



State of Idaho

DEPARTMENT OF WATER RESOURCES

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C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

June 7, 2018

CHRISTOPHER H MEYER
GIVENS PURSLEY LLP
PO BOX 2720
BOISE ID 83701

RE: North Kootenai Water and Sewer District (NKWSD)

Dear Chris:

This letter is a response to your letter dated March 5, 2018 regarding progress and anticipated further steps to sort out NKWSD's water rights. I apologize for the delay in response; and I want to make sure to avoid additional delay by getting this letter sent before my retirement on June 8.

I will address items in your letter in the order presented.

- I. IDWR agrees with your assessment of progress under item I in your letter; I understand Craig Saxton has been implementing changes as discussed.
- II. Item II involves a late claim for 95-7235; I understand Craig Saxton sent you an email on April 12 suggesting an alternate approach and is awaiting your response.
- III. IDWR agrees with your assessment.
- IV. IDWR agrees with your assessment regarding recommendation of APOD's in the CSRBA and IDWR's consideration of system-wide APOD's across the municipal service area under future applications for transfer/amendment of permit.

IDWR generally agrees with your updated spreadsheet displaying terms for licensing of permits and proposed CSRBA recommendations for 18 NKWSD ground water rights. Exceptions or clarifications are as follows:

- Each right will have a stated volume to be added in the CSRBA recommendation or transfer/amendment depending on the timing of the change in relation to CSRBA accomplished transfers.
- IDWR agrees that it can and should remove superfluous combined limit conditions and will plan to do so in CSRBA recommendations.

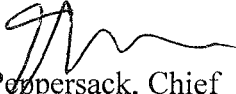
RAFN Application

In my October 12, 2017 email to you regarding processing of NKWSD's RAFN application, I agreed that the application does not need to be held up pending completion of the CSRBA, but rather may proceed on a parallel track with the adjudication. At a minimum, IDWR should be able to advertise the application and continue working with NKWSD to chart a course ahead depending on protests, and progress in the CSRBA and future transfer/amendment applications.

Since I won't be available for continued correspondence on this matter after my retirement, I invite you to continue working with Craig Saxton for CSRBA matters, Shelley Keen for water right matters, and Doug Jones for the RAFN application (in conjunction with Shelley Keen).

I've enjoyed working with you these past years and wish you well.

Sincerely,



Jeff Peppersack, Chief
Water Allocation Bureau