BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

IN THE MATTER OF THE PROPOSED) REVISION OF THE BOUNDARIES OF) WATER DISTRICT NO. 100, ST. ANTHONY-) REXBURG AREA, TO INCLUDE) GROUND WATER RIGHTS IN THE) REXBURG BENCH AREA)

PRELIMINARY ORDER REVISING WATER DISTRICT NO. 100

The Director ("Director") of the Idaho Department of Water Resources ("Department") is required to "divide the state into water districts" to perform "the essential governmental function of distribution of water among appropriators under the laws of the state of Idaho." Idaho Code § 42-604. The Director has discretion to determine "how these mandatory water districts shall be structured" and may "create new districts, revise existing districts, or even abolish districts, as the Director finds necessary for the efficient distribution of water resources." *In re Idaho Dep't of Water Res. Amended Final Order Creating Water Dist. No. 170*, 148 Idaho 200, 211, 220 P.3d 318, 329 (2009). Based upon the record in this matter, the Department finds, concludes and orders as follows:

FINDINGS OF FACT

1. On December 29, 2006, the Director issued an order creating Water District No. 100 ("WD100"), pursuant to the provisions of Idaho Code § 42-604. *Final Order Creating Water District No. 100* (December 29, 2006). Pursuant to that order, the boundaries of WD100 were limited to those portions of Basins 21 and 22 overlying the Eastern Snake Plain Aquifer ("ESPA")¹.

2. On March 29, 2017, the Director issued a public hearing notice proposing to revise or expand WD100 to include ground water rights in the Rexburg Bench area pursuant to the provisions of Idaho Code § 42-604. Both the current WD100 boundary and the area of expansion are shown on the map attached hereto as Attachment A. The Department sent the notice by regular U.S. Mail on March 30, 2017, to holders of ground water rights in WD100 and the Rexburg Bench area except ground water domestic and stock water rights as defined under Idaho Code §§ 42-111 and 42-1401A(11).

3. The public hearing notice explained that the Department proposed revising WD100 to include ground water rights in the Rexburg Bench area for the following reasons:

• The Snake River Basin Adjudication ("SRBA") was completed on August 25, 2014. Idaho law specifies that the Department shall create or revise water districts for the administration of water rights where the water supplies of such rights have been

IDAPA 37.03.11.050.

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¹ The ESPA is:

[[]T]he aquifer underlying the Eastern Snake River Plain as the aquifer is defined in the report, Hydrology and Digital Simulation of the Regional Aquifer System, Eastern Snake River Plain, Idaho, USGS Professional Paper 1408-F, 1992 excluding areas south of the Snake River and west of the line separating Sections 34 and 35, Township 10 South, Range 20 East, Boise Meridian.

adjudicated. A revised water district is necessary to properly administer ground water uses and rights within both the St. Anthony Rexburg and Rexburg Bench areas;

- The Rexburg Bench area is included within the Department's ESPA Ground Water Model ("ESPA Model") boundary. Ground water in the Rexburg Bench and the ESPA Model Boundary is hydraulically connected to the ESPA and the Snake River;
- The Rexburg Bench area is also included within the Madison Ground Water District ("MGWD"). The MGWD is both a participating member of the Idaho Ground Water Appropriators, Inc. ("IGWA") and is a party to the Surface Water Coalition ("SWC") and IGWA Settlement Agreement regarding the SWC water rights delivery call. The SWC delivery call affects junior priority ground water rights in the ESPA. The Settlement Agreement stipulates that participating IGWA ground water districts will initiate a number of mitigation and water management strategies, including measurement of ground water diversions and reductions of ground water use;
- An expanded water district is needed to facilitate the measurement and reporting of water use diversions in the Rexburg Bench area; and
- The Director designated the ESPA Ground Water Management Area on November 2, 2016, which includes both WD100 and the Rexburg Bench area within the ESPA Ground Water Model boundary.

4. On April 12, 2017, commencing at approximately 6:40 p.m. at the Rexburg City Council Chambers, Rexburg, Idaho, Cindy Yenter, the Department hearing officer in this matter, conducted a public hearing concerning revision of WD100 to include ground water rights in the Rexburg Bench area, excluding ground water rights used for domestic and stock water purposes as defined by Idaho Code §§ 42-111 and 42-1401A (11). Approximately twenty-two people attended the hearing.

5. The hearing officer initiated the meeting by explaining the hearing process. Department representative Tim Luke gave a presentation describing the existing WD100 boundaries, the proposed revision of WD100 boundaries, reasons for the proposed revision of boundaries, and the ground water rights and uses affected by the proposed water district revision. Mr. Luke cited reasons for the proposed expansion of WD100 that included the same reasons identified in Finding of Fact 3. Additionally, Mr. Luke stated that expansion of WD100 may be more efficient than creating a separate water district for the Rexburg Bench area because the one district may minimize duplication of efforts and costs. Moreover, some users may have ground water rights in both areas and may benefit from a single district versus two separate districts. Also, ground water users in both WD100 and the Rexburg Bench area share common interests and geography with respect to the ESPA, SWC and IGWA Settlement Agreement and the recent designation of the ESPA Ground Water Management Area² ("ESPA GWMA").

6. Following the presentation, the hearing officer allowed hearing participants to ask questions regarding the proposed water district revision.

² Order Designating the Eastern Snake Plain Aquifer Ground Water Management Area, November 2, 2016. Idaho Department of Water Resources. The boundary of the ESPA GWMA includes both WD100 and the Rexburg Bench area within the ESPA Ground Water Model Version 2.1.

7. The hearing officer also allowed persons attending the hearing to make oral statements for the record. In addition, the hearing officer held the record open through April 24, 2017, for submission of written comments.

8. One (1) individual testified at the hearing.

9. Jeff Raybould, a ground water right holder in WD100, who is also the WD100 treasurer and a member of the WD100 advisory committee, testified in support of the proposed revision of the WD100 boundaries. Specifically, Mr. Raybould supported including the Rexburg Bench area in WD100 because it would result in the lowest possible assessments and cost for the administration of ground water rights in the area.

10. The Department did not receive any written comments on or before April 24, 2017.

CONCLUSIONS OF LAW

1. Idaho law declares all surface water, when in natural channels or springs or lakes, and all ground water within the state of Idaho are "the property of the state, whose duty it shall be to supervise" the "appropriation and allotment" of the water "to those diverting the same therefrom for any beneficial purpose[.]" Idaho Code §§ 42-101 and 42-226.

2. The Director, acting on behalf of the state of Idaho, is authorized to control the appropriation and use of all surface and ground waters within the state in accordance with, but not limited to, Idaho Code §§ 42-101, 42-103, 42-202(1), 42-220, 42-226, 42-237a.g., 42-351, and 42-602 et seq.

3. Idaho Code § 42-604 mandates the Director form water districts to properly administer uses of water from "public streams and tributaries, or independent sources of water supply," for which a court having jurisdiction thereof has adjudicated the water rights. See In re Idaho Dep't of Water Res. Amended Final Order Creating Water Dist. No. 170, 148 Idaho at 211, 220 P.3d at 329.

4. The Director has "direction and control of the distribution of water from all natural water sources within a water district" Idaho Code § 42-602. The Director must "distribute water in water districts in accordance with the prior appropriation doctrine." *Id*.

5. The Director has discretion to determine how the "mandatory water districts shall be structured" and may "create new districts, revise existing districts, or even abolish districts, as the Director finds necessary for the efficient distribution of water resources." *In re Idaho Dep't of Water Res. Amended Final Order Creating Water Dist. No. 170*, 148 Idaho at 211, 220 P.3d at 329.

6. "[E]fficient distribution of water . . . requires that [the Department] implement sufficient administrative oversight to prevent conflicts from arising, where possible, and to furnish a framework of evenhanded oversight which allows for consistent planning by water users. *Id*.

7. Pursuant to Idaho Code § 42-604, adjudication of water rights is a prerequisite for the establishment of a water district or inclusion of water rights in a water district. All of the ground water rights claimed in the SRBA within the Rexburg Bench area (and/or the Madison Ground Water District) were partially decreed by the SRBA District Court. The SRBA District Court signed the *Final Unified Decree* for water rights within the Snake River Basin on August 25, 2014.

8. Idaho Code § 42-227 provides that a water right permit may be issued, but shall not be required for appropriation of ground water for domestic and stock water purposes as defined under Idaho Code § 42-111.

9. The revision of WD100 to include delivery and administration of ground water rights in the Rexburg Bench area is necessary for the reasons set forth in Finding of Fact 3 and for the efficient administration of water rights in general.

10. Based upon the above statutory authorities, the adjudication of ground water rights in the Rexburg Bench area, and the record in this proceeding, the Director should revise the boundaries of WD100 to include administration and regulation of ground water rights in the Rexburg Bench area.

ORDER

IT IS HEREBY ORDERED that:

1. WD100 is revised to include all ground water rights in the Rexburg Bench area as shown on the map attached hereto as Attachment A, except ground water rights used for domestic and stock water purposes as defined by Idaho Code §§ 42-111 and 42-1401A(11); and

2. The holders of ground water rights within the Rexburg Bench area added to WD100 pursuant to this order shall not be subject to administrative assessments from WD100 in 2017. The WD100 annual meeting is held on the last Tuesday in January. At the annual meeting, the holders of ground water rights within the district shall elect a watermaster, select an advisory committee to include representatives from the Rexburg Bench area added to WD100, and set a budget for operating the district; and

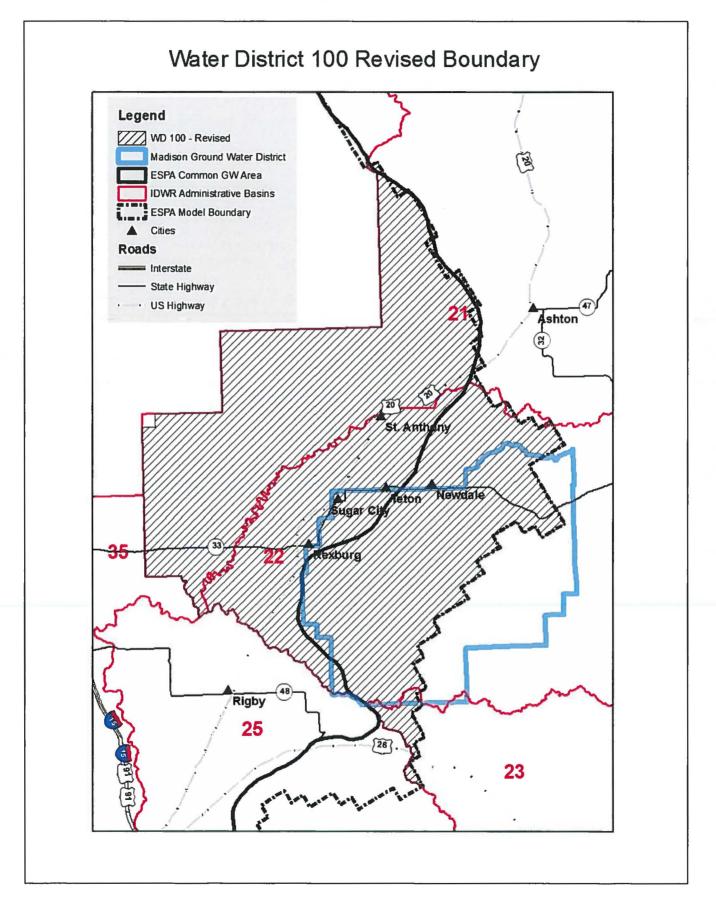
3. The Director shall issue a separate order requiring the installation of measuring devices for ground water diversions within the Rexburg Bench area added to WD100. The measuring device order shall be issued at least sixty days after the issuance of this Preliminary Order Revising WD100 to provide time for area water users to work with the Department toward developing a reasonable water measurement implementation plan.

DATED this 10^{44} day of May 2017.

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Cindy Yenter Hearing Officer

Attachment A



CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this \square day of May 2017, the above and foregoing document was served on each individual or entity on the service list for this matter on file at the Idaho Department of Water Resources, 322 East Front Street, Boise, Idaho, and posted on the Department's website: <u>www.idwr.idaho.gov</u>. Each individual or entity on the service list was served by placing a copy of the above and foregoing document in the United States mail, postage prepaid and properly addressed.

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Sarah Shaul Technical Records Specialist Idaho Department of Water Resources