bingham County, Bonneville County, and Power County areas.
- 3. **Settlement Agreement 3.c.** District patrons continue to honor the irrigation season restriction to April 1-October 31. As a practical matter, the diversion reductions imposed by the Districts have compelled patrons to limit diversions whenever possible.
- 4. Settlement Agreement 3.d. Most District patrons installed flow meters by the beginning of the 2018 irrigation season. IDWR has established and implemented a protocol for flowmeter compliance following the 2018 deadline in according with the Departments ESPA flow measurement orders. All District patrons have now installed flow meters or have obtained variances. The Department maintains records and reports on compliance, granted variances, approved delays and enforcement.
- 5. **Settlement Agreement 3.f.** The Districts continue to support the State's managed recharge program that seeks to achieve 250,000 acre-feet of recharge annually across the ESPA. The Department regularly reports on State recharge efforts. Expansion of the State program, particularly in the upper Snake River Basin, is important to long-term success of the ESPA recovery effort.
- 6. **Settlement Agreement 3.g.** IGWA and the Districts have and continue to support NRCS funded water conservations programs.

IDWR Review

The Second Addendum provides that the parties "will request the Department to verify each District's annual diversion volume, and other diversion reduction data (recharge, CREP, conversions, end-gun removals, etc.) to confirm the accuracy of the data." A copy of this report will be submitted to the Department with a request that it commence verification. The Department's analysis is normally provided to the Steering Committee by July 1.

Sentinel Well Report

Pursuant to section 3.e. of the Settlement Agreement and sections 1.b.i. and ii. of the Second Addendum, the parties' consultants continue to work with the Department to collect, process, archive, and submit sentinel well data to the Steering Committee within 30 days of collection using the Calculation Technique. This process is ongoing by the Department and the Technical Working Group formed under the Settlement Agreement.

CONSERVATION PROGRAM SUMMARY - 2022

		Diversion Redu	ction				
District	Tiers	AF Cap	Min %	Max %	Recharge	Other	
North Snake	3	2.0/2.2/2.4	none	50	As available	Conversions	
Magic Valley	3	1.6/1.75/1.9	none	none	As available	Conversions End-gun removal, CREP	
Carey Valley	0	% reduction based on historic use	12.4	12.4	As available		
American Falls - Aberdeen	3	1.58/1.76/2.0	none	22	As available	Water Bank Lease, CREP, conversions	
Bingham	10	0.92 - 2.00	none	none	As available	End-gun removal, CREP, conversions	
Bonneville- Jefferson	10	1.23 to 1.97	10	20	As available	End-gun removal, lease dry-ups, CREP, conversions	
Jefferson-Clark	70	% reduction based on historic use	3.2	17.48	As available	\$50 acre CREP add-on, end-gun removal	
Madison & Henry's Fork	Direct delivery 1,500 AF storage to IGWA and 3,000 AF annual recharge minimum.						

2021 Performance Summary Table

							2021
	Target			Diversion	Accomplished	Total	Mitigation
	Conservation	Baseline	2021 Usage	Reduction	Recharge	Conservation	Balance
American Falls-Aberdeen	33,715	286,448	291,929	-5,481	20,050	14,569	-19,146
Bingham	35,015	277,011	302,020	-25,009	9,973	-15,036	-50,052
Bonneville-Jefferson	18,264	156,287	158,212	-1,925	5,080	3,155	-15,109
Carey	703	5,671	4,336	1,335	0	1,335	632
Jefferson-Clark	54,373	441,987	405,131	36,856	5,881	42,737	-11,636
Henry's Fork ¹	5,391	73,539	65,323	8,216	3,000	15,189	9,798
Madison ²		81,423	77,449	3,973			
Magic Valley	32,462	256,270	231,474	24,795	10,546	35,341	2,879
North Snake ³	25,474	208,970	194,778	14,192	11,301	25,494	20
A&B ⁴	21,660	-	-	-	-	21,660	0
Southwest ID ⁴	12,943	-	-	-	-	12,943	0
Total:	240,000	1,787,604	1,730,652	56,953	65,831	157,387	-82,613

Notes:

⁽¹⁾ Includes mitigation for Freemont- Madison Irrigation District, Madison Ground Water District and WD100. Mitigating by alternative means.

⁽²⁾ Madison baseline is preliminary estimate, see note on district breakdown.

⁽³⁾ North Snake GWD baseline includes annual average of 21,305 acre-feet of conversions.

⁽⁴⁾ A&B ID and Southwest ID Total Conservation is unknown and assumed to meet target.

RECEIVED

APR 2 9 2022

DEPARTMENT OF WATER RESOURCES

John K. Simpson, ISB #4242 Travis L. Thompson, ISB #6168 Sarah W. Higer, ISB #8012

BARKER ROSHOLT & SIMPSON LLP

163 Second Ave. West

P.O. Box 63

Twin Falls, Idaho 83303-0063 Telephone: (208) 733-0700 Email: jks@idahowaters.com

> tlt@idahowaters.com swh@idahahowaters.com

Attorneys for A&B Irrigation District, Burley Irrigation District, Milner Irrigation District, North Side Canal Company, and Twin Falls Canal Company

W. Kent Fletcher, ISB #2248
FLETCHER LAW OFFICE

P.O. Box 248 Burley, Idaho 83318

Telephone: (208) 678-3250

Email: wkf@pmt.org

Attorneys for American Falls Reservoir District #2 and Minidoka Irrigation District

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

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

Docket No. CM-DC-2010-001 Docket No. CM-MP-2016-001

SURFACE WATER COALITION'S REQUEST FOR STATUS CONFERENCE

SWC REQUEST FOR STATUS CONFERENCE

COME NOW, A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively hereafter referred to as the "Surface Water Coalition", "Coalition", or "SWC"), by and through counsel of record, and hereby request a status conference in the above-captioned matters on the issues identified below.

I. Status of Implementation of January 11, 2022 Curtailment Order

The Director identified a final carryover injury of 64,647 acre-feet based upon Step 9 of the *Methodology Order*. The Director then issued a curtailment order on January 11, 2022, identifying a list of ground water rights that were to be curtailed beginning on January 13, 2022. The list was later amended on January 12, 2022.

The Coalition requests an update on the status of IDWR's and the respective water districts' actions to curtail diversions pursuant to those water rights as ordered by the Director.

II. Ground Water Districts' Compliance with Approved Mitigation Plan

The Director approved the stipulated mitigation plan submitted by SWC and IGWA on May 2, 2016. See Final Order Approving Stipulated Mitigation Plan. Pursuant to the plan the signatory¹ ground water districts and their members agreed to "a total ground water diversion reduction of 240,000 acre-feet annually." See Order at 2. On Friday April 1, 2022, counsel for IGWA submitted the districts' 2021 performance report.² As detailed in that report, the signatory ground water districts only performed 56,953 acre-feet in diversion reductions and 65,831 acre-feet in recharge for a total of 122,784 acre-feet.

¹ The nine signatory ground water districts are Aberdeen-American Falls, Bingham, Bonneville-Jefferson, Carey Valley, Fremont Madison Irrigation District, Jefferson-Clark, Madison, Magic Valley, and North Snake. A&B Irrigation District and Southwest Irrigation District are not part of the districts' obligation under the settlement agreement or mitigation plan. IGWA has erroneously included A&B and SWID as part of its 240,000 af calculations every year, but until this year the nine districts have exceeded the 240,000 af reduction requirement. The Director should clarify this for IGWA accordingly.

² IDWR has until July 1, 2022 to provide its verification report.

The nine signatory ground water districts' 2021 actions were approximately 117,216 acre-feet short of what is required by the stipulated mitigation plan and the Director's order approving the same. Consequently, IGWA and its junior priority ground water right members are not operating in accordance with the approved plan and are failing to mitigate the material injury to the Coalition members. *See* CM Rule 40.05.

The Surface Water Coalition requests the Director to address what actions he intends to take in 2022 in response to this non-compliance and enforcement of the order approving the mitigation plan.

III. Water District 01 Rental Pool Procedures / Non-Participants

The Director is aware of the proposed changes to the Water District 01 2022 Rental Pool Procedures as adopted at the annual meeting on March 1, 2022. As noted by Resolution 21, spaceholders had until April 7, 2022 to opt out of the new procedures. In light of forecasted water supplies, significant changes in how rental water would be supplied, and a "last to fill" condition for that water for 2023, approximately 50% of the contracted space opted out of the new procedures. Certain members of the SWC were part of the list of spaceholders that opted out (A&B, AFRD#2, BID, NSCC, and TFCC).

On April 13, 2022 the Committee of Nine held a special meeting and approved the following changes to the procedures:

- Lowered the quantity of Large Common Pool rental to be supplied in 2022 from 100,000 AF to zero AF.
- Removed the 2023 last-to-fill obligation for participant allocations reduced this year to supply 2021 Common Pool rentals.
- Extended the deadline to May 13th for spaceholders to change their participation status in the rental pool process.

See Ex. A (Water Report April 20, 2022).

SWC REQUEST FOR STATUS CONFERENCE

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At that same meeting the Watermaster indicated that pursuant to his interpretation of the procedures, the water district would likely preclude spaceholders that opt out from having rented water assigned to their points of diversion for delivery in 2022. It is the Watermaster's position that non-participating spaceholders cannot "divert or receive leased/rental storage delivered to their headgate" regardless of the purpose or the lands it is to be used on. *See* Ex. B (Tony Olenichak April 15, 2022 email to John Simpson).

If a Coalition member opts out of participating in the Water District 01 rental pool, the Watermaster may preclude delivery of mitigation water pursuant to IGWA's mitigation plan, or other operating and approved mitigation plans. Whereas the Director has already identified a preliminary injury to certain Coalition members totaling 162,600 acre-feet (see Steps 1-3 Final Order issued April 20, 2022), delivery of mitigation water to address that injury is critical for this irrigation season. In addition, the Director required ground water users with priority dates junior to December 25, 1979 to establish how they can mitigate for their share of the demand shortfall by May 1, 2022. With the uncertainty in the Water District 01 rental pool that deadline raises uncertainty and additional questions for junior ground water right holders.

Finally, several Coalition members wheel water for various entities for irrigation and recharge purposes. Notably, Artesian Irrigation Company has wheeled its storage water to shareholders' lands through both Milner Irrigation District and Twin Falls Canal Company for decades. Artesian does not rent this water and has no physical means to deliver its water to its shareholders. Various ground water districts and Southwest Irrigation District have also wheeled water, including rental water, for groundwater conversion projects through American Falls Reservoir District #2, Burley Irrigation District, Twin Falls Canal Company, and Northside Canal Company for decades as well. Finally, various Coalition members have diverted water for

SWC REQUEST FOR STATUS CONFERENCE

groundwater recharge purposes pursuant to the Idaho Water Resource Board's water rights for several years as well. It is unknown if that program would subject to the same prohibition as is indicated for rented or leased storage water.

The Watermaster's interpretation has created great uncertainty as to how rented or other non-spaceholder water will be handled for water right administration in 2022. Given the pending deadlines for juniors regarding the Director's Steps 1-3 Order (May 1st) and spaceholders for participation status (May 13th), the Director should address this issue and provide clarification as soon as possible. *See* I.C. 42-602.

REQUEST FOR STATUS CONFERNCE

The Coalition respectfully requests the Director set a status conference to address the above stated issues for the 2022 irrigation season. Given the uncertainty with the rental pool and the Coalition's and others' reliance upon leased water for conversions and other projects, the Coalition would request a status conference be set as soon as possible.

DATED this 27th day of April, 2022.

BARKER ROSHOLT & SIMPSON LLP

John K. Simpson

Travis L. Thompson

Attorneys for A&B Irrigation District, Burley Irrigation District, Milner Irrigation District, North Side Canal Company, and Twin Falls Canal Company FLETCHER LAW OFFICE

W. Kent Fletcher

Attorneys for Minidoka Irrigation District and American Falls Reservoir District #2

SWC REQUEST FOR STATUS CONFERENCE

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for

CERTIFICATE OF SERVICE

I hereby certify that on this 27th day of April, 2022, I served a true and correct copy of the foregoing *Surface Water Coalition's Request for Status Conference* on the following by the method indicated:

Director Gary Spackman	Matt Howard	Tony Olenichak
c/o Sarah Tschohl	U.S. Bureau of Reclamation	IDWR – Eastern Region
State of Idaho	1150 N. Curtis Rd.	900 N. Skyline Dr., Ste. A
Dept of Water Resources	Boise, ID 83706-1234	Idaho Falls, ID 83402-1718
322 E Front St.	*** service by electronic mail only	*** service by electronic mail only
Boise, ID 83720-0098		
*** service by electronic mail	mhoward@usbr.gov	tony.olenichak@idwr.idaho.gov
,	emcgarry@usbr.gov	
gary.spackman@idwr.idaho.gov		
sarah.tschohl@idwr.idaho.gov		
Saramserion (e. a wr. raario.gov		
Randy Budge	Sarah A. Klahn	David Gehlert
T.J. Budge	Dylan Thompson	ENRD – DOJ
Racine Olson	Somach Simmons & Dunn	999 18th St.
P.O. Box 1391	2033 11 th Street, Ste. 5	South Terrace, Ste. 370
Pocatello, ID 83204-1391	Boulder, CO 80302	Denver, CO 80202
*** service by electronic mail only	*** service by electronic mail only	*** service by electronic mail only
service by electronic man only	Service by electronic man only	Service by electronic man only
randy@racineolson.com	sklahn@somachlaw.com	david.gehlert@usdoj.gov
tib@racineolson.com	dthompson@somachlaw.com	david.gemeraegasaoj.gov
tjoteracineoison.com	utiompson@somacmaw.com	
Rich Diehl	Robert E. Williams	Corey Skinner
City of Pocatello	Williams, Meservy & Lothspeich,	IDWR – Southern Region
P.O. Box 4169	LLP	650 Addison Ave. W., Ste. 500
Pocatello, ID 83201	P.O. Box 168	Twin Falls, ID 83301
*** service by electronic mail only	Jerome, ID 83338	*** service by electronic mail only
service by electronic man only	*** service by electronic mail only	service by electronic man only
rdichi@nesstelle.us	service by electronic man only	corey.skinner@idwr.idaho.gov
rdiehl@pocatello.us	711:	corey.skinner@idwr.idano.gov
	rewilliams@wmlattys.com	
Robert L. Harris	Kathleen Carr	Candice McHugh
Holden, Kidwell, Hahn & Crapo.	US Dept Interior, Office of Solicitor	Chris Bromley
PLLC	Pacific Northwest Region, Boise	McHugh Bromley, PLLC
P.O. Box 50130		380 South 4 th Street, Ste. 103
1.0.	960 Broadway, Ste. 400	
Idaho Falls, ID 83405	Boise, ID 83706	Boise, ID 83702
*** service by electronic mail only	*** service by electronic mail only	*** service by electronic mail only
rharris@holdenlegal.com	kathleenmarion.carr@sol.doi.gov	cbromley@mchughbromley.com
marris@noideniegar.com	Kauncenmarion.cam@sor.dol.gov	cmchugh@mchughbromley.com
		cinchugh@mchughbromley.com

Randall D. Fife
City Attorney, City of Idaho Falls
P.O. Box 50220
Idaho Falls, ID 83405
*** service by electronic mail only

rfife@idahofallsidaho.gov

COURTESY COPY TO:

William A. Parsons Parsons, Smith & Stone LLP P.O. Box 910 Burley, ID 83318

*** service by electronic mail only

wparsons@pmt.org

Travis L. Thompson

Exhibit A

WATER REPORT – April 20, 2022

The Committee of Nine at their April 13, 2022, meeting decided to re-draft the 2022 Rental Pool Procedures after approximately half of the reservoir system space opted out of participating in the procedures approved at the March 1st Water District #1 Annual Meeting. Procedure 5.2.101 said, "If after April 7 less than seventy-five percent (75%) of the contracted storage space is committed to the common pool by participants, the Committee may revise the rental pool procedures as necessary prior to April 21."

When approximately half of the system space requested not to participate in the 2022 Rental Pool by the April 7th deadline, and after listening to criticism by various spaceholders, the Committee made the following revisions to the Rental Pool Procedures to encourage additional participation in this year's rental pool:

- Lowered the quantity of Large Common Pool rental to be supplied in 2022 from 100,000 AF to zero AF.
- Removed the 2023 last-to-fill obligation for participant allocations reduced this year to supply 2021 Common Pool rentals.
- Extended the deadline to May 13th for spaceholders to change their participation status in the rental pool process.

Spaceholders have until May 13th to notify the Water District #1 Office whether they wish to change their participation status concerning the revised rental pool procedures. If a spaceholder does not send in notification to change their participation status by the May 13th deadline, it will be assumed that the spaceholder wishes to continue their status chosen at the previous April 7th opt in/out deadline. The revised Rental Pool Procedures have been posted on the www.waterdistrictl.com webpage under the REPORTS & EVENTS tab and 2022 Rental Pool Procedures Revised heading.

The whole purpose of revising the procedures and extending the opt in/out deadline is to encourage additional spaceholders to participate supplying flow augmentation and other Common Pool rentals. One of the primary goals of the rental pool procedures established at least since 2005 was that all contracted spaceholders should share in supplying flow augmentation rental under the 2004 Water Rights (Nez Perce) Agreement and assure that participants have priority over non-participating spaceholders and non-spaceholders in renting storage through the rental pool.

The next Committee of Nine Meeting has been rescheduled to occur on May 16th following the May 13th rental pool participation deadline. The time and place for the May 16th meeting has yet to be determined.

Recent storms have improved the water supply outlook but the supply is still expected to be below average this year. The snowpack in the higher elevations has yet to begin melting, natural flow is at low levels, and priorities are anticipated to drop quickly when several canals begin diverting water over the next few weeks. Once warmer weather arrives and peak runoff begins in late-May or early-June, some reservoir priorities may be restored at that time.

The projected priorities and current water right accounting posted on the www.waterdistrictl.com webpage will begin to be updated more frequently over the next few weeks as more diversions begin diverting water and priorities begin to drop.

Exhibit B

Travis Thompson

From:

John Simpson

Sent:

Friday, April 15, 2022 1:32 PM Travis Thompson; Kent Fletcher

To: Subject:

FW: Participation

From: Olenichak, Tony <Tony.Olenichak@idwr.idaho.gov>

Sent: Friday, April 15, 2022 1:30 PM

To: John Simpson < jks@idahowaters.com>

Cc: Jerry Rigby (jrigby@rex-law.com) <jrigby@rex-law.com>

Subject: RE: Participation

John,

In the past, when essentially everyone but the Tribe and BOR were participants, my perspective didn't matter. Now that a significant number of spaceholders have become non-participants, I think I need the Co9 to clarify the intent of their procedures. My understanding up until now has been simple:

"Non-participating" spaceholders can't supply leased/rental storage from the non-participant's storage allocation to other water user diversions.....nor can a non-participant spaceholder divert or "receive" leased/rental storage delivered to their headgate, regardless of where (or to what purpose) the leased/rental storage originated or lands it is to be used upon. It doesn't matter if the storage was from the small pool, large pool, assignment pool, or private lease, nor does it matter where the place-of-use resides nor does it matter the purpose of the rental storage usage. Only the point-of-diversion matters because it is the only thing that can be regulated and measured by the Watermaster.

Some may say that a non-participant canal can divert rental pool storage if the rental storage is used by someone other then a canal shareholder or used on grounds outside of the canal's decreed place-of-use. However, the Watermaster cannot regulate how much of, or where, the rental storage is used within the non-participant canal's distribution system. The Watermaster is limited to only regulating the amount of rental storage delivered through the canal's headgate.

If Rental Pool storage is assigned to a "participating" spaceholder canal. The Watermaster delivers that rental or leased storage to the participating canal's headgate. It then becomes the canal's responsibility to distribute that rental through or within their canal system. Otherwise, the participating canal shouldn't have signed the Rental Pool Application or carrying agreement agreeing to deliver the storage through, or within, their canal's system.

According to Procedure 5.2.106, the Tribes shall be "treated" as non-participants in the WD1 Rental Pool. The Tribes have neither considered themselves participants nor non-participants in the WD1 Rental Pool, but in some respects, they sometimes receive the benefits of both. If the Tribe leases their storage through the Tribal Rental Pool to be delivered to a canal that is a non-participant in the WD1 Rental Pool, I think the WD1 Watermaster is obligated to deliver the Tribal storage rented through the Tribal Rental Pool to the canal, regardless of the canal's participation status with the WD1 Rental Pool.

Procedure 5.2.101 says the BOR is non-participant but may rent flow augmentation storage. Other than the Tribe and BOR, I think all other spaceholders clearly fall into the category of either being a participant or a non-participant to determine whether or not WD1 Rental Pool storage can be supplied by, or delivered to, a WD1 canal.

Tony

From: John Simpson < iks@idahowaters.com > Sent: Friday, April 15, 2022 10:43 AM

To: Olenichak, Tony < Tony.Olenichak@idwr.idaho.gov > Cc: Jerry Rigby (jrigby@rex-law.com) < jrigby@rex-law.com >

Subject: Participation

Tony,

I believe it is important to fully understand your perspective on the non-participant prohibition on leased water under procedures 6.1,10.3 or any other Rental Pool procedure addressing the rights or limitations associated with participation in the Common Pool. I fully understand that the Committee of Nine may or may not adopt your perspective but you do have a level of influence on motions being made.

- 1. May a non-participating spaceholder receive water rented through the large pool (50,000 ac-ft)? The word "receive" as used in these questions, is interpreted as the ability to divert and put to beneficial use on decreed lands of the spaceholder.
- 2. May a non-participating spaceholder receive water rented through the small pool (5,000 ac-ft)?
- 3. May a non-participating spaceholder receive water assigned and delivered to the spaceholder's headgate. Assigned water would originate from a private lease (Procedure 6.0) or through the assignment pool (Procedure 10).
- 4. May a non-participating spaceholder convey assigned or leased water to a wateruser within the spaceholder's decreed boundary, if the spaceholder is not a party to the lease or assignment?
- 5. May a non-participating spaceholder convey assigned or leased water to a wateruser outside of the spaceholder's decreed boundary where the wateruser pays for such request?
- 6. Does the rental of water, by a non-spaceholder or a non-participating spaceholder from the Shoshone Bannock Tribes have the same restrictions/interpretations applicable to private leased water and common pool water received or conveyed by non-participants?

Thanks for your input.

John K. Simpson
Barker Rosholt & Simpson LLP
1010 W. Jefferson, Suite 102
P.O. Box 2139
Boise, Idaho 83701-2139

Phone: 208.336.0700 Fax: 208.344.6034 www.idahowaters.com

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BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

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

Docket No. CM-DC-2010-001 Docket No. CM-MP-2016-001

RESPONSE TO REQUEST FOR STATUS CONFERENCE; NOTICE OF STATUS CONFERENCE

BACKGROUND

On April 29, 2022, the Surface Water Coalition ("SWC") filed with Idaho Department of Water Resources ("Department") the *Surface Water Coalition's Request for Status Conference* ("Request") in the above-captioned matters. ¹ The Request seeks a status conference on three issues.

First, the SWC "requests an update on the status of [the Department's] and respective water districts' actions to curtail diversions pursuant to those water rights as ordered [in the January 11, 2022 curtailment order] by the Director." *Request* at 2.

Second, the SWC seeks a status conference related to the stipulated mitigation plan submitted by the SWC and the Idaho Ground Water Appropriators, Inc. ("IGWA") and previously approved by the Director. *Id.* The plan committed signatory ground water districts to "a total ground water diversion reduction of 240,000 acre-feet annually." *Id.* (citation omitted). IGWA's recent performance report shows that the ground water districts only reduced their diversions by 122,784 acre-feet in 2021. *Id.* The SWC states, "IGWA and its junior priority ground water right members are not operating in accordance with the approved plan and are failing to mitigate the material injury to [SWC] members." *Id.* at 3. The SWC asks the Director for a status conference "to address what actions he intends to take in 2022 in response to this non-compliance and enforcement of the order approving the mitigation plan." *Id.*

Third, the SWC asks the Director to address a developing issue involving in the Water District 01 rental pool procedures. *See Id.* The Idaho Water Resource Board ("IWRB") has delegated the authority to operate the Water District 01 rental pool to the Committee of Nine. Resol. to Reappoint Rental Pool Local Comm. & Approve Rental Pool Procs., *In re Approving Rental Pool Procs. for the Upper Snake River Rental Pool* (Idaho Water Res. Bd. May 10, 2019).

¹ The SWC is comprised of A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company. RESPONSE TO REQUEST FOR STATUS CONFERENCE; NOTICE OF STATUS CONFERENCE—Page 1

Recently, the Committee of Nine modified its rental pool procedures. Watermaster Tony Olenichak has interpreted the procedures. The SWC takes issue with his interpretation and states "[t]he Watermaster's interpretation [of the rental pool procedures] has created great uncertainty as to how rented or other non-spaceholder water will be handled for water right administration in 2022." *Request* at 5. The SWC argues, "Given the pending deadlines for juniors regarding the Director's Steps 1-3 Order (May 1st) and spaceholders for participation status (May 13th), the Director should address this issue and provide clarification as soon as possible. *See* I.C. 42-602." *Id.*

RESPONSE

The Director will grant the SWC's request for a status conference regarding the Department's curtailment efforts related to the January 11, 2022 curtailment order. The status conference will be set for May 25, 2022, at the time and location described below.

The Director will conditionally grant the SWC's request for a status conference on the diversion reduction component of the mitigation plan. The SWC and IGWA submitted their June 30, 2015 settlement agreement to the Director for approval as a mitigation plan. See Surface Water Coal.'s & IGWA's Stip. Mitigation Plan & Req. for Order, In re IGWA's Settlement Agreement Mitigation Plan, No. CM-MP-2016-001 (Idaho Dep't Water Res. March 9, 2016). The settlement agreement has been amended twice and each amendment has been approved by the Director. See Final Order Approv. Stip. Mitigation Plan, In re IGWA's Settlement Agreement Mitigation Plan, No. CM-MP-2016-001 (Idaho Dep't Water Res. May 2, 2016); Final Order Approv. Amend. to Stip. Mitigation Plan, In re IGWA's Settlement Agreement Mitigation Plan, No. CM-MP-2016-001 (Idaho Dep't Water Res. May 9, 2017). The original settlement agreement established a steering committee to review the signatory ground water districts' progress towards the practices and goals in the agreement. In the Second Addendum to Settlement Agreement, the parties agreed to a specific process for addressing any alleged breach or noncompliance of the mitigation plan. Final Order Approv. Amend. to Stip. Mitigation Plan, In re IGWA's Settlement Agreement Mitigation Plan, No. CM-MP-2016-001, ex. A (Idaho Dep't Water Res. May 9, 2017) [hereinafter 2nd Addendum].

The first step is to have the steering committee review the available technical information. 2nd Addendum ¶ 2.c.i. Then, if the steering committee finds a breach of one of the long-term practices of the plan (like the diversion reduction component), the steering committee is required to notify the breaching party in writing. Id. ¶ 2.c.iii. If the breaching party fails to cure the breach, the steering committee then reports the breach to the Director. Id. If the SWC and IGWA do not agree that a breach has occurred or cannot agree upon actions that must be taken by the breaching party to cure the breach, the steering committee will report this to the Director and ask the Director to determine if a breach has occurred. Id. ¶ 2.c.iv.

Under either paragraph 2.c.iii or 2.c.iv, any alleged breach should first be addressed by the steering committee and then a report from the steering committee should be submitted to the

RESPONSE TO REQUEST FOR STATUS CONFERENCE; NOTICE OF STATUS CONFERENCE—Page 2 $\,$

Director. The Director understands that the steering committee plans to meet on May 18, 2022, to discuss this topic. The Director understands that time is of the essence and will expeditiously respond to address this issue.

If the parties comply with the process outlined in the 2nd Addendum and if the steering committee submits a report to the Director pursuant to paragraph 2.c.iv. by May 20, 2022, the Director will make this issue a topic of discussion for the May 25, 2022 status conference. If no report is submitted to the Director by May 20, 2022, this issue will not be addressed at the May 25, 2022 status conference.

Finally, the Director will not grant the SWC's request for a status conference on issues involving in the Water District 01 rental pool procedures. The procedures are outside the scope of the SWC delivery call proceeding and the approved mitigation plan. Furthermore, pursuant to Idaho Code § 42-1765 and Rule 40 of the Water Supply Bank Rules, the IWRB has delegated authority to prepare rental pool procedures to the Committee of Nine. The Committee of Nine has exercised its authority and adopted procedures. While the Director reviews the proposed procedures and the Board approves them, the responsibility to interpret the rules falls to the Committee of Nine. The Committee of Nine is the entity that should clarify the intent of their procedures.

NOTICE OF STATUS CONFERENCE

The Director hereby notifies the parties that a status conference in this matter will be held on May 25, 2022, at 10:00 a.m. (MST), at the Department's State Office, located at 322 E. Front Street, 6th Floor, Boise, Idaho. All parties to the matter must be represented at the status conference in person or by video conference. The purpose of the status conference is to discuss the Department's curtailment efforts related to the January 11, 2022 curtailment order. If the parties comply with the process outlined in the 2nd Addendum and if the steering committee submits a report to the Director pursuant to paragraph 2.c.iv. by May 20, 2022, non-compliance with the mitigation plan will be a topic discussed at the status conference.

To join the conference via computer or smartphone, please click the following Webex link, follow the prompts, and wait to be admitted by the meeting host: https://idahogov.webex.com/idahogov/j.php?MTID=mf5699b0a637a95f944ba4496f0d35a01.

To join the conference via telephone, please dial 1(415) 655-0001 (US Toll) and enter the following meeting access code when prompted: 2452 356 7400.

The status conference will be held in accordance with the provisions of Chapter 17, Title 42, and Chapter 52, Title 67, Idaho Code, and the Department's Rules of Procedure, IDAPA 37.01.01. A copy of the Rules of Procedure may be obtained from the Department upon request or at https://adminrules.idaho.gov/rules/current/37/index.html.

RESPONSE TO REQUEST FOR STATUS CONFERENCE; NOTICE OF STATUS CONFERENCE—Page 3

The conference will be conducted in a facility that meets the accessibility requirements of the Americans with Disabilities Act. If you require special accommodations to attend, participate in, or understand the conference, please advise the Department no later than five (5) days before the conference. Inquiries for special accommodations should be directed to Sarah Tschohl, Idaho Department of Water Resources, P.O. Box 83720, Boise, Idaho 83720-0098, telephone: (208) 287-4815.

Dated this _____ day of May 2022.

GARY SPACKMAN
Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this <u>5th</u> day of May 2022, the above and foregoing, was served by the method indicated below, and addressed to the following:

John K. Simpson Travis L. Thompson BARKER ROSHOLT & SIMPSON, LLP P. O. Box 63 Twin Falls, ID 83303-0063 jks@idahowaters.com tlt@idahowaters.com nls@idahowaters.com jf@idahowaters.com	☑ U.S. Mail, postage prepaid☑ Email
W. Kent Fletcher FLETCHER LAW OFFICE P.O. Box 248 Burley, ID 83318 wkf@pmt.org	☑ U.S. Mail, postage prepaid☑ Email
Randall C. Budge Thomas J. Budge RACINE OLSON P.O. Box 1391 Pocatello, ID 83204-1391 randy@racineolson.com tj@racineolson.com	☑ U.S. Mail, postage prepaid☑ Email
Kathleen Marion Carr US Dept. Interior 960 Broadway Ste 400 Boise, ID 83706 kathleenmarion.carr@sol.doi.gov	☑ U.S. Mail, postage prepaid☑ Email
David W. Gehlert Natural Resources Section Environment and Natural Resources Division U.S. Department of Justice 999 18 th St., South Terrace, Suite 370 Denver, CO 80202 david.gehlert@usdoj.gov	☑ U.S. Mail, postage prepaid☑ Email
Matt Howard US Bureau of Reclamation 1150 N Curtis Road Boise, ID 83706-1234 mhoward@usbr.gov	✓ U.S. Mail, postage prepaid✓ Email
Sarah A Klahn Somach Simmons & Dunn 2033 11th Street, Ste 5 Boulder, Co 80302 sklahn@somachlaw.com dthompson@somachlaw.com	☑ U.S. Mail, postage prepaid☑ Email

RESPONSE TO REQUEST FOR STATUS CONFERENCE; NOTICE OF STATUS CONFERENCE—Page 5 $\,$

	I
Rich Diehl	U.S. Mail, postage prepaid
City of Pocatello	⊠ Email
P.O. Box 4169	
Pocatello, ID 83205	
rdiehl@pocatello.us	
Candice McHugh	☑ U.S. Mail, postage prepaid
Chris Bromley	⊠ Email
MCHUGH BROMLEY, PLLC	
380 South 4 th Street, Suite 103	
Boise, ID 83702	
cbromley@mchughbromley.com	
cmchugh@mchughbromley.com	
Robert E. Williams	☑ U.S. Mail, postage prepaid
WILLIAMS, MESERVY, & LOTHSPEICH, LLP	⊠ Email
P.O. Box 168	
Jerome, ID 83338	
rewilliams@wmlattys.com	
Robert L. Harris	□ U.S. Mail, postage prepaid
HOLDEN, KIDWELL, HAHN & CRAPO, PLLC	Email
P.O. Box 50130	_
Idaho Falls, ID 83405	
rharris@holdenlegal.com	
Randall D. Fife	U.S. Mail, postage prepaid
City Attorney, City of Idaho Falls	Email
P.O. Box 50220	Z Silwii
Idaho Falls, ID 83405	
rfife@idahofallsidaho.gov	
Tony Olenichak	⊠ Email
IDWR—Eastern Region	Z
900 N. Skyline Drive, Ste. A	
Idaho Falls, ID 83402	
Tony.Olenichak@idwr.idaho.gov	
Corey Skinner	
Nathan Erickson	NA DIMIN
IDWR—Southern Region	
1341 Fillmore St., Ste. 200	
Twin Falls, ID 83301-3033	
corey.skinner@idwr.idaho.gov	
nathan.erickson@idwr.idaho.gov	
COURTESY COPY TO:	
William A. Parsons	NA PHIGH
PARSONS SMITH & STONE	
P.O. Box 910	
Burley, ID 83318	
wparsons@pmt.org	

Sarah Tschoni Legal Assistant

RESPONSE TO REQUEST FOR STATUS CONFERENCE; NOTICE OF STATUS CONFERENCE—Page 6

John K. Simpson, ISB #4242 Travis L. Thompson, ISB #6168 Michael A. Short, ISB #10554

BARKER ROSHOLT & SIMPSON LLP

163 Second Ave. West

P.O. Box 63

Twin Falls, Idaho 83303-0063 Telephone: (208) 733-0700 Email: jks@idahowaters.com

> tlt@idahowaters.com mas@idahowaters.com

Attorneys for A&B Irrigation District, Burley Irrigation District, Milner Irrigation District, North Side Canal Company, and Twin Falls Canal Company

W. Kent Fletcher, ISB #2248 **FLETCHER LAW OFFICE**

P.O. Box 248

Burley, Idaho 83318

Telephone: (208) 678-3250

Email: wkf@pmt.org

Attorneys for American Falls Reservoir District #2 and Minidoka

Irrigation District

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

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

Docket No. CM-DC-2010-001 Docket No. CM-MP-2016-001

SURFACE WATER COALITION'S NOTICE OF STEERING COMMITTEE IMPASSE / REQUEST FOR STATUS CONFERENCE COME NOW, A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively hereafter referred to as the "Surface Water Coalition", "Coalition", or "SWC"), by and through their counsel of record, and hereby provide the following notice and request related to the above-captioned matters.

I. Ground Water Districts' Compliance with Approved Mitigation Plan

The Director approved the stipulated mitigation plan submitted by SWC and IGWA on May 2, 2016. See Final Order Approving Stipulated Mitigation Plan. Pursuant to the plan the signatory¹ ground water districts and their members agreed to "a total ground water diversion reduction of 240,000 acre-feet annually." See Order at 2. On Friday April 1, 2022, counsel for IGWA submitted the districts' 2021 performance report. As detailed in that report, the signatory ground water districts only performed 56,953 acre-feet in diversion reductions and 65,831 acrefeet in recharge for a total of 122,784 acre-feet. IDWR recently submitted its verification report on June 30, 2022. See Brian Ragan June 30, 2022 Memo. IDWR's numbers differed from IGWA's in that IDWR assumed (0) diversion for various wells within Carey Valley and North Snake Ground Water Districts. See id. at 3, Table 2 Notes. Further, IDWR's reduction calculations were significantly different than IGWA's resulting in IDWR using a diversion reduction value of 66,586 acre-feet compared to IGWA's number of 56,952 acre-feet. The Coalition requests further review of this issue given the large disparity. IDWR also used a smaller recharge value which was 1,514 acre-feet less than IGWA's. See Memo at 5, Table 4.

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¹ The nine signatory ground water districts are Aberdeen-American Falls, Bingham, Bonneville-Jefferson, Carey Valley, Fremont Madison Irrigation District, Jefferson-Clark, Madison, Magic Valley, and North Snake. A&B Irrigation District and Southwest Irrigation District are not part of the districts' obligation under the settlement agreement or mitigation plan. IGWA has erroneously included A&B and SWID as part of its 240,000 af calculations every year, but until this year the nine districts have exceeded the 240,000 af reduction requirement. The Coalition expressly requests the Director to address this issue as well.

Regardless, even assuming IDWR's number is correct (which the Coalition disputes and requests further review and audit), the nine signatory ground water districts' 2021 actions were at least 109,097 acre-feet short of what is required by the stipulated mitigation plan and the Director's order approving the same. Consequently, IGWA and its junior priority ground water right members are not operating in accordance with the approved plan and are failing to mitigate the material injury to the Coalition members. *See* CM Rule 40.05. The over-pumping in 2021 has caused additional depletions to reach gains which have resulted in reduced water supplies to the Coalition's storage and natural flow water rights, both through the winter of 2021-22 and throughout the 2022 irrigation season.

The Surface Water Coalition requests the Director to address what actions he intends to take in response to this non-compliance and enforcement of the order approving the mitigation plan.

II. Steering Committee Impasse

In the Response to Request for Status Conference, the Director noted the following:

The first step is to have the steering committee review the available technical information. . . . If the SWC and IGWA do not agree that a breach has occurred or cannot agree upon actions that must be taken by the breaching party to cure the breach, the steering committee will report this to the Director and ask the Director to determine if a breach has occurred.

Response at 2.

The Steering Committee held meetings on May 18th, June 27th, and most recently on July 13th. The above-referenced technical information was reviewed and the SWC stated its position that a breach occurred due to the signatory ground water districts' non-performance of the long-term diversion reduction actions in 2021. IGWA disagreed.

Accordingly, SWC hereby provides the Director with the requested notice that the Steering Committee reached an impasse and did not agree that a breach occurred in 2021.

REQUEST FOR STATUS CONFERNCE

The Coalition respectfully requests the Director set a status conference to address the above following issues regarding IGWA's approved mitigation plan:

- 1) IGWA's annual diversion reduction requirement (annual or average?)
- 2) What that requirement is? (240,000 af or something less?)
- 3) Whether IGWA complied in 2021 based upon its technical information and IDWR's review of the same (as identified in April 1 and June 30 reports)
- 4) Disparity in those reports (what was the actual number for both diversion reduction and recharge that occurred in 2021)
- 5) Director's planned action in response to IGWA's non-compliance with mitigation plan.

The Coalition is fully committed to the Settlement Agreement, the stipulated mitigation plan, and their effective and successful implementation. To Coalition would request a status conference be set as soon as possible to address the above pending issues.

DATED this 21st day of July, 2022.

BARKER ROSHOLT & SIMPSON LLP

FLETCHER LAW OFFICE

John K. Simpson

Travis L. Thompson

Attorneys for A&B Irrigation District, Burley Irrigation District, Milner Irrigation District, North Side Canal Company, and Twin Falls Canal Company W. Kent Fletcher

Attorneys for Minidoka Irrigation District and American Falls Reservoir District #2

for

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of July, 2022, I served a true and correct copy of the foregoing *Surface Water Coalition's Notice of Steering Committee Impasse / Request for Status Conference* on the following by the method indicated:

Director Gary Spackman	Matt Howard	Tony Olenichak
Garrick Baxter	U.S. Bureau of Reclamation	IDWR – Eastern Region
Sarah Tschohl	1150 N. Curtis Rd.	900 N. Skyline Dr., Ste. A
State of Idaho	Boise, ID 83706-1234	Idaho Falls, ID 83402-1718
Dept of Water Resources	*** service by electronic mail only	*** service by electronic mail only
322 E Front St.		
Boise, ID 83720-0098	mhoward@usbr.gov	tony.olenichak@idwr.idaho.gov
*** service by electronic mail	emcgarry@usbr.gov	
gary.spackman@idwr.idaho.gov		
garrick.baxter@idwr.idaho.gov		
sarah.tschohl@idwr.idaho.gov		
Randy Budge	Sarah A. Klahn	David Gehlert
T.J. Budge	Dylan Thompson	ENRD – DOJ
Racine Olson	Somach Simmons & Dunn	999 18 th St.
P.O. Box 1391	2033 11 th Street, Ste. 5	South Terrace, Ste. 370
Pocatello, ID 83204-1391	Boulder, CO 80302	Denver, CO 80202
*** service by electronic mail only	*** service by electronic mail only	*** service by electronic mail only
Service by broad and main stray		
randy@racineolson.com	sklahn@somachlaw.com	david.gehlert@usdoj.gov
tjb@racineolson.com	dthompson@somachlaw.com	da i la liga li la
<u>go e ruem conseineem</u>		
Rich Diehl	Robert E. Williams	Corey Skinner
City of Pocatello	Williams, Meservy & Lothspeich,	IDWR – Southern Region
P.O. Box 4169	LLP	650 Addison Ave. W., Ste. 500
Pocatello, ID 83201	P.O. Box 168	Twin Falls, ID 83301
*** service by electronic mail only	Jerome, ID 83338	*** service by electronic mail only
service by electronic man only	*** service by electronic mail only	service by electronic man only
rdiehl@pocatello.us	service by electronic man only	corey.skinner@idwr.idaho.gov
Idlem@pocateno.us	may illiams @yymlattys aam	corey.skililler@idwr.idailo.gov
	rewilliams@wmlattys.com	
Robert L. Harris	Kathleen Carr	Candiaa Malluah
		Candice McHugh
Holden, Kidwell, Hahn & Crapo.	US Dept Interior, Office of Solicitor	Chris Bromley
PLLC	Pacific Northwest Region, Boise	McHugh Bromley, PLLC
P.O. Box 50130	960 Broadway, Ste. 400	380 South 4th Street, Ste. 103
Idaho Falls, ID 83405	Boise, ID 83706	Boise, ID 83702
*** service by electronic mail only	*** service by electronic mail only	*** service by electronic mail only
rharris@holdenlegal.com	kathleenmarion.carr@sol.doi.gov	cbromley@mchughbromley.com
		cmchugh@mchughbromley.com

Randall D. Fife	COURTESY COPY TO:	
City Attorney, City of Idaho Falls	William A. Parsons	
P.O. Box 50220	Parsons, Smith & Stone LLP	
Idaho Falls, ID 83405	P.O. Box 910	
*** service by electronic mail only	Burley, ID 83318	
	*** service by electronic mail only	
rfife@idahofallsidaho.gov		
	wparsons@pmt.org	

Travis L. Thompson

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

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

Docket No. CM-DC-2010-001 Docket No. CM-MP-2016-001

NOTICE OF STATUS CONFERENCE

BACKGROUND

On July 21, 2022, the Surface Water Coalition ("SWC") filed with the Idaho Department of Water Resources ("Department") the *Surface Water Coalition's Notice of Steering Committee Impasse/Request for Status Conference* ("Request") in the above-captioned matters. In the Request, the SWC alleges that the ground water districts are not complying with the stipulated mitigation plan approved by the Director on May 2, 2016. Request at 2. The SWC states that the allegations of noncompliance have been reviewed by the steering committee, as required by the approved mitigation plan, and that the SWC and the Idaho Ground Water Appropriators, Inc. ("IGWA") have reached an impasse on whether there has been a breach. *Id.* at 3-4. The SWC requests the Director set a status conference to discuss the allegations of noncompliance. *Id.* at 4. The SWC also requests a status conference to discuss discrepancies between the numbers in IGWA's 2021 performance report and IDWR's verification report. *Id.*

The Director will grant the SWC's request for a status conference. The status conference will be set for August 5, 2022, at the time and location described below.

NOTICE OF STATUS CONFERENCE

The Director hereby notifies the parties that a status conference in this matter will be held on **August 5, 2022, at 10:00 a.m. (MST)**, at the Department's State Office, located at 322 E.

NOTICE OF STATUS CONFERENCE—Page 1

¹ The SWC is comprised of A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company.

² After May 2, 2016, the parties agreed to modify their stipulated mitigation plan. On May 9, 2017, the Director issued a *Final Order Approving Amendment to Stipulated Mitigation Plan* ("Amended Plan"). The Amended Plan includes a process that calls for the parties to first raise compliance disputes with the joint steering committee. *Second Addendum to Settlement Agreement* at 3 (December 14, 2016).

Front Street, 6th Floor, Boise, Idaho. All parties to the matter must be represented at the status conference in person or by video conference.

To join the conference via computer or smartphone, please click the following Webex link, follow the prompts, and wait to be admitted by the meeting host:

https://idahogov.webex.com/idahogov/j.php?MTID=m78f1a435dac9d9b4b55cfcfd62d74668

To join the conference via telephone, please dial 1(415) 655-0001 (US Toll) and enter the following meeting access code when prompted: **2465 943 7520**

The status conference will be held in accordance with the provisions of Chapter 17, Title 42, and Chapter 52, Title 67, Idaho Code, and the Department's Rules of Procedure, IDAPA 37.01.01. A copy of the Rules of Procedure may be obtained from the Department upon request or at https://adminrules.idaho.gov/rules/current/37/index.html.

The conference will be conducted in a facility that meets the accessibility requirements of the Americans with Disabilities Act. If you require special accommodations to attend, participate in, or understand the conference, please advise the Department no later than five (5) days before the conference. Inquiries for special accommodations should be directed to Sarah Tschohl, Idaho Department of Water Resources, P.O. Box 83720, Boise, Idaho 83720-0098, telephone: (208) 287-4800.

Dated this 200 day of July 2022.

GARY <u>SPACKMAN</u>

any Spackman

Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 2000 day of July 2022, the above and foregoing, was served by the method indicated below, and addressed to the following:

John K. Simpson Travis L. Thompson BARKER ROSHOLT & SIMPSON, LLP P. O. Box 63 Twin Falls, ID 83303-0063 jks@idahowaters.com tlt@idahowaters.com nls@idahowaters.com jf@idahowaters.com	☑ U.S. Mail, postage prepaid☑ Email
W. Kent Fletcher FLETCHER LAW OFFICE P.O. Box 248 Burley, ID 83318 wkf@pmt.org	✓ U.S. Mail, postage prepaid✓ Email
Randall C. Budge Thomas J. Budge RACINE OLSON P.O. Box 1391 Pocatello, ID 83204-1391 randy@racineolson.com tj@racineolson.com	☑ U.S. Mail, postage prepaid☑ Email
Kathleen Marion Carr US Dept. Interior 960 Broadway Ste 400 Boise, ID 83706 kathleenmarion.carr@sol.doi.gov	☑ U.S. Mail, postage prepaid☑ Email
David W. Gehlert Natural Resources Section Environment and Natural Resources Division U.S. Department of Justice 999 18 th St., South Terrace, Suite 370 Denver, CO 80202 david.gehlert@usdoj.gov	☑ U.S. Mail, postage prepaid☑ Email
Matt Howard US Bureau of Reclamation 1150 N Curtis Road Boise, ID 83706-1234 mhoward@usbr.gov	☐ U.S. Mail, postage prepaid ☐ Email
Sarah A Klahn Somach Simmons & Dunn 2033 11th Street, Ste 5 Boulder, Co 80302 sklahn@somachlaw.com dthompson@somachlaw.com	U.S. Mail, postage prepaid Email

NOTICE OF STATUS CONFERENCE—Page 3

Rich Diehl City of Pocatello P.O. Box 4169 Pocatello, ID 83205 rdiehl@pocatello.us	☑ U.S. Mail, postage prepaid☑ Email
Candice McHugh Chris Bromley MCHUGH BROMLEY, PLLC 380 South 4 th Street, Suite 103 Boise, ID 83702 cbromley@mchughbromley.com cmchugh@mchughbromley.com	U.S. Mail, postage prepaid Email
Robert E. Williams WILLIAMS, MESERVY, & LOTHSPEICH, LLP P.O. Box 168 Jerome, ID 83338 rewilliams@wmlattys.com	☑ U.S. Mail, postage prepaid☑ Email
Robert L. Harris HOLDEN, KIDWELL, HAHN & CRAPO, PLLC P.O. Box 50130 Idaho Falls, ID 83405 rharris@holdenlegal.com	☑ U.S. Mail, postage prepaid☑ Email
Randall D. Fife City Attorney, City of Idaho Falls P.O. Box 50220 Idaho Falls, ID 83405 rfife@idahofallsidaho.gov	☑ U.S. Mail, postage prepaid☑ Email
Tony Olenichak IDWR—Eastern Region 900 N. Skyline Drive, Ste. A Idaho Falls, ID 83402 Tony.Olenichak@idwr.idaho.gov	⊠ Email
Corey Skinner IDWR—Southern Region 1341 Fillmore St., Ste. 200 Twin Falls, ID 83301-3033 corey.skinner@idwr.idaho.gov	⊠ Email
COURTESY COPY TO: William A. Parsons PARSONS SMITH & STONE P.O. Box 910 Burley, ID 83318 wparsons@pmt.org	⊠ Email

Megan Jenkins Administrative Assistant II

Thomas J. Budge, ISB #7465 RACINE OLSON, PLLP 201 E. Center St. / P.O. Box 1391 Pocatello, Idaho 83204-1391 (208) 232-6101 – phone tj@racineolson.com

Attorneys for Idaho Ground Water Appropriators, Inc.

STATE OF IDAHO DEPARTMENT OF WATER RESOURCES

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

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

Docket No. CM-DC-2010-001 Docket No. CM-MP-2016-001

IGWA's Response to Surface Water Coalition's Notice of Steering Committee Impasse

Idaho Ground Water Appropriators, Inc. ("IGWA")¹ submits this response to the Surface Water Coalition's Notice of Impasse / Request for Status Conference ("SWC Notice") filed July 21, 2022, in this matter.

The SWC Notice requests a status conference to address several issues related to IGWA's compliance with section 3.a.i. of the IGWA-SWC Settlement Agreement. The SWC Notice was filed pursuant to section 2.c.iv of the Second Addendum to Settlement Agreement which allows the Director to "evaluate all available information, determine if a breach occurred, and issue an order specifying actions that must be taken by the breaching party to cure the breach or be subject to curtailment."

On July 26, 2022, the Director issued a Notice of Status Conference granting the SWC's request and scheduling a status conference on August 5, 2022. The Notice of Status Conference does not ask IGWA file a response to the SWC Notice. Nevertheless, to better inform the Director of the issues before him, IGWA provides this response. IGWA reserves the right to

¹ IGWA is an umbrella organization that represents the interests of the nine ground water districts who are parties to the IGWA-SWC Settlement Agreement: Aberdeen-American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Carey Valley Ground Water District, Henry's Fork Ground Water District, Jefferson Clark Ground Water District, Madison Ground Water District, Magic Valley Ground Water District, and North Snake Ground Water District.

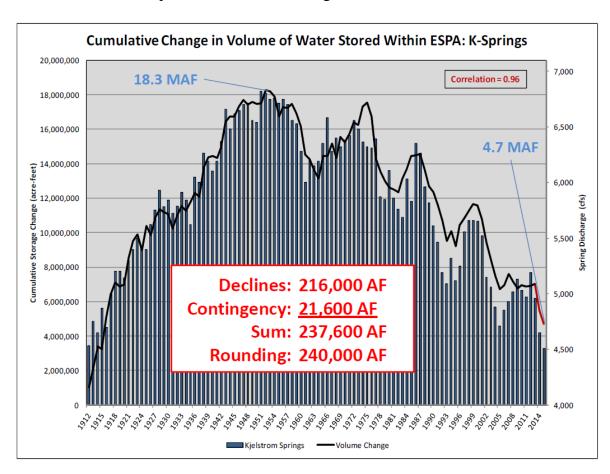
supplement this response based on information presented at the August 5 status conference.

The SWC Notice lists five questions related to IGWA's compliance with section 3.a.i of the Settlement Agreement. (SWC Notice, p. 4.) Answers to those questions depend on two primary issues: (i) whether the districts represented by IGWA bear responsibility for the full 240,000 acre-feet of groundwater conservation or only their proportionate share, and (ii) whether each district's diversion reduction is measured on an annual or an average basis.

As explained below, IGWA is in compliance with section 3.a.i because (a) the plain language of the Agreement provides that each participating district is responsible for its "proportionate share" of the 240,000 acre-feet, (b) the Agreement states that compliance will be measured on a five-year rolling average, and (c) each district's conservation activities have exceeded its proportionate share of 240,000 acre-feet over the last five years.

A. Each ground water district is responsible for its "proportionate share" of the 240,000 acre-feet of groundwater conservation.

The IGWA-SWC Settlement Agreement was entered into after a prolonged period of litigation between the SWC and IGWA. The parties determined that, instead of periodic curtailments under the Methodology Order, a more effective way to provide a secure water supply for the SWC is through a long-term program to reverse the trend of declining ESPA water levels which supply water to the Blackfoot to Minidoka reach of the Snake River. The following chart served as the centerpiece of the settlement negotiations:



In the decades preceding the settlement, the ESPA experienced an average annual decline of 216,000 acre-feet. To arrest this decline and place the ESPA on a path to recovery, the parties agreed that a 240,000 acre-foot change in the water budget was warranted. The State of Idaho stepped up to assist with the recovery by committing to perform at least 250,000 acre-feet of managed aquifer recharge on average.

One point of concern for IGWA was that it did not want to bear responsibility to mitigate for groundwater diversions by non-IGWA members. IGWA expected A&B Irrigation District, Southwest Irrigation District, cities, and others to mitigate for their own water use. Accordingly, section 3.a.i contemplates an aquifer-wide reduction in groundwater use. It reads: "Total ground water diversion shall be reduced by 240,000 ac-ft annually." It does not read: "IGWA will reduce ground water diversions by 240,000 ac-ft." This distinction is significant. Other provisions in the Agreement impose obligations on IGWA and its members specifically, including section 2.a ("IGWA on behalf of its member districts will acquire a minimum of 110,000 ac-ft for assignment"), section 3.b.i ("IGWA will provide 50,000 ac-ft of storage water through private leases"), section 3.b.ii ("IGWA shall use its best efforts to continue existing conversions in Water Districts 130 and 140"), and section 3.f ("IGWA's contributions to the State sponsored recharge program will be targeted for infrastructure and operations above American Falls"). By contrast, section 3.a.i is general in nature. It does not require IGWA to reduce diversions by 240,000 acre-feet because the decline in aquifer storage was the product of all groundwater diversions from the ESPA, not just IGWA's diversions, and the parties expected that all groundwater users would be required to provide mitigation, not just IGWA.

Section 3.a.ii of the Agreement confirms that the districts represented by IGWA are responsible only for their "proportionate share" of the aquifer recovery goal: "Each Ground Water and Irrigation District with members pumping from the ESPA shall be responsible for reducing their *proportionate share* of the total annual ground water reduction or in conducting an equivalent private recharge activity." (Emphasis added.) Because IGWA districts do not account for all pumping from the ESPA, they are responsible for mitigating for only their proportionate share. The parties contemplated that A&B Irrigation District, Southwest Irrigation District, cities, and other non-IGWA members would be required to provide additional mitigation, above and beyond the mitigation provided by IGWA, to aid in recovering the ESPA.

And that's what happened. The SWC entered into separate settlement agreements with A&B Irrigation District, Southwest Irrigation District, and the Coalition of Cities. The A&B agreement states that "[t]he obligations of Ground Water Districts set forth in paragraph 2-4 of the Settlement Agreement do not apply to A&B and its ground water rights." This does not mean that IGWA is responsible to mitigate for A&B's proportionate share of the 240,000 acrefeet; it means that A&B would provide its own mitigation via conversions under the terms of its settlement agreement. The Coalition of Cities agreement similarly states that "aquifer enhancement activities performed by the Signatory Cities under this Agreement shall be in addition to aquifer enhancement activities performed by IGWA under the IGWA-SWC Settlement Agreement or by the IWRB under Idaho Senate Concurrent Resolution no. 136 (2016)." While many of the cities are members of IGWA districts or are located within the boundaries of IGWA districts, the mitigation provided by the Coalition of Cities would be in addition to, and would not be credited toward, IGWA's mitigation under the IGWA-SWC Settlement Agreement.

Consistent with the foregoing, IGWA has from the outset allocated to its members a proportionate share of the 240,000 acre-feet. To calculate IGWA's proportionate share, IGWA

deducted groundwater diversions within A&B Irrigation District, Southwest Irrigation District, and Falls Irrigation District, as set forth in IGWA's first performance report in 2016:

2016 Performance Summary Table		
(all values in acre-feet)		
	Diversion	Target
	Baseline	Conservation
Aberdeen - American Falls GWD	271,989	33,595
Bingham GWD	282,476	34,890
Bonneville - Jefferson GWD	147,337	18,198
Carey Valley GWD	5,671	700
Jefferson - Clark GWD	438,634	54,178
Fremont-Madison ID/Madison GWD ¹	43,491	5,372
Magic Valley GWD	261,877	32,346
A&B ID ³	174,735	21,582
North Snake GWD ²	205,501	25,382
Southwest ID ³	104,417	12,897
Falls ID ³	6,968	861
Total:	1,943,096	240,000

At the time, IGWA had not queried diversion data for cities and other non-IGWA members who make up a small percentage of diversions from the ESPA. In hindsight, such other use should also have been allocated a proportionate share of the 240,000 acre-feet.

In 2017 the SWC asked IGWA to remove A&B, Southwest, and Falls from the 240,000 acre-feet allocation because they were not signatory to the Settlement Agreement. IGWA agreed to remove Falls because its diversions are relatively small, partly outside the ESPA boundary, and under very old priority dates. IGWA refused to remove A&B or Southwest because their pumping contributes significantly to SWC reach gains, and section 3.a.ii protects IGWA from having to mitigate for non-IGWA members.

IGWA's performance reports have continuously allocated to IGWA districts a proportionate share of the 240,000 acre-feet. To now require IGWA to bear responsibility for the full 240,000 acre-feet would undermine the basis of the bargain and contradict the plain language of the Settlement Agreement and the parties' course of dealings.

B. The Settlement Agreement provides that compliance with section 3.a.i will be measured on a five-year rolling average.

While section 3.a.i of the Agreement clearly requires each district to reduce its diversions by a proportionate share of 240,000 acre-feet, it does not explain how those reductions will be measured. It would be simple if the amount of groundwater pumped from the ESPA were static, but it is not—more water is naturally pumped during hot and dry years than in cool and wet years. Reducing groundwater diversions by 240,000 acre-feet (approximately 12% of total groundwater use) would still result in IGWA pumping more water in dry years and less water in wet years—it would simply be 12% less than would have otherwise been pumped.

In an ideal world we would know how much groundwater would be diverted in a given year without conservation measures in place, and then compare that with actual diversions to

determine whether each district conserved its proportionate share of 240,000 acre-feet. Of course, that's impossible because farmers cannot farm the same land in the same year both with and without conservation measures in place.

The only way to determine whether IGWA is conserving water is to compare diversions before the Settlement Agreement with diversions after the Settlement Agreement. And since groundwater diversions naturally fluctuate from year-to-year, diversions must be compared over a multi-year period if the comparison is to be reliable. Fortunately, section 3.e.iv of the Agreement does explain how this will be done. It states: "When the ground water level goal is achieved for a *five-year rolling average*, ground water diversion reductions may be reduced or removed, so long as the ground water level goal is sustained." (Emphasis added.)

Since compliance is measured on a five-year average, IGWA used a five-year average for the period 2010-2014 to define the pre-Settlement Agreement baseline from which groundwater conservation will be measured. The five-year average used to define the baseline has been reported to the SWC and to IDWR from the outset of the Settlement Agreement.

C. Each ground water district's conservations efforts exceeded its proportionate share of 240,000 acre-feet over the five-year period 2017-2021.

IGWA's collective share of 240,000 acre-feet is 205,397 acre-feet. For the five-year period 2017-2021, IGWA's average conservation was 347,220 acre-feet per year—an excess of 141,823 acre-feet. Individually, each ground water district exceeded its proportionate share of the 240,000 acre-feet by at least 27 percent as shown in the table below. While 2021 was especially challenging due to lack of rain, exceptionally dry weather, a constrained surface water supply, and other factors, each IGWA district remains in compliance with section 3.a.i of the Settlement Agreement.

IGWA Conservation 2017-2	021							
	Target Conservation	2017	2018	2019	2020	2021	Average	% of Target
American Falls-Aberdeen	33,715	95,851	66,779	78,288	50,335	14,569	61,164	181%
Bingham	35,015	84,437	48,161	66,316	38,728	-15,036	44,521	127%
Bonneville-Jefferson	18,264	68,346	32,365	33,133	11,033	3,155	29,606	162%
Carey	703	4,535	4,284	4,787	2,308	1,335	3,450	491%
Jefferson-Clark	54,373	126,756	86,656	59,755	67,457	42,737	76,672	141%
Henry's Fork / Madison	5,391	33,661	57,021	60,537	67,892	15,189	46,860	869%
Magic Valley	32,462	36,872	45,295	67,501	34,726	35,341	43,947	135%
North Snake ³ A&B ⁴	25,474	44,925	42,436	56,420	35,720	25,494	40,999	161%
Southwest ID ⁴		·		·	·			
Total:	205,397	495,383	382,997	426,737	308,199	122,784	347,220	

-

² A five-year average is also used to measure compliance under the Cities Settlement Agreement and to measure compliance with ground water management plans in the Oakley Valley.

CONCLUSION

For the foregoing reasons, IGWA respectfully requests that the Director confirm that each participating ground water district is responsible for its "proportionate share" of the 240,000 acre-feet, that compliance is measured on a five-year rolling average, and that IGWA is in compliance with the Settlement Agreement for the period 2017-2021.

DATED this 3rd day of August, 2022.

RACINE OLSON, PLLP

Thomas J. Budge

Attorneys for Idaho Ground Water Appropriators, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of August, 2022, I served the foregoing document on the persons below via email:

Thomas J. Budge

Idaho Department of Water Resources	file@idwr.idaho.gov
John K. Simpson Travis L. Thompson Michael A. Short BARKER ROSHOLT & SIMPSON, LLP P. 0. Box 63 Twin Falls, ID 83303-0063	jks@idahowaters.com tlt@idahowaters.com nls@idahowaters.com mas@idahowaters.com
W. Kent Fletcher FLETCHER LAW OFFICE P.O. Box 248 Burley, ID 83318	wkf@pmt.org
Kathleen Marion Carr US Dept. Interior 960 Broadway Ste 400 Boise, ID 83706	kathleenmarion.carr@sol.doi.gov
David W. Gehlert Natural Resources Section Environment and Natural Resources Division U.S. Department of Justice 999 18th St., South Terrace, Suite 370 Denver, CO 80202	david.gehlert@usdoj.gov
Matt Howard US Bureau of Reclamation 1150 N Curtis Road Boise, ID 83706-1234	mhoward@usbr.gov
Sarah A Klahn Somach Simmons & Dunn 2033 11th Street, Ste 5 Boulder, Co 80302	sklahn@somachlaw.com dthompson@somachlaw.com
Rich Diehl	rdiehl@pocatello.us

City of Pocatello P.O. Box 4169 Pocatello, ID 83205	
Candice McHugh Chris Bromley MCHUGH BROMLEY, PLLC 380 South 4th Street, Suite 103 Boise, ID 83 702	cbromley@mchughbromley.com cmchugh@mchughbromley.com
Robert E. Williams WILLIAMS, MESERVY, & LOTHSPEICH, LLP P.O. Box 168 Jerome, ID 83338	rewilliams@wmlattys.com
Robert L. Harris HOLDEN, KIDWELL, HAHN & CRAPO, PLLC P.O. Box 50130 Idaho Falls, ID 83405	rharris@holdenlegal.com
Randall D. Fife City Attorney, City of Idaho Falls P.O. Box 50220 Idaho Falls, ID 83405	rfife@idahofallsidaho.gov
Corey Skinner IDWR-Southern Region 1341 Fillmore St., Ste. 200 Twin Falls, ID 83301-3033	corey.skinner@idwr.idaho.gov
Tony Olenichak IDWR-Eastern Region 900 N. Skyline Drive, Ste. A Idaho Falls, ID 83402	Tony.Olenichak@idwr.idaho.gov
William A. Parsons PARSONS SMITH & STONE P.O. Box 910 Burley, ID 83318	wparsons@pmt.org

DEPARTMENT OF WATER RESOURCES

John K. Simpson, ISB #4242 Travis L. Thompson, ISB #6168 Michael A. Short, ISB #10554

BARKER ROSHOLT & SIMPSON LLP

163 Second Ave. West

P.O. Box 63

Twin Falls, Idaho 83303-0063 Telephone: (208) 733-0700 Email: jks@idahowaters.com

> tlt@idahowaters.com mas@idahowaters.com

Attorneys for A&B Irrigation District, Burley Irrigation District, Milner Irrigation District, North Side Canal Company, and Twin Falls Canal Company

W. Kent Fletcher, ISB #2248 FLETCHER LAW OFFICE

P.O. Box 248 Burley, Idaho 83318

Telephone: (208) 678-3250

Email: wkf@pmt.org

Attorneys for American Falls Reservoir District #2 and Minidoka

Irrigation District

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

IN THE MATTER OF DISTRIBUTION OF	`)
WATER TO VARIOUS WATER RIGHTS)
HELD BY OR FOR THE BENEFIT OF)
A&B IRRIGATION DISTRICT,)
AMERICAN FALLS RESERVOIR)
DISTRICT #2, BURLEY IRRIGATION)
DISTRICT, MILNER IRRIGATION)
DISTRICT, MINIDOKA IRRIGATION)
DISTRICT, NORTH SIDE CANAL)
COMPANY, AND TWIN FALLS)
CANAL COMPANY)
)
)
IN THE MATTER OF IGWA'S)
SETTLEMENT AGREEMENT)
MITIGATION PLAN)
)
)

Docket No. CM-DC-2010-001 Docket No. CM-MP-2016-001

SURFACE WATER COALITION'S REPLY TO IGWA'S RESPONSE

COME NOW, A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively hereafter referred to as the "Surface Water Coalition", "Coalition", or "SWC"), by and through their counsel of record, and hereby file this reply in response to *IGWA's Response to Surface Water Coalition's Notice of Steering Committee Impasse* (August 3, 2022) (hereinafter "*Response*").

REPLY

IGWA does not dispute its 2021 performance under the Settlement Agreement (i.e. 122,784 acre-feet). *Response* at 5. IGWA does however dispute whether this underperformance results in a breach of the Agreement and compliance with its approved Mitigation Plan. Consequently, the parties are at an impasse and the Director is left to determine whether this performance was short of what was required by the Agreement and the approved Mitigation Plan. IGWA argues that its underperformance is acceptable based upon an erroneous interpretation of the Settlement Agreement. Rather than point to actual language in the agreement, IGWA bases its claims on unstated intent and internal calculations and theory. As explained below, IGWA's efforts to justify its performance based upon a misreading of the Agreement should be denied.

I. Ground Water Districts' 240,000 AF Annual Consumptive Use Volume Reduction.

IGWA attempts to persuade the Director that its signatory ground water districts did not breach the Settlement Agreement in 2021 on the theory that: 1) other non-parties have a share of the 240,000 acre-feet annual reduction; and 2) the reduction is evaluated based upon a five-year rolling average. *Response* at 2-5. Both of these arguments have no support in the actual Agreement and should be rejected on their face.

First, the Settlement Agreement was executed by the seven Coalition members and the eight ground water districts and Fremont-Madison Irrigation District. *See* Settlement Agreement signature pages. IGWA's attempt to inject non-parties into this issue is contrary to basic contract interpretation and should rejected. *See Greater Boise Auditorium Dist. v. Frazier*, 159 Idaho 266, 274 (2015) (non-parties are generally not bound by contracts they did not enter into). In short, non-parties are not responsible for the districts' annual obligation under the Agreement.

Next, the Settlement Agreement includes the following "Long Term Practices" that commenced in 2016:

- a. Consumptive Use Volume Reduction
 - *i.* Total ground water diversion shall be reduced by 240,000 ac-ft annually.
 - ii. Each Ground Water District and Irrigation District with members pumping from the ESPA shall be responsible for reducing their proportionate share of the total annual ground water reduction or in conducting an equivalent private recharge activity. Private recharge activities cannot rely on the Water District 01 common Rental Pool or credits acquired from third parties, unless otherwise agreed to by the parties.

Settlement Agreement at 2, \P 3.a.

An unambiguous contract will be given its plain meaning. *See Lakeland True Value Hardware, LLC v. Hartford Fire Ins. Co.*, 153 Idaho 716, 723 (2012). The above language is plain and unambiguous and should be enforced by the Director. *See Steel Farms, Inc. v. Croft & Reed, Inc.*, 154 Idaho 259, 264 (2011). The Agreement simply requires the signatory districts to reduce their total ground water diversion by 240,000 acre-feet per year. There is no basis to construe the Agreement or examine IGWA's intent and its version of history leading up to the Agreement's execution. *See Seward v. Musick Auction, LLC*, 164 Idaho 149, 158 (2018) ("A

SWC REPLY TO IGWA RESPONSE

¹ How IGWA allocated its member signatory districts' proportionate share of the 240,000 acre-feet is not relevant for purposes of this issue before the Director. *See Response* at 3-4. The fact IGWA erroneously included other nonparties as part of that calculation is its unilateral internal mistake based upon a misreading of the Agreement.

party's subjective, undisclosed intent is immaterial to the interpretation of a contract"). What IGWA believed and intended concerning other non-party ground water users is irrelevant to the Agreement that it signed and has a duty to perform.

Moreover, there is nothing in the Agreement that indicates IGWA's "Long Term Practices" are the obligations of non-parties. Since the term "Each Ground Water District and Irrigation District" refers to the nine signatory districts, it is obvious IGWA did not allocate any share of that reduction to its other listed non-signatory members (i.e. "Anhueser-Busch, United Water, Glanbia Cheese . . ."). *See* Agreement at 1, n. 2. Further, as admitted by IGWA, the separate settlement agreement with the A&B Irrigation District as to its ground water rights supports the fact that the long-term practices apply solely to the ground water districts, not other non-parties. *See A&B Settlement Agreement* at 1, ¶ 2 ("The obligations of the Ground Water Districts set forth in Paragraphs 2 – 4 of the *Settlement Agreement* do not apply to A&B and its ground water rights"). IGWA's attempt to use this separate agreement to mean that other non-parties would share in the 240,000 acre-feet reduction is non-sensical. The agreement plainly states otherwise.

The plain language of the Settlement Agreement requires the signatory districts to reduce their total groundwater diversions by 240,000 acre-feet annually. Any attempt to interpret the Agreement as stating anything else is flat wrong and should be rejected.

II. IGWA's Diversion Reduction Compliance is an Annual Requirement, Not Based on a Five-Year Rolling Average.

IGWA cannot escape the plain language of Paragraph 3.a.i which requires "Total ground water diversion shall be reduced by 240,000 ac-ft annually." The term "annually" is an unambiguous term of art and is defined as follows:

In annual order or sucession; yearly, <u>every year</u>, <u>year by year</u>. At end of <u>each and every year</u> during a period of time. <u>Imposed once a year</u>, <u>computed by the year</u>. <u>Yearly</u>, <u>or once a year</u>, but does not in itself signify what time of year.

Black's Law Dictionary, p. 58 (6th Ed. 1991) (emphasis added).

Annually does not mean a five-year rolling average. IGWA ignores the plain language and argues that it is compliance with the 240,000 acre-feet annual diversion reduction requirement on the theory that "since groundwater diversions naturally fluctuate from year-to-year, diversions must be compared over a multi-year period if the comparison is to be reliable." *Response* at 5. IGWA then claims since reductions may be reduced or removed if the ground water level goal is achieved for a five-year rolling average, then that means the annual reduction can be similarly judged. *Id.* Again, IGWA's efforts to construe the Agreement to say something that it doesn't are misplaced and should be rejected. There is simply no reason to conclude that the signatory ground water districts have the ability to "average" their diversion reduction requirement over a five-year period. The Director should deny IGWA's argument accordingly.

CONCLUSION

The Director should evaluate IGWA's performance for 2021 and determine whether it complied with the Agreement and Mitigation Plan. Whereas the data and plain language of the Agreement shows a clear breach of that obligation, the Director should reject IGWA's arguments to the contrary.

DATED this 4th day of August, 2022.

BARKER ROSHOLT & SIMPSON LLP

Travis L. Thompson

Attorneys for A&B Irrigation District, Burley Irrigation District, Milner Irrigation District, NSCC and TFCC FLETCHER LAW OFFICE

W. Kent Fletcher

Attorneys for Minidoka Irrigation District and American Falls Reservoir District #2

SWC REPLY TO IGWA RESPONSE

for

CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of August, 2022, I served a true and correct copy of the foregoing *Surface Water Coalition's Reply to IGWA's Response* on the following by the method indicated:

Director Gary Spackman Garrick Baxter Sarah Tschohl State of Idaho Dept of Water Resources 322 E Front St. Boise, ID 83720-0098 **** service by electronic mail file@idwr.idaho.gov gary.spackman@idwr.idaho.gov garrick.baxter@idwr.idaho.gov sarah.tschohl@idwr.idaho.gov	Matt Howard U.S. Bureau of Reclamation 1150 N. Curtis Rd. Boise, ID 83706-1234 *** service by electronic mail only mhoward@usbr.gov emcgarry@usbr.gov	Tony Olenichak IDWR – Eastern Region 900 N. Skyline Dr., Ste. A Idaho Falls, ID 83402-1718 *** service by electronic mail only tony.olenichak@idwr.idaho.gov
Randy Budge T.J. Budge Racine Olson P.O. Box 1391 Pocatello, ID 83204-1391 *** service by electronic mail only randy@racineolson.com tjb@racineolson.com Rich Diehl City of Pocatello P.O. Box 4169 Pocatello, ID 83201	Sarah A. Klahn Dylan Thompson Somach Simmons & Dunn 2033 11 th Street, Ste. 5 Boulder, CO 80302 *** service by electronic mail only sklahn@somachlaw.com dthompson@somachlaw.com Robert E. Williams Williams, Meservy & Lothspeich, LLP P.O. Box 168	David Gehlert ENRD – DOJ 999 18 th St. South Terrace, Ste. 370 Denver, CO 80202 **** service by electronic mail only david.gehlert@usdoj.gov Corey Skinner IDWR – Southern Region 650 Addison Ave. W., Ste. 500 Twin Falls, ID 83301
*** service by electronic mail only rdiehl@pocatello.us	Jerome, ID 83338 *** service by electronic mail only rewilliams@wmlattys.com	*** service by electronic mail only corey.skinner@idwr.idaho.gov
Robert L. Harris Holden, Kidwell, Hahn & Crapo. PLLC P.O. Box 50130 Idaho Falls, ID 83405 *** service by electronic mail only rharris@holdenlegal.com	Kathleen Carr US Dept Interior, Office of Solicitor Pacific Northwest Region, Boise 960 Broadway, Ste. 400 Boise, ID 83706 *** service by electronic mail only kathleenmarion.carr@sol.doi.gov	Candice McHugh Chris Bromley McHugh Bromley, PLLC 380 South 4 th Street, Ste. 103 Boise, ID 83702 *** service by electronic mail only cbromley@mchughbromley.com
maris@noideniegal.com	Kauneenmanon.carr@sor.dor.gov	cmchugh@mchughbromley.com

Randall D. Fife	COURTESY COPY TO:	
City Attorney, City of Idaho Falls	William A. Parsons	
P.O. Box 50220	Parsons, Smith & Stone LLP	
Idaho Falls, ID 83405	P.O. Box 910	
*** service by electronic mail only	Burley, ID 83318	
	*** service by electronic mail only	
rfife@idahofallsidaho.gove		
	wparsons@pmt.org	

Travis L. Thompson

RECEIVED

Aug 12, 2022

DEPARTMENT OF WATER RESOURCES

Thomas J. Budge, ISB #7465 RACINE OLSON, PLLP 201 E. Center St. / P.O. Box 1391 Pocatello, Idaho 83204-1391 (208) 232-6101 – phone (208) 232-6109 – fax tj@racineolson.com

Attorneys for Idaho Ground Water Appropriators, Inc.

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES

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

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

Docket No. CM-DC-2010-001 Docket No. CM-MP-2016-001

IGWA's Supplemental Response to Surface Water Coalition's Notice of Steering Committee Impasse

Idaho Ground Water Appropriators, Inc. ("IGWA")¹ submits this supplemental response to the Surface Water Coalition's Notice of Impasse / Request for Status Conference ("SWC Notice") filed July 21, 2022, in this matter.

The SWC Notice asks the Director of the Idaho Department of Water Resources ("IDWR" or "Department") to address certain issues related to IGWA's compliance with the IGWA-SWC Settlement Agreement. In response, the Director issued a Notice of Status Conference on July 26, 2022, and held a status conference on August 5, 2022. The Notice of Status Conference did not request briefing, affidavits, or oral argument. On August 3, 2022, IGWA filed a written response to the SWC Notice to better inform the Director of the issues before him. IGWA's response reserved the right to provide supplemental information following

¹ IGWA is an umbrella organization that represents the interests of the nine ground water districts who are parties to the IGWA-SWC Settlement Agreement: Aberdeen-American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Carey Valley Ground Water District, Henry's Fork Ground Water District, Jefferson Clark Ground Water District, Madison Ground Water District, Magic Valley Ground Water District, and North Snake Ground Water District.

the conference.

IGWA submits this supplemental response primarily to show that the rules of procedure of the Department preclude the Director from making a decision on the issues raised in the SWC Notice until the SWC files a proper motion and the parties file briefs and supporting affidavits.

Should the Director elect to decide the issues without a motion, briefs, and affidavits, this supplemental response provides additional information to demonstrate that compliance with section 3.a of the Agreement should be measured on a five-year rolling average based on the plain language of the Agreement. If the Director finds that the plain language does not warrant a five-year average, then the Agreement is ambiguous and parol evidence must be introduced to determine the intent of the parties as to how compliance is measured. This must be done before the Director can take action on the SWC Notice.

Lastly, IGWA submits supplemental information to address an issue that was not listed in the SWC Notice but was raised by the Director at the August 5 status conference; namely, whether a breaching party must be given an opportunity to cure the breach. If the Director determines that a breach occurred, the Agreement explicitly requires that the breaching party be given 90 days to cure the breach.

A. IDWR rules of procedure require the SWC to file a motion, and that parties be permitted to submit briefs and supporting affidavits, before the Director decides the issues listed in the SWC Notice.

The SWC Notice asked that the Director set a "status conference" to address five issues listed in the SWC Notice. Accordingly, the Director scheduled a "status conference." The designation of the August 5 meeting as a status conference is significant because status conferences are not typically used to make decisions on the merits of a case; they are used to address procedural matters and stipulations of the parties in accordance with rules 510 and 511 of the Department's rules of procedure. Decisions on contested matters are typically made after the filing of briefs, affidavits, and a hearing in accordance with rules 550-562.

Since the August 5 meeting was designated a status conference, IGWA did not anticipate that the Director would take formal argument and issue a decision on the issues listed in the SWC Notice. However, the Director solicited oral argument at the status conference and stated that he intended to issue a written decision in 2-3 weeks.

For the Director to decide the issues listed in the SWC Notice, the SWC Notice must be treated as a "motion" under the rules of procedure. Rule 220 defines "motion" as "a request to the agency to take an action in a contested case." (IDAPA 37.01.01.220.) The SWC Notice does not qualify as a motion because it does not contain the information required by rule 300.02, which requires the moving party to fully state "the facts upon which it is based" and "the relief sought," among other things. (IDAPA 37.01.01.220.) The SWC did not submit affidavits setting forth facts in support of the SWC Notice, nor does the SWC Notice state the relief sought; it simply asks the Director to "address" the issues listed. Since the SWC Notice does not qualify as a motion under rule 220, the director cannot take action on the issues listed in the SWC Notice.

Even if the SWC Notice qualified as a motion, the Director cannot issue a decision without following the procedures required by rule 220.02, including the filing of briefs and supporting affidavits by the SWC, the filing of briefs and supporting affidavits by responding parties, the filing of a reply brief by the SWC, and oral argument if requested. In this case, no supporting brief or affidavit was filed by the SWC, the status conference was held prior to the deadline set forth in the rules for filing responsive briefs and affidavits, and no party was advised that the

Director intended to take action on the SWC Notice.

Therefore, IGWA respectfully requests that the Director decline to take action on the issues listed in the SWC Notice for failure to comply with applicable rules of procedure.

If the Director elects to take action without requiring a motion, briefs, and affidavits, the Director should consider the information provided below.

B. Compliance with section 3.a of the Settlement Agreement must be measured on a five-year rolling average based on the plain language of the Agreement.

The SWC Notice asks whether IGWA's conservation obligation under section 3.a of the Settlement Agreement is measured annually or on an average. (SWC Notice, p. 4.) Section 3.a.i reads: "Total ground water diversion shall be reduced by 240,000 ac-ft annually." It does not state how the reduction (commonly referred to as "conservation") is to be measured.

There is no dispute that section 3.a.i of the Agreement contemplates 240,000 acre-feet of groundwater conservation "annually." The question is how to measure annual conservation. IGWA and the SWC have presented two different methods by which compliance with section 3.a could be measured. IGWA contends that compliance should be determined on a five-year rolling average. The SWC contends that compliance should be measured by taking average groundwater diversions from 2010-2014, reducing the average by 240,000 acre-feet, and treating the reduced average as a fixed diversion cap.

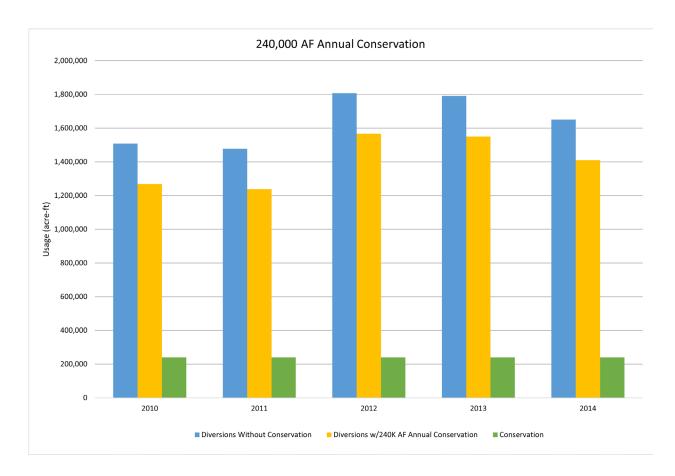
When interpreting a contract, it must be read "as a whole, not by an isolated phrase." *McFarland v. Liberty Ins. Corp.*, 164 Idaho 611, 618 (2019) (quoting *Cascade Auto Glass, Inc. v. Idaho Farm Bureau Ins. Co.*, 141 Idaho 660, 663 (2005)). "Although reading a term or provision in isolation can create an ambiguity, reading the [contract] as a whole can remove the ambiguity by rendering one of the possible interpretations unreasonable." *Id.*

As explained below, use of a five-year average as proposed by IGWA is grounded in the plain language of the Agreement. The SWC's fixed cap proposal is not, and it leads to a result that contradicts the plain language of the Agreement.

Looking backward, we know how much groundwater would have been pumped if 240,000 acre-feet were conserved annually in the years leading up the Agreement, because we know how much groundwater was diverted during those years without conservation. The following chart shows actual diversions from 2010-2014 versus diversions that would have occurred with 240,000 acre-feet of conservation annually:²

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² Diversion volumes exclude usage from 192 wells in Madison Ground Water District and Henry's Fork Ground Water District that were not under measurement orders during the 2010-2014 time period. To account for null values within the WMIS database, an averaging factor was applied. Adjustments were made to some diversions to correct errors, as identified in IGWA's annual performance reports submitted to the SWC and IDWR.

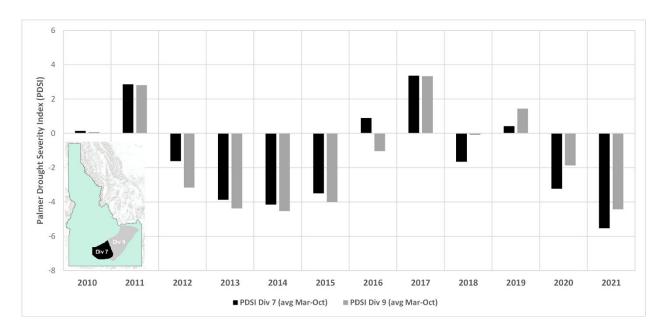


The above chart shows that groundwater diversions fluctuate considerably based on climatic conditions. When the Agreement was signed in 2015, the parties could not foretell how much snow, rain, wind, and heat would occur in future years, and they knew that groundwater diversions would continue to fluctuate post-Agreement. Had groundwater users opted to achieve groundwater conservation solely by drying up farmland, groundwater diversions post-Agreement would continue to follow a pattern similar to what is shown by the yellow bars in the chart.

As expected, climatic conditions have varied considerably since the Settlement Agreement was signed in 2015, as shown by the Palmer Drought Severity Index for the Eastern Snake River Plain:³

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³ The Palmer Drought Severity Index (PDSI; Palmer, 1965) is a common measure of agricultural water supply conditions and is prominently used for drought monitoring. The PDSI incorporates current and precedent hydrologic components including precipitation, temperature, potential evaporative demand, and water-holding capacity of soils to determine the cumulative departure in the surface water balance. Negative values of the PDSI reflect drier-than-normal conditions and positive values reflect wetter-than-normal conditions. A value of -2.0 or lower is considered moderate drought, -3.0 and lower is considered severe drought, and values lower than -4.0 are considered extreme drought. The National Oceanic and Atmospheric Administration (NOAA) divides the lower 48 states into 344 divisions for the calculation of the PDSI. Climate Divisions 7 and 9 cover the Eastern Snake River Plain.

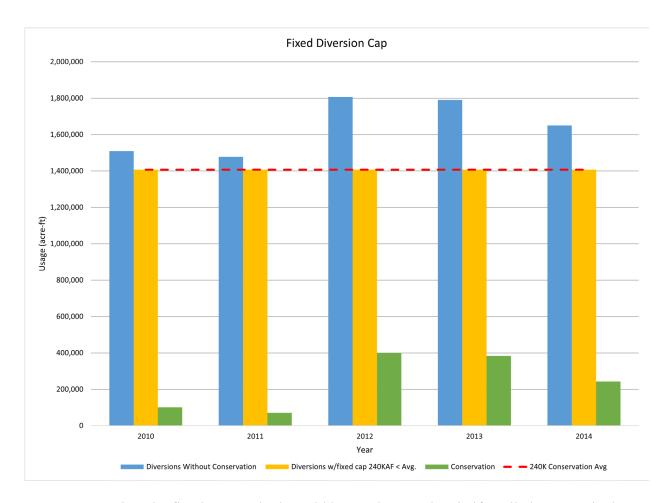


When the Settlement Agreement was signed in 2015, neither IGWA nor the SWC could foresee what climatic conditions would occur in future years. And it is impossible to measure groundwater conservation prospectively by comparing diversions both with and without taking conservation actions, because farmers cannot farm the same land in the same year both with and without conservation actions. An alternative method of measuring compliance is necessary.

The SWC has proposed that compliance be measured by using average diversions from 2010-2014 time period to establish a fixed diversion cap that is 240,000 acre-feet less than the average. While such a method is possible, it is incompatible with the plain language of the Agreement in two important respects.

First, the Agreement does not state in any way, shape, or form that average diversions from 2010-2014 would be utilized to impose a fixed diversion cap. Had that been the intent of the parties, section 3.a of the Agreement should say something like: "Total ground water diversions shall be reduced by 240,000 acre-feet annually from average diversions during the time period 2010-2014." Instead, it states simply: "Total ground water diversions shall be reduced by 240,000 acre-feet annually."

Second, imposing a fixed diversion cap contradicts the expectation that 240,000 acre-feet of conservation occur "annually." The fixed cap method proposed by the SWC would require IGWA to conserve far more than 240,000 acre-feet in some years and far less than 240,000 acre-feet in other years. To illustrate, had the SWC's method been imposed from 2010-2014, only 71,033 acre-feet of conservation would have been required to comply with the Agreement in year 2011, whereas 400,125 acre-feet of conservation would have been required in year 2012 to comply with the Agreement, as shown in the table below. This is incompatible with the plain language requiring 240,000 acre-feet of conservation "annually."



In practice, the fixed cap method would be much more drastic if applied prospectively because it would force groundwater irrigators to make planting decisions every year based on the hottest and driest summer possible. When farmers make planting decisions in the spring, they have no idea how much rain will fall, how much wind will blow, and what air temperatures will be in May, June, July, or August. If they are required to assume the worst-case scenario every year, they will be forced to conserve far more than 240,00 acre-feet most years in order to squeak by with 240,000 acre-feet of conservation on the driest and hottest of years. This is not what they agreed to. They agreed to conserve their proportionate share of 240,000 acre-feet "annually."

IGWA's proposed method for measuring compliance more accurately reflects annual

conservation and is grounded in the plain language of the Agreement. IGWA proposes that conservation be measured by comparing pre-Agreement diversions with post-Agreement

conditions, the comparison must occur over a multi-year period to be reliable.

IGWA utilized average diversions during the five-year period immediately preceding the Agreement (2010-2014) to define the baseline against which post-Agreement conservation will been measured because the Agreement calls for compliance to be measured on a five-year average. The purpose of conserving 240,000 acre-feet under section 3.a is to "reverse the trend of declining ground water levels and return ground water levels to a level equal to the average of the aquifer levels from 1991-2001" as set forth in section 3.e.i. The Agreement provides that compliance with the groundwater level goal will be measured on "a five-year rolling average." Because the groundwater level goal and groundwater conservation are interlinked, compliance

diversions. Since groundwater diversions naturally fluctuate from year-to-year based on climatic

with the conservation obligation must be congruently measured on a five-year average. This is the only method of compliance that is grounded in the plain language of the Agreement.

Therefore, if the Director elects to decide whether IGWA is in compliance with section 3.a of the Agreement without requiring a motion from the SWC or briefs or affidavits from the parties, IGWA respectfully requests that he determine that compliance be measured on a five-year rolling average in accordance with the plain language of the Agreement. Based on a five-year average, each ground water district is currently in compliance as shown in the table below:

MITIGATION BALANCE (2021)

5-Year Average	
American Falls-Aberdeen	27,449
Bingham	9,506
Bonneville-Jefferson	11,342
Carey	2,747
Jefferson-Clark	22,299
Henry's Fork / Madison	41,469

Magic Valley North Snake

C. If the Director determines that the plain language does not provide for a fiveyear rolling average, then the Agreement is ambiguous and parole evidence must be introduced to determine the intent of the parties.

11,485

15,525

As stated above, the compliance method proposed by the SWC is nowhere to be found in the plain language of the Agreement. If the Director determines that a five-year rolling average is also not grounded in the plain language of the Agreement, then the Agreement is ambiguous as to how compliance is determined.

A contract is ambiguous if, after reading the agreement as a whole, there are "two different reasonable interpretations of the term." *Swanson v. Beco Const. Co.*, 145 Idaho 59, 62 (2007). Ambiguity may be patent or latent. *Id.* "Idaho courts look solely to the face of a written agreement to determine whether it is patently ambiguous." *Id.* (quoting *Ward v. Puregro Co.*, 128 Idaho 366, 369 (1996)). "A latent ambiguity is not evident on the face of the instrument alone, but becomes apparent when applying the instrument to the facts as they exist." *Id.* (quoting *In re Estate of Kirk*, 127 Idaho 817, 824 (1995)).

The parties have presented two different methods by which compliance with section 3.a may be determined. If the Director finds that the Agreement prescribes neither method, then IGWA and the SWC must be given an opportunity to introduce parol evidence to demonstrate the parties' intent at the time the Agreement was entered into. *Simons v. Simons*, 134 Idaho 824, 828 (2000). IGWA will present evidence to show that, in addition to being consistent with the plain language of the Agreement, (a) individual IGWA members understood from the beginning that compliance would be based on an average, (b) the SWC acknowledged explicitly that compliance would be based on an average, (c) IGWA has provided far more than 240,000 acrefeet of conservation most years (compared to the baseline) with the expectation that the excess would carry forward via averaging, (d) a five-year average is used to measure compliance with diversion restrictions in critical ground water areas in the Oakley Valley, and (e) a five-year

average is used to measure compliance under the Cities' Settlement Agreement. The SWC acknowledged explicitly that compliance would be based on an average in the Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order filed March 9, 2016, which includes a proposed order stating that compliance with the 240,000 acre-feet obligation will be "based on a 3-year rolling average." The Director did not incorporate this into his order approving the mitigation plan, and IGWA ultimately implemented a five-year average based on the plain language of the Agreement and IGWA's determination that a five-year average more reliably reflects historic pumping levels than a three-year average. Had IGWA utilized a three-year average, the baseline would have been significantly higher; thus, the five-year average has benefitted the SWC by defining a lower baseline from which conservation is measured. Most importantly, the proposed order demonstrates that the parties contemplated from the beginning that compliance with section 3.a would be based on an average and not on the fixed cap method proposed by the SWC.

If parol evidence clarifies the intent of the parties, then the Director must construe the Agreement in accordance with that intent. *Id.* If parol evidence demonstrates that the parties did not reach agreement on a material term, then the Agreement is voidable: "where a contract is too vague, indefinite, and uncertain as to its essential terms, and not merely ambiguous, there has been no 'meeting of the minds' which is necessary for contract formation and courts will 'leave the parties as they found them." *Silicon Int'l Ore, LLC v. Monsanto Co.*, 155 Idaho 538, 551 (2013) (quoting *Griffith v. Clear Lakes Trout Co.*, 143 Idaho 733, 737 (2007)); *Brunobuilt, Inc. v. Strata, Inc.*, 166 Idaho 208, 217-18 (2020) (citation omitted). Parol evidence may also demonstrate that the Agreement is unenforceable because it is "a mere agreement to agree." *Id.* (quoting *Spokane Structures, Inc. v. Equitable Inv., LLC*, 148 Idaho 616, 621 (2010)).

Therefore, if the Director elects to take action without a motion, briefs, and affidavits, and if the Director determines that a five-year average is not called for by the plain language of the Agreement, he must solicit parol evidence to determine the intent of the parties before determining whether a breach has occurred.

D. If the Director determines that a breach occurs, the breaching party must be given 90 days to cure the breach.

At the August 5 status conference, the Director questioned whether he has authority to undertake curtailment if he finds that a breach occurred. Under section 2.c.iii of the Second Addendum to Settlement Agreement, if a breach occurs "the Steering Committee shall give ninety (90) days written notice of the breach to the breaching party specifying the actions that must be taken to cure such breach." In this instance, the Steering Committee reached an impasse as to whether a breach occurred, and no 90-day notice has been given. If the Director determines that a breach occurred, the matter must be remanded to the Steering Committee to determine what actions must be taken to cure the breach and then give the breaching party 90 days written notice to cure the breach. If the Director does not remand the matter to the Steering Committee, the Director must give 90 days written notice to the breaching party specifying actions that must be taken to cure the breach. One way or another, the Settlement Agreement entitles the breaching parties to 90 days notice and an opportunity to cure. The Director is not in a position to undertake curtailment until that happens.

It bears mentioning that an attempt to implement immediate curtailment would be catastrophic because the Department would be attempting to curtail groundwater irrigators who are almost all in compliance with the mitigation programs implemented by their respective

ground water district. The reason why IGWA pumped considerably more water in 2021 than in prior years is not because individual patrons refused to comply with their district's mitigation program; it is because every district's program includes averaging, and most patrons had accrued excess conservation in prior years that they were able to draw against in 2021.

The Settlement Agreement is unique because it requires groundwater conservation to occur long-term, both wet years and dry years, by all groundwater users (to differing degrees depending on priority), with each district implementing its own mitigation program tailored to the needs of its particular geographic area and membership. Simply reporting non-compliance to the Department curtailment would result in the wrong users being curtailed in many instances. This is why the Settlement Agreement requires a notice of breach and an opportunity to cure.

DATED this 12th day of August, 2022.

RACINE OLSON, PLLP

Thomas J. Budge

Attorneys for Idaho Ground Water Appropriators, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of August, 2022, I served the foregoing document on the persons below via email:

Thomas J. Budge

Idaho Department of Water Resources	file@idwr.idaho.gov
John K. Simpson Travis L. Thompson Michael A. Short BARKER ROSHOLT & SIMPSON, LLP P. 0. Box 63 Twin Falls, ID 83303-0063	jks@idahowaters.com tlt@idahowaters.com nls@idahowaters.com mas@idahowaters.com
W. Kent Fletcher FLETCHER LAW OFFICE P.O. Box 248 Burley, ID 83318	wkf@pmt.org
Kathleen Marion Carr US DEPT. INTERIOR 960 Broadway Ste 400 Boise, ID 83706	kathleenmarion.carr@sol.doi.gov
David W. Gehlert Natural Resources Section Environment and Natural Resources Division U.S. DEPARTMENT OF JUSTICE 999 18th St., South Terrace, Suite 370 Denver, CO 80202	david.gehlert@usdoj.gov
Matt Howard US BUREAU OF RECLAMATION 1150 N Curtis Road Boise, ID 83706-1234	mhoward@usbr.gov
Sarah A Klahn SOMACH SIMMONS & DUNN 2033 11th Street, Ste 5 Boulder, Co 80302	sklahn@somachlaw.com dthompson@somachlaw.com
Rich Diehl	rdiehl@pocatello.us

City of Pocatello P.O. Box 4169 Pocatello, ID 83205	
Candice McHugh Chris Bromley MCHUGH BROMLEY, PLLC 380 South 4th Street, Suite 103 Boise, ID 83 702	cbromley@mchughbromley.com cmchugh@mchughbromley.com
Robert E. Williams WILLIAMS, MESERVY, & LOTHSPEICH, LLP P.O. Box 168 Jerome, ID 83338	rewilliams@wmlattys.com
Robert L. Harris HOLDEN, KIDWELL, HAHN & CRAPO, PLLC P.O. Box 50130 Idaho Falls, ID 83405	rharris@holdenlegal.com
Randall D. Fife CITY ATTORNEY, CITY OF IDAHO FALLS P.O. Box 50220 Idaho Falls, ID 83405	rfife@idahofallsidaho.gov
Corey Skinner IDWR-SOUTHERN REGION 1341 Fillmore St., Ste. 200 Twin Falls, ID 83301-3033	corey.skinner@idwr.idaho.gov
Tony Olenichak IDWR-EASTERN REGION 900 N. Skyline Drive, Ste. A Idaho Falls, ID 83402	Tony.Olenichak@idwr.idaho.gov
William A. Parsons PARSONS SMITH & STONE P.O. Box 910 Burley, ID 83318	wparsons@pmt.org

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

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

Docket No. CM-MP-2016-001

NOTICE OF INTENT TO TAKE OFFICIAL NOTICE OF IGWA'S 2021 SETTLEMENT AGREEMENT PERFORMANCE REPORT AND SUPPORTING SPREADSHEET

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

On August 5, 2022, the Director of the Idaho Department of Water Resources ("Department") held a status conference in response to a request by the Surface Water Coalition ("SWC"). During the conference, counsel for the SWC and the Idaho Ground Water Appropriators, Inc. ("IGWA") presented argument as to whether IGWA is in breach of a settlement agreement between the SWC and IGWA that serves as an approved mitigation plan in the SWC's delivery call. The SWC's allegations of breach are based on IGWA's 2021 Settlement Agreement Performance Report and supporting information contained in an electronic spreadsheet attached to the report. Although the SWC, IGWA, Director, and Department have copies of the report and spreadsheet, those documents are not in the agency record for this proceeding currently.

Rule 602 allows the Director to take official notice "of any facts that could be judicially noticed in the courts of Idaho and of generally recognized technical or scientific facts within the agency's specialized knowledge" IDAPA 37.01.01.602. Further, the Director "shall notify the parties of specific facts or material noticed and the source of the material noticed." *Id*. The notice must be provided "before the issuance of any order based in whole or in part on facts or material officially noticed." *Id*.

The Director hereby notifies the parties that he intends to take official notice of the facts and data in IGWA's 2021 Settlement Agreement Performance Report dated April 1, 2021, and the supporting spreadsheet attached to that report.

Concurrent with this notice, copies of those documents shall be posted to the Department's docket for this proceeding. Pursuant to Rule 602, any party may file a written objection "to contest and rebut the facts or material to be officially noticed" on or before August 25, 2022. IDAPA 37.01.602.

NOTICE OF INTENT TO TAKE OFFICIAL NOTICE—Page 1

Dated this <u>18th</u> day of August 2022.

Gary Spackman

Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 18th day of August 2022, the above and foregoing was served by the method indicated below and addressed to the following:

John K. Simpson Travis L. Thompson BARKER ROSHOLT & SIMPSON, LLP P. O. Box 63 Twin Falls, ID 83303-0063 jks@idahowaters.com tlt@idahowaters.com nls@idahowaters.com jf@idahowaters.com	☑ U.S. Mail, postage prepaid☑ Email
W. Kent Fletcher FLETCHER LAW OFFICE P.O. Box 248 Burley, ID 83318 wkf@pmt.org	☑ U.S. Mail, postage prepaid☑ Email
Randall C. Budge Thomas J. Budge RACINE OLSON P.O. Box 1391 Pocatello, ID 83204-1391 randy@racineolson.com tj@racineolson.com	☑ U.S. Mail, postage prepaid☑ Email
Kathleen Marion Carr US Dept. Interior 960 Broadway Ste 400 Boise, ID 83706 kathleenmarion.carr@sol.doi.gov	☑ U.S. Mail, postage prepaid☑ Email
David W. Gehlert Natural Resources Section Environment and Natural Resources Division U.S. Department of Justice 999 18 th St., South Terrace, Suite 370 Denver, CO 80202 david.gehlert@usdoj.gov	☑ U.S. Mail, postage prepaid☑ Email
Matt Howard US Bureau of Reclamation 1150 N Curtis Road Boise, ID 83706-1234 mhoward@usbr.gov	☑ U.S. Mail, postage prepaid☑ Email
Sarah A Klahn SOMACH SIMMONS & DUNN 2033 11th Street, Ste 5 Boulder, CO 80302 sklahn@somachlaw.com dthompson@somachlaw.com	☑ U.S. Mail, postage prepaid☑ Email

NOTICE OF INTENT TO TAKE OFFICIAL NOTICE—Page 3

	Γ
Rich Diehl City of Pocatello P.O. Box 4169 Pocatello, ID 83205 rdiehl@pocatello.us	☑ U.S. Mail, postage prepaid☑ Email
Candice McHugh Chris Bromley MCHUGH BROMLEY, PLLC 380 South 4 th Street, Suite 103 Boise, ID 83702 cbromley@mchughbromley.com cmchugh@mchughbromley.com	☑ U.S. Mail, postage prepaid☑ Email
Robert E. Williams WILLIAMS, MESERVY, & LOTHSPEICH, LLP P.O. Box 168 Jerome, ID 83338 rewilliams@wmlattys.com	☑ U.S. Mail, postage prepaid☑ Email
Robert L. Harris HOLDEN, KIDWELL, HAHN & CRAPO, PLLC P.O. Box 50130 Idaho Falls, ID 83405 rharris@holdenlegal.com	☑ U.S. Mail, postage prepaid☑ Email
Randall D. Fife City Attorney, City of Idaho Falls P.O. Box 50220 Idaho Falls, ID 83405 rfife@idahofallsidaho.gov	☑ U.S. Mail, postage prepaid☑ Email
Tony Olenichak IDWR—Eastern Region 900 N. Skyline Drive, Ste. A Idaho Falls, ID 83402 tony.olenichak@idwr.idaho.gov	⊠ Email
Corey Skinner IDWR—Southern Region 1341 Fillmore St., Ste. 200 Twin Falls, ID 83301-3033 corey.skinner@idwr.idaho.gov	⊠ Email
COURTESY COPY TO: William A. Parsons PARSONS SMITH & STONE P.O. Box 910 Burley, ID 83318 wparsons@pmt.org	⊠ Email

Sarah Tschohl Legal Assistant

NOTICE OF INTENT TO TAKE OFFICIAL NOTICE—Page 4

Thomas J. Budge (ISB# 7465) RACINE OLSON, PLLP 201 E. Center St. / P.O. Box 1391 Pocatello, Idaho 83204 (208) 232-6101 – phone (208) 232-6109 – fax tj@racineolson.com

Attorneys for Idaho Ground Water Appropriators, Inc. (IGWA)

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES

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

IN THE MATTER OF IGWA'S SETTLE-MENT AGREEMENT MITIGATION PLAN Docket No. CM-MP-2016-001

IGWA's Objection to Notice of Intent to Take Official Notice of IGWA's 2021 Settlement Agreement Performance Report and Supporting Spreadsheet; and Request for Hearing

Idaho Ground Water Appropriators, Inc. ("IGWA")¹ hereby objects to the *Notice of Intent to Take Official Notice of IGWA's 2021 Settlement Agreement Performance Report and Supporting Spreadsheet* ("Notice") issued August 18, 2022, in the above-captioned matter. As explained below, the Director cannot lawfully take official notice of IGWA's 2021 performance report² without granting a hearing and allowing IGWA to present evidence concerning the report and any action the Director may take in reliance thereon. For the Director to selectively take official notice of certain facts, while precluding the parties from presenting their own evidence to counter or rebut such facts, would violate the constitutional right to due process, the Idaho Administrative Procedures Act, and the rules of procedure of the Department, as explained below.

¹ IGWA is an umbrella organization that represents the common interests of the nine ground water districts who are parties to the IGWA-SWC Settlement Agreement: North Snake Ground Water District, Carey Valley Ground Water District, Magic Valley Ground Water District, American Falls-Aberdeen Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Jefferson-Clark Ground Water District, Henry's Fork Ground Water District, and Madison Ground Water District.

² References to "IGWA's 2021 performance report" include the supporting spreadsheet.

Therefore, IGWA requests that the Director state the purpose for which he intends to take official notice of IGWA's 2021 performance report and hold an evidentiary hearing before taking any action in reliance thereon.

Introduction

The Notice states that it is issued in response to a request by the Surface Water Coalition ("SWC") to address an alleged breach of the IGWA-SWC Settlement Agreement. As explained in IGWA's Supplemental Response to Surface Water Coalition's Notice of Steering Committee Impasse ("IGWA's Supplemental Response") filed August 12, 2018, in this matter, the Director cannot lawfully take action on the SWC request unless and until the SWC files a motion that complies with the rules of procedure of the Department, and the parties are given an opportunity to submit evidence and file briefs in accordance with the rules. (IGWA's Response, p. 2-3.) IGWA's Supplemental Response also explains that if the Director intends to look outside the four corners of the Agreement to interpret its meaning, Idaho law requires the Director to consider parol evidence to determine the intent of the parties at the time the Agreement was entered. Id. at 7-8.

The Notice does not request a motion from the SWC, nor set a hearing, nor otherwise invite evidence from the parties. From this, IGWA infers that the Director intends to take action on the issues listed in the SWC's Notice of Steering Committee Impasse / Request for Hearing without first holding a hearing to develop an evidentiary record. Should the Director take action to interpret the Agreement and determine whether a breach occurred, without allowing IGWA to present evidence concerning the issues, it would be an egregious violation of due process, in utter disregard of the Idaho Administrative Procedures Act and Department rules of procedure of the. Such reckless disregard of the law would necessitate an immediate appeal and request for stay, and would entitle IGWA to bring a cause of action against the Director under 42 U.S. Code section 1983 for deprivation of the civil rights of IGWA and its member districts, and a claim for attorney fees and costs under Idaho Code § 12-117 for acting without a reasonable basis in law or fact.

Argument

A. Due Process entitles IGWA to a hearing and opportunity to present evidence.

A fundamental right afforded by the United Stated Constitution is that "No state ... shall deprive any person of life, liberty, or property without due process of law." U.S. Const., Amend. 14 §1; Idaho Const. art. I, § 13. Under Idaho law, "individual water rights are real property rights which must be afforded the protection of due process of law before they may be taken by the state." *Nettleton v. Higginson*, 98 Idaho 87, 90 (1977). Due process applies to water right administration by the Department. *Clear Springs Foods, Inc. v. Spackman*, 150 Idaho 790, 815-16 (2011).

Due process entitles property owners to "an opportunity for a hearing before he is deprived of any significant property interest." *Fuentes v. Shevin*, 407 U.S. 67, 82 (1972). The United States Supreme Court has explained why a hearing is required:

The constitutional right to be heard is a basic aspect of the duty of government to follow a fair process of decision making when it acts to deprive a person of his possessions. The purpose of this requirement is not only to ensure abstract fair play to the individual. Its purpose, more particularly, is to protect his use and possession

of property from arbitrary encroachment—to minimize substantively unfair or mistaken deprivations of property, a danger that is especially great when the State seizes goods simply upon application of and for the benefit of a private party.

Id. at 80-81. The hearing requirement "is not intended to promote efficiency or accommodate all possible interests: it is intended to protect the particular interests of the person whose possessions are about to be taken." *Id.* at 90, fn 22.

Importantly, the opportunity for a hearing must be granted "before he is deprived of any significant property interest, except for extraordinary situations when some valid governmental interest is at stake that justifies postponing the hearing until after the event." *Id.* at 81 (quoting *Boddie v. Connecticut*, 401 U.S. 371, 378-79 (1971) (emphasis in original)). The bar is high for depriving a property interest before holding a hearing. It is allowed only in "extraordinary" situations, after taking into account

the importance of the private interest at stake, the risk of an erroneous deprivation of rights given the processes at hand, the probable value, if any, of additional or substitute procedural safeguards and the government's interest and including the function involved and the fiscal and administrative burdens that the additional and substitute procedural requirements would entail.

LU Ranching Co. v. U.S. (In re Snake River Basin Adjudication Case No. 6), 138 Idaho 606, 608 (2003) (citing Mathews v. Eldridge, 424 U.S. 319, 335 (1976) (internal quotations omitted). Even if extraordinary situations warrant an immediate deprivation of property, a hearing still "must be granted at a meaningful time and in a meaningful manner." *Id.* at 80 (quoting Armstrong v. Manzo, 380 U.S. 545, 552 (1965)).

In *Nettleton v Higginson*, the owner of a surface water right (Nettleton) argued that he is entitled to a hearing before his water right is curtailed. 98 Idaho 87 (1977). The court rejected that argument on the basis that Nettleton had not been deprived of a "significant property interest" since his water right was merely a claimed "constitutional use" right which had not been proven or decreed. *Id.* The court stated in dicta that administration of surface water rights by a watermaster under Idaho Code § 42-607 may constitute "extraordinary situations when postponement of notice and a hearing is justified," but confined that reasoning to "the present case." *Id.* at 92.

The Idaho Supreme Court has acknowledged important differences between the administration of surface water rights and ground water rights. In *American Falls Reservoir Dist. No. 2 vs. Idaho Dept. of Water Resources* ("*AFRD2*"), the Court reversed the district court's conclusion that "when a junior diverts or withdraws water in times of water shortage, it is presumed there is injury to a senior," reasoning that the conclusion was based on precedent in *Moe v. Harger*, 10 Idaho 302 (1904), which was "a case dealing with competing surface water rights and this case involves interconnected ground and surface water rights." 143 Idaho 862, 877 (2007). "The issues presented," the Court explained, "are simply not the same." *Id.*

These differences compelled the Idaho legislature to adopt an entirely new section of code (the Ground Water Act) to address the special needs of groundwater administration. Unlike surface water administration under Idaho Code section 42-607, which involves rote regulation by a water-master, administration under the Ground Water Act originally required that delivery calls be made in writing, under oath, stating "the facts upon which the claimant founds his belief that the use of his right is being adversely affected." Idaho Code § 42-237b (repealed). If the Director found that the call meets the minimum statutory requirements, he "shall issue a notice setting the matter for

hearing before a local ground water board." *Id.* Only after a hearing is held would a curtailment decision be made. Idaho Code § 42-237c (repealed). This process was followed in a delivery call by surface users against groundwater users in *Stevenson v. Steele*, 93 Idaho 4 (1969). The call was made at the beginning of the irrigation season, and the hearing was not completed until October. The decision was then appealed to the district court, followed by an appeal to the Idaho Supreme Court. The Supreme Court decision gives no indication that curtailment could have been warranted before the hearing was held.

The Court had much earlier emphasized the importance of fully examining all evidence before ordering curtailment of groundwater use. In *Jones v. Vanausdeln*, the Court refused to curtail groundwater pumping for lack of clear evidence that the senior was injured, explaining that "very convincing proof of the interference of one well with the flow of another should be adduced before a court of equity would be justified in restraining its proprietors from operating it on that ground." 28 Idaho 743, 749 (1916).

More recently, the Court reaffirmed that when it comes to curtailing groundwater rights, "<u>It</u> is vastly more important that the Director have the necessary pertinent information and the time to make a reasoned decision based on the available facts." *AFRD2* 143 Idaho at 875 (emphasis added).

More recently still, in Clear Springs Foods delivery call case the Court held that "the Director abused his discretion by issuing the curtailment orders without prior notice to those affected and an opportunity for a hearing." *Clear Springs Foods, Inc. v. Spackman*, 150 Idaho 790, 815 (2011). The Court explained that a hearing must be held prior to ordering curtailment because "groundwater pumping did not cause a sudden loss of water discharge from the springs," and "[c]urtailment would not quickly restore the spring flows." *Id*.

In this case, there is no "extraordinary circumstance" that requires the director to interpret the IGWA-SWC Settlement Agreement without first holding a hearing and taking evidence from the parties. This situation does not involve priority administration by a watermaster under Idaho Code section 42-607; it involves a dispute over interpretation of a contract. Even when a breach occurs under the Agreement, the parties have agreed that immediate curtailment is unnecessary; rather, the Agreement establishes a steering committee which is vested with responsibility to identify actions to cure the breach, after which the breaching party must be given 90 days' notice to implement the curative actions. Even after the Steering Committee reached an impasse, the SWC did not file a motion requesting curtailment; it asked only for a status conference, illustrating that the circumstances do require that the Director interpret the Agreement or take action to enforce the Agreement before holding a hearing.

The present circumstance illustrates why IGWA and the SWC formed a steering committee to identify curative actions, rather than simply turn a breaching party over to the Department for curtailment. First and foremost, the parties to the Agreement are ground water districts, yet curtailment would be imposed upon individual farmers within those districts, almost all of whom are in compliance with their district's mitigation program. If the Director orders blanket curtailment of all members of a particular district, the result would curtailment of water users who individually are in compliance with their responsibilities under the Agreement, resulting in a government taking of private property without due process or just compensation. This is a major reason why a steering committee was formed to determine appropriate actions that must be taken to cure a breach.

In addition, curtailment by the Department would be ineffective during years when there is no curtailment date under the Methodology Order, and curtailment would not be pragmatic at other times, including the present circumstance. If the Director were to order curtailment now, with only a few weeks left in the irrigation season, the consequences would be drastic (killed crops, breached contracts, loan defaults, etc.). This would not only hurt IGWA members, it would also hurt members of the SWC whose dairies and other businesses rely on commodities grown by IGWA members. By contrast, curtailment would accrue only a small amount of additional water to SWC storage accounts for use next year, which could be negated by above-average winter snowfall.

There is no reason why a hearing cannot be held before the Director undertakes to interpret or enforce the Agreement. Even if evidence presented at a hearing demonstrated that curtailment was justified sooner, impacts from continued pumping for the remainder of the 2022 irrigation season could be remedied by requiring ground water districts to deliver rented storage to the SWC or suffer additional diversion restrictions during the 2023 irrigation season.

B. The Idaho Administrative Procedures Act also entitles IGWA to a hearing and opportunity to present evidence.

To ensure that Idaho agencies provide due process, the Idaho Administrative Procedures Act ("APA") states that any agency proceeding "which may result in the issuance of an order is a contested case" (Idaho Code § 67-5240), that a contested case may be disposed of informally only "by negotiation, stipulation, agreed settlement, or consent order" (Idaho Code § 67-5240); that formal disposition of a contested case requires a hearing "to assure that there is a full disclosure of all relevant facts and issues, including such cross-examination as may be necessary" (Idaho Code § 67-5242(3)(a)); and that all parties shall have "the opportunity to respond and present evidence and argument on all issues involved" (Idaho Code § 67-5242(3)(b)).

The APA allows state agencies to take action without a hearing, but only "in a situation involving an immediate danger to the public health, safety, or welfare requiring immediate government action." Idaho Code § 67-5247(1). Even then, the agency must "proceed as quickly as feasible to complete any proceedings that could be required." Idaho Code § 67-5247(4).

In this case, immediate curtailment is not necessary to avoid immediate danger to public health, safety, or welfare, as explained above. Therefore, the APA requires that a hearing be held, and that IGWA and the SWC be permitted to present evidence, before the Director can undertake to interpret or enforce the Agreement.

C. Department rules of procedure also entitle IGWA to a hearing and opportunity to present evidence.

In keeping with due process and the APA, the rules of procedure of the Department require the Department to "base its decision in a contested case on the official record in the case," and to "maintain an official record including the items described in section 67-5249, Idaho Code" (Rule 650.01), to hold a hearing (Rules 550-553) where testimony is received under oath (Rule 558), and to take evidence "to assist the parties' development of a record, not excluded to frustrate that development" (Rule 600).

Rule 602 allows the Director to take official notice of certain documents, but this must occur within the context of a contested case hearing. The rules neither contemplate nor allow the Director to selectively take judicial notice of hand-picked facts while depriving the parties of the opportunity to present evidence. Rule 602 specifically requires that "[p]arties must be given an opportunity to contest and rebut the facts or material officially noticed."

Moreover, Rule 602 does not authorize the Director to take official notice of just any fact, but "of generally recognized technical or scientific data or facts within the agency's specialized knowledge and records of the agency." Rule 602. IGWA's 2021 performance report was created by IGWA and is within the specialize knowledge of IGWA and its consultants. It was not created by Department staff and is not within the specialized knowledge of the Department. While IGWA or the SWC may be able to present it as evidence at a hearing, it does not fall within the category of facts for which the Department may take official notice.

D. If the Director disregards IGWA's constitutional due process rights, it will give rise to a cause of action under 42 U.S.C. § 1983.

Federal law provides that any government actor who deprives the constitutional rights of any citizen of the United States "shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress." 42 U.S.C.A. § 1983. If the Director takes action to interpret or enforce the Agreement without first holding a hearing, such action would entitle IGWA to bring a cause of action against the Director under 42 U.S.C. § 1983 for injunctive or declaratory relief for violation of groundwater users' procedural due process rights and attorney's fees and costs.

E. If the Director disregards IGWA's legal right to present evidence at a hearing before taking action, or disregards Idaho law governing contract interpretation, such action will likely entitle IGWA to recover attorney fees under Idaho Code § 42-117.

Idaho Code § 42-117 entitles the prevailing party in any proceeding involving a state agency as an adverse party to recover attorney's fees and costs if the non-prevailing party "acted without a reasonable basis in fact or law." The Director's legal duty to hold a hearing and take evidence before acting to interpret or enforce the Agreement is unequivocal. It is not a matter of discretion. If the Director ignores that duty, without a reasonable basis in fact or law, IGWA will be entitled to recover attorney fees and costs under Idaho Code § 42-117.

Request for Hearing.

For the reasons set forth above, IGWA hereby requests that the Director refrain from interpreting or enforcing the Agreement without first holding a hearing and allowing IGWA and the SWC to present evidence concerning the matter.

DATED August 23, 2022.

RACINE OLSON, PLLP

By: Thomas J. Budge

Attorneys for IGWA

CERTIFICATE OF SERVICE

I hereby certify that on this 23^{rd} day of August, 2022, I served the foregoing document on the persons below via email or as otherwise indicated:

Thomas J. Budge

Idaho Department of Water Resources Gary Spackman, Director Garrick Baxter, Deputy Attorney General P.O. Box 83720 Boise, Idaho 83720-0098	file@idwr.idaho.gov gary.spackman@idwr.idaho.gov garrick.baxter@idwr.idaho.gov
John K. Simpson Travis L. Thompson Michael A. Short BARKER ROSHOLT & SIMPSON, LLP P. 0. Box 63 Twin Falls, ID 83303-0063	jks@idahowaters.com tlt@idahowaters.com nls@idahowaters.com mas@idahowaters.com
W. Kent Fletcher FLETCHER LAW OFFICE P.O. Box 248 Burley, ID 83318	wkf@pmt.org
Kathleen Marion Carr US Dept. Interior 960 Broadway Ste 400 Boise, ID 83706	kathleenmarion.carr@sol.doi.gov
David W. Gehlert Natural Resources Section Environment and Natural Resources Division U.S. Department of Justice 999 18th St., South Terrace, Suite 370 Denver, CO 80202	david.gehlert@usdoj.gov
Matt Howard US Bureau of Reclamation 1150 N Curtis Road Boise, ID 83706-1234	mhoward@usbr.gov

Sarah A Klahn Somach Simmons & Dunn 2033 11th Street, Ste 5 Boulder, Co 80302	sklahn@somachlaw.com dthompson@somachlaw.com
Rich Diehl City of Pocatello P.O. Box 4169 Pocatello, ID 83205	rdiehl@pocatello.us
Candice McHugh Chris Bromley MCHUGH BROMLEY, PLLC 380 South 4th Street, Suite 103 Boise, ID 83 702	cbromley@mchughbromley.com cmchugh@mchughbromley.com
Robert E. Williams WILLIAMS, MESERVY, & LOTHSPEICH, LLP P.O. Box 168 Jerome, ID 83338	rewilliams@wmlattys.com
Robert L. Harris HOLDEN, KIDWELL, HAHN & CRAPO, PLLC P.O. Box 50130 Idaho Falls, ID 83405	rharris@holdenlegal.com
Randall D. Fife City Attorney, City of Idaho Falls P.O. Box 50220 Idaho Falls, ID 83405	rfife@idahofallsidaho.gov
Corey Skinner IDWR-Southern Region 1341 Fillmore St., Ste. 200 Twin Falls, ID 83301-3033	corey.skinner@idwr.idaho.gov
Tony Olenichak IDWR-Eastern Region 900 N. Skyline Drive, Ste. A Idaho Falls, ID 83402	Tony.Olenichak@idwr.idaho.gov
William A. Parsons PARSONS SMITH & STONE P.O. Box 910 Burley, ID 83318	wparsons@pmt.org

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into effective September 7, 2022, between participating members of Idaho Ground Water Appropriators, Inc.¹ ("IGWA") and participating members of the Surface Water Coalition² ("SWC"). Such participating members may be referred to herein individually as a "party" and collectively as the "parties."

Recitals

- A. On June 30, 2015, IGWA and the SWC entered into the Settlement Agreement Entered Into June 30, 2015, Between Participating Members of the Surface Water Coalition and Participating Members of Idaho Ground Water Appropriators, Inc. ("Settlement Agreement") to resolve the SWC delivery call, IDWR Docket No. CM-DC-2010-001, with respect to certain signatory IGWA members. On October 19, 2015, IGWA and the SWC entered into an Addendum to Settlement Agreement ("First Addendum") to clarify certain terms of the Agreement. On October 7, 2015, IGWA and A&B Irrigation District entered into an Agreement relating to A&B Irrigation District's participation in the Settlement Agreement.
- B. On March 9, 2016, IGWA and the SWC filed with the Idaho Department of Water Resources ("IDWR" or "Department") the *Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order* asking the Department to approve the Agreement, as amended by the First Addendum, as a mitigation plan under rule 43 of the Rules for Conjunctive Management of Surface and Ground Water Resources ("CM Rules"), IDAPA 37.03.11. On May 2, 2016, the Department issued the *Final Order Approving Stipulated Mitigation Plan* approving the Agreement as a mitigation plan under CM Rule 43, IDWR Docket No. CM-MP-2016-001.
- C. On December 14, 2016, IGWA and the SWC entered into a Second Addendum to Settlement Agreement ("Second Addendum") amending the Agreement. On February 7, 2017, IGWA and SWC amended filed an Amended Mitigation Plan and Request for Order asking the Department to approve the Second Addendum as an amendment to the approved mitigation plan, and on May 9, 2017, the Department issued a Final Order Approving Amendment to Stipulated Mitigation Plan.
- D. The Settlement Agreement requires IGWA to conserve a certain amount of groundwater through reduced diversions and/or managed aquifer recharge, among other things. IGWA submitted its 2021 performance report on April 1, 2022. On April 27, 2022, the SWC filed *SWC's Request for Status Conference* ("SWC Notice") with the Department identifying a shortfall in certain IGWA districts' 2021 performance as referenced in the performance report. IGWA disputes the SWC's allegation. The parties' disagreement hinges on (a) the amount of

¹ The participating members of IGWA are North Snake Ground Water District, Carey Valley Ground Water District, Magic Valley Ground Water District, American Falls-Aberdeen Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Jefferson-Clark Ground Water District, Henry's Fork Ground Water District, and Madison Ground Water District.

² The participating members of the SWC are A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company.

groundwater conservation for which IGWA is responsible under the Agreement, and (b) whether averaging may be used to measure compliance with IGWA's conservation obligation.

E. The parties have been advised that the Director of IDWR has prepared an order that interprets the Settlement Agreement and the approved mitigation plan and orders curtailment of certain IGWA members in 2022. The parties desire to reach a settlement such that the Director does not curtail certain IGWA members during the 2022 irrigation season.

Agreement

Therefore, with the above definitions incorporated herein by reference, and in consideration of the mutual agreements set forth below, the parties agree as follows:

- **2021 Remedy.** As a compromise to resolve the parties' dispute over IGWA's compliance with the Settlement Agreement and Mitigation Plan in 2021, and not as an admission of liability, IGWA will collectively provide to the SWC an additional 30,000 acre-feet of storage water in 2023 and an additional 15,000 acre-feet of storage water in 2024 within 10 days after the Date of Allocation of such year. Such amounts will be in addition to the long-term obligations set forth in section 3 of the Settlement Agreement and approved Mitigation Plan. IGWA agrees to take all reasonable steps to lease the quantities of storage water set forth above from non-SWC spaceholders. If IGWA is unable to secure the quantities set forth above from non-SWC spaceholders by April 1 of such year, IGWA will make up the difference by either (a) leasing storage water from the SWC as described in section 2, or (b) undertaking diversion reductions in Power, Bingham, and/or Bonneville Counties at locations that have the most direct benefit to the Blackfoot to Minidoka reach of the Snake River. For example, if by April 1, 2023, IGWA has secured contracts for only 25,000 acre-feet of storage water, IGWA will either (a) lease 5,000 acre-feet of storage from the SWC, or (b) undertake 5,000 acre-feet of diversion reductions. The remedy described in this section shall satisfy IGWA's obligation under the Settlement Agreement for 2021 only.
- 2. Lease of SWC Water. To the extent IGWA is unable to secure the quantities set forth above from non-SWC spaceholders as required by section 1 of this Agreement, the SWC will lease storage water to IGWA as needed to fulfill its obligations under this Agreement, to the extent the SWC has storage available. While final details of such lease have not been reduced to writing, time is of the essence and the parties agree to continue to work in good faith toward finalizing an agreement for IGWA to lease storage water from the SWC as a contingency in case the full balance in 2023 and 2024 is not available from other sources. Nothing in this section shall obligate any SWC spaceholder to contract with IGWA for the lease of storage water and nothing in this section shall be deemed to alter or amend the requirements of section 1.
- 3. Agreement to be filed with the Director. The parties agree to jointly submit this Agreement to the Director as a stipulated plan to remedy the alleged shortfall regarding IGWA's 2021 groundwater conservation obligation as set forth in the SWC Notice. The Director shall incorporate the terms of section 1 above as the remedy selected for the alleged shortfall in lieu of curtailment, and shall issue a final order regarding the interpretive issues raised by the SWC Notice. The parties reserve the right to seek judicial review of the decision by the Director

relating to such interpretive issues but shall not seek review of the remedy agreed to herein and incorporated into the Director's Order.

- 4. Amendment of Settlement Agreement. The parties will continue to negotiate in good faith to resolve the issues concerning interpretation of the Settlement Agreement and present any agreed upon amendments to the Settlement Agreement to the Director at the earliest date possible but no later than March 1, 2023. If the parties fail to amend the Settlement Agreement, the obligations set forth in section 1 shall continue and shall be in addition to any volume of mitigation water or curtailment ordered by the Department in the absence of this Agreement for subsequent years in accordance with the Settlement Agreement and Mitigation Plan.
- **5. Reservation of Rights.** This Agreement shall not be construed as an admission or waiver of any party's rights or arguments with respect to the Settlement Agreement and Mitigation Plan, except with respect to IGWA's compliance with its 2021 groundwater conservation obligation. The parties reserve the right to pursue administrative and/or judicial action to enforce the terms of the Settlement Agreement, the Mitigation Plan, and/or this Agreement and to seek judicial review of any order issued by the Director as specified in section 3.
- 6. Entire Agreement; Binding Effect; Assignment. This Agreement sets forth all understandings between the parties concerning the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of parties and their respective successors and assigns; provided, that no party shall assign its interest in this Agreement to another party without the prior written consent of the other parties, which shall not be unreasonably withheld.

BARKER ROSHOLT & SIMPSON LLP

/s/ John Simpson 9/7/22

John Simpson
Attorneys for A&B Irrigation District,
Burley Irrigation District, Milner Irrigation
District, NSCC and TFCC

FLETCHER LAW OFFICE September 7, 2022

W. Kent Fletcher

Attorneys for Minidoka Irrigation District and American Falls Reservoir District #2

RACINE OLSON, PLLP

Thomas J. Budge

Attorneys for Idaho Ground Water

Appropriators, Inc.

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

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

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

Docket No. CM-MP-2016-001

FINAL ORDER REGARDING COMPLIANCE WITH APPROVED MITIGATION PLAN

This Final Order resolves a dispute over the requirements of an approved mitigation plan in the above-captioned matter. In addition, this Final Order determines that there was a breach of the approved mitigation plan in 2021, and recognizes certain terms in a recent settlement between the parties as an appropriate remedy for that breach. It is only because of this negotiated remedy that curtailment is not necessary to address the 2021 breach.

BACKGROUND

On March 9, 2016, the Surface Water Coalition ("SWC")¹ and certain members of the Idaho Ground Water Appropriators, Inc. ("IGWA")² submitted to the Director of the Idaho Department of Water Resources ("Department") the *Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order* ("Request for Order").

Attached to the Request for Order as Exhibits B and C respectively were the Settlement Agreement Entered into June 30, 2015 Between Participating Members of the Surface Water Coalition and Participating Members of the Idaho Ground Water Appropriators, Inc. ("SWC-IGWA Agreement"), and the Addendum to Settlement Agreement ("First Addendum"). Attached

¹ The SWC is comprised of A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company.

For purposes of this Final Order, references to IGWA include only the following eight ground water districts and one irrigation district, which are the signatories to the Mitigation Plan: Aberdeen-American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Carey Valley Ground Water District, Fremont Madison Irrigation District, Jefferson Clark Ground Water District, Madison Ground Water District, Magic Valley Ground Water District, and North Snake Ground Water District.
FINAL ORDER REGARDING COMPLIANCE WITH APPROVED MITIGATION PLAN—Page 1

to the Request for Order as Exhibit D was the October 7, 2015 *Agreement* ("A&B-IGWA Agreement") between A&B Irrigation District ("A&B") and the same IGWA members that entered into the SWC-IGWA Agreement. The SWC and IGWA submitted the SWC-IGWA Agreement, the First Addendum, and the A&B-IGWA Agreement (collectively, "2015 Agreements") as a stipulated mitigation plan in response to the SWC delivery call (Docket No. CM-DC-2010-001). *Request for Order* at 3.

Through the SWC-IGWA Agreement, the SWC and IGWA members agreed, among other things, that "[t]otal ground water diversion shall be reduced by 240,000 ac-ft annually." *SWC-IGWA Agreement* § 3.a.i.

The SWC and IGWA stipulated "that the mitigation provided by participating IGWA members under the [2015] Agreements is, provided the [2015] Agreements are implemented, sufficient to mitigate for any material injury caused by the groundwater users who belong to, and are in good standing with, a participating IGWA member." *Request for Order* ¶ 8. The SWC and IGWA agreed "[n]o ground water user participating in this [SWC-IGWA] Agreement will be subject to a delivery call by the SWC members as long as the provisions of the [SWC-IGWA] Agreement are being implemented." *SWC-IGWA Agreement* § 5.

On May 2, 2016, the Director issued the *Final Order Approving Stipulated Mitigation Plan* ("First Final Order"). The First Final Order approved the 2015 Agreements as a mitigation plan subject to conditions, including: "a. All ongoing activities required pursuant to the Mitigation Plan are the responsibility of the parties to the Mitigation Plan."; and "b. The ground water level goal and benchmarks referenced in the Mitigation Plan are applicable only to the parties to the Mitigation Plan." *First Final Order* at 4.

On February 7, 2017, the SWC and IGWA submitted to the Department the *Surface Water Coalition's and IGWA's Stipulated Amended Mitigation Plan and Request for Order* ("Second Request for Order"). Attached to the Second Request for Order as Exhibit A was the *Second Addendum to Settlement Agreement* ("Second Addendum") entered into on December 14, 2016, between the SWC and IGWA.

The Second Addendum amended the SWC-IGWA Agreement by providing "further details concerning implementation of the agreement addressing Sections 3.a (Consumptive Use Volume Reduction); 3.e (Ground Water Level Goal and Benchmarks), 3.m (Steering Committee), and 4.a. (Adaptive Water Management)." *Second Request for Order* ¶ 4. The SWC and IGWA requested the Director issue an order approving the Second Addendum as an amendment to the mitigation plan. *Id.* ¶ 6.

On May 9, 2017, the Director issued the *Final Order Approving Amendment to Stipulated Mitigation Plan* ("Second Final Order"), approving the Second Addendum as an amendment to the parties' mitigation plan subject to the following conditions:

a. While the Department will exert its best efforts to support the activities of IGWA and the SWC, approval of the Second Addendum does not obligate the Department to undertake any particular action.

b. Approval of the Second Addendum does not limit the Director's enforcement discretion or otherwise commit the Director to a particular enforcement approach.

Second Final Order at 5.

Today, the mitigation plan stipulated by the SWC and IGWA and approved by the Director consists of four agreements: (1) the SWC-IGWA Agreement, (2) the First Addendum, (3) the A&B-IGWA Agreement, and (4) the Second Addendum. These four documents are collectively referred to in this order as the "Mitigation Plan."

Section 2.c.iv of the Second Addendum states:

If the Surface Water Coalition and IGWA do not agree that a breach has occurred or cannot agree upon actions that must be taken by the breaching party to cure the breach, the Steering Committee will report the same to the Director and request that the Director evaluate all available information, determine if a breach has occurred, and issue an order specifying actions that must be taken by the breaching party to cure the breach or be subject to curtailment.

On July 21, 2022, the SWC filed with the Department the *Surface Water Coalition's Notice of Steering Committee Impasse/Request for Status Conference* ("Notice"). In the Notice, the SWC alleged that in 2021 IGWA's members did not comply with the Mitigation Plan's requirement that IGWA reduce total ground water diversion by 240,000 acre-feet annually. *Notice* at 2–3. The SWC stated that the allegations of noncompliance have been reviewed by the steering committee, as required by the Mitigation Plan, and that the SWC and IGWA disagree on whether there has been a breach and the Steering Committee was at an impasse. *Id.* at 3–4. The SWC requested the Director schedule a status conference to discuss the allegations of noncompliance. *Id.* at 4. The SWC also requested a status conference to discuss discrepancies between the numbers in IGWA's 2021 Settlement Agreement Performance Report and the Department's verification report. *Id.* On July 26, 2022, the Director issued a *Notice of Status Conference* granting the SWC's request for a status conference and scheduled the status conference for August 5, 2022.

On August 3, 2022, IGWA filed *IGWA*'s Response to Surface Water Coalition's Notice of Impasse ("Response"). The Response argues there was no breach in 2021 because each IGWA member met its proportionate share of the 240,000 acre-foot reduction obligation—as measured on a five-year rolling average and assuming that A&B and Southwest Irrigation District ("Southwest") are responsible for portions of the 240,000 acre-foot total.

On August 4, 2022, the SWC filed the *Surface Water Coalition's Reply to IGWA's Response* ("Reply"). The Reply contends that IGWA's arguments "have no support in the actual [SWC-IGWA] Agreement and should be rejected on their face." *Reply* at 2. Specifically, the Reply argues that non-parties, such as A&B and Southwest, are not responsible for any portion of the 240,000 acre-foot reduction obligation, and that the 240,000 acre-foot reduction obligation is an annual requirement, not based on a five-year rolling average. *Id.* at 3–5.

On August 5, 2022, the Director held the status conference. Among other topics covered, counsel for the SWC and IGWA presented arguments as to whether IGWA breached the Mitigation Plan in 2021. During the status conference, the Director referenced Section 2.c.iv of the Second Addendum, which states that if the Director determines a breach, there is an expectation that the Director will "issue an order specifying actions that must be taken by the breaching party to cure the breach or be subject to curtailment." The Director initiated a discussion with counsel for the parties regarding possible curative remedies should the Director find a breach. The only concrete proposal, suggested by an attorney for the SWC, was an increase in diversion reduction in 2022 equal to the 2021 deficiency.

On August 12, 2022, IGWA filed *IGWA's Supplemental Response to Surface Water Coalition's Notice of Steering Committee Impasse* ("Supplemental Response"). In addition to expanding IGWA's five-year-rolling-average argument, the Supplemental Response raises two new procedural arguments. First, IGWA argues the Director should not act on the SWC's Notice until the SWC files a motion under the Department's rules of procedure. *Supplemental Response* at 2–3. Second, IGWA argues that, if the Director finds a breach of the Mitigation Plan, he must provide the breaching party 90 days' notice and an opportunity to cure. *Id.* 8–9.

On August 18, 2022, the Director issued a *Notice of Intent to Take Official Notice of IGWA's 2021 Settlement Agreement Performance Report and Supporting Spreadsheet*. Pursuant to Rule 602 of the Department's rules of procedure (IDAPA 37.01.01.602), this notice explained that the Director intended to take official notice of IGWA's 2021 Settlement Agreement Performance Report and supporting spreadsheet (collectively, "2021 Performance Report") and gave the parties one week to object in writing. IGWA filed *IGWA's Objection to Notice of Intent to Take Official Notice of IGWA's 2021 Settlement Agreement Performance Report and Supporting Spreadsheet; and Request for Hearing* ("Objection") on August 23, 2022.

Also on August 18, 2022, the Director issued the *Order Revising July 2022 Forecast Supply (Methodology Steps 7–8)* ("2022 Step 7–8 Order") in the SWC delivery call matter (Docket No. CM-DC-2010-001). The Director curtailed ground water users not covered by an approved mitigation plan whose ground water rights bear a priority date junior to March 25, 1981. *2022 Step 7–8 Order* at 12.

On September 7, 2022, the Department received a Settlement Agreement ("Remedy Agreement"), signed by IGWA and the SWC, that seeks to ensure "the Director does not curtail certain IGWA members during the 2022 irrigation season." *Remedy Agreement* ¶ E. To accomplish this, the Remedy Agreement sets forth a stipulated remedy for the breach alleged in the SWC's Notice:

2021 Remedy. As a compromise to resolve the parties' dispute over IGWA's compliance with the Settlement Agreement and Mitigation Plan in 2021, and not as an admission of liability, IGWA will collectively provide to the SWC an additional 30,000 acre-feet of storage water in 2023 and an additional 15,000 acre-feet of storage water in 2024 within 10 days after the Date of Allocation of such year. Such amounts will be in addition to the long-term obligations set forth in section 3 of the Settlement Agreement and approved Mitigation Plan. IGWA agrees to take all

reasonable steps to lease the quantities of storage water set forth above from non-SWC spaceholders. If IGWA is unable to secure the quantities set forth above from non-SWC spaceholders by April 1 of such year, IGWA will make up the difference by either (a) leasing storage water from the SWC as described in section 2, or (b) undertaking diversion reductions in Power, Bingham, and/or Bonneville Counties at locations that have the most direct benefit to the Blackfoot to Minidoka reach of the Snake River. For example, if by April 1, 2023, IGWA has secured contracts for only 25,000 acre-feet of storage water, IGWA will either (a) lease 5,000 acre-feet of storage from the SWC, or (b) undertake 5,000 acre-feet of diversion reductions. The remedy described in this section shall satisfy IGWA's obligation under the Settlement Agreement for 2021 only.

Remedy Agreement § 1. The SWC and IGWA agreed to submit the Remedy Agreement to the Director "as a stipulated plan to remedy the alleged shortfall regarding IGWA's 2021 groundwater conservation obligation as set forth in the SWC Notice." *Id.* § 3. The Remedy Agreement contemplates that the Director will incorporate the terms of the 2021 remedy provision "as the remedy selected for the alleged shortfall in lieu of curtailment, and shall issue a final order regarding the interpretive issues raised by the SWC Notice." *Id.*

APPLICABLE LAW

Idaho Code § 42-602, addressing the authority of the Director over the supervision of water distribution within water districts, states:

The director of the department of water resources shall have direction and control of the distribution of water from all natural water sources within a water district to the canals, ditches, pumps and other facilities diverting therefrom. Distribution of water within water districts created pursuant to section 42-604, Idaho Code, shall be accomplished by watermasters as provided in this chapter and supervised by the director. The director of the department of water resources shall distribute water in water districts in accordance with the prior appropriation doctrine. The provisions of chapter 6, title 42, Idaho Code, shall apply only to distribution of water within a water district.

Idaho Code § 42-1805(8) authorizes the Director to "promulgate, adopt, modify, repeal and enforce rules implementing or effectuating the powers and duties of the department."

Idaho Code § 42-603 grants the Director authority to adopt rules governing water distribution.

Pursuant to Chapter 52, Title 67, Idaho Code, and Sections 42-603 and 42-1805(8), Idaho Code, the Department promulgated the Rules for Conjunctive Management of Surface and Ground Water Resources ("CM Rules"), effective October 7, 1994. IDAPA 37.03.11.000–001.

The CM Rules "prescribe procedures for responding to a delivery call made by the holder of a senior-priority surface or ground water right against the holder of a junior-priority ground water right in an area having a common ground water supply." IDAPA 37.03.11.001.

Under CM Rule 40.01, once the Director finds that material injury is occurring, he "shall" either:

- a. Regulate the diversion and use of water in accordance with the priorities of rights of the various surface or ground water users whose rights are included within the district, provided, that regulation of junior-priority ground water diversion and use where the material injury is delayed or long range may, by order of the Director, be phased-in over not more than a five-year (5) period to lessen the economic impact of immediate and complete curtailment; or
- b. Allow out-of-priority diversion of water by junior-priority ground water users pursuant to a mitigation plan that has been approved by the Director.

IDAPA 37.03.11.040.01.

CM Rule 42.02 states:

The holder of a senior-priority surface or ground water right will be prevented from making a delivery call for curtailment of pumping of any well used by the holder of a junior-priority ground water right where use of water under the junior-priority right is covered by an approved and effectively operating mitigation plan.

IDAPA 37.03.11.042.02.

Under Idaho law, a settlement agreement "stands on the same footing as any other contract and is governed by the same rules and principles as are applicable to contracts generally." *Budget Truck Sales, LLC v. Tilley*, 163 Idaho 841, 846, 419 P.3d 1139, 1144 (2018) (internal quotation omitted). The interpretation of a contract starts with the language of the contract itself. "The meaning of an unambiguous contract should be determined from the plain meaning of the words. Only when the language is ambiguous, is the intention of the parties determined from surrounding facts and circumstances." *Clear Lakes Trout Co. v. Clear Springs Foods, Inc.*, 141 Idaho 117, 120, 106 P.3d 443, 446 (2005) (citations omitted).

FINDINGS OF FACT

The Mitigation Plan is comprised of four agreements between IGWA and certain members of the SWC. IGWA and all of the SWC members except A&B are signatories to the SWC-IGWA Agreement, the First Addendum, and the Second Addendum. Only IGWA and A&B are parties to the A&B-IGWA Agreement.

A&B and members of the Southwest Irrigation District ("Southwest") both pump ground water. Southwest did not sign the SWC-IGWA Settlement Agreement or any of the subsequent addendums. A&B participates in the Mitigation Plan only as a member of the SWC. See A&B-IGWA Agreement ¶ 2.

A&B and Southwest each agreed to separate settlements with the SWC, and the Department has approved the settlements as mitigation plans under the CM Rules. The separate settlements between the SWC, A&B, and Southwest are not at issue here.

Under the Mitigation Plan, a Steering Committee comprised of representatives of the SWC, IGWA, and the State meets at least once annually. See SWC-IGWA Agreement § 3.m. One of the responsibilities of the Steering Committee is to review progress on implementation and achieving benchmarks and the ground water goal set out in the Mitigation Plan. Id. The Steering Committee also reviews technical information from the Department and technical reports by SWC or IGWA consultants. Second Addendum § 2.c.i. The Steering Committee began meeting annually in 2016 and has met at least annually every year since. At these Steering Committee meetings, IGWA has prepared and presented a report summarizing compliance with annual reduction obligations. See Second Addendum § 2.a.i.

In its annual reports to the Steering Committee, IGWA has assigned to A&B and to Southwest a proportionate percentage and quantity of the 240,000 acre-feet reduction obligation agreed upon in the SWC-IGWA Agreement. *Response* at 3–4. Assigning portions of the 240,000 acre-foot total to A&B and Southwest effectively reduces the obligations of the IGWA signatories to the Mitigation Plan by 14.4%—more than 34,000 acre-feet. *See Response* at 4.

On April 1, 2021, IGWA's counsel sent copies of IGWA's 2021 Performance Report to representatives of the SWC and the Department. While the report was sent to the Department, it did not automatically become part of the agency record for this proceeding. On August 18, 2022, the Department provided notice to the parties that the Director intended to take official notice of IGWA's 2021 Performance Report.³ A spreadsheet included in the 2021 Performance Report summarizes IGWA's, A&B's, and Southwest's mitigation efforts during 2021. IGWA's summary spreadsheet is reproduced as Table 1 on the following page.

³ IGWA's Objection to taking official notice of the 2021 Performance Report is addressed below in subsections 5.a and 5.b of the Analysis and Conclusions of Law.

TABLE 1

2021 Performance Summar	y Table						
	Target Conservation	Baseline	2021 Usage	Diversion Reduction	Accomplished Recharge	Total Conservation	2021 Mitigation Balance
American Falls-Aberdeen	33,715	286,448	291,929	-5,481	20,050	14,569	-19,146
Bingham	35,015	277,011	302,020	-25,009	9,973	-15,036	-50,052
Bonneville-Jefferson	18,264	156,287	158,212	-1,925	5,080	3,155	-15,109
Carey	703	5,671	4,336	1,335	0	1,335	632
Jefferson-Clark	54,373	441,987	405,131	36,856	5,881	42,737	-11,636
Henry's Fork ¹	5,391	73,539	65,323	8,216	3,000	15,189	9,798
Madison ²		81,423	77,449	3,973			
Magic Valley	32,462	256,270	231,474	24,795	10,546	35,341	2,879
North Snake ³	25,474	208,970	194,778	14,192	11,301	25,494	20
A&B ⁴	21,660	-	-	-	-	21,660	0
Southwest ID ⁴	12,943	-	-	-	-	12,943	0
Total:	240,000	1,787,604	1,730,652	56,953	65,831	157,387	-82,613
Notes:							
(1) Includes mitigation for Freemont-Madison Irrigation District, Madison Ground Water District and WD100. Mitigating by alternative means.							
(2) Madison baseline is preliminary estimate, see note on district breakdown.							
(3) North Snake GWD baseline includes annual average of 21,305 acre-feet of conversions.							
(4) A&B ID and Southwest ID Total Co	onservation is unknov	wn and assumed to	meet target.				

The parties to the Mitigation Plan have adopted a process under which the Steering Committee may resolve an alleged breach or noncompliance with the Mitigation Plan. *See Second Addendum* § 2.c.iii. Alternatively, if the SWC and IGWA do not agree that a breach has occurred, the Director may determine if a breach occurred and issue an order specifying actions the breaching party must take to cure the breach or be subject to curtailment. *Id.* § 2.c.iv.

On April 29, 2022, the SWC requested a status conference in this proceeding to discuss, among other matters, IGWA's compliance with the Mitigation Plan. SWC's Req. for Status Conf. at 2–3. The SWC alleged "IGWA and its junior priority ground water right members are not operating in accordance with the approved plan and are failing to mitigate the material injury to the [SWC] members." *Id.* at 3. Specifically, the SWC alleged, based on IGWA's 2021 Performance Report, that IGWA had not met its obligation under the Mitigation Plan to reduce total ground water diversion by 240,000 acre-feet in 2021. *Id.* at 2–3. On May 5, 2022, the Director issued a response, declining to immediately address the allegations until the Steering Committee had a chance to meet and review the technical information. Resp. to Req. for Status Conf.; Notice of Status Conf. at 2.

The Steering Committee met and reviewed technical information, including IGWA's 2021 Performance Report, on May 18, June 27, and July 13, 2022.

As noted in the background section above, on July 21, 2022, the SWC filed its Notice that the Steering Committee met and was at an impasse on whether IGWA had breached the Mitigation Plan in 2021. IGWA also concedes "the Steering Committee reached an impasse as to whether a breach occurred" *Supplemental Response* at 8. The parties to the Mitigation Plan, therefore, do not dispute that the Steering Committee's principal members—the SWC and IGWA—do not agree that a breach of the Mitigation Plan occurred in 2021. Accordingly, the Director finds no further notice from the Steering Committee is required before he may consider whether a breach of the Mitigation Plan occurred in 2021 and, if so, the remedy.

The SWC and IGWA's Remedy Agreement establishes a mutually agreed upon "compromise to resolve the parties' dispute over IGWA's compliance with the Settlement Agreement and Mitigation Plan in 2021." Among other things, IGWA agreed to collectively supply the SWC "an additional 30,000 acre-feet of storage water in 2023 and an additional 15,000 acre-feet of storage water in 2024 within 10 days after the Date of Allocation of such year." *Remedy Agreement* § 1. Additionally:

If IGWA is unable to secure the quantities set forth above from non-SWC spaceholders by April 1 of such year, IGWA will make up the difference by either (a) leasing storage water from the SWC as described in section 2, or (b) undertaking diversion reductions in Power, Bingham, and/or Bonneville Counties at locations that have the most direct benefit to the Blackfoot to Minidoka reach of the Snake River.

Id. The parties further agreed this remedy "shall satisfy IGWA's obligation under the [2015] Settlement Agreement for 2021 only." *Id.*

ANALYSIS AND CONCLUSIONS OF LAW

Because the SWC and IGWA disagree on whether a breach has occurred, the Director should evaluate the available information, determine if a breach of the Mitigation Plan has occurred, and determine an appropriate remedy for any such breach. *See Second Addendum* § 2.c.iv; *see also Remedy Agreement* § 3 ("The Director shall incorporate the terms of section 1 above as the remedy selected for the alleged shortfall in lieu of curtailment, and shall issue a final order regarding the interpretive issues raised by the SWC Notice."). This is necessary to assess whether each IGWA member district's "use of water under the[ir] junior-priority right[s] is covered by an approved and *effectively operating* mitigation plan." IDAPA 37.03.11.042.02 (emphasis added); *see also SWC-IGWA Agreement* § 5 ("No ground water user participating in this Settlement Agreement will be subject to a delivery call by the SWC members as long as the provisions of the Settlement Agreement are being implemented.").

1. The Mitigation Plan obligates IGWA to reduce total ground water diversions by 240,000 acre-feet every year.

The Mitigation Plan obligates IGWA to reduce total ground water diversions, or conduct equivalent private recharge, by 240,000 acre-feet annually. Subsection 3.a of the SWC-IGWA Agreement states:

- i. Total ground water diversion shall be reduced by 240,000 ac-ft annually.
- ii. Each Ground Water and Irrigation District with members pumping from the ESPA shall be responsible for reducing their proportionate share of the total annual ground water reduction or in conducting an equivalent private recharge activity. Private recharge activities cannot rely on the Water District 01 common Rental Pool or credits acquired from third parties, unless otherwise agreed to by the parties.

The SWC argues that "240,000 ac-ft annually" in section 3.a.i means that the Mitigation Plan requires IGWA's "signatory districts to reduce their total ground water diversion by 240,000 acre-feet per year." Reply at 3. IGWA concedes that section 3.a.i "contemplates 240,000 acre-feet of groundwater conservation 'annually." Supplemental Response at 3. However, IGWA argues its diversion reduction obligation is measured on a five-year rolling average. Response at 4–5; Supplemental Response at 3–7. If the mitigation obligation was measured as IGWA argues, then a year in which IGWA reduces ground water diversion by less than 240,000 acre-feet, such as 2021, would not necessarily constitute a breach of the obligation under section 3.a.i. Id.

IGWA's argument is contrary to the plain language of the Mitigation Plan. The phrase "shall be reduced by 240,000 ac-ft annually" is unambiguous and must be enforced according to its plain terms. See Clear Lakes, 141 Idaho at 120, 106 P.3d at 446. The adverb "annually" derives from the adjective "annual," which means "of or measured by a year" or "happening or appearing once a year; yearly." Annual, Webster's New World Dictionary (3d coll. ed. 1994). As a legal term of art, "annually" has the same essential meaning:

In annual order or succession; yearly, every year, year by year. At the end of each and every year during a period of time. Imposed once a year, computed by the year. Yearly or once a year, but does not in itself signify what time in a year.

Black's Law Dictionary 58 (6th ed. 1991). The Mitigation Plan's plain language, therefore, requires IGWA to reduce its ground water diversions by 240,000 acre-feet every year.

This understanding is reinforced by other Mitigation Plan provisions that use the word "annually." For example, section 2.a.i of the Second Addendum requires IGWA to submit certain data to the Steering Committee "[p]rior to April 1 annually." IGWA has done so every year. Likewise, section 2.c.v of the Second Addendum obligates the Steering Committee, which includes IGWA representatives, to "submit a report to the Parties and the Department prior to May 1 annually" on certain enumerated subjects. The Department receives these reports every year. Nothing in the Mitigation Plan suggests that the parties intended a different meaning for "annually" in section 3.a.i of the SWC-IGWA Agreement.

IGWA argues section 3.e.iv of the SWC-IGWA Agreement requires its obligation under section 3.a.i to be measured on a five-year rolling average. Section 3.e.iv states: "When the ground water level goal is achieved for a five year rolling average, ground water diversion reductions may be reduced or removed, so long as the ground water level goal is sustained." (emphasis added). Under section 3.e.i of the SWC-IGWA Agreement, the ground water level FINAL ORDER REGARDING COMPLIANCE WITH APPROVED MITIGATION PLAN—Page 10

goal is to "return ground water levels to a level equal to the average of the aquifer levels from 1991-2001" as measured in certain mutually agreed upon wells using mutually agreed upon techniques. Considering the measurements contemplated by section 3.e.i, section 3.e.iv simply means that a five-year rolling average of *those measurements* will be used to determine if the ground water level goal is achieved. Section 3.e.iv does not say or imply that the ground water diversion reductions required under section 3.a.i are to be measured on a five-year rolling average. As explained above, the plain language of section 3.a.i imposes an annual—i.e., every year—obligation and thus does not allow for averaging over multiple years.

IGWA also argues that a five-year rolling average is required because it has averaged its annual diversions for the five years of 2010–2014 to determine historical annual diversion quantities as a baseline for the 240,000 acre-feet diversion reduction. But this averaging process is not described in the Settlement Agreement. IGWA calculated and reported annual reduction based on its own adopted baseline process. It cannot replace the clear requirement of an annual 240,000 acre-feet reduction with its own averaging process. Under the plain and unambiguous terms of the Mitigation Plan, IGWA has an obligation to reduce total ground water diversion by 240,000 acre-feet every year.

IGWA contends that the SWC, by arguing the reduction obligation applies every year, is seeking to establish a "fixed diversion cap." *Supplemental Response* at 3–6. They claim the "fixed cap method proposed by the SWC would require IGWA to conserve far more than 240,000 acre-feet in some years and far less than 240,000 acre-feet in other years." *Id.* at 5. This claim is a strawman. Nothing in the SWC's filings in this matter states or implies they are seeking anything more (or less) than compliance with the annual 240,000 acre-foot diversion reduction obligation unambiguously set forth in the Mitigation Plan. Likewise, nothing in this order should be read to suggest that IGWA's obligation under section 3.a.i of the SWC-IGWA Agreement is anything other than reducing total ground water diversion "by 240,000 acre-feet annually."

2. The 240,000 acre-foot diversion reduction obligation is the sole responsibility of IGWA members participating in the Mitigation Plan.

As shown in Table 1 above, IGWA included conservation activities by A&B and Southwest in its calculation of "Total Conservation" for 2021. IGWA's inclusion of A&B and Southwest in sharing the 240,000-acre feet reduction obligation is based on IGWA's interpretation of the Section 3.ii of the SWC-IGWA Agreement, which reads: "Each Ground Water and Irrigation District with members pumping from the ESPA shall be responsible for reducing their proportionate share of the total annual ground water reduction or in conducting an equivalent private recharge activity." IGWA assumes that A&B and Southwest share in the reduction obligation because A&B and Southwest are both "Irrigation District[s] with members pumping from the ESPA." *Response* at 3 (quoting *SWC-IGWA Agreement* § 3.a.ii).

Based on that assumption, IGWA's performance reports have included volumetric diversion reduction obligations for A&B and Southwest. "IGWA has from the outset allocated to its members a proportionate share of the 240,000 acre-feet" after it "deducted groundwater diversions within A&B Irrigation District, Southwest Irrigation District," and, for one year,

another irrigation district. *Response* at 3–4. This deduction, in effect, shifts a portion of the 240,000 acre-foot reduction obligation to A&B and Southwest, lowering IGWA's aggregate share of the obligation by 14.4%—more than 34,000 acre-feet.

The basis for IGWA's deduction is unclear. There are no reported data for diversion reductions for A&B and Southwest in any of IGWA's reports. A&B and Southwest are subject to their own mitigation plans approved by the Department. Southwest is not a party to the Mitigation Plan at issue here. Additionally, in the A&B-IGWA Agreement, IGWA recognized that A&B was only a party to the Mitigation Plan as a surface water user, not as a ground water user. A&B-IGWA Agreement ¶ 2.

The SWC argues IGWA's deduction is "an attempt to inject non-parties into this issue" and "is contrary to basic contract interpretation." *Reply* at 3. The Director agrees.

The Mitigation Plan is comprised of a series of settlement agreements, which are construed in the same manner as contracts. *Budget Truck*, 163 Idaho at 846, 419 P.3d at 1144. "Non-parties are generally not bound by contracts they did not enter into." *Greater Boise Auditorium Dist. v. Frazier*, 159 Idaho 266, 273 n.6, 360 P.3d 275, 282 n.6 (2015). Indeed, the SWC-IGWA Agreement specifically states it does not cover non-participants: "Any ground water user not participating in this Settlement Agreement or otherwise have [sic] another approved mitigation plan will be subject to administration." *SWC-IGWA Agreement* § 6. Moreover, the Director's First Final Order approved the 2015 Agreements as a mitigation plan subject to the following condition: "All ongoing activities required pursuant to the Mitigation Plan *are the responsibility of the parties to the Mitigation Plan." First Final Order* at 4 (emphasis added). Moreover, the A&B-IGWA Agreement specifically provides that "[t]he obligations of the [IGWA] Ground Water Districts set forth in Paragraphs 2 – 4 of the [SWC-IGWA] *Agreement* do not apply to A&B and its ground water rights." *A&B-IGWA Agreement* ¶ 2. The 240,000 acre-foot reduction obligation is among the obligations referenced in that provision. *SWC-IGWA Agreement* § 3.a.i.

Against this backdrop, it is untenable for IGWA to argue non-parties are included in the phrase "[e]ach Ground Water and Irrigation District" in section 3.a.ii of the SWC-IGWA Agreement. IGWA's argument not only lacks support in the unambiguous language of the Mitigation Plan, it also violates an express condition in the Director's approval of the 2015 Agreements. *First Final Order* at 4. Accordingly, when the agreement language assigns an obligation to "[e]ach" of the ground water districts and irrigation districts, it means each IGWA member district that signed the agreement is obligated for their proportionate share of the 240,000 acre-feet reduction. *SWC-IGWA Agreement* § 3.a.ii.

Therefore, the 240,000 acre-foot diversion reduction obligation is IGWA's sole responsibility. A&B and Southwest are not responsible for any portion of the 240,000 acre-foot diversion reduction obligation. It follows that IGWA members participating in the Mitigation Plan "shall be responsible for reducing their proportionate share of the total annual ground water reduction or in conducting an equivalent private recharge activity." *Id*.

3. Certain IGWA members breached the Mitigation Plan in 2021.

Based on the foregoing, each IGWA member participating in the Mitigation Plan is obligated to reduce total ground water diversion (or provide equivalent private recharge) by each member's proportionate share of 240,000 acre-feet every year. SWC-IGWA Agreement § 3.a.

Table 2 below shows IGWA's 2021 summary spreadsheet (Table 1) with yellow-highlighted columns added. The "Re-proportioning" column redistributes the 14.4% of "[IGWA] Target Conservation" that IGWA had assigned to A&B and Southwest. The yellow-highlighted "Target Conservation" column uses the re-proportioned shares of the total to compute proportionate obligations consistent with the plain language of the Mitigation Plan. The yellow-highlighted target conservation values are then compared to IGWA's 2021 reduction activities. Negative values in the yellow-highlighted "2021 Mitigation Balance" column identify IGWA members that did not fulfill their proportionate share of the 240,000 acre-foot reduction obligation in 2021.

TABLE 2

2021 Performance Summar	y Table										
	IGWA Proportioning	[IGWA] Target Conservation	Re- proportioning	Target Conservation	Baseline	2021 Usage	Diversion Reduction	Accomplished Recharge	Total Conservation	[IGWA] 2021 Mitigation Balance	2021 Mitigation Balance
American Falls-Aberdeen	14.0%	33,715	16.4%	39,395	286,448	291,929	-5,481		14,569	-19,146	-24,826
Bingham	14.6%	35,015	17.0%	40,914	277,011	302,020	-25,009	9,973	-15,036	-50,052	-55,951
Bonneville-Jefferson	7.6%	-, -	8.9%	21,341	156,287	158,212	-1,925		,	-15,109	-18,185
Carey	0.3%	703	0.3%	821	5,671	4,336	1,335	0	1,335	632	513
Jefferson-Clark	22.7%	54,373	26.5%	63,533	441,987	405,131	36,856	5,881	42,737	-11,636	-20,796
Henry's Fork ¹	2.2%	5,391	2.6%	6,299	73,539	65,323	8,216	3,000	15,189	9,798	8,890
Madison ²					81,423	77,449	3,973				0
Magic Valley	13.5%	32,462	15.8%	37,931	256,270	231,474	24,795	10,546	35,341	2,879	-2,590
North Snake ³	10.6%	25,474	12.4%	29,765	208,970	194,778	14,192	11,301	25,494	20	-4,272
A&B ⁴	9.0%	21,660			-	-	-	-	21,660	0	
Southwest ID ⁴	5.4%	12,943			-	-	-	-	12,943	0	
Total:	100%	240,000	100%	240,000	1,787,604	1,730,652	56,953	65,831	157,387	-82,613	
Notes:											
(1) Includes mitigation for Freemont- Madison Irrigation District, Madison Ground Water District and WD100. Mitigating by alternative means.											
(2) Madison baseline is preliminary	(2) Madison baseline is preliminary estimate, see note on district breakdown.										
(3) North Snake GWD baseline inclu	(3) North Snake GWD baseline includes annual average of 21,305 acre-feet of conversions.										
(4) A&B ID and Southwest ID Total Co	onservation is unknov	wn and assumed to m	eet target.								

Madison Ground Water District, Fremont Madison Irrigation District, and Carey Ground Water District satisfied their proportionate 2021 mitigation obligations in 2021. Based on the analysis in Table 2, Table 3 on the following page identifies the IGWA ground water districts that did not fulfill their proportionate share of the total annual ground water reduction and the volume of each district's deficiency.

TABLE 3

Ground Water District	Deficiency (acre-feet)
American Falls-Aberdeen	24,826
Bingham	55,951
Bonneville-Jefferson	18,185
Jefferson-Clark	20,796
Magic Valley	2,590
North Snake	4,272
Total	126,620

4. The IGWA members in Table 3 are not covered by an effectively operating mitigation plan and IGWA must implement the 2021 remedy in the Remedy Agreement.

In a delivery call under the CM Rules, out-of-priority diversion of water by junior priority ground water users is allowable only "pursuant to a mitigation plan that has been approved by the Director." IDAPA 37.03.11.040.01.b. Junior-priority ground water users "covered by an approved *and effectively operating* mitigation plan" are protected from curtailment under CM Rule 42. IDAPA 37.03.11.042.02 (emphasis added). In other words, only those junior ground water users who are in compliance with an approved mitigation plan are protected from curtailment.

The Director has approved several mitigation plans when the joint administration of ground water and surface water has been imminent. Some of these approved mitigation plans have been contested by holders of senior priority water rights. In this case, however, because of the stipulated Mitigation Plan, the Director allowed significant latitude to the agreeing parties in accepting the provisions of the Mitigation Plan. Nonetheless, the courts have defined the Director's responsibilities if the holders of junior priority water rights do not comply with the mitigation requirements.

In the *Rangen* case, Judge Eric Wildman addressed the Director's responsibility when a mitigation plan fails. Mem. Decision & Order, *Rangen, Inc. v. Idaho Dep't of Water Res.*, No. CV-2014-4970 (Twin Falls Cnty. Dist. Ct. Idaho June 1, 2015) [hereinafter "Rangen June 1, 2015 Decision"]. A mitigation plan that allows out-of-priority diversions must supply water to the holders of senior priority water rights during the time-of-need. The Court stated: "When the Director approves a mitigation plan, there should be certainty that the senior user's material injury will be mitigated throughout the duration of the plan's implementation. This is the price of allowing junior users to continue their offending out-of-priority water use." *Rangen June 1, 2015 Decision* at 8. Judge Wildman previously held in an earlier case that the compensation for underperformance of the requirements of the mitigation plan cannot be delayed. *See* Mem. Decision & Order at 10, *Rangen, Inc. v. Idaho Dep't of Water Res.*, No. CV-2014-2446 (Twin Falls Cnty. Dist. Ct. Idaho Dec. 3, 2014). Furthermore, without mitigation at the time-of-need, the holders of junior ground water rights could materially injure senior water rights by diverting out-of-priority with impunity.

Here, the Mitigation Plan obligates IGWA to undertake total diversion reductions or equivalent recharge of 240,000 acre-feet every year. Each IGWA member is annually responsible for their proportionate share of that total. But the Mitigation Plan is unique in that it contemplates delays in analyzing IGWA's mitigation efforts. These delays are inherent in the Steering Committee process the parties agreed to in the Second Addendum.

For example, section 2.a.i of the Second Addendum requires IGWA to submit, "[p]rior to April 1 annually," ground water diversion and recharge data (i.e., the types of data in the 2021 Performance Report) to the Steering Committee for the previous irrigation season. Further, the parties agreed to a process by which the Steering Committee evaluates IGWA's data from the previous irrigation season to assess whether a breach occurred in the previous season. *Second Addendum* § 2.c.i—iv. Because IGWA is not obligated to submit its data to the Steering Committee until April 1 every year, the Steering Committee process necessarily begins well after the actions or inactions constituting a breach. Moreover, the process does not involve the Director until the Steering Committee finds a breach or, as here, reaches an impasse. *Id.* While the Director believes this process was developed and has been implemented by all parties in good faith, it nevertheless means that any breach will be addressed many months after it occurs.

A mitigation plan that depends on a prediction of compliance must include a contingency plan to mitigate if the predictive mitigation plan is not satisfied:

If junior users wish to avoid curtailment by proposing a mitigation plan, the risk of that plan's failure has to rest with junior users. Junior users know, or should know, that they are only permitted to continue their offending out-of-priority water use so long as they are meeting their mitigation obligations under a mitigation plan approved by the Director. IDAPA 37.03.11.040.01.a,b. If they cannot, then the Director must address the resulting material injury by turning to the approved contingencies. If there is no alternative source of mitigation water designated as the contingency, then the Director must turn to the contingency of curtailment. Curtailment is an adequate contingency if timely effectuated. In this same vein, if curtailment is to be used to satisfy the contingency requirement, junior uses are on notice of this risk and should be conducting their operation so as to not lose sight of the possibility of curtailment.

Rangen June 1, 2015 Decision at 9.

In this case, certain holders of junior-priority water rights failed to satisfy their mitigation obligation in 2021. Out-of-priority diversions by the IGWA members in Table 3 above were not "pursuant to a mitigation plan that has been approved by the Director." IDAPA 37.03.11.040.01.b. The approved Mitigation Plan was not "effectively operating" with respect to those IGWA members in 2021. IDAPA 37.03.11.042.02. Consequently, the holders of senior water rights have been and are being materially injured by the failure of the juniors to fully mitigate during the 2021 irrigation season.

The CM Rules contemplate that out-of-priority diversions by junior-priority ground water users will be curtailed absent compliance with an approved mitigation plan. IDAPA 37.03.11.040.01. But curtailment may be avoided if an adequate, alternative source of mitigation water is designated as a contingency. *Rangen June 1, 2015 Decision* at 9. Therefore, the Director must determine if there is an adequate contingency for IGWA members' 2021 noncompliance with the Mitigation Plan.

The Mitigation Plan itself does not include a contingency in the event IGWA did not meet the 240,000 acre-foot reduction obligation, but it does contemplate the Director will "issue an order specifying actions that must be taken by the breaching party to cure the breach or be subject to curtailment." *Second Addendum* § 2.c.iv. The Director concludes the SWC and IGWA's Remedy Agreement provides a cure for the breach and constitutes an adequate contingency for IGWA members' noncompliance in 2021. Specifically, in section 1 of the Remedy Agreement, IGWA agrees to "collectively provide to the SWC an additional 30,000 acre-feet of storage water in 2023 and an additional 15,000 acre-feet of storage water in 2024 within 10 days after the Date of Allocation of such year." Moreover, the Remedy Agreement details IGWA's options in the event it cannot lease the necessary water from non-SWC spaceholders:

If IGWA is unable to secure the quantities set forth above from non-SWC spaceholders by April 1 of such year, IGWA will make up the difference by either (a) leasing storage water from the SWC as described in section 2, or (b) undertaking consumptive use reductions in Power, Bingham, and/or Bonneville Counties at locations that have the most direct benefit to the Blackfoot to Minidoka reach of the Snake River.

Remedy Agreement § 1. The SWC and IGWA agree their stipulated 2021 remedy should be the "remedy selected for the alleged [2021] shortfall in lieu of curtailment." *Id.* § 3. The Director agrees. The parties' remedy constitutes an appropriate contingency for IGWA members' noncompliance of the Mitigation Plan in 2021. Therefore, in lieu of curtailment, the Director will order that IGWA must implement the 2021 remedy in section 1 of the Remedy Agreement.

5. IGWA's procedural and evidentiary objections lack merit.

IGWA has raised procedural and evidentiary objections in connection with this matter. For the reasons stated below, these objections lack merit.

a. IGWA's request for a pre-decision hearing is denied.

In its Objection, IGWA requests the Director "refrain from interpreting or enforcing the [SWC-IGWA] Agreement without first holding a hearing and allowing IGWA and the SWC to present evidence concerning the matter." *Objection* at 6. IGWA argues such a hearing is required by due process clauses in the United States Constitution and the Idaho Constitution, the Idaho Administrative Procedure Act, and the Department's rules of procedures. *Id.* 2–6. The Director disagrees that a pre-decision hearing is required in the circumstances of this case.

i. The Remedy Agreement moots IGWA's due process argument.

In general, due process requires notice and an opportunity to be heard when governmental action results in a deprivation of property. Water rights are property rights, so this general rule applies when water rights are curtailed. *See Clear Springs Foods, Inc. v. Spackman*, 150 Idaho 790, 814, 252 P.3d 71, 95 (2011). However, due process "does not necessarily require a hearing before property is taken." *Id.* This is because "due process, unlike some legal rules, is not a technical conception with a fixed content unrelated to time, place and circumstances." *Mathews v. Eldridge*, 424 U.S. 319, 334 (1976) (cleaned up). The Idaho Supreme Court has set out three requirements for the Director to consider before curtailing water rights before a hearing:

First, in each case, the seizure has been directly necessary to secure an important governmental or general public interest. Second, there has been a special need for very prompt action. Third, the State has kept strict control over its monopoly of legitimate force; the person initiating the seizure has been a government official responsible for determining, under the standards of a narrowly drawn statute, that it was necessary and justified in the particular instance.

Clear Springs, 150 Idaho at 814, 252 P.3d at 95 (quoting Fuentes v. Shevin, 407 U.S. 67, 91 (1972)). "Whether or not curtailment of water use can be ordered without prior notice or an opportunity for a hearing depends upon whether the three requirements are met under the circumstances of a particular delivery call or curtailment." *Id.* at 815, 252 P.3d at 96. All three requirements may be satisfied here, but the Director need not decide the issue because the Remedy Agreement makes curtailment unnecessary.

The due process issue raised in IGWA's Objection—which was filed weeks before the parties entered into the Remedy Agreement—presumes the Director would be ordering curtailment. The SWC and IGWA entered into the Remedy Agreement for the express purpose of avoiding curtailment during the 2022 irrigation season. *Remedy Agreement* ¶ E. As discussed above, the Remedy Agreement is an appropriate contingency and cure for IGWA members' noncompliance with the Mitigation Plan in 2021, and thus renders curtailment unnecessary. Indeed, IGWA agreed to "not seek review of the remedy" established in section 1 of the Remedy Agreement and incorporated into this order. *Id.* § 3. It follows that this order does not deprive IGWA of any property right. Because IGWA's argument depends on the Director curtailing IGWA's water rights, the due process issues presented in the Objection are moot in light of the

⁴ Despite recognizing the applicability of *Clear Springs* in this case, IGWA argues a different three-part test for determining whether a legal procedure satisfies due process. *Objection* at 3 (quoting *LU Ranching Co. v. U.S.*, 138 Idaho 606, 608, 67 P.3d 85, 87 (2003)). That test, which derives from the U.S. Supreme Court's decision in *Mathews v. Eldridge*, 424 U.S. 319, 335 (1976), is generalized, and the Idaho Supreme Court applied it in a case challenging the constitutionality of the procedures for claiming and adjudicating rights in the Snake River Basin Adjudication. *LU Ranching*, 138 Idaho 606, 67 P.3d 85. When faced with the specific due process question presented by IGWA (the propriety of curtailment before a hearing), the Idaho Supreme Court has applied the three requirements from *Fuentes*—both before and after it decided *LU Ranching* in 2003. *Clear* Springs, 150 Idaho at 814, 252 P.3d at 95; *Nettleton v. Higginson*, 98 Idaho 87, 92, 558 P.2d 1048, 1053 (1977).

Remedy Agreement. See Farrell v. Whiteman, 146 Idaho 604, 610, 200 P.3d 1153, 1159 (2009) ("An issue is moot if it presents no justiciable controversy and a judicial determination will have no practical effect upon the outcome.")

ii. Idaho Administrative Law does not require a hearing before the Director acts.

IGWA argues that a pre-decision hearing is required under the Idaho Administrative Procedure Act and the Department's rules of procedure. Regarding the Administrative Procedure Act, IGWA argues a hearing must be held in accordance with Idaho Code § 67-5242(3), except when immediate action without a hearing is authorized under Idaho Code § 67-5247. *Objection* at 5. This argument overlooks the statute governing hearings before the Director, which provides in pertinent part:

Unless the right to a hearing before the director... is otherwise provided by statute, any person aggrieved by any action of the director, including any decision, determination, order or other action, including action upon any application for a permit, license, certificate, approval, registration, or similar form of permission required by law to be issued by the director, 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.

I.C. § 42-1701A(3). Section 42-1701A(3) is specific to "hearing[s] before the director" and entitles aggrieved persons to a hearing *after* the Director makes "any decision, determination, order or other action, including action upon any application for a[n] . . . approval . . . or similar form of permission required by law to be issued by the director." *Id*.

The determination of IGWA's compliance with its approved Mitigation Plan in this order is an action on a form of permission required by law to be issued by the director, and therefore § 42-1701A(3) governs. *See Valiant Idaho, LLC v. JV L.L.C.*, 164 Idaho 280, 289, 429 P.3d 168, 177 (2018) ("A basic tenet of statutory construction is that the more specific statute or section addressing the issue controls over the statute that is more general. Thus, the more general statute should not be interpreted as encompassing an area already covered by one which is more specific."). Section 42-1701A(3) allows for a post-decision hearing, and no statute otherwise provides for a hearing to determine compliance with a previously approved mitigation plan.

In addition, the Department's rules of procedure do not require a pre-decision hearing. The various rules IGWA cites do not dictate *when* a hearing must be held. *Objection* at 5 (citing IDAPA 37.01.01.550–.553, .558, .600, .650.01). Those rules either provide procedures and evidentiary standards *for* a hearing, or require decisions to be based on the official record maintained by the Department. The Director is taking official notice of the 2021 Performance Report for the purpose of deciding this matter on the official record. With that record, the Director may, consistent with Idaho Code § 42-1701A, determine the meaning of the unambiguous Mitigation Plan and determine whether IGWA's 2021 Performance Report demonstrates compliance with the Mitigation Plan without first holding an evidentiary hearing. However, to the extent it is a "person aggrieved," IGWA would be entitled to a hearing on this final order pursuant to Idaho Code § 42-1701A(3) if it requests one.

b. It is appropriate for the Director to take official notice of IGWA's 2021 Performance Report.

IGWA's Objection also argues the Director cannot take official notice of IGWA's 2021 Performance Report under the standards in Rule 602 of the Department's rules of procedure. *Objection* at 5–6 (quoting IDAPA 37.01.01.602). IGWA claims that Rule 602 allows the Director to take official notice but only "within in the context of a contested case hearing." *Objection* at 5. But Rule 602 is not so limited. "The presiding officer may take official notice of any facts that could be judicially noticed in the courts of Idaho, of generally recognized technical or scientific data or facts within the agency's specialized knowledge and records of the agency." IDAPA 37.01.01.602. However, "[p]arties must be given an opportunity to contest and rebut the facts or material officially noticed." *Id.* Accordingly, the presiding officer must first "notify the parties of specific facts or material noticed and the source of the material noticed," and such "notice should be provided either before or during the hearing, and must be provided before the issuance of any order that is based in whole or in part on facts or material officially noticed." *Id.*

The rule does not, as IGWA claims, preclude official notice outside the context of a hearing. Rather, the presiding officer may take official notice after notifying the parties, and the notice to the parties must occur, at the latest, before issuance of any order based on the officially noticed facts or material. That is what occurred here. The Director notified all parties that he intended to take official notice of the 2021 Performance Report on August 18, 2022, and IGWA filed its objection pursuant to that notice on August 24. The Director properly notified the parties before the issuance of this final order, and IGWA had the requisite opportunity to contest and rebut the facts and material officially noticed.

Instead of contesting or rebutting the 2021 Performance Report, IGWA simply argues the report does not qualify as "generally recognized technical or scientific data or facts within the agency's specialized knowledge and records of the agency" under Rule 602. Objection at 6 (quoting IDAPA 37.01.01.602). The Director disagrees for two reasons. First, IGWA created the 2021 Performance Report for the specific purpose of documenting its compliance with an approved mitigation plan in a long-running and ongoing delivery call proceeding under the CM Rules. See Second Addendum § 2.a.i; see also IDAPA 37.03.11.040.01.b (allowing for "out-ofpriority diversion of water by junior-priority ground water users pursuant to a mitigation plan that has been approved by the Director"). The 2021 Performance Report contains ground water diversion and recharge data, which certainly are within the Director's and Department's specialized knowledge. See, e.g., I.C. § 42-1701(2). Second, and independently, the 2021 Performance Report constitutes "records of the agency" because IGWA submitted it to the Department on April 1, 2022, so that the Department could perform the verification required under section 2.b.iii of the Second Addendum. IDAPA 37.01.01.602. IGWA has not argued the 2021 Performance Report is inaccurate or unreliable, nor has it offered anything to rebut the report's clear showing that certain IGWA members failed to comply with the Mitigation Plan in 2021. It is therefore appropriate for the Director to take official notice of the 2021 Performance Report.

c. A motion is not necessary for the Director to determine compliance with a previously approved Mitigation Plan.

IGWA argues the Director cannot address the issues raised in the SWC's July 21 Notice of the Steering Committee impasse because the Notice does not qualify as a motion under Rule 220 of the Department's rules of procedure. *Supplemental Response* at 2 (citing IDAPA 37.01.01.220). Specifically, IGWA contends that the SWC's Notice is not supported by an affidavit setting forth the facts on which it is based and does not state the relief sought. *Id*.

The Director "liberally construe[s]" the Department's rules of procedure "to ensure just, speedy, and economical determinations of all issues presented to the agency." IDAPA 37.01.051. Accordingly, "[t]he agency may permit deviation from these rules when it finds that compliance with them is impracticable, unnecessary or not in the public interest." *Id*.

In this case, formal motion practice is unnecessary and not in the public interest. The SWC has filed two briefs and IGWA has filed three, defining their positions on the breach question and various other matters. *See generally Notice*; *Response*; *Reply*; *Supplemental Response*; *Objection*. The information necessary to evaluate IGWA's compliance with the Mitigation Plan in 2021 consists of the Mitigation Plan and IGWA's 2021 Performance Report. All this information is in the record. In fact, the parties have known of IGWA's deficient performance at least since IGWA reported it to the Steering Committee on April 1, 2022. This occurred because the Mitigation Plan expressly requires IGWA to submit its performance reports and supporting data to the Steering Committee "annually," and the Department, in turn, "annually" reviews that information. *Second Addendum* §§ 2.a.i, 2.c.v. In this context, a motion supported by an affidavit containing information the SWC, IGWA, and the Department have had since April 1, 2022 is unnecessary, and the delay associated with such a procedure is not in the public interest.

Motion practice also is not necessary, nor in the public interest, for ascertaining the relief the SWC seeks. The SWC has been candid and consistent in its view that IGWA did not comply with the Mitigation Plan. *E.g.*, *SWC's Request for Status Conference* at 3 (Apr. 29, 2022) ("IGWA and its junior priority ground water right members are not operating in accordance with the approved plan and are failing to mitigate the material to the Coalition members."); *Reply* at 5 ("the data and plain language of the Agreement shows a clear breach"). Furthermore, the SWC and IGWA have, through the Remedy Agreement, stipulated to the relief necessary to remedy the SWC's concerns.

Clearly, the SWC seeks a determination that IGWA did not comply with the Mitigation Plan in 2021. And both the SWC and IGWA have agreed on a remedy for that noncompliance. *Remedy Agreement* § 1. Requiring these matters to be set forth, again, in a motion would serve no purpose but delay. Here, delay is not in the public interest because of the time that has already elapsed since IGWA's deficient mitigation during 2021.

d. The 90-day cure period is inapplicable when the Steering Committee does not agree that a breach has occurred.

Delay is also inherent in IGWA's claim that it must be granted an additional 90 days to cure the breach. *See Supplemental Response* at 8–9. But the Mitigation Plan does not require the Director to provide a cure period when he determines a breach has occurred.

As IGWA notes, section 2.c.iii of the Second Addendum states that "the Steering Committee shall give ninety (90) days written notice of the breach to the breaching party specifying the actions that must be taken to cure such breach." (emphasis added). That provision is inapplicable where, as here, there is an impasse on whether a breach occurred. Rather, when the SWC and IGWA do not agree a breach has occurred, the Mitigation Plan contemplates that the Director "evaluate all available information, determine if a breach has occurred, and issue an order specifying actions that must be taken by the breaching party to cure the breach or be subject to curtailment." Second Addendum § 2.c.iv. Moreover, the Director approved the Second Addendum on the express condition that the "[a]pproval . . . does not limit the Director's enforcement discretion or otherwise commit the Director to a particular enforcement approach." Second Final Order at 5. The plain text of both the Second Addendum and the Director's Second Final Order undermine IGWA's claim that it is entitled to a 90-day cure period now that the matter is before the Director.

More significantly, the Remedy Agreement shows that the SWC and IGWA do not need additional time to identify a cure. The parties not only agree the 2021 remedy "shall satisfy IGWA's obligation under the [2015] Settlement Agreement," they also agreed to "not seek review of the remedy agreed to and incorporated into the Director's Order." *Remedy Agreement* §§ 1, 3. Through the Remedy Agreement, the parties have stipulated to a cure for the breach. An additional 90-day cure period is neither required nor necessary in these circumstances.

ORDER

Based upon and consistent with the foregoing, IT IS HEREBY ORDERED that:

- (1) The Director takes official notice of IGWA's 2021 Performance Report.
- (2) To remedy noncompliance with the Mitigation Plan in 2021 only, IGWA must collectively supply to the SWC an additional 30,000 acre-feet of storage water in 2023 and an additional 15,000 acre-feet of storage water in 2024 within 10 days after the Date of Allocation of such year. Such amounts will be in addition to the long-term obligations set forth in section 3 of the 2015 Settlement Agreement and approved Mitigation Plan. IGWA must take all reasonable steps to lease the quantities of storage water set forth above from non-SWC spaceholders. If IGWA is unable to secure the quantities set forth above from non-SWC spaceholders by April 1 of such year, IGWA must make up the difference by either (a) leasing storage water from the SWC as described in section 2 of the Remedy Agreement, or (b) undertaking diversion reductions in Power, Bingham, and/or Bonneville Counties at locations that have the most direct benefit to the Blackfoot to Minidoka reach of the Snake River.

(3) Except as necessary to implement paragraph (2) above, nothing in this order alters or amends the Mitigation Plan or any condition of approval in the Director's First Final Order or Second Final Order in this matter.

DATED this 8th day of September 2022.

GARY SPACKMAN

Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 8th day of September 2022, the above and foregoing was served by the method indicated below and addressed to the following:

John K. Simpson Travis L. Thompson BARKER ROSHOLT & SIMPSON, LLP P. O. Box 63 Twin Falls, ID 83303-0063 jks@idahowaters.com tlt@idahowaters.com nls@idahowaters.com jf@idahowaters.com	☑ U.S. Mail, postage prepaid☑ Email
W. Kent Fletcher FLETCHER LAW OFFICE P.O. Box 248 Burley, ID 83318 wkf@pmt.org	☑ U.S. Mail, postage prepaid☑ Email
Randall C. Budge Thomas J. Budge RACINE OLSON P.O. Box 1391 Pocatello, ID 83204-1391 randy@racineolson.com tj@racineolson.com	☑ U.S. Mail, postage prepaid☑ Email
Kathleen Marion Carr US Dept. Interior 960 Broadway Ste 400 Boise, ID 83706 kathleenmarion.carr@sol.doi.gov	☑ U.S. Mail, postage prepaid☑ Email
David W. Gehlert Natural Resources Section Environment and Natural Resources Division U.S. Department of Justice 999 18th St., South Terrace, Suite 370 Denver, CO 80202 david.gehlert@usdoj.gov	☑ U.S. Mail, postage prepaid☑ Email
Matt Howard US Bureau of Reclamation 1150 N Curtis Road Boise, ID 83706-1234 mhoward@usbr.gov	☑ U.S. Mail, postage prepaid☑ Email
Sarah A Klahn SOMACH SIMMONS & DUNN 2033 11th Street, Ste 5 Boulder, CO 80302 sklahn@somachlaw.com dthompson@somachlaw.com	☑ U.S. Mail, postage prepaid☑ Email

Rich Diehl City of Pocatello P.O. Box 4169 Pocatello, ID 83205 rdiehl@pocatello.us	☑ U.S. Mail, postage prepaid☑ Email
Candice McHugh Chris Bromley MCHUGH BROMLEY, PLLC 380 South 4 th Street, Suite 103 Boise, ID 83702 cbromley@mchughbromley.com cmchugh@mchughbromley.com	☑ U.S. Mail, postage prepaid☑ Email
Robert E. Williams WILLIAMS, MESERVY, & LOTHSPEICH, LLP P.O. Box 168 Jerome, ID 83338 rewilliams@wmlattys.com	☑ U.S. Mail, postage prepaid☑ Email
Robert L. Harris HOLDEN, KIDWELL, HAHN & CRAPO, PLLC P.O. Box 50130 Idaho Falls, ID 83405 rharris@holdenlegal.com	☑ U.S. Mail, postage prepaid☑ Email
Randall D. Fife City Attorney, City of Idaho Falls P.O. Box 50220 Idaho Falls, ID 83405 rfife@idahofallsidaho.gov	☑ U.S. Mail, postage prepaid☑ Email
Tony Olenichak IDWR—Eastern Region 900 N. Skyline Drive, Ste. A Idaho Falls, ID 83402 tony.olenichak@idwr.idaho.gov	⊠ Email
Corey Skinner IDWR—Southern Region 1341 Fillmore St., Ste. 200 Twin Falls, ID 83301-3033 corey.skinner@idwr.idaho.gov	⊠ Email
COURTESY COPY TO: William A. Parsons PARSONS SMITH & STONE P.O. Box 910 Burley, ID 83318 wparsons@pmt.org	⊠ Email

Sarah Tschohl Paralegal

EXPLANATORY INFORMATION TO ACCOMPANY A FINAL ORDER

(To be used in connection with actions when a hearing was **not** held)

(Required by Rule of Procedure 740.02)

The accompanying order is a "**Final Order**" issued by the department pursuant to section 67-5246, Idaho Code.

PETITION FOR RECONSIDERATION

Any party may file a petition for reconsideration of a final order within fourteen (14) days of the service date of this order as shown on the certificate of service. **Note: The petition must** be <u>received</u> by the Department within this fourteen (14) day period. The department will act on a petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. See section 67-5246(4), Idaho Code.

REQUEST FOR HEARING

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. See section 42-1701A(3), Idaho Code. **Note: The request must be** received by the Department within this fifteen (15) day period.

APPEAL OF FINAL ORDER TO DISTRICT COURT

Pursuant to sections 67-5270 and 67-5272, Idaho Code, any party aggrieved by a final order or orders previously issued in a matter before the department 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:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or
- iv. 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 of: a) the service date of the final order, b) the service date 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. See section 67-5273, Idaho Code. The filing of an appeal to district court does not in itself stay the effectiveness or enforcement of the order under appeal.

DEPARTMENT OF WATER RESOURCES

Thomas J. Budge (ISB# 7465) RACINE OLSON, PLLP 201 E. Center St. / P.O. Box 1391 Pocatello, Idaho 83204 (208) 232-6101 – phone (208) 232-6109 – fax tj@racineolson.com

Attorneys for Idaho Ground Water Appropriators, Inc. (IGWA)

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES

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

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

Docket No. CM-MP-2016-001

Petition for Reconsideration and Request for Hearing

Idaho Ground Water Appropriators, Inc. ("IGWA") submits this petition for reconsideration pursuant to Idaho Code § 67-5246(4) and rule 740.02.b of the Department's rules of procedure in response to the *Final Order Regarding Compliance with Approved Mitigation Plan* ("Final Order") issued September 8, 2022. This petition requests that the Director withdraw those parts of the Final Order that adjudicate IGWA's contractual obligations under the IGWA-SWC Settlement Agreement¹ (the "Settlement Agreement").

If the Director declines to amend the Final Order as requested in IGWA's petition for reconsideration, then IGWA requests a hearing pursuant to Idaho Code \S 67-5242 and/or \S 42-1701A(3) and rule 740.02.c of the Department's rules of procedure to address the merits of the Director's adjudication of IGWA's contractual obligations under the Settlement Agreement.

¹ The "IGWA-SWC Settlement Agreement" consists of the Settlement Agreement Entered Into June 30, 2015, Between Participating Members of the Surface Water Coalition and Participating Members of Idaho Ground Water Appropriators, Inc., the Addendum to Settlement Agreement, and the Second Addendum.

PETITION FOR RECONSIDERATION

The Director should withdraw those parts of the Final Order that adjudicate IGWA's contractual obligations under the Settlement Agreement because (1) the adjudication of contractual disputes between third parties exceeds the Director's statutory authority, (2) IGWA's 2021 compliance with the Settlement Agreement is a moot issue, and (3) the Director's adjudication of the Settlement Agreement was made upon unlawful procedure.

1. The Director does not have statutory authority to adjudicate IGWA's contractual obligations under the Settlement Agreement.

Idaho state agencies have no inherent authority; they have only those powers granted by the legislature. *Idaho Power Co. v. Idaho Pub. Utils. Comm'n*, 102 Idaho 744, 750 (1981); *Idaho Retired Firefighters Assoc. v. Pub. Emp. Ret. Bd.*, 165 Idaho 193, 196 (2019). They are, in other words, "tribunals of limited jurisdiction." *In re Idaho Workers Comp. Bd.*, 167 Idaho 13, 20 (2020) (citing *Washington Water Power Co. v. Kootenai Envtl. Alliance*, 99 Idaho 875, 879 (1979)). When implementing express statutory powers, "administrative agencies have the implied or incidental powers that are reasonably necessary in order to carry out the powers expressly granted." *Vickers v. Lowe*, 150 Idaho 439, 442 (2011) (citing 2 Am.Jur.2d *Administrative Law* § 57 (2004)). If an agency acts outside of its express and implied powers, such actions are void. *Wernecke v. St. Maries Joint Sch. Dist. No. 401*, 147 Idaho 277, 286 n.10 (2009) (citing 73 C.J.S. *Public Administrative Law & Procedure* § 112).

Adjudication of contract disputes is not among the powers granted to the Director. Such power is vested in the judiciary. The Director's statutory authority is confined to the distribution of water among water users and matters related thereto. While the Director's water distribution duties may be affected by third party contracts, and while the Director may need to interpret such contracts for the purpose of performing such duties, that is the extent of his interpretive authority. The Director does not have legal authority to definitively adjudicate disputes between third parties over contract interpretation. That authority remains with the judiciary.

The Second Addendum provides a process for resolving disputes over IGWA's compliance with the Settlement Agreement, but it does empower the Director to adjudicate disputes over contract interpretation. Section 3.m of the Second Addendum provides that disputes over compliance will be resolved by the Steering Committee, but if the Steering Committee cannot resolve the dispute then it will be submitted to the Director. Section 3.m pertains specifically to disputes over compliance. It does not empower the Director to adjudicate disputes over contract interpretation. Nor could it since that authority has not been given to the Director by the legislature. In fact, the Second Addendum recognizes that judicial action is necessary to resolve some disputes, as stated in section 4: "The parties further reserve all remedies, including the right to judicial action, to enforce the terms of the Settlement Agreement and this Second Addendum."

The Surface Water Coalition's Notice of Steering Committee Impasse / Request for Status Conference ("SWC Notice") placed before the Director two questions of contract interpretation, two questions regarding IGWA's 2021 compliance with the Settlement Agreement, and a final question asking what actions the Director would take in response to the alleged non-compliance. (SWC Notice, p. 4.) Had the parties not resolved their dispute over IGWA's 2021 compliance, the Director would have had to interpret the Settlement Agreement for the limited purpose of performing his water distribution duties. However, the parties did resolve their dispute. Once the 2022 Settlement Agreement ("2022 Agreement") was signed, there was no longer a need for the Director

to evaluate IGWA's 2021 performance in order to perform his water distribution duties. And since there was no need to evaluate IGWA's 2021 performance, there was no need to interpret its contractual obligations under the Settlement Agreement. Therefore, that part of the Final Order that adjudicates IGWA's contractual obligations under the Settlement Agreement constitutes an advisory opinion in excess of the Director's statutory authority.

The 2022 Agreement includes a statement that the Director "shall issue a final order regarding the interpretive issues raised by the SWC Notice." The Final Order should have dismissed the interpretive issues since the 2022 Agreement resolved IGWA's 2021 compliance. The Director does not have statutory authority to issue decisions granting prospective relief in the absence of a petition for declaratory ruling filed in accordance with the Idaho Administrative Procedures Act ("APA") and the rules of procedure of the Department, which has not occurred in this case.

Since the Director's advisory opinion adjudicating the contract dispute between IGWA and the SWC exceeds his statutory authority, those parts of the Final Order should be withdrawn.

2. The Director's ruling that IGWA's 2021 performance breached the Settlement Agreement violates due process because the issue is moot.

A fundamental right afforded by the U.S. Constitution is that "No state ... shall deprive any person of life, liberty, or property without due process of law." U.S. Const., Amend. 14 §1; Idaho Const. art. I, § 13. Among other things, due process precludes courts and state agencies from adjudicating matters where no justiciable controversy exists. "Justiciability is generally divided into subcategories—advisory opinions, feigned and collusive cases, standing, ripeness, mootness, political question and administrative questions." Westover v. Idaho Ctys. Risk Mgmt. Program, 164 Idaho 385, 389 (2018), Wylie v. State, 151 Idaho 26, 31 (2011), Miles v. Idaho Power Co., 116 Idaho 635, 639 (1989). The Director's ruling that IGWA's 2021 performance breached the Settlement Agreement violates due process because the issue is moot.

"An issue is moot if it presents no justiciable controversy and a judicial determination will have no practical effect upon the outcome." Farrell v. Whiteman, 146 Idaho 604, 610 (2009). In other words, a case becomes moot "when the issues presented are no longer live." Franz v. Osborn, 167 Idaho 176, 180 (2020) (quoting Ferrell, 146 Idaho at 610). Justiciability requires an actual controversy that is "definite and concrete." Bliss v. Minidoka Irr. Dist., 167 Idaho 141, 158 (2020) (citing Bettwieser v. New York Irr. Dist., 154 Idaho 317, 326 (2013)). It does not exist when "only a hypothetic question remains, and it is impossible for the court to grant that party any other or additional relief." Sallaz v. Rice, 161 Idaho 223, 230 (2016) (citing Dorman v. Young, 80 Idaho 435-37 (1958)). The doctrine "precludes courts from deciding cases which are purely hypothetical or advisory." State v. Rhoades, 119 Idaho 594, 597 (1991).

IGWA's 2021 compliance with the Settlement Agreement is moot because the matter was resolved by the 2022 Agreement. There is no longer a live controversy. The Director is not in a position to grant any other or additional relief concerning IGWA's 2021 compliance. In fact, the Final Order acknowledges this. The Director refused to consider IGWA's due process argument because he deemed it to be "moot in light of the Remedy Agreement," explaining that he was no longer in a position to order curtailment due to IGWA's 2021 performance (i.e. the Director was unable to grant any other or additional relief). (Final Order, p. 17-18).

Since IGWA's 2021 compliance with the Settlement Agreement is a moot issue, those parts of the Final Order that adjudicate IGWA's 2021 compliance, including the contractual interpretations upon which they are based, should be withdrawn.

3. The Director's ruling that IGWA breached the Settlement Agreement should be withdrawn because it was made upon unlawful procedure.

Even if the Director has authority to adjudicate contractual disputes between IGWA and the SWC, his ruling that IGWA breached the Settlement Agreement must be withdrawn because it was made in violation of due process and the Idaho Administrative Procedures Act ("APA").

3.1 The Director violated due process by adjudicating IGWA's property rights without first holding a hearing.

"Due process of law under the federal and state constitutions requires that one be heard before his rights are adjudged." *Duggan v. Potlatch Forests, Inc.*, 92 Idaho 262, 264 (1968) (quoting *Lovell v. Lovell*, 80 Idaho 251 (1958). "This principle of equity embedded in our constitutions is applicable in proceedings before administrative bodies." *Id.* (citing *Washington Water Power Co. v. Idaho Public Util. Comm.*, 84 Idaho 341, 372 P.2d 409 (1962)). Due process requires a hearing "before he is deprived of any significant property interest, except for extraordinary situations when some valid governmental interest is at stake that justifies postponing the hearing until after the event." *Fuentes v. Shevin*, 407 U.S. 67, 81 (quoting *Boddie v. Connecticut*, 401 U.S. 371, 378–79 (1971) (emphasis in original)).

Before the Final Order was issued, IGWA argued that due process requires the Director to hold a hearing before interpreting or enforcing the Settlement Agreement. (IGWA's Obj. to Notice of Intent to Take Off. Notice, p. 2–5). The Director declined, concluding that due process only affords a hearing prior to a curtailment, and that the Final Order "does not deprive IGWA of any property right." (Final Order, p. 17.) This conclusion is mistaken. The Settlement Agreement and its accompanying IDWR-approved mitigation plan directly control how much water IGWA's members are permitted to divert under their water rights. Therefore, the Director's adjudication of IGWA's obligations under the Settlement Agreement and mitigation plan directly affects its members' property rights. This is obvious from the fact that Director's decision reduces the amount of water IGWA can divert by more than 34,000 acre-feet. (Final Order, p. 9–11.) The Final Order unequivocally deprives IGWA of property rights, effective immediately.

There is no "extraordinary circumstance" that requires a rushed interpretation of the Settlement Agreement without first holding a hearing. The dispute giving rise to the SWC Notice began last April. The SWC did not file the SWC Notice until July 21, 2022, and it was not accompanied by a motion requesting expedited action. Most importantly, the 2022 Agreement removed any need for immediate action by the Department.

Since there was no need for an immediate decision, due process requires that the Director hold a hearing before adjudicating IGWA's property rights under the Settlement Agreement. Since that was not done, those parts of the Final Order that purport to adjudicate IGWA's contractual obligations should be withdrawn.

3.2 The Director violated the APA by making a decision in contested case without holding a hearing or declaring an emergency.

To ensure that Idaho agencies afford due process, the APA prescribes procedures that must be followed in any contested case. Under the APA, any proceeding "which may result in the issuance of an order is a contested case." Idaho Code § 67-5240. A contested case may be disposed of either formally or informally. Informal disposition may occur "by negotiation, stipulation, agreed

settlement, or consent order." Idaho Code § 67-5240. Formal disposition, on the other hand, must comply with specific procedures, including a hearing, to assure that "there is a full disclosure of all relevant facts and issues, including such cross-examination as may be necessary," and that all parties have "the opportunity to respond and present evidence and argument on all issues involved." Idaho Code §§ 67-5242(3)(a)-(b).

The APA allows state agencies to take action without a hearing only "in a situation involving an immediate danger to the public health, safety, or welfare requiring immediate government action." Idaho Code § 67-5247(1). Even then, the agency must "proceed as quickly as feasible to complete any proceedings that could be required." Idaho Code § 67-5247(4).

Before the Final Order was issued, IGWA argued that the APA requires the Director to hold a hearing before interpreting or enforcing the Settlement Agreement. (IGWA's Obj. to Notice of Intent to Take Off. Notice, p. 5). The Director declined, concluding that Idaho Code § 42-1701A(3) allows him to make decisions first and hold hearings later. (Final Order, p. 17-18.) Section 42-1701A(3) reads, in relevant part:

Unless the right to a hearing before the director ... is otherwise provided by statute, any person aggrieved by any action of the director, including any decision, determination, order or other action, including action upon any application for a permit, license, certificate, approval, registration, or similar form of permission required by law to be issued by the director, 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 Final Order asserts that § 42-1701A(3) trumps the APA because it applies specifically to hearings before the Director. (Final Order, p. 18). However, this argument disregards the plain language of § 42-1701A(3) which limits it application to circumstances where "the right to a hearing before the director is [not] otherwise provided by statute."

The Director takes actions in a wide range of contexts that frequently do not qualify as contested cases under the APA. In those contexts, § 42-1701A(3) entitles aggrieved parties to an after-the-fact hearing to contest the action. By contrast, when the Director takes action "which may result in the issuance of an order," such action qualifies as a "contested case" under the APA. Idaho Code § 67-5240. Under the APA, a hearing is provided by statute: Idaho Code § 67-5242. Therefore, § 42-1701A(3) does not apply in contested cases governed by the APA.

Both the SWC Notice and the Final Order were filed in existing contested cases that have been conducted under the APA from the beginning. The original Department order issued in 2005 in response to the SWC delivery call states: "A contested case is initiated pursuant to Idaho Code § 67-5240 to consider the relief requested." (Order, Feb. 15, 2005, p. 33.) The Department orders approving the Settlement Agreement and the Amendment to Settlement Agreement similarly include the following statement: "The accompanying order is a "Final Order" issued by the department pursuant to section 67-5246, Idaho Code." The SWC Notice was filed under a caption that cites the IDWR document numbers for both the SWC delivery call and the Settlement Agreement contested cases (Docket Nos. CM-DC-2010-011 and CM-MP-2016-001), and the Final Order was filed in the contested case governing the Settlement Agreement (Docket No. CM-MP-2016-001).

After many years of the SWC delivery and the Settlement Agreement being governed by the APA, the Director's decision to circumvent the APA and avoid hearing all evidence before passing

judgment on IGWA's contractual obligations under the Settlement Agreement is very troubling. In any case, the decision was issued in violation of the APA.

Since the Director's adjudication of IGWA's contractual obligations under the Settlement Agreement was made without a hearing and without an emergency declaration, in violation of the APA, those parts of the Final Order should be withdrawn.

REQUEST FOR HEARING

If the Director grants IGWA's petition for reconsideration by withdrawing those parts of the Final Order that adjudicate IGWA's obligations under the Settlement Agreement, then the Director need not grant IGWA's request for hearing. However, if the Director declines to withdraw those parts from the Final Order, then IGWA requests a hearing to address the merits of the Director's decision.

The merits of developing a full evidentiary record and considering all arguments before making critical decisions need not be recited here. Suffice it to say that the APA as well as the Department's rules of procedure contemplate that such a process will be the norm, not the exception. Department rules of procedure require the Director to hold a hearing (Rules 550-553) where testimony is received under oath (Rule 558), "base its decision in a contested case on the official record in the case" (Rule 650.01), "maintain an official record including the items described in section 67-5249, Idaho Code" (Rule 650.01), and instruct that evidence be accepted "to assist the parties' development of a record, not excluded to frustrate that development" (Rule 600). Rule 602 allows the Director to take official notice of certain documents, but this must occur within the context of a contested case hearing and "[p]arties must be given an opportunity to contest and rebut the facts or material officially noticed."

No hearing has been held in accordance with the APA and Department rules of procedure. The Director's "discussion with counsel for the parties regarding possible curative remedies should the Director find a breach" at a status conference (Final Order, p. 4) does not even approach the hearing process required by constitution, the APA, and Department rules of procedure. The Final Order asserts that the Director may "liberally construe" the Department rules of procedure when "impracticable, unnecessary or not in the public interest," but any deviation must still provide a "just, speedy and economical determination of all issues presented to the agency" (Rule 51), and must still comply with due process or the APA. A&B Irr. Dist. v. Idaho Dep't of Water Res., 154 Idaho 652, 654 (2012) ("[A]ny interpretation by IDWR of the provisions of the section 67-5246 is not entitled to deference."). A discussion at a status conference, with no motion or petition having been filed, and no opportunity to conduct discovery, present evidence, or examine witness, falls far short what is legally required.

The Settlement Agreement expressly provides that when the Steering Committee does not agree as to whether a breach occurred, the Director must "evaluate <u>all</u> available information" to determine if a breach has occurred. (Second Addendum, § 2.c.iv (emphasis added)). IGWA requested an evidentiary hearing before the Director construed IGWA's obligations under the Settlement Agreement because additional information was necessary for the decision to be fully informed. (IGWA's Obj. to Not. of Intent to Take Off. Not., p. 6).

IGWA requests hearing for reconsideration of the following determinations in the Final Order: (a) that the Settlement Agreement is unambiguous as to IGWA's share of the 240,000-acrefoot groundwater reduction; (b) that Settlement Agreement is unambiguous as to the means by which compliance with IGWA's conservation obligation is measured; (c) that the Settlement

Agreement unambiguously precludes averaging for the purpose of measuring compliance with IGWA's conservation obligation; (d) that the Director is permitted to look outside the four corners of the Settlement Agreement to interpret unambiguous terms; (e) that the Director is permitted to selectively consider parole evidence when interpreting ambiguous terms; (f) that certain IGWA members breached the Settlement Agreement and accompanying Mitigation Plan in 2021; (d) that certain IGWA members are not covered by an effectively operating Mitigation Plan; and (e) that the 90-day cure period is inapplicable when the Steering Committee does not reach agreement as to whether a breach has occurred. IGWA reserves the right to raise additional issues based on evidence presented at the hearing.

CONCLUSION

For the reasons set forth above, IGWA requests that the Director withdraw those parts of the Final Order that adjudicate IGWA's contractual obligations under the Settlement Agreement, and issue an amended order that simply approves the 2022 Agreement. If the Director withdraws those parts of the Final Order, he need not grant IGWA's request for hearing. However, if the Director declines to grant IGWA's petition for reconsideration as requested, IGWA respectfully requests a hearing to address the merits of the Director's decision.

DATED September 22, 2022.

RACINE OLSON, PLLP

Thomas J. Budge

Attorneys for IGWA

CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of September, 2022, I served the foregoing document on the persons below via email as indicated:

Thomas J. Budge

Gary Spackman, Director Garrick Baxter, Deputy Attorney General IDAHO DEPT. OF WATER RESOURCES P.O. Box 83720 Boise, Idaho 83720-0098	file@idwr.idaho.gov gary.spackman@idwr.idaho.gov garrick.baxter@idwr.idaho.gov
John K. Simpson Travis L. Thompson Michael A. Short BARKER ROSHOLT & SIMPSON, LLP P. 0. Box 63 Twin Falls, ID 83303-0063	jks@idahowaters.com tlt@idahowaters.com nls@idahowaters.com mas@idahowaters.com
W. Kent Fletcher FLETCHER LAW OFFICE P.O. Box 248 Burley, ID 83318	wkf@pmt.org
Kathleen Marion Carr US DEPT. INTERIOR 960 Broadway Ste 400 Boise, ID 83706	kathleenmarion.carr@sol.doi.gov
David W. Gehlert Natural Resources Section Environment and Natural Resources Division U.S. DEPARTMENT OF JUSTICE 999 18th St., South Terrace, Suite 370 Denver, CO 80202	david.gehlert@usdoj.gov
Matt Howard US BUREAU OF RECLAMATION 1150 N Curtis Road Boise, ID 83706-1234	mhoward@usbr.gov

Sarah A Klahn SOMACH SIMMONS & DUNN 2033 11th Street, Ste 5 Boulder, Co 80302	sklahn@somachlaw.com dthompson@somachlaw.com
Rich Diehl CITY OF POCATELLO P.O. Box 4169 Pocatello, ID 83205	rdiehl@pocatello.us
Candice McHugh Chris Bromley MCHUGH BROMLEY, PLLC 380 South 4th Street, Suite 103 Boise, ID 83 702	cbromley@mchughbromley.com cmchugh@mchughbromley.com
Robert E. Williams WILLIAMS, MESERVY, & LOTHSPEICH, LLP P.O. Box 168 Jerome, ID 83338	rewilliams@wmlattys.com
Robert L. Harris HOLDEN, KIDWELL, HAHN & CRAPO, PLLC P.O. Box 50130 Idaho Falls, ID 83405	rharris@holdenlegal.com
Randall D. Fife City Attorney CITY OF IDAHO FALLS P.O. Box 50220 Idaho Falls, ID 83405	rfife@idahofallsidaho.gov
William A. Parsons PARSONS SMITH & STONE P.O. Box 910 Burley, ID 83318	wparsons@pmt.org

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

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

IN THE MATTER OF IGWA'S SETTLEMENT

AGREEMENT MITIGATION PLAN

Docket No. CM-MP-2016-001

ORDER GRANTING REQUEST FOR HEARING; NOTICE OF PREHEARING CONFERENCE

BACKGROUND

On September 8, 2022, the Idaho Department of Water Resources ("Department") issued a *Final Order Regarding Compliance with Approved Mitigation Plan* ("Final Order"). The Final Order concluded that, in 2021, the Idaho Ground Water Appropriators, Inc. ("IGWA") did not comply with the approved mitigation plan between the Surface Water Collation ("SWC") and IGWA. Additionally, the Final Order approved the settlement agreement the parties filed with the Department on September 7, 2022, as an appropriate remedy for IGWA's 2021 breach.

On September 22, 2022, IGWA timely filed with the Department a *Petition for Reconsideration and Request for Hearing* ("Petition"). The Petition requests the Director amend the Final Order to "withdraw those parts . . . that adjudicate IGWA's contractual obligations under the Settlement Agreement" Petition at 7. In the alternative, the Petition "requests a hearing to address the merits of the Director's decision." *Id*.

APPLICABLE LAW

Idaho Code § 42-1701A(3) provides in relevant part:

Unless the right to a hearing before the director... is otherwise provided by statute, any person aggrieved by any action of the director, including any decision, determination, order or other action... 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.

ANALYSIS AND CONCLUSIONS OF LAW

IGWA has not previously been afforded an opportunity for hearing on the Final Order. Therefore, the Director concludes he should grant IGWA's request for hearing in accordance with Idaho Code § 42-1701A(3). Because the Director is granting the request for hearing, IGWA's request for reconsideration is moot and will not be addressed in this order. The issues raised in the request for reconsideration can be raised at hearing or within briefing.

NOTICE OF PREHEARING CONFERENCE

The Director hereby notifies the parties that a prehearing conference in this matter will be held on **November 10, 2022, at 10 a.m. (MST)**, at the Department's State Office, located at 322 E. Front Street, 6th Floor, Conference Room 602C–D, Boise, Idaho. All parties to the matter must be represented at the prehearing conference in person or by video conference. The parties shall come prepared to identify the issues to be addressed at hearing or decided on briefing, and to establish a schedule.

To join the conference via computer or smartphone, please click the following Webex link, follow the prompts, and wait to be admitted by the meeting host: https://idahogov.webex.com/idahogov/j.php?MTID=m76fe9d00b5c92782fa4b287a30145f64.

To join the conference via telephone, please dial 1(415) 655-0001 (US Toll) and enter the following meeting access code when prompted: 2467 819 2382.

The prehearing conference will be held in accordance with the provisions of Chapter 17, Title 42, and Chapter 52, Title 67, Idaho Code, and the Department's Rules of Procedure, IDAPA 37.01.01. A copy of the Rules of Procedure may be obtained from the Department upon request or at https://adminrules.idaho.gov/rules/current/37/370101.pdf.

The conference will be conducted in a facility that meets the accessibility requirements of the Americans with Disabilities Act. If you require special accommodations to attend, participate in, or understand the conference, please advise the Department no later than five (5) days before the conference. Inquiries for special accommodations should be directed to Sarah Tschohl, Idaho Department of Water Resources, P.O. Box 83720, Boise, Idaho 83720-0098, telephone: (208) 287-4815.

ORDER

IT IS HEREBY ORDERED that IGWA's request for hearing is GRANTED.

Dated this 13th day of October 2022.

GARY SPACKMAN

Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 13th day of October 2022, the above and foregoing, was served by the method indicated below, and addressed to the following:

John K. Simpson Travis L. Thompson BARKER ROSHOLT & SIMPSON, LLP P. O. Box 63 Twin Falls, ID 83303-0063 jks@idahowaters.com tlt@idahowaters.com nls@idahowaters.com jf@idahowaters.com	☑ U.S. Mail, postage prepaid☑ Email
W. Kent Fletcher FLETCHER LAW OFFICE P.O. Box 248 Burley, ID 83318 wkf@pmt.org	☑ U.S. Mail, postage prepaid☑ Email
Randall C. Budge Thomas J. Budge RACINE OLSON P.O. Box 1391 Pocatello, ID 83204-1391 randy@racineolson.com ti@racineolson.com	☑ U.S. Mail, postage prepaid☑ Email
Kathleen Marion Carr US Dept. Interior 960 Broadway Ste 400 Boise, ID 83706 kathleenmarion.carr@sol.doi.gov	☑ U.S. Mail, postage prepaid☑ Email
David W. Gehlert Natural Resources Section Environment and Natural Resources Division U.S. Department of Justice 999 18th St., South Terrace, Suite 370 Denver, CO 80202 david.gehlert@usdoj.gov	☑ U.S. Mail, postage prepaid☑ Email
Matt Howard US Bureau of Reclamation 1150 N Curtis Road Boise, ID 83706-1234 mhoward@usbr.gov	☑ U.S. Mail, postage prepaid☑ Email
Sarah A Klahn Somach Simmons & Dunn 1155 Canyon Blvd, Ste. 110 Boulder, CO 80302 sklahn@somachlaw.com dthompson@somachlaw.com	☑ U.S. Mail, postage prepaid☑ Email

	The state of the s
Rich Diehl City of Pocatello P.O. Box 4169 Pocatello, ID 83205 rdiehl@pocatello.us	☑ U.S. Mail, postage prepaid☑ Email
Candice McHugh Chris Bromley MCHUGH BROMLEY, PLLC 380 South 4 th Street, Suite 103 Boise, ID 83702 cbromley@mchughbromley.com cmchugh@mchughbromley.com	☑ U.S. Mail, postage prepaid☑ Email
Robert E. Williams WILLIAMS, MESERVY, & LOTHSPEICH, LLP P.O. Box 168 Jerome, ID 83338 rewilliams@wmlattys.com	U.S. Mail, postage prepaid Email
Robert L. Harris HOLDEN, KIDWELL, HAHN & CRAPO, PLLC P.O. Box 50130 Idaho Falls, ID 83405 rharris@holdenlegal.com	U.S. Mail, postage prepaid Email
Randall D. Fife City Attorney, City of Idaho Falls P.O. Box 50220 Idaho Falls, ID 83405 rfife@idahofallsidaho.gov	☑ U.S. Mail, postage prepaid☑ Email
Tony Olenichak IDWR—Eastern Region 900 N. Skyline Drive, Ste. A Idaho Falls, ID 83402 Tony.Olenichak@idwr.idaho.gov	⊠ Email
Corey Skinner IDWR—Southern Region 1341 Fillmore St., Ste. 200 Twin Falls, ID 83301-3033 corey.skinner@idwr.idaho.gov	⊠ Email
COURTESY COPY TO: William A. Parsons PARSONS SMITH & STONE P.O. Box 910 Burley, ID 83318 wparsons@pmt.org	⊠ Email

Megan Jenkins Administrative Assistant II

 From:
 sjwmick@gmail.com

 To:
 Spackman, Gary

 Subject:
 Settlement Agreement

Date: Thursday, November 3, 2022 8:51:05 AM

Attachments: 2015 Settlement Agreement.pdf

CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

Gary,

Here is the settlement sheet.

Stephanie

SETTLEMENT AGREEMENT ENTERED INTO JUNE 30, 2015 BETWEEN PARTICIPATING MEMBERS OF THE SURFACE WATER COALITION AND PARTICIPATING MEMBERS OF THE IDAHO GROUND WATER APPROPRIATORS, INC. 2

IN SETTLEMENT OF LITIGATION INVOLVING THE DISTRIBUTION OF WATER TO THE MEMBERS OF THE SURFACE WATER COALITION, THE PARTIES AGREE AS FOLLOWS:

1. Objectives.

- a. Mitigate for material injury to senior surface water rights that rely upon natural flow in the Near Blackfoot to Milner reaches to provide part of the water supply for the senior surface water rights.
- b. Provide "safe harbor" from curtailment to members of ground water districts and irrigation districts that divert ground water from the Eastern Snake Plain Aquifer (ESPA) for the term of the Settlement Agreement and other ground water users that agree to the terms of this Settlement Agreement.
- c. Minimize economic impact on individual water users and the state economy arising from water supply shortages.
- d. Increase reliability and enforcement of water use, measurement, and reporting across the Eastern Snake Plain.
- e. Increase compliance with all elements and conditions of all water rights and increase enforcement when there is not compliance.
- f. Develop an adaptive groundwater management plan to stabilize and enhance ESPA levels to meet existing water right needs.

¹ The Surface Water Coalition members ("SWC") are A&B Irrigation District (A&B), American Falls Reservoir District No. 2 (AFRD2), Burley Irrigation District (BID), Milner Irrigation District (Milner), Minidoka Irrigation District (MID), North Side Canal Company (NSCC), and Twin Falls Canal Company (TFCC). The acronym "SWC" in the Settlement Agreement is used for convenience to refer to all members of the Surface Water Coalition who are the actual parties to this Settlement Agreement.

² The Idaho Ground Water Appropriators, Inc. ("IGWA") are Aberdeen-American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Carey Valley Ground Water District, Jefferson Clark Ground Water District, Madison Ground Water District, Magic Valley Ground Water District, North Snake Ground Water District, Southwest Irrigation District, and Fremont-Madison Irrigation District, Anheuser-Busch, United Water, Glambia Cheese, City of Blackfoot, City of American Falls, City of Jerome, City of Rupert, City of Heyburn, City of Paul, City of Chubbuck, and City of Hazelton. The acronym "IGWA" in the Settlement Agreement is used for convenience to refer to all members of the Idaho Ground Water Appropriators, Inc. who are the actual parties to this Settlement Agreement.

2. Near Term Practices.

- a. For 2015 IGWA on behalf of its member districts will acquire a minimum of 110,000 ac-ft for assignment as described below:
 - i. 75,000 ac-ft of private leased storage water shall be delivered to SWC;
 - ii. 15,000 ac-ft of additional private leased storage water shall be delivered to SWC within 21 days following the date of allocation;
 - iii. 20,000 ac-ft of common pool water shall be obtained by IGWA through a TFCC application to the common pool and delivered to SWC within 21 days following the date of allocation; and
 - iv. Secure as much additional water as possible to be dedicated to on-going conversion projects at a cost not to exceed \$1.1 million, the cost of which will be paid for by IGWA and/or the converting members.
- b. The parties stipulate the director rescind the April 16 As-Applied Order and stay the April 16 3rd Amended Methodology Order, and preserve all pending rights and proceedings.
- c. "Part a" above shall satisfy all 2015 "in-season" mitigation obligations to the SWC.
- d. This Settlement Agreement is conditional upon approval and submission by the respective boards of the Idaho Ground Water Appropriators, Inc. ("IGWA") and the Surface Water Coalition ("SWC") to the Director by August 1.
- e. If the Settlement Agreement is not approved and submitted by August 1 the methodology order shall be reinstated and implemented for the remainder of the irrigation season.
- f. Parties will work to identify and pass legislative changes needed to support the objectives of this Settlement Agreement, including, development of legislation memorializing conditions of the ESPA, obligations of the parties, and ground water level goal and benchmarks identified herein.

3. Long Term Practices, Commencing 2016.

- a. Consumptive Use Volume Reduction.
 - i. Total ground water diversion shall be reduced by 240,000 ac-ft annually.
 - ii. Each Ground Water and Irrigation District with members pumping from the ESPA shall be responsible for reducing their proportionate share of the total annual ground water reduction or in conducting an equivalent private recharge activity. Private recharge activities cannot rely on the <u>Water District 01</u> common Rental Pool or credits acquired from third parties, unless otherwise agreed to by the parties.
- b. Annual storage water delivery.
 - i. IGWA will provide 50,000 ac-ft of storage water through private lease(s) of water from the Upper Snake Reservoir system, delivered to SWC 21 days after the date of allocation, for use to the extent needed to meet irrigation

Spote has a list of Approved device requirements. Any excess storage water will be used for targeted conversions and recharge as determined by SWC and IGWA.

- *ii.* IGWA shall use its best efforts to continue existing conversions in Water Districts 130 and 140.
- c. Irrigation season reduction.

Ground water users will not irrigate sooner than April 1 or later than October 31.

(d.) Mandatory Measurement Requirement.

Installation of approved closed conduit flow meter on all remaining unmeasured and power consumption coefficient (PCC) measured ground water diversions will be completed by the beginning of the 2018 irrigation season. Measurement device installation will be phased in over three years, by ground water district, in a sequence determined by the parties. If an adequate measurement device is not installed by the beginning of the 2016 irrigation season, a cropping pattern methodology will be utilized until such measuring device is installed.

- e. Ground Water Level Goal and Benchmarks.
 - i. Stabilize and ultimately reverse the trend of declining ground water levels and return ground water levels to a level equal to the average of the aquifer levels from 1991-2001. Utilize groundwater levels in mutually agreed upon wells with mutually agreed to calculation techniques to measure ground water levels. A preliminary list of 19 wells has been agreed to by the parties, recognizing that the list may be modified based on additional technical information.
 - ii. The following benchmarks shall be established:
 - Stabilization of ground water levels at identified wells by April 2020, to 2015 ground water levels;
 - Increase in ground water levels by April 2023 to a point half way between 2015 ground water levels and the ground water level goal;
 - Increase of ground water levels at identified wells by April 2026 to the ground water level goal.
 - iii. Develop a reliable method to measure reach gain trends in the Blackfoot to Milner reach within 10 years.
 - iv. When the ground water level goal is achieved for a five year rolling average, ground water diversion reductions may be reduced or removed, so long as the ground water level goal is sustained.
 - v. If any of the benchmarks, or the ground water level goal, is not achieved, adaptive measures will be identified and implemented per section 4 below.
- f. Recharge.

Parties will support State sponsored managed recharge program of 250 KAF annual-average across the ESPA, consistent with the ESPA CAMP and the direction in HB

- 547. IGWA's contributions to the State sponsored recharge program will be targeted for infrastructure and operations above American Falls.
- g. NRCS Programs.

Parties will support NRCS funded permanent water conservation programs.

Conversions. All water is

IGWA will undertake additional targeted ground water to surface water conversions and/or fallow land projects above American Falls (target near Blackfoot area as preferred sites).

i. Trust Water Rights.

The parties will participate and support the State in initiating and conducting discussions regarding long-term disposition of trust water rights and whether trust water rights should be renewed or cancelled, or if certain uses of trust water rights should be renewed or cancelled.

i. Transfer Processes.

Parties agree to meet with the State and water users to discuss changes in transfer processes within or into the ESPA.

k. Moratorium Designations.

State will review and continue the present moratoriums on new applications within the ESPA, including the non-trust water area.

1. IDWR Processes.

Develop guidelines for water right applications, transfers and water supply bank transactions for consideration by the IDWR.

- m. Steering Committee.
 - The parties will establish a steering committee comprised of a representative of each signatory party and the State.
 - Steering committee will be formed on or before September 10, 2015 and will meet at least once annually.
 - iii. The Steering Committee will develop an adaptive management plan for responding to changes in aquifer levels and reach gain trends, review progress on implementation and achieving benchmarks and the ground water goal.
 - A technical work group ("TWG") will be created to support the Steering Committee. The TWG will provide technical analysis to the Steering Committee, such as developing a better way to predict and measure reach gains and ground water levels, to assist with the on-going implementation and adaptive management of the Settlement Agreement.

4. Adaptive Water Management Measures.

a. If any of the benchmarks or the ground water level goal is not met, additional recharge, consumptive use reductions, or other measures as recommended by the Steering Committee shall be implemented by the participating ground water parties to meet the benchmarks or ground water level goal.

(b) The SWC, IGWA and State recognize that even with full storage supplies, present (2015) reach gain levels in the Near Blackfoot to Milner reach (natural flows) are not sufficient to provide adequate and sustainable water supplies to the SWC.

5. Safe Harbor.

No ground water user participating in this Settlement Agreement will be subject to a delivery call by the SWC members as long as the provisions of the Settlement Agreement are being implemented.

6. Non-participants.

Any ground water user not participating in this Settlement Agreement or otherwise have another approved mitigation plan will be subject to administration.

7. Term.

This is a perpetual agreement.

8. Binding Effect.

This Agreement shall bind and inure to the benefit of the respective successors of the parties.

9. Entire Agreement.

This Agreement sets forth all understandings between the parties with respect to SWC delivery call. There are no other understandings, covenants, promises, agreements, conditions, either oral or written between the parties other than those contained herein. The parties expressly reserve all rights not settled by this Agreement.

10. Effect of Headings.

Headings appearing in this Agreement are inserted for convenience and reference and shall not be construed as interpretations of the text.

11. Effective Date.

This Agreement shall be binding and effective when the following events have occurred:

- a. This Agreement is approved and executed by the participating parties consistent with paragraph 2.e. above; and
- b. IGWA has assigned all of the storage water required by paragraph 2.a.i., ii., and iii. to the SWC by July 8, 2015.

The parties have executed this Agreement on the date following their respective signatures.

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RACINE OLSON NYE BUDGE AND BAILEY, CHARTERED

Randall C. Budge

Date

Attorney for Idaho Ground Water Appropriators, Inc.

IDAHO GROUND WATER APPROPRIATORS, INC.

Tim Deeg

7/1/2015

Date

President

CONFIDENTIAL: Attorney-Client Privileged

OUESTIONS AND ANSWERS

TO: IGWA Members

FROM: Randy Budge, T.J. Budge

DATE: July 2, 2015

RE: SWC-IGWA SETTLEMENT AGREEMENT dated June

30,2015

1. How was the 240,000 acre-feet of reduction in groundwater diversions arrived at?

Answer: The total volume of water stored in the ESPA has declined by an average of approximately 220,000 acre-feet annually over the last 60 years. The 240,000 acre-feet is a negotiated reduction.

2. What is the purpose of the 240,000 acre-feet reduction in groundwater diversion plus the 250,000 acre-feet of state-Sponsored recharge?

Answer: Stabilize the declining aquifer, then trend groundwater levels upward until the established goal is reached (discussed below).

3. Why is it necessary to raise groundwater levels?

Answer: Several reasons: (1) to increase the water supplies of senior surface water right holders and avoid future delivery calls; (2) improve reach gains to the Snake River; (3) sustain the Murphy gage minimum flows; and (4) decrease pumping lifts and re-drilling costs.

4. How will the 240,000 acre-foot reduction in groundwater withdrawals be allocated between the districts?

Answer: Each of the twelve (12) ground water and irrigation districts that divert water from the ESPA will be allocated their proportionate share of the total annual ground water reduction based on the number of cfs and/or irrigated acres within each district.

5. If one or more districts choose not to participate in the settlement, will the participating districts have to further reduce diversions in order to reach the cumulative 240,000 acre-foot reduction in groundwater use?

Answer: No, each district will only be responsible for its share of the 240,000 acre-feet. However, if the ground water level goal or benchmarks identified in the settlement agreement are not met further diversion reductions may be necessary to meet the goal.

6. What is the approximate percentage reduction in groundwater diversions needed to achieve an overall 240,000 acre-foot reduction?

<u>Answer:</u> Approximately 10.9% to each district, subject to refinement as the exact amount of groundwater diverted in each district is determined.

7. How will the diversion reduction be applied across the ESPA?

Answer: Each district will be required to reduce diversion by 10.9%. The following table shows the current crop irrigation requirements (CIR) for each district, compared to the CIR with a 10.9 % reduction. These figures may change as the amount of groundwater diverted by each district is refined.

District	Current	10.9% Reduction
A&B Irrig. Dist.	2.6	2.32
Aberdeen-American Falls GWD	2.1	1.87
Bingham GWD	2.3	2.05
Bonneville-Jefferson GWD	1.9	1.69
Carey Valley GWD	2.2	1.96
Fremont-Madison Irrig. Dist.	1.7	1.51
Jefferson-Clark GWD	1.9	1.69
Madison GWD	1.7	1.51
Magic Valley GWD	2.6	2.32
North Snake GWD	2.4	2.14
Raft River GWD	1.8	1.60
Southwest Irrig. Dist.	2.4	2.14

8. Is each district required to dry up 10.9% of its irrigated acreage?

Answer: No. Each district will decide how to accomplish its 10.9% reduction. Options may include diversion caps, fallowing land, end-gun removals, conversions to surface water, changing crop rotation patterns to less consumptive crops, and enrolling land in CREP.

9. What is the ground water level goal?

Answer: An average of the 1991 to 2001 ground water levels at 19 identified wells.

SWC Settlement Q&A-2

10. What is the benchmark for stabilizing ground water levels?

Answer: By April 2020 stabilize ground water levels at identified wells to 2015 ground water levels.

11. What are the benchmarks for increasing groundwater levels?

Answer: By 2023 increase ground water levels at identified wells to a point half way between 2015 ground water levels and the ground water level goal; and, by April 2026 increase ground water levels at identified wells to the ground water level goal.

12. Will the 240,000 acre-foot reduction of groundwater diversion plus 250,000 acre-feet of state-sponsored recharge be sufficient to stabilize and then return ground water levels to an average of the 1991 to 2001 levels?

Answer: Model runs indicate it will, though precipitation plays a significant role in how long it will take.

13. How long will it take to restore the aquifer to meet the goals?

Answer: Under average precipitation, the aquifer is projected to stabilize in about 5 years and reach the recovery goal in about 10 years. Persistent drought will cause it to take longer, whereas a wet cycle will expedite the recovery.

14. If ground water level goal is achieved, can the reduction in groundwater diversions be reduced or eliminated?

Answer: Yes. Success is measured when a rolling average of 5 years of groundwater levels at identified wells equals or exceeds the established goal. When these levels are achieved and sustained, groundwater diversion reductions may be reduced or eliminated so long as the groundwater level goal is maintained.

15. What happens if the groundwater level goal is not achieved?

<u>Answer:</u> Adaptive measures will be identified and implemented. A steering committee comprised of the parties and the State will identify appropriate adaptive measures.

16. What is the "safe harbor" provided to participating groundwater users in a participating district?

SWC Settlement Q&A-3

Answer: No participating groundwater user within a district that is party to the settlement will be subject to a delivery call by the SWC.

17. How long is the agreement for?

Answer: It is perpetual.

18. Will groundwater users who have already implemented efficiencies such as participating in end gun removals, CREP and conversions for example, still be required to reduce more?

<u>Answer:</u> Not necessarily. It will depend on the methods implemented by each district to achieve their diversion reduction. Highly efficient water users may already be near or under a diversion cap.

19. Who makes the decision whether to participate in the settlement?

<u>Answer:</u> The board of directors of each district will decide whether their district participates. The districts plan to hold member meetings to provide guidance.

20. When must each district decide whether to participate in the settlement?

Answer: By August 1, 2015.

21. Will a district that does not participate in the settlement by August 1, 2015, be able to change its mind and participate at a later date?

Answer: Unknown at this time. All parties to the agreement would have to decide whether to allow others to participate later and upon what terms.

22. What happens to a participating district that opts out of the settlement or fails to perform?

Answer: The settlement agreement does not provide for an option to opt out. If a district fails to perform, the members water rights will be subject to administration by IDWR. District members will then be required to comply with mitigation and curtailment orders imposed by the Director under the SWC delivery call. Members of districts who do not perform may be subject to curtailment during times when SWC water rights are short.

23. If a district board decides to participate in the settlement, can individual groundwater users opt out?

Answer: No, unless the district board allows them to withdraw from the district.

24. If a district board allows a member to withdraw from the district, will the remaining district members have to make up the senior's share?

Answer: Yes.

25. If a district chooses not to participate in the settlement, may a member choose to participate by reducing their groundwater diversion by 10.9%?

<u>Answer:</u> The settlement agreement does not address this, but the member may be able to petition to join another participating district for mitigation purposes to participate in the SWC settlement and gain safe harbor from curtailment.

26. What happens if a water user fails to keep its diversions under a diversion cap?

Answer: The district would need to enforce the cap or be in breach of the agreement. If the agreement is breached the safe harbor protections would end and all of the district's member's water rights would be subject to administration and curtailment.

27. Can a district obligate senior groundwater rights to participate in the settlement?

Answer: Districts have authority under Idaho Code 42-5224 to enter into the settlement agreement on behalf of their members. A district member could challenge the Board's action. The outcome of such challenge is unknown.

It is important that groundwater users understand that the settlement agreement presents a unique opportunity to solve the declining aquifer problem. The alternative is leaving the problem to the devices of IDWR and judges. The demand reduction plus recharge plan is a holistic approach that aims to keep everyone in business and operating every year, rather than being subject to curtailment during periods of drought.

If the settlement agreement fails, groundwater users will be required to live with curtailment orders issued by the IDWR and judges, which require drying up land. The settlement agreement is the only way for groundwater users to avoid curtailment by reducing diversions instead of drying up land.

Since all groundwater rights could be at risk of curtailment under the SWC delivery call, most groundwater users have multiple water rights with different priority dates, and the settlement provides an opportunity to keep land in production by reduced diversions, IGWA believes it is the most cost-effective and fair approach to solving the problem.

28. How will the priority of water rights between groundwater users be recognized by those districts who participate in the settlement?

Answer: Districts could decide to allocate the reduction unequally so that older rights have a smaller diversion cap and later rights have a larger diversion cap. However, this would likely be more difficult and expensive to administer than other alternatives because of stacked rights. It would also be difficult for individual farmers to implement.

29. How will enforcement of the diversion reductions be accomplished against participating groundwater districts?

Answer: Groundwater diversions have been measured and reported to IDWR for many years. This database will be used to determine whether farmers stay within their diversion cap. In addition, satellite sensors will be used by IDWR to measure ET losses from irrigated fields to confirm a reduction in consumptive use.

30. Who will do the enforcement of the groundwater diversion reductions against the districts and their members?

<u>Answer:</u> Each district is ultimately responsible to ensure its members comply with the diversion cap for the district. IDWR may help districts facilitate enforcement.

31. Can the diversion reductions be accomplished by averaging diversions or a period of years to accommodate crop rotation practices?

Answer: Perhaps, but this technical detail will need to be worked out.

32. Does the Director's new 2015 Methodology Order increase mitigation obligations to the SWC?

Answer: Yes. Changes made to the 2015 Methodology Order, along with declining aquifer levels, cause much larger mitigation obligations than existed previously and also increase the frequency of years in which mitigation obligations will exist.

33. Will groundwater diverters outside of the Rule 50 aquifer boundary, such as in the Big Loss, Big Wood and Portneuf basins, be required to participate in the settlement?

<u>Answer:</u> Not at this time because they are legally outside of the ESPA. This is expected to change in the future so that all ground water users that impact aquifer levels are required to participate in the solutions necessary to protect the aquifer.

34. How will the starting groundwater level be determined and how will stabilization and increase in groundwater levels be determined?

Answer: Technical experts representing the parties have identified 19 wells to establish the current ground water level and to monitor changes in the groundwater level and determine if the benchmarks and goal are being achieved.

35. What happens if the State does not meet its commitment to recharge an average of 250,000 acre-feet annually?

Answer: The State's recharge obligation is separate from the groundwater users under the settlement. The districts obligations to perform continue regardless of whether the State achieves its recharge objective.

36. Can a district still participate in the settlement and have safe harbor if another district does not?

Answer: Yes. Participating districts will enjoy safe harbor while members of non-participating districts will risk curtailment.

37. Will commercial, industrial, municipal, or stock water rights in participating districts also be required to reduce their diversions?

<u>Answer:</u> Yes. However, the means by which they accomplish reductions in their diversions have yet to be determined.

38. Summarize how approving and performing the settlement will solve problems and help eliminate curtailment risks to ground water users?

Answer: The settlement agreement will help solve ongoing risks of curtailment in three key areas: (1) by permanently solving all mitigation obligations to the SWC and providing safe harbor from curtailment; (2) by increasing spring discharges in the Hagerman Valley which will reduce or eliminate over time for mitigation obligations there; and (3) by increasing base river flows in the summer to help avoid need for curtailment to sustain the Murphy gage minimum flows.

Stabilizing then restoring the aquifer will cause chronic pain for a number of years until the groundwater level goal is met. In return, ground water users will receive certainty by removing the risk of curtailment for the future and preserving the right to reduce or eliminate diversion reductions once the ground water level goal is achieved.

It will not be business as usual, but a way to stay in business!



Idaho Statutes

TITLE 42 IRRIGATION AND DRAINAGE -- WATER RIGHTS AND RECLAMATION

CHAPTER 52 GROUND WATER DISTRICTS

42-5251. PETITION FOR EXCLUSION OF LANDS -- GROUND WATER IRRIGATED LANDS -- LANDS OF NONIRRIGATOR -- LANDS MAY REMAIN IN THE DISTRICT FOR MITIGATION PURPOSES. (1) Any district member who is an irrigator may file with the district board a petition requesting that the member's irrigated lands be excluded from the district. The petition may request that the lands either be excluded for all purposes or be excluded for all purposes except mitigation. The petition shall be signed by each petitioner, and shall state that continued inclusion of the irrigated lands in the district is inappropriate or unwarranted:

- (a) Because the diversions of ground water under the ground water irrigator's water right have no depletive effect on any water source, either individually or cumulatively when considered in conjunction with other similar diversions;
- (b) Because the only ground water use associated with the lands sought to be excluded by the petition is a domestic or stock water use as defined by sections $\underline{42-111}$ and $\underline{42-1401A}$, Idaho Code;
- (c) Because the exclusion of the lands will not impair the district's ability to repay debt or carry out mitigation plans;
- (d) Because the exclusion is in the best interests of the district and its members; or
- (e) For other compelling reasons.

The board shall consider the petition and, based on findings concerning such factors, the board shall grant or deny the petition within ninety (90) days of the date it is filed, unless the board, in its sole discretion, grants a hearing on the petition within such time period, in which case the board shall issue a final decision within sixty (60) days after the conclusion of the hearing.

- (2) Any district member who is a nonirrigator, may file with the district board a petition requesting that the member's lands be excluded from the district. The petition may request that the lands either be excluded for all purposes or be excluded for all purposes except mitigation. The petition shall be signed by each petitioner, but need not be acknowledged. The board shall consider the petition and grant or deny the petition within ninety (90) days of the date it is filed, unless the board, in its sole discretion, grants a hearing on the petition within such time period, in which case the board shall issue a final decision within sixty (60) days after the conclusion of the hearing.
- (3) All costs incurred by the district in carrying out an exclusion proceeding shall be assessed as provided in section 42-5253, Idaho Code. A person purchasing land under a written contract shall be deemed to be the owner of that land for purposes of this section.



Idaho Statutes

TITLE 42 IRRIGATION AND DRAINAGE -- WATER RIGHTS AND RECLAMATION

CHAPTER 52 GROUND WATER DISTRICTS

42-5252. CONTENTS OF PETITION -- REPRESENTATIONS, CERTIFICATION AND LIABILITY -- WAIVER OF BENEFITS UPON EXCLUSION. (1) A petition for exclusion shall set forth or include the following:

- A description of the land and/or facilities of petitioner for which exclusion is requested, together with such evidence of ownership of the land and/or facilities as is satisfactory to the district board;
- A representation that no mortgagee or other person holds a lien of record in the county where the land for which exclusion is requested is located, for which the lienholder's consent to the exclusion is required or that, if such consent is required, the consent has been granted by the lienholder;
- If the member seeks exclusion for all purposes, an explicit written waiver and relinquishment, on a form provided by the board or otherwise, of all right to rely upon or be covered by any program, plan, activity or benefits of any kind provided by or through the district;
- If the member seeks to be excluded from the district for all purposes except mitigation, an explicit written relinquishment stating that the member recognizes and agrees that:
 - The member no longer will be entitled to vote or participate in the governance of the district, to nominate directors, or to serve as a director of the district except as specified in this chapter;
 - The member will remain subject to all assessments pertaining to the district's mitigation program(s) or plans;
 - (iii) The member will be entitled to receive no benefits of any kind from the district except those pertaining to mitigation purposes.
- Regardless of whether the exclusion will be for all purposes or for all except mitigation purposes, an explicit written statement, on a form provided by the board or otherwise, that the member recognizes and agrees that he will remain liable to the district, and subject to assessment, for any financial indebtedness the member may have to the district for indebtedness incurred before exclusion occurs.
- The district board shall return to the petitioner any petition not accompanied by the information required in subsection (1) of this section, and no further action shall be required of the board with respect to such petition. The petitioner shall be liable for any expenses TABILITING directly or indirectly from wrongful exclusion of lands by or damages to lienholders or to other landowners or to the district

Statutes

5

ason of untrue or incorrect statements in the petition.

(3) The petition for exclusion shall be signed by the member and be snowledged in front of a notary public in the same manner as for deeds land.

story:

[42-5252, added 1995, ch. 290, sec. 1, p. 1004.]

stature.ldaho.gov/ldstat/Title42/T42CH52SECT42-5252PrinterFriendly.htm



Idaho Statutes

TITLE 42
IRRIGATION AND DRAINAGE -- WATER RIGHTS AND RECLAMATION

CHAPTER 52 GROUND WATER DISTRICTS

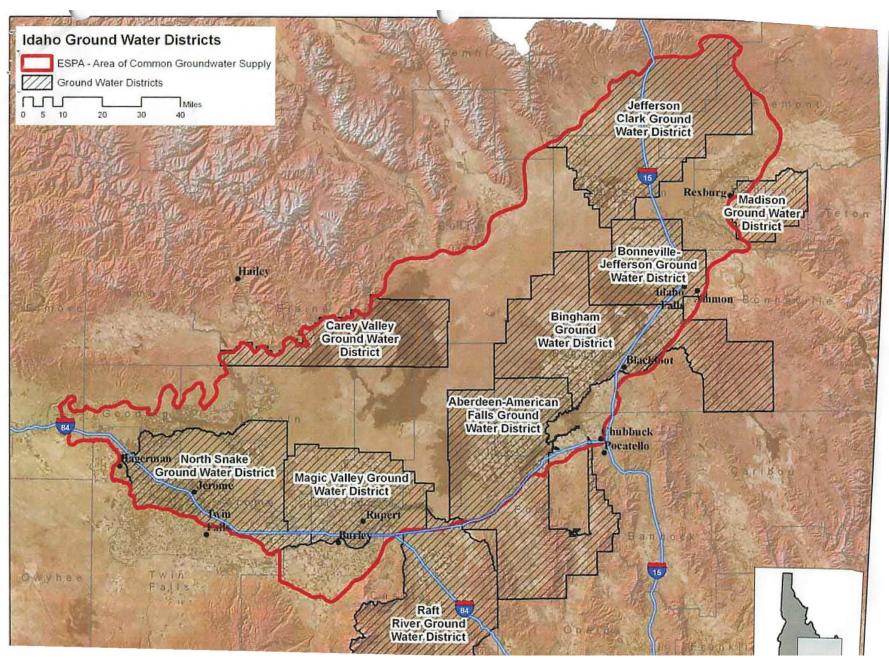
42-5253. ORDER OF EXCLUSION. (1) In the event the district's board of directors grants a petition for exclusion, the board shall, by resolution, make an order forthwith excluding the lands described in the petition either for all purposes or for only those purposes not related to mitigation. No hearing is required prior to granting a petition for exclusion.

- (2) At a minimum, the order of exclusion shall specify that:
- (a) Lands excluded for all purposes shall not be a part of or be entitled to receive any benefits from the district;
- (b) Lands excluded only for purposes not related to mitigation, shall continue to be part of the district for mitigation purposes only and shall be assessed for these purposes as provided under this chapter;
- (c) Any excluded lands are subject to the requirements of section $\underline{42-5257}$, Idaho Code.
- (d) When the petition is filed on or before December 1 in any calendar year, any assessment, other than those specified in section 42-5257, Idaho Code, against the land for any calendar year subsequent to the year in which the petition was filed shall not be valid and no lien for any such attempted assessment shall attach under section 42-5240, Idaho Code.

History:

[42-5253, added 1995, ch. 290, sec. 1, p. 1005; am. 2005, ch. 367, sec. 16, p. 1165.]

1/1



240kAF REDUCTION ALLOCATED BY DISTRICT

		Current		O/ Chave of		Reduction	9.435	Benefit
District	CIR (ac-ft/acre)*	Acres*	Total AF	% Share of 240kAF	% Reduction	CIR Cap (ac-ft/acre)	Total AF	(ac-ft)
A&B ID***	2.6	66,686	173,384	7.9%	10.9%	2.32	154,451	20 700
Aberdeen-American Falls GWD*	2.1	146,988	308,675	14.0%	10.9%	1.87	274,970	22 6/
Bingham GWD*	2.3	134,083	308,391	14.0%	10.9%	2.05	274,717	10 89
Bonneville-Jefferson GWD*	1.9	91,086	173,063	7.9%	10.9%	1.69	154,166	60-
Carey Valley GWD*	2.2	2,513	5,529	0.3%	10.9%	1.96	4,925	185
Fremont-Madison ID**	1.7	8,000	13,600	0.6%	10.9%		12,115	05 5/0
Jefferson-Clark GWD*	1.9	171,488	325,827	14.8%	10.9%		290,249 1,119	
Madison GWD*	1.7	739	1,256	0.1%	10.9%		1,113	63.50
Magic Valley GWD*	2.6	189,990	493,974	22.5%	10.9%		440,035	22,1
North Snake GWD*	2.4	84,601	203,042	9.2%	10.9%		180,87	7 20,8
Raft River GWD*	1.8	11	20	0.0%	10.9%		170,29	7 20,8
Southwest ID**	2.4	79,655	191,172	8.7%	10.9%	2.14		
TOTALS		975,840	2,197,933	100%			1,957,93	

^{*}From IDWR 5/28/2015 ("SWC Delivery Call Settlement & Term Sheet")

380,000 including

^{**}Acres reported to IGWA by District; FMID assigned same CIR as MGWD; SWID assigned same CIR as NSGWD

^{***}Acres from A&B delivery call; assigned same CIR as MVGWD

DISTRICT MEETING SCHEDULE SWC-IGWA SETTLEMENT AGREEMENT

District	Meeting Date	Meeting Place
North Snake GWD	None	
Magic Valley GWD	None	
Carey GWD	July 27, 2015 @ 10:00 a.m.	Carey City Hall
Southwest Irrigation District	July 22, 2015 @ 1:00 p.m.	Burley City Hall
Aberdeen-American Falls GWD	July 16, 2015 @ 7:00 p.m.	Aberdeen High School
Bingham GWD	July 29, 2015 @ 8:00 p.m.	Snake River Junior High
Madison GWD	July 23, 2015 @ 7:00 p.m.	American Motel in Rexburg
Jefferson-Clark GWD	July 28, 2015@ 1:00 p.m.	Terreton High School
Bonneville-Jefferson GWD	July 29, 2015 @ 9:00 a.m.	Hampton Inn in I.F.
Fremont-Madison Irrigation District	None	

Ray Matsura Robert Murdoch.

Craig Evans

etidaho.com

Iron line

Approved measuring devices

Rule 50 removed

Futile Call Doctrine

240kAF REDUCTION ALLOCATED BY DISTRICT

7/20/2015

	Cu		Current			Reduction		
District	CIR (ac-ft/acre)*	Acres*	Total AF	% Share of 240kAF	% Reduction	CIR Cap (ac-ft/acre)	Total AF	Benefit (ac-ft)
A&B ID	2.6	66,686	173,384	7.7%	10.7%	2.32	154,796	18,588
Aberdeen-American Falls GWD	2.1	144,539	303,532	13.6%	10.7%	1.87	270,991	32,541
Bingham GWD	2.3	203,975	469,143	21.0%	10.7%	2.05	418,847	50,296
Bonneville-Jefferson GWD	1.9	62,000	117,800	5.3%	10.7%	1.70	105,171	12,629
Carey Valley GWD	2.2	3,634	7,995	0.4%	10.7%	1.96	7,138	857
Fremont-Madison ID	1.7	8,000	13,600	0.6%	10.7%	1.52	12,142	1,458
Jefferson-Clark GWD	1.9	175,509	333,467	14.9%	10.7%	1.70	297,717	35,750
Madison GWD	1.7	50,852	86,448	3.9%	10.7%	1.52	77,180	9,268
Magic Valley GWD	2.6	127,818	332,327	14.8%	10.7%	2.32	296,699	35,628
North Snake GWD	2.4	87,399	209,758	9.4%	10.7%	2.14	187,270	22,488
Raft River GWD	1.8	11	20	0.0%	10.7%	1.61	18	2
Southwest ID	2.4	79,655	191,172	8.5%	10.7%	2.14	170,677	20,495
TOTALS		1,010,078	2,238,645	100%			1,998,645	240,000

actual 34. 00 oches

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

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

Docket No. CM-MP-2016-001

NOTICE OF RESCHEDULED PREHEARING CONFERENCE

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

The Director hereby notifies the parties that the prehearing conference set in this matter for November 10, 2022, at 10 a.m. (MST) has been rescheduled for **November 10, 2022, at 9 a.m.** (MST). The conference will take place at the Department's State Office, located at 322 E. Front Street, 6th Floor, Conference Room 602C–D, Boise, Idaho. All parties to the matter must be represented at the prehearing conference in person or by video conference. The parties shall come prepared to identify the issues to be addressed at hearing or decided on briefing, and to establish a schedule.

To join the conference via computer or smartphone, please click the following Webex link, follow the prompts, and wait to be admitted by the meeting host: https://idahogov.webex.com/idahogov/j.php?MTID=m76fe9d00b5c92782fa4b287a30145f64.

To join the conference via telephone, please dial 1(415) 655-0001 (US Toll) and enter the following meeting access code when prompted: 2467 819 2382.

The prehearing conference will be held in accordance with the provisions of Chapter 17, Title 42, and Chapter 52, Title 67, Idaho Code, and the Department's Rules of Procedure, IDAPA 37.01.01. A copy of the Rules of Procedure may be obtained from the Department upon request or at https://adminrules.idaho.gov/rules/current/37/370101.pdf.

The conference will be conducted in a facility that meets the accessibility requirements of the Americans with Disabilities Act. If you require special accommodations to attend, participate in, or understand the conference, please advise the Department no later than five (5) days before the conference. Inquiries for special accommodations should be directed to Sarah Tschohl, Idaho Department of Water Resources, P.O. Box 83720, Boise, Idaho 83720-0098, telephone: (208) 287-4815.

NOTICE OF RESCHEDULED PREHEARING CONFERENCE—Page 1

Dated this 8th day of November 2022.

GARY SPACKMAN
Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this <u>8th</u> day of November 2022, the above and foregoing, was served by the method indicated below, and addressed to the following:

John K. Simpson Travis L. Thompson BARKER ROSHOLT & SIMPSON, LLP P. O. Box 63 Twin Falls, ID 83303-0063 jks@idahowaters.com tlt@idahowaters.com nls@idahowaters.com jf@idahowaters.com	☑ U.S. Mail, postage prepaid☑ Email
W. Kent Fletcher FLETCHER LAW OFFICE P.O. Box 248 Burley, ID 83318 wkf@pmt.org	☑ U.S. Mail, postage prepaid☑ Email
Randall C. Budge Thomas J. Budge RACINE OLSON P.O. Box 1391 Pocatello, ID 83204-1391 randy@racineolson.com tj@racineolson.com	☑ U.S. Mail, postage prepaid☑ Email
Kathleen Marion Carr US Dept. Interior 960 Broadway Ste 400 Boise, ID 83706 kathleenmarion.carr@sol.doi.gov	☑ U.S. Mail, postage prepaid☑ Email
David W. Gehlert Natural Resources Section Environment and Natural Resources Division U.S. Department of Justice 999 18 th St., South Terrace, Suite 370 Denver, CO 80202 david.gehlert@usdoj.gov	☑ U.S. Mail, postage prepaid☑ Email
Matt Howard US Bureau of Reclamation 1150 N Curtis Road Boise, ID 83706-1234 mhoward@usbr.gov	☑ U.S. Mail, postage prepaid☑ Email
Sarah A Klahn Somach Simmons & Dunn 1155 Canyon Blvd, Ste. 110 Boulder, CO 80302 sklahn@somachlaw.com dthompson@somachlaw.com	☑ U.S. Mail, postage prepaid☑ Email

NOTICE OF RESCHEDULED PREHEARING CONFERENCE—Page 3

Rich Diehl City of Pocatello P.O. Box 4169 Pocatello, ID 83205 rdiehl@pocatello.us	☑ U.S. Mail, postage prepaid☑ Email
Candice McHugh Chris Bromley MCHUGH BROMLEY, PLLC 380 South 4 th Street, Suite 103 Boise, ID 83702 cbromley@mchughbromley.com cmchugh@mchughbromley.com	☑ U.S. Mail, postage prepaid☑ Email
Robert E. Williams WILLIAMS, MESERVY, & LOTHSPEICH, LLP P.O. Box 168 Jerome, ID 83338 rewilliams@wmlattys.com	☑ U.S. Mail, postage prepaid☑ Email
Robert L. Harris HOLDEN, KIDWELL, HAHN & CRAPO, PLLC P.O. Box 50130 Idaho Falls, ID 83405 rharris@holdenlegal.com	☑ U.S. Mail, postage prepaid☑ Email
Randall D. Fife City Attorney, City of Idaho Falls P.O. Box 50220 Idaho Falls, ID 83405 rfife@idahofallsidaho.gov	☑ U.S. Mail, postage prepaid☑ Email
Tony Olenichak IDWR—Eastern Region 900 N. Skyline Drive, Ste. A Idaho Falls, ID 83402 Tony.Olenichak@idwr.idaho.gov	⊠ Email
Corey Skinner IDWR—Southern Region 1341 Fillmore St., Ste. 200 Twin Falls, ID 83301-3033 corey.skinner@idwr.idaho.gov	⊠ Email
COURTESY COPY TO: William A. Parsons PARSONS SMITH & STONE P.O. Box 910 Burley, ID 83318 wparsons@pmt.org	⊠ Email

Sarah Tschohl

Paralegal

Thomas J. Budge (ISB# 7465) Elisheva M. Patterson (ISB# 11746) RACINE OLSON, PLLP 201 E. Center St. / P.O. Box 1391 Pocatello, Idaho 83204 (208) 232-6101 – phone tj@racineolson.com elisheva@racineolson.com

Attorneys for IGWA

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES

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

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

Docket No. CM-MP-2016-001

Notice of Substitution of Counsel

Notice is hereby given that Randall C. Budge withdraws as counsel of record for Idaho Ground Water Appropriators, Inc. ("IGWA"), and that Elisheva M. Patterson of Racine Olson, PLLP, appears as attorneys of record in this matter for IGWA along with Thomas J. Budge.

DATED this 15th day of November, 2022.

RACINE OLSON, PLLP

Thomas J. Budge

Attorneys for IGWA

CERTIFICATE OF SERVICE

I hereby certify that on this 15^{th} day of November, 2022, I served the foregoing document on the persons below via email or as otherwise indicated:

Thomas J. Budge

Idaho Department of Water Resources Gary Spackman, Director Garrick L. Baxter, Deputy Attorney General IDAHO DEPARTMENT OF WATER RESOURCES PO Box 83720 Boise, ID 83720-0098	file@idwr.idaho.gov gary.Spackman@idwr.idaho.gov garrick.baxter@idwr.idaho.gov mark.cecchini-beaver@idwr.idaho.gov
John K. Simpson Travis L. Thompson Michael A. Short BARKER ROSHOLT & SIMPSON, LLP P. 0. Box 63 Twin Falls, ID 83303-0063	jks@idahowaters.com tlt@idahowaters.com mas@idahowaters.com
W. Kent Fletcher FLETCHER LAW OFFICE P.O. Box 248 Burley, ID 83318	wkf@pmt.org brd@pmt.org
Kathleen Marion Carr US Dept. Interior 960 Broadway Ste 400 Boise, ID 83706	kathleenmarion.carr@sol.doi.gov
David W. Gehlert Natural Resources Section Environment and Natural Resources Division U.S. Department of Justice 999 18th St., South Terrace, Suite 370 Denver, CO 80202	david.gehlert@usdoj.gov
Matt Howard US Bureau of Reclamation 1150 N Curtis Road Boise, ID 83706-1234	mhoward@usbr.gov

Sarah A Klahn Somach Simmons & Dunn 2033 11th Street, Ste 5 Boulder, Co 80302	sklahn@somachlaw.com dthompson@somachlaw.com
Rich Diehl City of Pocatello P.O. Box 4169 Pocatello, ID 83205	rdiehl@pocatello.us
Candice McHugh Chris Bromley MCHUGH BROMLEY, PLLC 380 South 4th Street, Suite 103 Boise, ID 83 702	cbromley@mchughbromley.com cmchugh@mchughbromley.com
Robert E. Williams WILLIAMS, MESERVY, & LOTHSPEICH, LLP P.O. Box 168 Jerome, ID 83338	rewilliams@wmlattys.com
Robert L. Harris HOLDEN, KIDWELL, HAHN & CRAPO, PLLC P.O. Box 50130 Idaho Falls, ID 83405	rharris@holdenlegal.com
Randall D. Fife City Attorney, City of Idaho Falls P.O. Box 50220 Idaho Falls, ID 83405	rfife@idahofallsidaho.gov
William A. Parsons PARSONS SMITH & STONE P.O. Box 910 Burley, ID 83318	wparsons@pmt.org

LAWRENCE G. WASDEN

ATTORNEY GENERAL

GARRICK L. BAXTER

Acting Chief of Natural Resources Division

GARRICK L. BAXTER, ISB No. 6301 MARK CECCHINI-BEAVER, ISB No. 9297

Deputy Attorneys General Idaho Department of Water Resources P.O. Box 83720 Boise, Idaho 83720-0098

Telephone: (208) 287-4800 Facsimile: (208) 287-6700 garrick.baxter@idwr.idaho.gov

mark.cecchini-beaver@idwr.idaho.gov

Attorneys for Respondents

Petitioner,

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF JEROME

IDAHO GROUND WATER APPROPRIATORS, INC.,

v.

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

Respondents.

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

IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

Case No. CV27-22-00945

NOTICE OF LODGING THE AGENCY RECORD AND TRANSCRIPT WITH THE AGENCY In accordance with I.R.C.P. 84(j), the Idaho Department of Water Resources hereby gives notice that the agency record and transcript, having been prepared pursuant to I.R.C.P. 84(f), (g), and (i), are lodged with the Department for the purpose of settlement.

A copy of the agency record and transcript filed with the Department have been uploaded to the Department's website. The parties may visit https://idwr.idaho.gov/legal-actions/district-court-actions/igwa-v-idwr/ and follow their browser's document download procedure to obtain a copy of the agency record and transcript after expanding the accordion labeled "Agency Record and Transcript" and clicking on the PDFs titled "Agency Record on Appeal" and "Agency Hearing Transcript on Appeal."

The parties have fourteen (14) days from the date of this notice to file any objections to the record or transcript. The agency's decision on any objection timely filed along with all evidence, exhibits, and written presentations on the objection shall be determined by the agency within fourteen (14) days and included in the record. If no objections are filed within that time, the record and transcript shall be deemed settled. Subsequently, the agency will lodge the settled record and transcript with the district court pursuant to I.R.C.P. 84(k).

DATED this 22nd day of November 2022.

LAWRENCE G. WASDEN ATTORNEY GENERAL

GARRICK L. BAXTER Acting Chief of Natural Resources Division

MARK CECCHINI-BEAVER
Deputy Attorney General

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 22nd day of November 2022, I caused to be served a true and correct copy of the foregoing Notice of Lodging the Agency Record and Transcript with the Agency via iCourt E-File and Serve, upon the following:

Thomas J. Budge Elisheva M. Patterson RACINE OLSON, PLLP P.O. Box 1391 Pocatello, ID 83204 tj@racineolson.com elisheva@racineolson.com	☐ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☐ iCourt E-File and Serve
John K. Simpson Travis L. Thompson Michael A. Short	☐ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail
BARKER ROSHOLT & SIMPSON LLP P.O. Box 63 Twin Falls, ID 83303 jks@idahowaters.com tlt@idahowaters.com mas@idahowaters.com W. Kent Fletcher FLETCHER LAW OFFICE P.O. Box 248 Burley, ID 83318 wkf@pmt.org Attorneys for Surface Water Coalition	 ☑ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☑ iCourt E-File and Serve
Candice McHugh Chris M. Bromley MCHUGH BROMLEY, PLLC 380 S. 4th St., Ste. 103 Boise, ID 83702 cmchugh@mchughbromley.com cbromley@mchughbromley.com Attorneys for Coalition of Cities	 ☐ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☑ iCourt E-File and Serve

Sarah A. Klahn SOMACH SIMMONS & DUNN 1155 Canyon Blvd., Suite 110 Boulder, CO 80302 sklahn@somachlaw.com	 ☐ U.S. Mail, postage prepaid ☐ Hand Delivery ☐ Overnight Mail ☑ iCourt E-File and Serve
Attorney for City of Pocatello	

MARK CECCHINI-BEAVER
Deputy Attorney General
Idaho Department of Water Resources