

12/19/2006

IDAHO DEPARTMENT OF WATER RESOURCES
PRELIMINARY RECOMMENDATION OF WATER RIGHTS ACQUIRED UNDER STATE LAW

RIGHT NUMBER: 78-10209

NAME AND ADDRESS: J I MORGAN INC
PO BOX D
NEW MEADOWS ID 83654

SOURCE: GROUND WATER

TRIBUTARY:

QUANTITY: 0.780 CFS
24.000 AFY

PRIORITY DATE: 12/01/1940

POINT OF DIVERSION:

T19N R01E S24 NWSW Within ADAMS County

PURPOSE AND
PERIOD OF USE:

PURPOSE OF USE

PERIOD OF USE

QUANTITY

COMMERCIAL

01/01 12/31

0.780 CFS
24.00 AFY

Commercial use is in a shop.

PLACE OF USE: COMMERCIAL in ADAMS County

T19N R01E S24 NWSW

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.

EXPLANATORY MATERIAL: BASIS OF CLAIM - Beneficial Use

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

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM.

CIVIL CASE NUMBER: 39576

Ident. Number: A78-10209
Date Received: 5/26/1988 6-2-88
Receipt No: m000051

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

1. Name: J.I.MORGAN INC. 208-347-2222
Address: DRAWER D
NEW MEADOWS, ID 83654

2. Date of Priority: DEC 01, 1940

3. Source: GROUND WATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of	1/4 of	1/4	Lot	County
19N	01E	24	NW	NW	SW		ADAMS

5. Description of diverting works:
8"WELL APPROX. 90' DEEP WITH A LINE TO THE SHOP AND FIRE HYDRANTS

6. Water is used for the following purposes:

Purpose	From	To	C.F.S	(or)	A.F.A.
COMMERCIAL	01/01	12/31	0.780		

7. Total Quantity Appropriated is:
0.780 C.F.S. (and/or) A.F.A.

8. Total consumptive use is 23.5 Acre Feet Per Annum.

9. Non-irrigation uses:
COMMERCIAL USE IN A SHOP.

10. Place of Use:

Township	Range	Section	1/4 of	1/4	Lot	Use	Acres
19N	01E	24	NW	SW		COMMER	

11. Place of use in counties: ADAMS

12. Do you own the property listed above as place of use? NO

A78-10209

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Date: 05/26/88

MICROFILMED

OCT 05 1992

13. Other Water Rights Used:
NONE

14. Remarks:
PURCHASE AGREEMENT FOR THE PROPERTY WITH UNION PACIFIC RAILROAD
ROOM 1214, 1416 DODGE ST. OMAHA, NEBRASKA, 68179_FILE NUM.345-59

15. Basis of Claim: BENEFICIAL USE
Water Right Number:

16. Signature(s)

(a.) By signing below, I/We acknowledge that I/We have received, read and understand the form entitled "How you will receive notice in the Snake River Basin Adjudication." (b.) I/We do _____ do not X wish to receive and pay a small annual fee for monthly copies of the docket sheet.

Number of attachments: _____

For Individuals:

I/We do solemnly swear or affirm that the statements contained in the foregoing document are true and correct.

Signature of Claimant(s): J.I. Morgan Inc. Date: _____
Will E Kerby President Date: 6-1-88

State of Idaho)
County of Adams) SS.

Subscribed and sworn (or affirmed) before me this 1st day
of June 19 88

Garret Fausett
Notary Public

Seal

Residing at New Meadows, ID
My Commission Expires 8/23/91

17. Notice of Appearance:

Notice is hereby given that I, _____ will be

Print Name

acting as attorney at law on behalf of the claimant signing above, and that all notices required by law to be mailed by the director to the claimant signing above should be mailed to me at the address listed below.

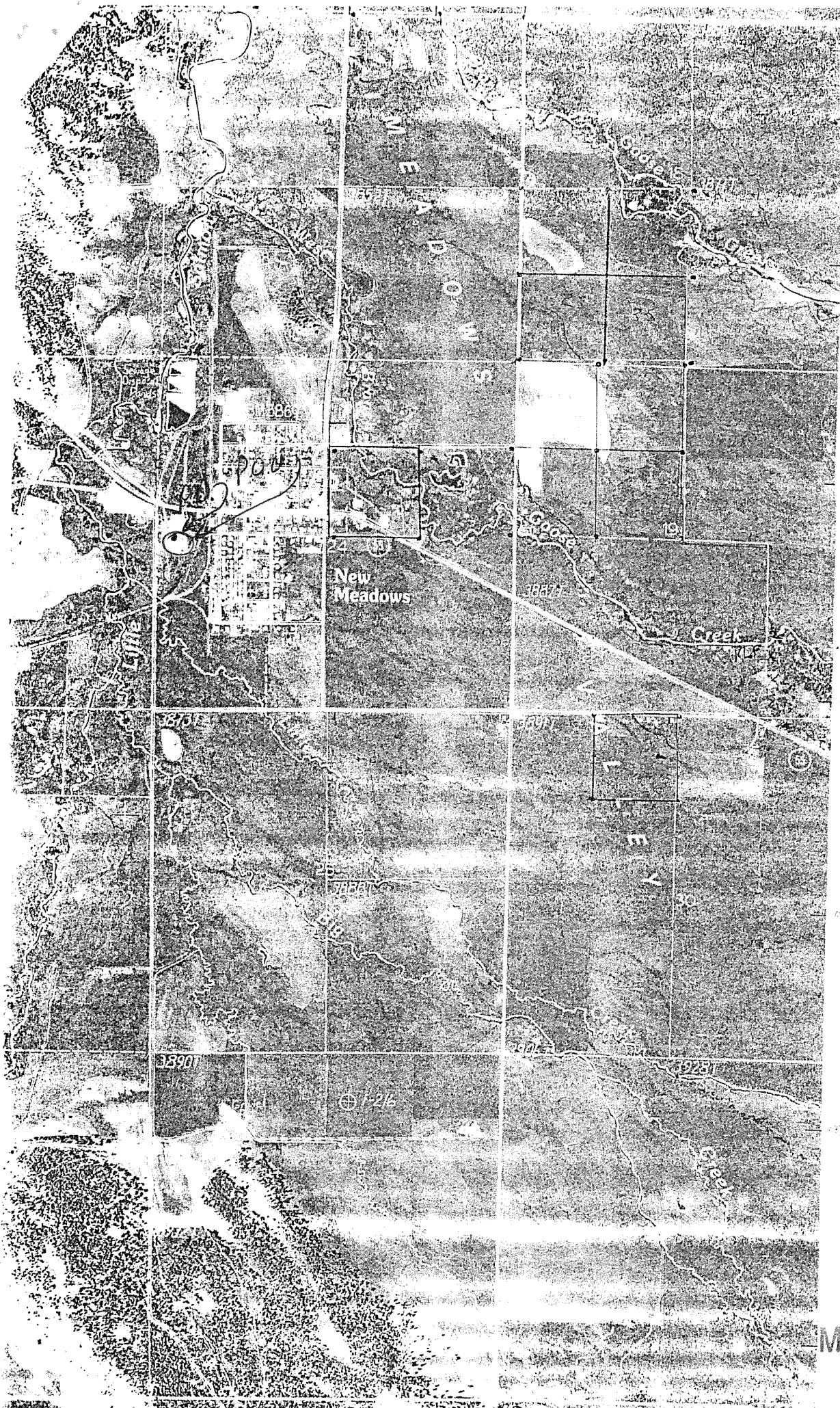
Signature _____

Address

Date _____

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OCT 05 1992

Granges played an important role in rural communities long after the organization's national importance waned in the mid 1870s. It was just about that time that the first granges organized in Idaho. In 1909, the Idaho State Grange held its first annual meeting at Parma. Three county-level granges and twenty-three of the thirty-two local chapters were represented at the meeting. Granges experienced a resurgence in popularity during the 1930s, when the plight of farmers was once again a national concern.

M. Cabarton: The Company Town

In 1917, Boise-Payette Lumber Company moved its headquarters in Long Valley from Cascade to the North Fork's confluence with Clear Creek. Loggers named the new location Cabarton, after the company's manager, C.A. Barton.

Cabarton consisted of a hundred portable buildings that housed the company's one hundred-plus employees. The town had a post office, dining hall, community bathhouse, dispensary, company store, and school that taught grades one through eight. Single men were quartered in a bunkhouse; married couples were given one of the portables. Cabarton also had its own baseball team.



Cabarton, circa 1920s.

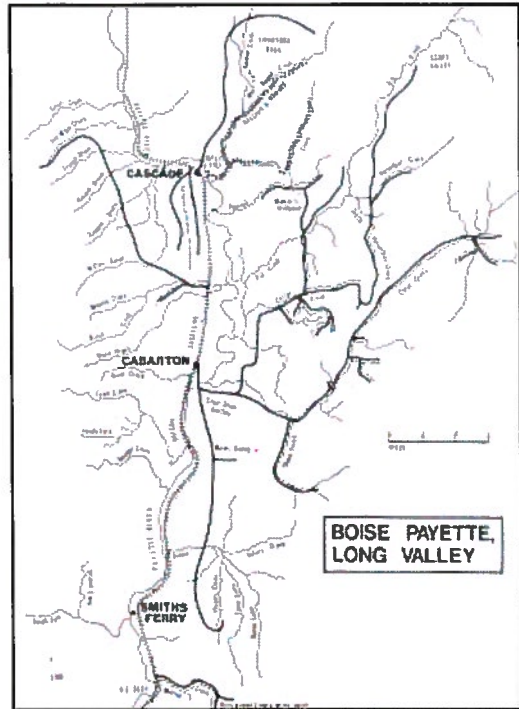
The Boise-Payette Lumber Company spent the next sixteen years logging Clear Creek and other tributaries of the North Fork east of the river. The company built a railroad up Clear Creek and established satellite camps to Cabarton to reduce the distance the men traveled to the woods each day.

In 1934, Boise-Payette Lumber loaded the company's portable buildings onto flat cars and shipped them to Donnelly. The buildings were deposited about a mile south of Donnelly. The new company town was renamed MacGregor after Edgar MacGregor, the woodsboss in charge of the loggers. The company spent the next six years cutting timber on Gold Fork River.

In 1940, Boise-Payette Lumber once again loaded the company town onto the railroad. This time their destination was New Meadows, where they incorporated into the town itself. The logging railroad era was over, and with it the need for company towns.



Camp B, in Crawford Nook north of Cascade, 1917.



Long Valley Railroads, 1920s.

N. Ho, for Thunder Mountain! Idaho's Last Gold Rush

In 1898, Ben and Lou Caswell discovered gold on Thunder Mountain, located in the Salmon River Mountains northeast of Long Valley. They recovered \$3,000 worth of gold in a two-week period using sluices, and \$4,000 during an even shorter run in 1899 using hydraulic giants. The rush was on!

From 1899 to 1904, Long Valley was a popular outpost for the Thunder Mountain gold rush. Towns like Van Wyck and Crawford, and Thunder outfitted merchants and miners headed north into Salmon River country. Thunder was unique because the town arose solely in response to the gold rush.



Ben, Lou, and Dan Caswell. In 1900, they sold their claims to W.H. Dewey, the founder of Nampa, for \$100,000. Unlike most of the miners who went to Thunder Mountain, they actually became rich!

J.I. Morgan, Inc.

By Bill Tice - April 2001

This sleepy hamlet is like many small towns in the Western U.S. You will find the usual amenities--a gas station, a convenience store, several other commercial buildings, and a few homes. But when you start to look around this town of 600 people at the intersection of Idaho highways 55 and 95, one name keeps emerging--J.I. Morgan Inc. The local logging company's name appears on the sign for the community's new emergency services building that, when completed, will house the fire department and ambulance dispatch. The company donated the land for the building, as they did for the community's Senior Center which was built in the early 1990s. They also donated the old railway depot to the Adams County Historical Society, a group that is in the process of refurbishing the historic red brick building to make it into a museum.

J.I. Morgan, Inc. has a long history in New Meadows, dating back more than 55 years when the company was founded by Jack Morgan, a transplanted Canadian who came to west central Idaho with his parents at the age of five. His father, John Morgan, had accepted a key position with Boise Payette Lumber Co. (which later became Boise Cascade) in nearby Cascade Jack Morgan followed in his father's footsteps, also working with Boise Payette as a logging superintendent, prior to starting his own company on the same New Meadows site where it still stands today. A formal portrait of Jack Morgan, who died in 1988, hangs in the J.I. Morgan office as a tribute to the company founder.

Although the company has seen a number of changes in logging techniques, regulations and ownership over the years, it still operates under two of the main principles that Morgan envisioned and practiced when he was at the helm of the company: making a contribution to the local community, and treating company employees well.

Today, the company's two principal owners are Jack Morgan's great nephew, Kyle Kerby, and Claus (Ole) White. Kerby is the company President and looks after much of the day-to-day administration, while White is Vice-President and takes care of the production side including logging and road building.

"Back in 1975, Jack wanted to become less active in the business and turn more of the company over to the employees," says Kerby, whose father Will was one of those employees. Will Kerby became president and White's father, Claus Sr., like his son, became vice president of Logging and Road Construction.

Both the younger Kerby and White grew up in New Meadows, went to school together and then joined their fathers in the business. In 1997, the pair bought out all of the shareholders, including their fathers, and took over the company.

The ties to the old Boise Payette Lumber Co. remained strong, and as it has been in the past, much of the company's business today has been related to Boise Cascade. In 2000, J.I. Morgan Inc. harvested more than 15MMBF of spruce, pine, fir and larch, the majority of it destined for Boise Cascade dimension, stud and plywood mills in the region, with most of the logs shipped to the Cascade Sawmill in Cascade, Id. and the Emmett Plywood Plant in Emmett.

However, where J.I. Morgan sends its logs will change in the near future following a mid-February announcement by Boise Cascade that the Cascade and Emmett facilities will be closing in June of this year. The announcement has Kerby and White scrambling to find ways to keep their crews working.

"We are hoping to be able to ship logs to Boise Cascade mills in LaGrande and Elgin in eastern Oregon and possibly to other private mills in northern Idaho," says Kerby, adding that the company also harvests timber on Forest Service and state land and on private sales. The company's logging area stretches almost 100 miles south to Boise, 40 miles north to Riggins, 50 miles west to the Oregon border and 50 miles to the east. Much of this area is steep terrain, requiring equipment such as a Timbco 445D feller-buncher that can operate on slopes of up to 45%, and a relatively unknown piece of equipment outside of Idaho, known as either an off-road jammer (ORJ), or a tong tosser.

Operations

The tong tosser is just as it sounds--a set of tongs on the end of a cable. The cable, which is attached to a winch, runs along the top side of the boom on a Link-Belt 2800 loader. Two wheels at the end of the boom act as a slack kicker. The boom and ORJ package are designed and built by Jewell Manufacturing of Portland, Ore.

"The winch is a hydraulic Allied Power Products high-speed winch and the slack kicker keeps up with it and fires the line out, much like a fishing pole," says Kerby.

When watching the ORJ in action, it looks like a combination of fly fishing and rodeo with the cable and tongs being wound up in a circular motion like a lasso before being tossed out to a waiting hook tender at the bottom of the hill. The ORJ can throw the tongs up to 200 ft. and then the hook tender has to take them the rest of the way to the log. The operation has up to 400 ft. of 9/16 in. cable to work with.

Once the hook tender attaches the tongs to the log, he gives the signal for the Link-Belt 2800 operator to bring the log up to the landing. The ORJ is used in place of a conventional skidder, transporting logs that have been hand felled or cut with the feller-buncher.

"The Idaho Forest Practices Act has really brought the ORJ to the forefront," says White, who is one of two loggers on the advisory committee to the board that administers the act. "From an environmental perspective, the ORJ offers a number of benefits. It reduces soil compaction and disturbance because the equipment is stationary; it reduces trail space; it can get into corners that would require a helicopter but are too small to justify the cost of a helicopter; and it doesn't disturb other stands, especially when you are selectively logging." An added bonus of having the tong tosser on the Link-Belt is that the machine can double as a log loader when necessary.

J.I. Morgan Inc. usually runs two logging sides, each having a Link-Belt 2800 equipped with the ORJ. Both sides share a Timbco 445D feller-buncher with a Timbco 33 in. directional felling sawhead. The company purchased the Timbco machine new in 1999. At present, they have one crew operating in an area just south of the lake side resort town of McCall, while the second crew is operating a few miles from the company office and shop, just south of New Meadows.

At the site near McCall, the Link-Belt 2800 works with two skidders--a Cat D5H with a Young fixed grapple and a Timberjack 450C with an ESCO dual arch grapple. Log processing is done with a Kobelco SK220 with a Pierce delimeter 4SD3343 head. A Link-Belt 3400 loads processed logs onto the trucks.

The second crew works with a similar configuration; however they use a Young swinging grapple on a Cat D5HIIG/T and have a slightly bigger Timberjack skidder, a 460 with a dual arch ESCO grapple. Processing for the second crew is completed with a two operator Hahn HTL 300/F processor (one operator works on the feed end while the second operator works at the processing end), while a Hitachi EX270LC loader places the logs on trucks.

The company owns 24 trucks for hauling logs--all Kenworth ranging from 1986 to 1997. The Kenworths are matched to dual-axle trailers which are manufactured by Peerless, General and Cascade. White says trucking costs have increased substantially this year due to higher fuel costs. "The higher fuel prices have hurt us as most of the sites we are now working on are jobs we bid on last year when the fuel prices were lower," says White.

Equipment and trucks are kept in top shape at the company's 8,000 sq. ft. shop, which employs four full-time mechanics who, in addition to working at the shop, serve as mobile mechanics. Two satellite shops, complete with bunk houses and trailer spaces, are located at Cascade and Garden Valley and can be used when necessary to get woods equipment up and running quicker if it does not need to be transported back to the main New Meadows shop. Most of the oil and fluids used by the shop staff are supplied by Chevron.

"In terms of maintenance and repairs, we can pretty much take care of everything ourselves. Once in a while we will have to call somebody in, but the work is usually taken care of in-house," says Kerby.

The company employs 60 including management, office and support staff, maintenance people, loggers, truck drivers and road construction crews. Many of the company's employees have been with J.I. Morgan for more than 30 years and worked with the senior Kerby and White while watching the current owners grow up. The staff and crews at J.I. Morgan are a mix of hourly and salaried employees. The company offers an excellent benefits package including a 401(k) program with 2% matching, profit sharing and a health insurance plan.

Diversification

With timber prices and volumes fluctuating over the past few years, J.I. Morgan has branched out into related businesses in order to diversify and keep their employees working. This includes everything from road building to acting as a dealer for steel buildings.

"We have had to diversify in order to stay alive in an industry that is shrinking due to mill closures and less demand for logging," says Kerby, while pointing out that from their perspective there is not a shortage of timber, but rather a limited access to timber.

The diversity Kerby talks about is even more important to the survival of the company with the recent closure announcements from Boise Cascade. Road building is one way they keep crews working. In 2000, company crews built approximately six miles of new road while they re-constructed 28 miles of road for the Forest Service and the state. Equipment used

on road construction includes three excavators--a Cat EL300 with a Totem clamshell bucket, and two Link-Belts, a 4300 II and a 3400 QX, both with Jewell booms. The 4300 utilizes a 1.5 cu. yd. clamshell bucket while the 3400 has a contractor's grapple. They also utilize two Cats--a D8K and a D8NH high drive.

Road building equipment is also used for land clearing and leveling for housing, subdivisions and commercial buildings. This is a good fit with the company's rock business, where it crushes basalt at its rock pit and uses six dump trucks to transport the rock to building sites.

The company's latest venture is into the steel building business where it acts as a dealer for Colorado based Gold Seal Buildings.

"We sell the buildings, construct the buildings and hopefully do the excavation as well. It keeps our employees and our equipment busy," says Kerby.

Even with all of their extra business, Kerby and White find time to get involved in industry issues. Kerby sits on the board of directors of both the Spokane, Wash.-based Timber Products Manufacturers and the Intermountain Logging Conference, while White sits on the board of Accredited Loggers, an association which ensures loggers are trained in issues such as sustainability and protecting water quality.

Although Kerby and White work hard for the industry and their company, they are quick to point out that their success would not have been possible without the hard work and dedication of their employees. Facing their latest challenge of dealing with the Boise Cascade mill closures will be tough for everyone at the company. However, they have faced similar situations before and if their past track record is any indication of how they will do, they will succeed. And the name J.I. Morgan will continue to be an integral part of the New Meadows community.



Kyle Kerby, left, and Clause (Ole) White





Timberjack grapple skidder



**Truck driver Mike Bannon, left,
and loader operator Jim Rayback**

