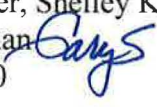


MEMORANDUM

To: Garrick Baxter, Shelley Keen
From: Gary Spackman 
Date: May 22, 2020

**Re: Permit 01-10401, Bureau of Reclamation Power Head in Palisades Reservoir
Processing for Licensing**

In 2004, the United States of America, Department of Interior, Bureau of Reclamation ("BOR") filed Application for Permit 01-10401, seeking a state water right for 157,000 acre-feet of water stored in Palisades Reservoir for "powerhead." The storage of 157,000 acre-feet of water maintains a height of water in the reservoir, otherwise called hydraulic head, that drives hydropower turbines at the dam. The application was filed because the 2004 Snake River Water Rights Agreement (sometimes referred to as the "Mediator's Term Sheet of the 2004 Nez Perce Settlement Agreement" or "Snake River Component") allowed the Bureau to release the power head water stored in Palisades Reservoir for anadromous fish flow augmentation. The BOR may release power head water when "the total amount of water released for flow augmentation is less than the 427,000 acre-feet" required to satisfy flow augmentation requirements. *See* Mediator's Term Sheet II.C.7.a., Page 20.

Because release of power head storage water for flow augmentation requires a change in nature of use, the powerhead storage must be authorized by a state-based water right so the water right can be rented through the Upper Snake River Rental Pool. In 2005, IDWR approved permit 01-10401.

In 2006, the BOR filed proof of beneficial use for permit 01-10401 and paid a licensing fee. IDWR needs to determine how to license permit 01-10401.

First, IDWR should assign an IDWR employee to examine the beneficial use. The determination of beneficial use should not be difficult.

Second, the rental of powerhead water for flow augmentation will require compliance with the Nez Perce Agreement. A condition generally referencing the requirements of the Nez Perce Agreement should suffice.

Third, the Director and Water Allocation staff should coordinate conditioning of the license.

Following issuance of the water right license, the Director should write watermaster instructions interpreting the Nez Perce Agreement for administration of water right 01-10401.

Shelley, please assign someone from Water Allocation to examine the beneficial use.