BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

IN THE MATTER OF APPLICATIONS) FOR TRANSFER NOS. 68302 AND 65886) IN THE NAME OF CITY OF PRESTON) ORDER GRANTING REQUEST FOR HEARING, ORDER DENYING PETITION FOR RECONSIDERATION, AND ORDER STAYING PRELIMINARY ORDERS

On August 13, 2012, the Idaho Department of Water Resources ("IDWR") issued preliminary orders amending the approval for the transfers captioned above ("transfers"). The orders were served by mail on August 14, 2012.

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On August 28, 2012, City of Preston filed a petition for reconsideration of the preliminary orders. On August 29, 2012, City of Preston also filed a request for hearing on the matter. The petition for reconsideration and request for hearing were timely filed.

Rule 556 of IDWR's Rules of Procedure states that IDWR "may consolidate two or more proceedings for hearing upon finding that they present issues that are related and that the rights of the parties will not be prejudiced." The issues involved in the transfers and in the petition for reconsideration and request for hearing are related and City of Preston will be best served by consolidating the proceedings.

Idaho Code § 42-1701A(3) provides in relevant part that:

...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.

Because City of Preston has not previously been afforded an opportunity for a hearing in this matter, IDWR will grant City of Preston's request for a hearing.

With regards to City of Preston's petition for reconsideration, IDWR will dispose of the petition by denying the petition and then will stay the matter pursuant to Rule 780 of IDWR's Rules of Procedure which states that IDWR "may stay any interlocutory or final order on its own motion." This will stay the consolidated proceeding until IDWR issues a decision after the hearing granted by this order or until IDWR issues an order lifting the stay.

ORDER

IT IS HEREBY ORDERED that the proceedings for Transfer Nos. 68302 and 65886 are CONSOLIDATED.

IT IS FURTHER ORDERED that the request for hearing filed by City of Preston for Transfer Nos. 68302 and 65886 is GRANTED. Formal notice of the hearing will be served at a later date.

IT IS FURTHER ORDERED that the petition for reconsideration filed by City of Preston for Transfer Nos. 68302 and 65886 is **DENIED** and the preliminary orders are **STAYED**.

Dated this $__{_}$ day of September, 2012.

Jeff Peppersack Chief, Water Allocation Bureau

CERTIFICATE OF SERVICE

I hereby certify that on the 6th day of September, 2012, I mailed a true and correct copy, postage prepaid, of the foregoing ORDER GRANTING REQUEST FOR HEARING, ORDER DENYING PETITION FOR RECONSIDERATION, AND ORDER STAYING PRELIMINARY ORDERS to the persons listed below:

RE: Transfer Nos. 68302 and 65886

MERVIN J BODILY CUB RIVER IRRIGATION CO PO BOX 215 LEWISTON UT 84320

CITY OF PRESTON 70 W ONEIDA PRESTON ID 83263

KIRK IVERSON WATERMASTER 2724 S 1400 W PRESTON ID 83263

ROBERT L HARRIS HOLDEN KIDWELL HAHN & CRAPO PLLC 1000 RIVERWALK DR STE 200 PO BOX 50130 IDAHO FALLS ID 83402-3304 RANDALL BUDGE RACINE OLSON NYE BUDGE & BAILEY CHTD PO BOX 1391 POCATELLO ID 83204-1391

CLYDE G NELSON PO BOX 797 SODA SPRINGS ID 83276-0797

JOSEPHINE P BEEMAN BEEMAN & ASSOCIATES PC 409 W JEFFERSON BOISE ID 83702

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