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Department of Water Resources

North Snake Ground Water District,
May Farms, Ltd. and Faulkner Land
& Livestock Company

Josephine P. Beeman
Dana L. Hofstetter
BEEMAN & HOFSTETTER, P.C.
608 West Franklin Street
P. O. Box 1427
Boise, ID 83701-1427
(208) 388-8900
(208) 388-8400 (Facsimile)
beehof@micron.net

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

In Re SRBA)	Subcase Nos. 36-02048, 36-02703,
)	36-04013A, 36-04013B, 36-04013C,
Case No. 39576)	36-07083, 36-07568, 36-02708, and
)	36-07218
_____)	

MOTION TO FILE LATE OBJECTIONS

MOTION

The North Snake Ground Water District and its members, May Farms, Ltd. and Faulkner Land & Livestock Company (hereinafter collectively the "NSGWD"), hereby move for leave to file late objections to water right claim numbers 36-02048, 36-02703, 36-04013A, 36-04013B, 36-04013C, 36-07083, 36-07568, 36-02708, and 36-07218. This Motion is supported by the Memorandum below, the Affidavit of David Shaw in Support of Motion to File Late Objections, the proposed objections, and the record in these subcases.

MEMORANDUM

The Idaho Department of Water Resources ("IDWR") issued its recommendations for 36-02048, 36-02703, 36-04013A, 36-04013B, 36-04013C, 36-07083, 36-07568, 36-02708, and 36-07218 in 1992 as part of the SRBA Basin 36 Director's Report. The claimants submitted objections to these water rights. The claimant's objections except for facility volume were resolved through stipulation. In February 1998, a hearing relating to the facility volume matter was held.¹ The Special Master subsequently issued recommendations based on the Director's Report recommendations and the stipulation, but deleted or qualified the facility volume remarks..

Over five years have passed since IDWR conducted its field examination for these rights and issued its Director's Report recommendations. Further, over five years have passed since the close of the objection period for Basin 36 (April 1993). Only very recently has a full five years of data become available confirming reduced use of these water rights after the close of the Basin 36 objection period. This reduced use gives rise to forfeiture, adverse possession, and estoppel issues, as well as issues based on other possible legal principles. These legal principles could have resulted in diminution of the rights. The members of the NSGWD, including May Farms, Ltd. and Faulkner Land & Livestock Company, divert water under junior water rights from the Eastern Snake Plain Aquifer. Members of the NSGWD and other water users holding junior water rights could be subject to water right decrees for the rights in these subcases. Therefore, it is important for the Court to consider data concerning the current extent of actual beneficial use. *See Musser v. Higginson*, 125 Idaho 392, 871 P.2d 809 (1994).

¹ Due to audio recording difficulties, David Tuthill's testimony was retaken on July 28, 1998.

Commercial fish propagation facilities like the ones associated with these water rights discharge water from their facilities to surface water bodies and are normally required to obtain National Pollutant Discharge Elimination System ("NPDES") permits under the Federal Clean Water Act. These facilities submit monthly discharge monitoring reports ("DMR's") as a condition of the NPDES permit. The DMR's are filed with EPA by the facility operator/permit holder, and a copy is placed on file with the Idaho Division of Environmental Quality ("DEQ") regional office. In this case, the Twin Falls office of DEQ contains the pertinent files.

The NSGWD has reviewed the discharge amount portions of the DMR's for Clear Springs Foods' Snake River Hatchery (Water Right Nos. 36-02048, 36-02703, 36-04013A, 36-04013B, 36-04013C, and 36-07148), Crystal Springs Hatchery (Water Right Nos. 36-07568 and 36-07083), and Middle Hatchery (Water Right Nos. 36-02708 and 36-07218). *See Affidavit of David Shaw*. For these kinds of continuous flow facilities, the amount of water discharged generally equals the amount of water diverted to the facility. *Id.* For the period 1993 - 1998, the discharge figures indicate that only a portion of the water claimed through the rights identified above was put to beneficial use. *Id.* IDWR diversion rate data available for these facilities for these years confirm the DMR figures. *Id.*

**GOOD CAUSE EXISTS TO GRANT
LEAVE TO FILE LATE OBJECTIONS**

The decision to set aside an entry of default or to allow a late notice of claim to be filed, and presumably, to allow a late objection to be filed, is based on the good cause standard of I.R.C.P. 55(c). *See* SRBA Administrative Order 1, Sec. 4.d(2)(d). The Rule 55(c) standard requires only good cause and a meritorious defense. *McFarland v. Curtis*, 123 Idaho 931, 935, 854 P.2d 274, 278 (Ct. App. 1993). The Rule 55(c) standard for setting aside entry of default is

more lenient than the Rule 60(b) standard for setting aside default judgment. *Id.* at 935-36, 854 P.2d at 278-79. This approach is consistent with the policy that cases generally should be decided on their merits and that in the earlier stage of entry of default where there has been no judgment, a liberal approach is appropriate. *Id.* at 936, 854 P.2d at 279. The Rule 55(c) standard has been described as requiring the movant to show “some excuse for failure to answer, that a meritorious defense exists, and the policy of deciding cases on the merits should be recognized.” *Id.*

The five-year period post-dating the objection deadline recently transpired (in May 1998). The post-objection deadline data could not have been included in the original Director’s Report, yet the data for this five-year period also constitutes a basis for which forfeiture, adverse possession, estoppel, and other legal principles may be asserted. *See 24 Hagerman Subcases*, 130 Idaho 736, 947 P.2d 409 (1997). In addition to representing a separate cause of action, the five-year post-objection period data also confirms the preceding years’ data and establishes the ongoing nature of reductions in water use. Obviously, the data for the years 1993 - 1998 was not available during the original objection period. In fact, the data for the full five-year period was not available until after the February 1998 facility volume hearing. Yet, the new data impacts the validity of the Clear Springs’ claims as they are now recommended by the Special Master and awaiting partial decree. If the claims are decreed as recommended without consideration of this new evidence, the decrees would be out-of-date upon issuance. If the decrees are to have a current effective date after the close of the objection period, then the five years of data post-dating the objection period should be taken into consideration.

The Affidavit of David Shaw with the tables of water usage data for the Clear Springs facilities establishes that there is a meritorious claim. The DMR data and the confirmatory

IDWR data demonstrate that these facilities have operated at substantially less than their currently recommended water right diversion rates for the last five years and beyond. This data substantiates that there has been a reduction in actual beneficial use over the years. *See 24 Hagerman Subcases*, 130 Idaho 736, 947 P.2d 409 (1997).

The five-year period post-dating the objection period both confirmed prior water usage information and established a new cause of action. The data for this five-year period did not exist at the end of the original objection period, and this satisfies the Rule 55(c) good cause standard. In fact, it even satisfies the more stringent Rule 60(b) additional criterion of "newly discovered evidence." Further, the water usage data in David Shaw's affidavit establishes that there is a meritorious claim that a portion of these rights have not been used for more than five years. Consistent with the policy in favor of deciding cases on the merits and consistent with the purpose of the SRBA to establish the nature and extent of water rights, this Motion to File Late Objections should be granted.

CONCLUSION

For the reasons stated above, the Motion to File Late Objection should be granted.

DATED this 28th day of September, 1998.

BEEMAN & HOFSTETTER, P.C.

By 
Dana L. Hofstetter

CERTIFICATE OF SERVICE

- I hereby certify that on the 28th day of September, 1998, I caused to be served copies of the foregoing **Motion to File Late Objections** by the methods indicated below:

Patrick D. Brown
Parker Warr & Brown
812 Shoshone St. East
Twin Falls, Idaho 83301
 U.S. Mail Fed Ex Hand Fax

Idaho Department of Water Resources
Document Depository
P. O. Box 83720
Boise, Idaho 83720-0098
 U.S. Mail Fed Ex Hand Fax

Chief, Natural Resources Division
Office of the Attorney General
P. O. Box 44449
Boise, Idaho 83711-4449
 U.S. Mail Fed Ex Hand Fax



Dana L. Hofstetter

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