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DEPARTMENT OF
WATER RESOURCES

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November 2, 2020

Daniel A. Nelson
Water Right Analyst 3
Idaho Department of Water Resources
322 E Front Street
Boise, ID 83702

Re: North Kootenai Water and Sewer District –
Licensing of Permit Nos. 95-9129, 95-9244, and 95-10019

Dear Dan:

Thank you for your letter dated 10/22/2020 (sent on 10/21/2020) and your helpful follow-up email of 10/21/2020 in response to my inquiries.

We have completed our review of the draft licenses you provided for the above-captioned water rights. Sorry this took so long. There have been a lot of eyes on it. Bottom line: We concur with your drafts in all respects.

The only loose end that we should pin down is the accounting system. I am comfortable doing that informally and without revision to the draft licenses you proposed.

It is our understanding that the Department's accounting system will allocate total ground water diversions (reported via the SCADA system) proportionately (i.e., based on the relative authorized diversion rate of each water right) to each ground water right then in priority irrespective of the right's priority date.

Your cover letter dated 10/22/2020 (item "A2" on page 2) could be read to say that water diversions will not be allocated proportionately, but instead will be allocated to the most senior rights first. In response to my inquiry, your email of 10/21/2020 referred me to a letter of

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Shelley Keen to NKWSD dated 6/4/2014. But that letter does not describe an accounting system. Indeed, it was sent prior to IDWR's agreement that APODs would be allowed at all.

In other communications, however, IDWR has confirmed that it will employ an accounting system based on proportionate allocation. A spreadsheet to this effect was shared with NKWSD on 3/22/2016. The proportionate allocation was described in the statement on page 2 of Shelley Keen's memo to the file of 9/6/2016, and again in the email from Jeff Peppersack to me dated 10/12/2017.

I would appreciate receiving confirmation that we are on the same page here—i.e., that the accounting system will be based on a proportionate allocation as described above (and in Mr. Keen's 9/6/2016 memo and Mr. Peppersack's 10/12/2017 email). As I said, I do not see a need to change or add to the license conditions (which do not address the accounting system).

Subject to this confirmation, please proceed with the licensing of these rights. I am enclosing a check in the amount of \$300.00 to cover the fee for each of the three licensing amendments.

Let me conclude by thanking you and each of the members of IDWR's staff who have worked so hard over the years to help us through this process. We very much look forward to continued cooperation, and pledge our cooperation as well.

Sincerely,



Christopher H. Meyer

Encl: Check payable to IDWR for \$300.00

cc: Shelley Keen, Doug Jones, Angela Grimm, Manuel Rauhut, and Craig Saxton, IDWR
Jessie Camburn, District Manager, NKWSD
Robin Potts, Administrative Assistant, NKWSD
Necia Maiani and Ashley Williams, Welch Comer Engineers
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