

RECEIVED
NOV 28 2017
Department of Water Resources
Eastern Region

Lance and Lisa Funk Partnership Annual Water Right Report for 35-14240, 35-14241, 35-14242 and 35-14243

Prepared for: Lance Funk

P.O. Box 310
American Falls, Idaho 83211

November 28, 2017

For information concerning this report, contact
Greg Sullivan, MS, Engineer



CHARLES E. BROCKWAY, PH.D., P.E.
CHARLES G. BROCKWAY, PH.D., P.E.
ERICK POWELL, PH.D., P.E.

2016 NORTH WASHINGTON, SUITE 4
TWIN FALLS, IDAHO 83301

Water right permits 35-14240, 35-14241, 35-14242 and 35-14243 were approved by the Idaho Department of Water Resources on March 3, 2015. A condition set forth by IDWR for these permits requires that "By December 1st of each year, the right holder shall provide a written report to the Department describing the number and location of acres irrigated that year, the volume of water diverted under this right, the source of mitigation for the next irrigation season, and the number and location of acres proposed to be irrigated in the following year." This report satisfies the condition set forth by IDWR for water right permits 35-14240, 35-14241, 35-14242 and 35-14243.

Additionally, a condition was set for these permits by IDWR regarding an annual site inspection of the system and water use. The condition states, "As resources allow, the Department will conduct at least one in-person field examination of the authorized place of use of this right each year to verify the required mitigation and authorized irrigation under this right prior to June 15th of each year. It shall be the responsibility of the right holder to follow up with the Department by June 15th of each year to determine if the field examination was performed. If the Department is unable to conduct the field examination for any reason, the right holder or its consultant shall perform the field examination and report findings from the field examination to the Department and the protestants to this right by July 15th of each year."

On July 12, 2017 Greg Sullivan of Brockway Engineering performed a site visit of the farm and verified that water right Permits 35-14240, 35-14241, 35-14242 and 35-14243 were being fully utilized. Irrigation was occurring within the authorized POUs and the water was only being provided by the approved PODs.

At the time of the site visit in July, all flow meters have been installed. Two meters were installed at the POD for 35-14243 because there is a 15 inch and an 18 inch mainline delivering water from the well. Data from the flow meters is available on the Water Management Information System (WMIS)

data system managed by IDWR regarding annual volumes pumped from ground water wells.

Full irrigation occurred under water right permits 35-14240, 35-14241, 35-14242 and 35-14243 irrigation season for 2017. Water right permit 35-14240 provided 168.7 acres of irrigation. Water right permit 35-14241 provided 369.1 acres of irrigation. Water right permit 35-14242 provided 119.5 acres of irrigation. Water right permit 35-14243 provided 659.0 acres of irrigation.

No changes in the authorized POU, PODs or ownership changes are expected during the calendar year of 2018 for Permits 35-14240, 35-14241, 35-14242 and 35-14243.

The proof of beneficial use of these permits was due by April 1, 2016 but was extended until April 1, 2017. The proof of beneficial exams have been performed and the necessary documents have been submitted to IDWR for processing.

The source of mitigation to the above-referenced permits has historically been Water Right Nos. 35-14014 and 35-14015. In 2017, Power County completed the bonding process to purchase these water rights from Magnolia Nitrogen Idaho, LLC. With the purchase of Water Right Nos. 35-14014 and 35-14015 completed, and title to these water rights held by Power County, Power County leased the water rights to Lance and Lisa Funk for the 2017 irrigation season.

Subsequent to the purchase of Water Right Nos. 35-14014 and 35-14015, Power County requested that IDWR rescind a prior transfer (Transfer No. 75417) that moved these water rights from administrative basin 29 to administrative basin 35. On June 12, 2017, IDWR rescinded Transfer No. 75417, and determined that "the water rights should be renumbered to their original water right numbers (29-2284 and 29-2301)." Preliminary Order

Rescinding Transfer at 2, available at

http://www.idwr.idaho.gov/apps/ExtSearch/DocsImages/zmkw01_.PDF.

For 2018, Power County has decided to lease Water Right Nos. 29-2284 and 29-2301 to the Aberdeen American Falls Ground Water District ("AAFGWD") to be used by the AAFGWD as a mitigation source of 6,153.8 acre-feet associated with the AAFGWD's obligations under the Settlement Agreement Entered into June 30, 2015 Between Participating Members of the Surface Water Coalition and Participation Members of the Idaho Ground Water Appropriators, Inc. and its addenda. AAFGWD has verbally indicated that it will sublease Water Right Nos. 29-2284 and 29-2301 to Lance and Lisa Funk for the 2018 irrigation season provided that the Funks, on behalf of the AAFGWD, arrange for 6,153.8 acre-feet of ground water recharge to be performed. The sublease agreement has not yet been finalized and executed, but it is anticipated that it will be executed prior to the commencement of the 2018 irrigation season (April 1, 2018). The Funks and the AAFGWD are in the process of finalizing the arrangements for the ground water recharge to occur, and it is anticipated that those details will likewise be contained in the sublease agreement between the parties.

Accordingly, because the source of mitigation for the above-referenced permits is the same, there remains sufficient mitigation consistent with the conditions of the above-referenced permits, which require the permit holder to maintain the legal right to use Water Right Nos. 35-14014 and 35-14015 (now numbered as 29-2284 and 29-2301). Because the Funks have maintained the legal right to use these water rights, the permits will be exercised in 2018 as they have been historically.