

RECEIVED**SEP 12 2014**DEPT OF WATER RESOURCES
SOUTHERN REGIONSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCESTransfer No. 79560**MINIMUM REQUIREMENTS CHECKLIST**
TO BE SUBMITTED WITH APPLICATION FOR TRANSFER

An application for transfer must be prepared in accordance with the minimum requirements listed below to be acceptable for processing by the Department. Incomplete applications will be returned. The instructions, fee schedule, Part 2A reports and additional Part 2B forms are available from any Department office or on the Department's website at www.idwr.idaho.gov.

Name of Applicant(s) IGWA for North Snake GWD, Magic Valley GWD, Southwest IDCheck whether each item below is *attached* (Yes) or *not applicable* (N/A) for the proposed transfer.Yes ☒ N/A ☐ * Means the item is always required and must be included with the application.

- ☒ * Completed Application for Transfer of Water Right form, Part 1.
- ☒ * Signature of applicant(s) or applicant's authorized representative on Application for Transfer Part 1. Include evidence of authority labeled Attachment #3 (see below) if signed by representative.
- ☒ * Application for Transfer Part 2A. Attach a Part 2A report describing each water right in the transfer as currently recorded.
- ☒ ☐ Complete and attach an Application for Transfer Part 2B for each water right for which only a portion is proposed to be changed through this transfer application.
- ☒ * Application for Transfer Part 3A is always required (see Attachment #7a below); Parts 3B and 3C must be completed for transfer applications proposing to change the nature of use of the water right(s) or proposing changes to supplemental right(s).
- ☒ * Correct fee submitted with transfer application form. (Fee schedule is on website and instructions for application for transfer.)

Attachments to Application - Label each attachment with the corresponding number shown below as Attachment #1-9.

- ☐ ☒ #1 If the applicant is a business, partnership, organization, or association, and not currently registered in the State of Idaho as a business entity, attach documentation identifying officers authorized to sign or act on behalf of right holder. (See Part 1.)
- ☒ ☐ #2a Water Right ownership documentation if Dept. records do not show the applicant as the current water right owner. **
- ☐ ☒ #2b If the ownership of the water right will change as a result of the proposed transfer to a new place of use, attach documentation showing land and water right ownership at the new place of use. Include documentation for all affected land and owner(s). **
** Additional fee(s) required for water right ownership changes; see fee schedule.
- ☒ ☐ #3 Documentation of authority to make the change if the applicant is not the water right owner.
- ☒ ☐ #4 Power of Attorney or documentation providing authority to sign or act on the applicant's behalf. (See Part 1.)
- ☐ ☒ #5 If the transfer application proposes to change the point of diversion for a water right affecting the Eastern Snake Plain Aquifer (ESPA), attach the results of an ESPA analysis and a detailed mitigation plan to offset any depletions to hydraulically connected reaches of the Snake River. ESPA transfer spreadsheet and model grid labeled cells are available on the Department's website at www.idwr.idaho.gov/WaterManagement/WaterRights/WaterRightTransfers/resources.htm.
- ☐ ☒ #6 Notarized statement of agreement or a statement on official letterhead signed by an authorized representative from each lien holder or other entity with financial interest in the water right(s) or land affected by the proposed transfer. (See Part 1.5.c.)
- ☒ * #7a Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described on the application. Include legal description labels. If only a portion of the right is proposed to be changed, identify the current location of the part of the existing right(s) proposed to be changed. (See Part 3A.)
- ☐ ☒ #7b If the transfer application proposes to change the place or purpose of use of an irrigation right attach a Geographic Information System (GIS) shape file, or an aerial photo or other image clearly delineating the location and extent of existing acres and changes to the place of use.
- ☐ ☒ #8a If the transfer application proposes to change the nature of use or period of use for one or more rights, provide documentation describing the extent of historic beneficial use for the water rights proposed to be transferred and document how enlargement will be avoided. (See Part 3B.) Additional fee required for proposed changes to nature of use; see fee schedule.
- ☐ ☒ #8b If the transfer application proposes to change the place of use of a supplemental irrigation right, provide documentation regarding the historic use of the supplemental right(s) and availability or reliability of the primary right(s) being supplemented, both before and after the proposed change. (See Part 3C.)
- ☒ ☐ #9 Other. Please describe: IGWA's Fourth Mitigation Plan and Exhibits

RECEIVEDSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

SEP 12 2014

**APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1**DEPT OF WATER RESOURCES
SOUTHERN REGIONName of Applicant(s) IGWA for North Snake GWD, Magic Valley GWD, Southwest ID Phone 208-232-6101Mailing address See attached mailing list for each applicant Email rcb@racinelaw.net
tjb@racinelaw.net

- ☐ If applicant is not an individual and not registered to do business in the State of Idaho, attach documentation identifying officers authorized to sign or act on behalf of the applicant. Label it **Attachment #1**.
- ☒ Attach water right ownership documentation if Department records do not show the transfer applicant as the current water right owner. Label it **Attachment #2a**.
- ☒ If the ownership of the water right will change as a result of the proposed transfer to a new place of use, attach documentation showing land and water right ownership at the new place of use. Include documentation for all affected land and owner(s). Label it **Attachment #2b**.
- ☒ Attach documentation of authority to make the proposed change if the applicant is not the water right owner. Label it **Attachment #3**.

Provide contact information below if a consultant, attorney, or any other person is representing the applicant in this transfer process.

☐ No RepresentativeName of Representative Randall C. Budge, T.J. Budge Phone 208-2332-6101Mailing address PO Box 1391, Pocatello, ID 83204 Email rcb@racinelaw.net;tjb@racinela

- ☐ Send all correspondence for this application to the representative and not to the applicant.
OR
- ☒ Send original correspondence to the applicant and copies to the representative.
- ☐ The representative may submit information for the applicant but is not authorized to sign for the applicant.
OR
- ☒ The representative is authorized to sign for the applicant. Attach a Power of Attorney or other documentation providing authority to sign for the applicant and label it **Attachment #4**.

I hereby assert that no one will be injured by the proposed changes and that the proposed changes do not constitute an enlargement in use of the original right(s). The information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval.

Randall C. Budge
Signature of Applicant or Authorized Representative

Randall C. Budge/T.J. Budge
Print Name and Title if applicable

September 10, 2014
Date

Signature of Applicant or Authorized Representative

Print Name and Title if applicable

Date

A. PURPOSE OF TRANSFER

1. ☐ Change point of diversion ☐ Add diversion point(s) ☒ Change place of use
☒ Change nature of use ☐ Change period of use ☐ Other _____
2. Describe your proposal in narrative form, including a detailed description of non-irrigation uses to justify amounts transferred (i.e. number of stock, etc.), and provide additional explanation of any other items on the application. Attach additional pages if necessary and label it **Part 1A.2**.

See narrative Attachment 1 - Part 1.A.2.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1 Continued

B. DESCRIPTION OF RIGHTS AFTER THE REQUESTED CHANGES. IF THE RIGHTS ARE BEING SPLIT, DESCRIBE PORTIONS TO BE CHANGED AS THEY WOULD APPEAR AFTER THE REQUESTED CHANGES.

1.	Right Number	Amount (cfs/ac-ft)	Nature of Use	Period of Use	Source & Tributary
All or Part ☐ ☒	36-7072	10 cfs total	Fish Propagation / Mitig	1/1 to 12/31	Thousand Springs/Snake R
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	
☐ ☐				to	

Total authorized under rights 10 cfs and/or _____ acre-feet.

2. Total amount of water proposed to be transferred or changed 10 cubic feet per second and/or _____ acre-feet per annum.

3. Point(s) of Diversion:

- ☒ No changes to point(s) of diversion are proposed - the following chart is therefore not completed. (Proceed to #4.)
- ☐ Attach Eastern Snake Plain Aquifer analysis if this transfer proposes to change a point of diversion affecting the ESPA.
Label it **Attachment #5**.

New ?	Lot	¼	¼	¼	Sec	Twp	Rge	County	Source	Local name or tag #

4. Place of use: (If irrigation, identify with number of acres irrigated per ¼ ¼ tract.)

- ☐ No changes to place of use are proposed - the following chart is therefore not completed. (Proceed to #5.)

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Acre Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
7S	14E	31			H	H													
		32							M										
Total Acres (for irrigation use)																			

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1 Continued

5. General Information:

- a. Describe the complete diversion system, including how you will accommodate a measuring device and lockable controlling works should they be required now or in the future:
The Districts will pump and pipe water from Magic Springs facility to the Rangen hatchery. Detailed plans and specifications include pumps, motors, measuring device and controlling works per engineering submitted in Fourth Mitigation Plan, CM-MP-2014-006.
- b. Who owns the property at the point(s) of diversion? SeaPac of Idaho, Inc.
If other than the applicant, describe the arrangement enabling the applicant to access the property for the diversion system:
Letter of Intent between Applicants and SeaPac of Idaho, Inc., copy attached.
- c. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts?
If yes, ☐ Attach a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes on official letterhead signed by an authorized representative. Label it **Attachment #6**. List the name of the entity and type of lien: N/A
- It is the applicant's responsibility to provide notice to lien holder, trustee, mortgagor, or contract holder of the proposed changes that may impact or change the value of the water rights or affected real property. Any misrepresentation of legal encumbrance on this application may result in rejection of the application or cancellation of an approval.
- d. Describe the effect on the land now irrigated if the place or purpose of use is changed pursuant to this transfer:
N/A
- e. Describe the use of any other water right(s) for the same purpose or land, or the same diversion system as right(s) proposed to be transferred at both the existing and proposed point(s) of diversion and place(s) use:
Rangen has (5) decreed water right nos. 36-00134B, 36-135A, 36-15501, 36-02551, 36-07694 diverted from the Martin-Curren Tunnel tributary to Billingsley Creek for fish propagation, irrigation and domestic uses.
- f. To your knowledge, has/is any portion of the water right(s) proposed to be changed:
Yes No
☐ ☒ undergone a period of five or more consecutive years of non-use,
☐ ☒ currently leased to the Water Supply Bank,
☐ ☒ currently used in a mitigation plan limiting the use of water under the right, or
☐ ☒ currently enrolled in a Federal set-aside program limiting the use of water under the rights?

If yes, describe:

STATE OF IDAHO
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APPLICATION FOR TRANSFER OF WATER RIGHT PART 3

A. PLAT MAP (See Part 3A of Instructions for application for transfer for complete requirements.)

- ☒ Attach a map of the diversion, measurement, control, and distribution system. Label it Attachment #7a.
- ☐ If the transfer application proposes to change the place or purpose of use of an irrigation right attach a Geographic Information System (GIS) shape file, or an aerial photo or other image clearly delineating the location and extent of existing acres and changes to the place of use. Label it Attachment #7b. If the place of use currently consists of a permissible place of use, then the attachment is not required if the application contains a clear statement that the boundaries for the place of use are not proposed to be changed by the transfer and the total number of irrigated acres within the place of use before and after the transfer is clearly stated.

B. CHANGES IN NATURE OF USE (Water Balance)

- ☐ If you propose to change the nature of use or period of use of all or part of the rights(s) listed in this application, attach documentation describing the extent of historic beneficial use of the portion of the right(s) proposed to be changed. Also attach documentation showing that the portion of the right(s) to be changed will not be enlarged in rate, volume, or consumptive use through the proposed change. Label it Attachment #8a.

C. PLACE OF USE CHANGES TO SUPPLEMENTAL IRRIGATION RIGHTS

- ☐ If you propose to change the place of use of a supplemental irrigation right, answer below and attach supporting documentation. Label it Attachment #8b.

Describe how the supplemental water rights have been used historically in conjunction with other water rights at the existing place of use. Describe the time during the irrigation season that the supplemental rights have been used. Include information about the availability or reliability of the primary right(s) being supplemented, both before and after the change. If the applicant is proposing to change a supplemental irrigation right to a primary right, provide the information required on Part 3B above:

N/A

FOR DEPARTMENT USE ONLY

Transfer contains _____ pages and _____ attachments.

Received by <u>DM/CH</u>	Date <u>9-12-2014</u>	Preliminary check by _____	Date _____
Fee paid <u>\$1,470-</u>	Date <u>9-12-2014</u>	Received by <u>DM</u>	Receipt # <u>5034294</u>
Add'l fee paid _____	Date _____	Received by _____	Receipt # _____

Attachment 1

Mailing List and Special Powers of Attorney

ATTACHMENT 1

APPLICANT'S ADDRESSES AND CONTACT INFORMATION

Idaho Ground Water Appropriators, Inc. (IGWA)

c/o Randall C. Budge
P.O. Box 1391
Pocatello, Idaho 83204
rcb@racinelaw.net
tjb@racinelaw.net

North Snake Ground Water District

Lyn Carlquist, Chairman
c/o Joyce Moreno, Secretary
152 E Main St
Jerome, ID 83338
nsgwd@safelink.net
carlquil@yahoo.com

Magic Valley Ground Water District

Dean Stevenson, Chairman
c/o Emily Haynes, Secretary
PO Box 430
Paul, ID 83347
desteve@pmt.org
mvgwd@hotmail.com

Southwest Irrigation District

c/o William Parsons, Attorney
137 W 13th St
Burley, Idaho 83318
wparsons@pmt.org
csearle@pmt.org

SPECIAL POWER OF ATTORNEY FOR WATER RIGHTS

The undersigned hereby appoints the law firm of RACINE OLSON NYE BUDGE & BAILEY, CHARTERED, 201 E. Center Street, Post Office Box 1391, Pocatello, Idaho 83204, my/our true and lawful attorney for the purpose of dealing with the Idaho Department of Water Resources relative to the management and transaction of water rights, and to allow them to receive all information, opinions, and records regarding water rights, and to sign and submit applications and other filings on my/our behalf.

DATED this 5th day of May, 2014.

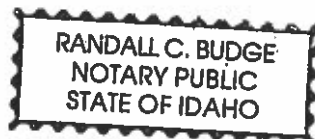
NORTH SNAKE GROUND WATER DISTRICT

By: [Signature]
Name: Lynn Carlquist
Title: Chairman

STATE OF IDAHO)
)
County of Bannock)

On this 3rd day of May, 2014, before me, the undersigned, a Notary Public in and for said State, personally appeared Lynn Carlquist, known or identified to me to be the Chairman of the company that executed the instrument or the person who executed the instrument on behalf of said company, and acknowledged to me that such company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



Randall C. Budge
NOTARY PUBLIC FOR IDAHO
Residing at: Pocatello, Id.
Commission expires: 10/21/16

SPECIAL POWER OF ATTORNEY FOR WATER RIGHTS

The undersigned hereby appoints the law firm of RACINE OLSON NYE BUDGE & BAILEY, CHAR-
TERED, 201 E. Center Street, Post Office Box 1391, Pocatello, Idaho 83204, my/our true and
lawful attorney for the purpose of dealing with the Idaho Department of Water Resources re-
lative to the management and transaction of water rights, and to allow them to receive all in-
formation, opinions, and records regarding water rights, and to sign and submit applications
and other filings on my/our behalf.

DATED this 2nd day of May, 2014.

MAGIC VALLEY GROUND WATER DISTRICT

By: 
Name: Dean Stevenson
Title: Chairman

STATE OF IDAHO)
County of Minidoka) ss

On this 2nd day of May, 2014, before me, the undersigned, a Notary Public in and for said State, personally appeared Dean Stevenson, known or identified to me to be the Chairman of the company that executed the instrument or the person who executed the instrument on behalf of said company, and acknowledged to me that such company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Asmetta Ract
 NOTARY PUBLIC FOR IDAHO
 Residing at: Rupert, Id
 Commission expires: 8-4-2017



SPECIAL POWER OF ATTORNEY FOR WATER RIGHTS

The undersigned hereby appoints the law firm of RACINE OLSON NYE BUDGE & BAILEY, CHARTERED, 201 E. Center Street, Post Office Box 1391, Pocatello, Idaho 83204, my/our true and lawful attorney for the purpose of dealing with the Idaho Department of Water Resources relative to the management and transaction of water rights, and to allow them to receive all information, opinions, and records regarding water rights, and to sign and submit applications and other filings on my/our behalf.

DATED this 5 day of May, 2014.

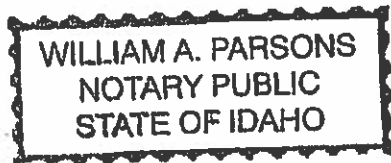
SOUTHWEST IRRIGATION DISTRICT

By: Randy Brown
Name: Randy Brown
Title: Chairman

STATE OF IDAHO)
County of Cassia)
:SS

On this 5 day of May, 2014, before me, the undersigned, a Notary Public in and for said State, personally appeared Randy Brown, known or identified to me to be the Chairman of the company that executed the Instrument or the person who executed the Instrument on behalf of said company, and acknowledged to me that such company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



William A. Parsons
NOTARY PUBLIC FOR IDAHO
Residing at: Camby
Commission expires: 7/25/2016

SPECIAL POWER OF ATTORNEY FOR WATER RIGHTS

The undersigned hereby appoints the law firm of RACINE OLSON NYE BUDGE & BAILEY, CHAR-
TERED, 201 E. Center Street, Post Office Box 1391, Pocatello, Idaho 83204, my/our true and
lawful attorney for the purpose of dealing with the Idaho Department of Water Resources re-
lative to the management and transaction of water rights, and to allow them to receive all in-
formation, opinions, and records regarding water rights, and to sign and submit applications
and other filings on my/our behalf.

DATED this 2nd day of May, 2014.

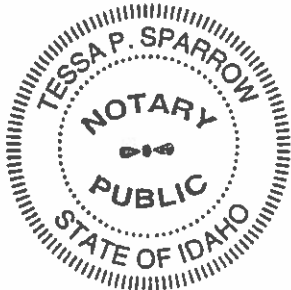
IDAHO GROUND WATER APPROPRIATORS, INC.
(IGWA) acting for and on behalf of its Ground
Water District members

By: Tim Deeg
Name: Tim Deeg
Title: President

STATE OF IDAHO)
County of Bannock) ss

On this 2nd day of May, 2014, before me, the undersigned, a Notary Public in and for said State, personally appeared Tim Deeg, known or identified to me to be the President of the company that executed the instrument or the person who executed the instrument on behalf of said company, and acknowledged to me that such company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



NOTARY PUBLIC FOR IDAHO
Residing at: Pocatello, ID
Commission expires: 10/05/2015

Attachment 1A.2.

Purpose of Transfer

ATTACHMENT

PART 1A.2. – Purpose of Transfer – Magic Springs Project

The purpose of the Transfer Application is to change the place of use for up to 10 CFS of water under Water Right No.7072 (Attachment Part 2 A) from SeaPac of Idaho, Inc (“SeaPac”) to the head of Billingsley Creek/Curren Ditch and/or the Rangen Facility for fish propagation and mitigation pursuant to the District’s Fourth Mitigation Plan (“Plan”) pending in Case No. CM-MP-2014-006 (Attachment #7a).

The Plan provides for the use of up to 10 CFS of spring water discharged from the ESPA at Magic Springs to be pumped via buried pipeline approximately 2.5 miles to Rangen’s place of use near the head of Billingsley Creek. This water is currently used for fish production year round and would be delivered to Rangen for fish production and mitigation year round. The Plan includes the design and construction of an intake, pump station with pumps, motors and related equipment including necessary redundancy to continuously pump up to a maximum of 10.0 CFS water from Magic Springs to Rangen.

A copy of the Letter of Intent with SeaPac is Attachment #1b. Attachments #7a are aerial maps depicting the location of SeaPac, the pipeline and the new points of diversion and place of use.

The transfer and delivery would occur on an “as needed” basis to meet the mitigation obligation to Rangen, which is phased in over five years up to a maximum of 9.1 CFS. The maximum 9.1 CFS obligation to Rangen may be reduced by future orders of the Director or Courts, by other mitigation credits and/or other mitigation plans to Rangen. These credits and other direct deliveries may vary over time and may include such things as credits for CREP, conversions and recharge as well as other direct water deliveries to Rangen under other mitigation plans. Based on known credits at this time, it is estimated that approximately 10.0 CFS is the maximum amount of water that would be delivered from the Magic Springs facility to Rangen in the future. The transfer is requested for up to a maximum of 10 CFS which substantially exceeds the present and most likely exceeds all future mitigation obligations to Rangen to provide excess that might be needed for mitigation in the future at Rangen.

The transferred water right may be acquired by IGWA from SeaPac, pursuant to the Letter of Intent.

The approval of the transfer requested is contingent upon:

- A. IGWA and/or the Districts securing an Order from IDWR approving the Fourth Mitigation Plan providing for the delivery of 10 CFS from SeaPac’s Magic Springs water rights to satisfy the mitigation obligation to Rangen;
- B. IGWA and/or the Districts proceeding to construct the Magic Springs project and implement the Fourth Mitigation Plan.

- C. The existence of a continuing mitigation obligation to Rangen that is not satisfied by other means.

This Transfer Application supports the Plan and is an integral part of the *Thousand Springs Water Supply Settlement Framework* proposed by the State of Idaho, Attachment 5.

Attachment 1b.

Letter of Intent

LETTER OF INTENT

USE OF WATER FROM SEAPAC OF IDAHO, INC.'S MAGIC SPRINGS FACILITY, CONSTRUCTION OF PUMP STATION AND PIPELINE IN EXCHANGE FOR WATER FROM THE AQUA LIFE FACILITY

This Letter of Intent ("LOI") is entered into by and between Idaho Ground Water Appropriators, Inc. ("IGWA"), acting for and on behalf of North Snake Ground Water District, Magic Valley Ground Water District and Southwest Irrigation District (collectively "Districts"), and SeaPac of Idaho, Inc. ("SeaPac").

RECITALS

A. In response to Rangen, Inc.'s ("Rangen") water delivery call, the Idaho Department of Water Resources ("IDWR") determined in its January 29, 2014 order that holders of ground water rights junior to July 13, 1962 must provide 9.1 cfs of direct flow to Rangen. Other delivery calls are pending or may be filed by other Hagerman Valley water right holders seeking to curtail junior ground water users.

B. IGWA represents ground water districts whose members consist of irrigators, municipalities, and commercial and industrial entities with ground water rights. Many of the ground water districts' member's water rights are junior to Rangen and certain other water rights in the Thousand Springs reach of the Hagerman Valley and are subject to curtailment unless a mitigation plan is approved providing replacement water.

C. IGWA and SeaPac support the concepts and implementation of the State of Idaho's *Thousand Springs Water Supply Settlement Framework* designed to provide recharge and other means to stabilize the aquifer, to improve water supplies in the Hagerman Valley and to resolve conflicts between junior and senior water right holders.

D. The Idaho Water Resource Board ("IWRB") owns and operates the Aqua Life Aquaculture Facility Hatchery ("Aqua Life") and has entered into a Letter of Intent with IGWA to make available to IGWA by lease or purchase up to ten (10) cfs of its Aqua Life water rights from adjacent springs as needed to meet the mitigation obligation to Rangen and others in the Hagerman valley. IGWA has entered into negotiations with IWRB seeking to lease and acquire ownership of all of Aqua Life.

E. SeaPac currently has a short-term lease of Aqua Life from IWRB and desires to continue its Aqua Life operations by securing ownership and/or a long-term lease.

F. IGWA desires to secure water from SeaPac's Magic Springs to provide a supply of water for mitigation purposes to Rangen and to other senior rights in the Hagerman Valley.

G. IGWA and SeaPac desire to enter into this Letter of Intent ("LOI") to set forth their intent to commence negotiation of a final agreement providing for the exchange of Magic Springs water for Aqua Life water consistent with the terms set forth below.

TERMS

The Agreement shall have the following terms and conditions:

1. SeaPac will lease or sell to IGWA up to ten (10) cfs of first use water from its Magic Springs water right nos. 36-7072 and 36-8356 and also will provide access to allow IGWA to utilize all discharge water from its Magic Springs facilities as needed to provide mitigation to other water right holders in the Hagerman valley.

2. In exchange for water from Magic Springs, IGWA will secure ownership or control of Aqua Life water right nos. 36-1044, 36-2734, 36-15476, 36-2414, and 36-2338 by long-term lease or purchase from IWRB and make them available to SeaPac.

3. IGWA will pay all costs to design, construct, operate and maintain the water collection and intake system, pump station, pipeline and other facilities necessary to deliver up to 10 cfs of first use water together with discharge water from Magic Springs to the head of Billingsley Creek directly up gradient from the Rangen hatchery and/or other locations in the Hagerman valley for mitigation purposes. IGWA will ensure that the diversion and delivery facilities to be constructed will not interfere with the use of SeaPac's remaining water rights at Magic Springs.

4. IGWA shall be responsible to secure from IDWR approval of such mitigation plans, transfer applications and other permits as may be required to change the point of diversion and place of use to accomplish the delivery of Magic Springs water for mitigation purposes. SeaPac hereby grants consent to IGWA to file and process such mitigation plans, transfer applications based on this LOI, with the approvals made subject to this LOI and the contemplated final Agreement between the parties.

5. SeaPac will grant IGWA permanent easements at Magic to design, construct, operate and maintain the water intake and collection facilities, pump station, pipeline and other facilities as necessary for the delivery of water to other locations for mitigation purposes.

6. IWRB will cooperate with IGWA and provide all necessary documents to conduct such investigation as it shall deem appropriate.

7. The Agreement will be contingent upon: (a) IGWA securing an order from IDWR approving mitigation plans providing for the delivery SeaPac's Magic Springs water rights to satisfy the mitigation obligations to Rangen and/or others in the Hagerman valley; (b) IGWA

securing an order from IDWR approving the transfer of the point of diversion and place of use (as necessary) from SeaPac to Rangen and other locations for mitigation; (c) IGWA proceeding to construct and implement the pump and pipeline facilities pursuant to an approved mitigation plan; and IGWA securing ownership or control by long-term lease of Aqua Life and providing it to SeaPac.

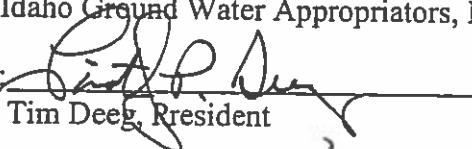
8. This LOI may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute but one and the same agreement. Delivery of an executed counterpart of this LOI via facsimile transmission shall be as effective as delivery of an original signed copy. Thereafter, the parties shall exchange executed originals of this LOI.

9. This LOI is intended as a general expression of the terms and conditions, under which the parties are willing to proceed to prepare, negotiate and if acceptable to all parties in their respective sole discretion, execute a final Agreement. Neither this LOI nor the execution hereof as provided below, shall be binding on any party until the formal Agreement is executed by all parties.

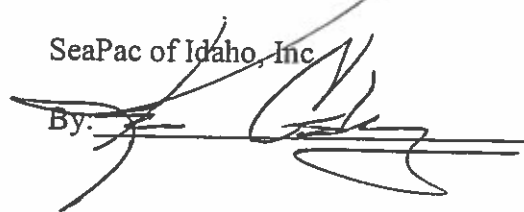
10. Upon execution of this LOI SeaPac will provide access to IGWA to begin engineering work, IGWA will proceed to file and process with IDWR mitigation plans and transfer applications as contemplated and the parties will proceed to negotiate a final Agreement incorporating the terms and conditions as outlined above.

Idaho Ground Water Appropriators, Inc.

By:


Tim Deeg, Resident

SeaPac of Idaho, Inc.

By: 

Attachment 2A

Water Right Detail Report

IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

9/3/2014

WATER RIGHT NO. 36-7072

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	SEAPAC OF IDAHO INC PO BOX 546 BUHL, ID 83316 (208)326-3100
Original Owner	PISCES INVESTMENTS INC 3069 OSTER LAKES RD HAGERMAN, ID 83332 (208)837-6541

Priority Date: 09/05/1969

Basis: Decreed

Status: Active

<u>Source</u>	<u>Tributary</u>
THOUSAND SPRINGS	SNAKE RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
FISH PROPAGATION	1/01	12/31	148.2 CFS	
Total Diversion			148.2 CFS	

Location of Point(s) of Diversion:

THOUSAND SPRINGS	SESESE Lt 8	Sec. 06	Township 08S	Range 14E	GOODING County
THOUSAND SPRINGS	NENWNW Lt 1	Sec. 08	Township 08S	Range 14E	GOODING County
THOUSAND SPRINGS	NWNWNW Lt 1	Sec. 08	Township 08S	Range 14E	GOODING County
THOUSAND SPRINGS	SENWNW Lt 1	Sec. 08	Township 08S	Range 14E	GOODING County

Place(s) of use:

Place of Use Legal Description: FISH PROPAGATION GOODING County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
08S	14E	5		SWSW										
		6	8	SESE										
		8	1	NWNW										

Conditions of Approval:

- FACILITY VOLUME IS 602,600 CUBIC FEET. THE RATE OF DIVERSION FROM SPRINGS 1, 2 & 3 SHALL NOT EXCEED 38.5 CFS AND FURTHER, THAT OF THE 38.5 CFS, 13.5 CFS LESS THE AMOUNT OF WATER FLOWING IN THE BRAILSFORD PIPELINE, MEASURED AT POINT B, SHALL BE RELEASED AT EITHER POINT C (THE MEASURING DEVICE AT THE UPPER POND) OR THROUGH THE HILL FLUME INTO THE UPPER POND.
- TWO POINTS OF DIVERSION LOCATED IN T08S, R14E, S06, LOT 8 SESESE TWO POINTS OF DIVERSION LOCATED IN T08S, R14E, S08, LOT 1 NWNWNW FOUR POINTS OF DIVERSION LOCATED IN T08S, R14E, S08, LOT 1 SENWNW
- FISH PROPAGATION/ COMMERCIAL HATCHERY

Dates:

Licensed Date:

Decreed Date: 12/29/1997

Permit Proof Due Date: 5/1/1987

Permit Proof Made Date: 5/31/1984

Permit Approved Date: 11/12/1970

Permit Moratorium Expiration Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number: 130

Generic Max Rate per Acre:

Generic Max Volume per Acre:

Combined Acres Limit:

Combined Volume Limit:

Combined Rate Limit: 148.2

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Close

Attachment 5

Thousand Springs Settlement Framework

THOUSAND SPRINGS WATER SUPPLY SETTLEMENT FRAMEWORK

- I. OBJECTIVES
 - A. Maintain spring flows at level sufficient to sustain Swan Falls minimum flows;
 - B. Mitigate for material injury to senior spring water rights caused by diversion under junior ground water rights;
 - C. Provide safe harbor for junior ground water users from delivery calls;
 - D. Minimize economic impact on individual water users and the state economy arising from water supply shortages; and
 - E. Develop adaptive management plan to respond to changes in the ESPA water supply.
- II. INTERMEDIATE WATER SUPPLY MEASURES
 - A. Mitigation Measures for Hagerman Valley. Junior ground water users will implement mitigation measures to offset material injury to senior spring water rights in Hagerman Valley.
 - B. Enhance flows in Billingsley Creek by 25 CFS.
 - 1. Direct delivery of 10 cfs of water from Tucker Springs to Billingsley Creek
 - 2. Curren Ditch water exchange – provide Riley Creek, Snake River or ground water supply to Curren ditch users in lieu of Curren Ditch diversions from Billingsley Creek.
 - 3. Line selected ditches or change points of diversion to provide additional water supply for users at lower end of Billingsley Creek
 - C. Hatchery pump back projects to mitigation for material injury to hatcheries (20 CFS)
 - E. Birch Creek waste water reroute to Birch Creek Trout (4 CFS)
 - F. Riley Creek (Big Bend being investigated)
- III. LONG TERM ESPA STABILIZATION GOAL (ESPA Water Budget Goal)
 - A. Managed recharge program between Minidoka and Milner dams (100 KAF)
 - B. Little Wood River managed recharge (15 KAF)
 - C. North Side Canal Company waste water capture projects
 - D. Direct delivery of water through Sandy pipeline
 - E. Hard conversions
- IV. ADAPTIVE WATER MANAGEMENT MEASURES
 - A. Develop a process for forecasting spring flow trends
 - B. Develop adaptive management plan for responding to changes in spring flow trends
- V. SAFE HARBOR – No ground water user participating in the Thousand Springs plan will be subject to a delivery call by water users below the rim as long as the provisions of the plan are being implemented.

EASTERN SNAKE PLAIN AQUIFER

Preliminary Draft – Managed Recharge Plan 4/9/14

Goal: Stabilize the Eastern Snake Plain Aquifer, consistent with the CAMP recharge goals of 100,000 acre-feet average annual volume through 2017, and 250,000 acre-feet average annual volume thereafter. Metric of success is sustaining aquifer volumes and spring discharges.

Problem: The Eastern Snake Plain Aquifer is currently losing approximately 200,000 acre-feet per year from aquifer storage. The total loss from storage since 1952 is 12 million acre-feet. This has resulted in declining aquifer levels and spring flows from the aquifer.

Water Availability (natural flow) for Recharge: The available water supply for recharge occurs as winter-time flows (November-March) and as spring run-off flows (March-April). The Snake River winter-time flows are usually a minimum of 500 cfs and are available for diversion from the Milner Pool. There is also a relatively consistent winter-time flow in the Little Wood River.

- Snake River at Milner: Median annual volume of 500,000 acre-feet
- Snake River above American Falls: Median annual volume of 6,000 acre-feet
- Wood River system: Median annual volume of 20,000 acre-feet

Strategy:

1. Utilize winter-time flows that would otherwise spill past Milner Dam for recharge to provide for a “base-load” for recharge. This will require development of dedicated, winter-operational recharge facilities diverting from the Milner Pool that operate independent of canal companies.
2. Utilize the canal systems and off-canal facilities, to the extent available in any given year, to help catch and divert the spring run-off flows for recharge.
3. Develop a winter-operational facility to utilize the Little Wood River water supplies.
4. In above-average water years when recharge will not interfere with filling the reservoir system, recharge into Upper Valley canals (above American Falls).

Sideboards:

1. Recharge above American Falls can occur when 2700 cfs is passing Minidoka and natural flow spilling past Milner.
2. Non-interference with reservoir fill.

Existing Facilities and Program: The existing facilities available for recharge below American Falls can accomplish approximately 40,000 acre-feet annually. Deliveries at each location are variable depending on canal company priorities for maintenance and repairs. These facilities include:

1. Milner Gooding Canal (including Shoshone and Milepost 31 recharge sites)
2. Northside Canal
3. Southwest Irrigation District – West Cassia Pipeline

Additional Down-Canal Facilities: These additional down-canal facilities are expected to increase capacity by approximately 20,000 acre-feet annually. Deliveries at each location are variable depending on canal company priorities for maintenance and repairs.

1. Milner-Gooding Canal
 - a. Milepost 31 Build-Out
2. Northside Canal
 - a. Large off-canal recharge site (K-Canal or Neilson site) & utilization of Wilson Lake

Walcott Recharge Site: 100-cfs direct diversion project from the Walcott Pool. Engineering and environmental compliance is underway. This site is expected to increase capacity by 18,000 acre-feet annually. This site will be independent of canal company operations but will have variable deliveries based on water availability.

Southwest Irrigation District-West Cassia Pipeline Modifications: Modifications to allow continuous winter-time operations. This will increase capacity by approximately 7,000 acre-feet annually. This project would require cooperation from SWID, but would provide a system independent of canal operations that could operate all winter.

Direct Diversion Projects from Milner Pool: Construct up to 4 pumping plant-to-recharge projects each with 100 cfs capacity that operate through the winter. These sites would increase capacity by approximately 100,000 acre-feet annually and provide a "base-load" for recharge. Capacity will be independent of canal company operations and utilize winter-time water supplies.

Little Wood River Recharge Capacity: Construct winter-operational recharge site to utilize winter-time flows (50 cfs) available in the Little Wood River. This site would provide a "base-load" for recharge that is independent of canal company operations and utilize winter-time water supplies.

Water Quality Monitoring: a program of water quality monitoring, beyond current efforts, will be established in coordination with DEQ.

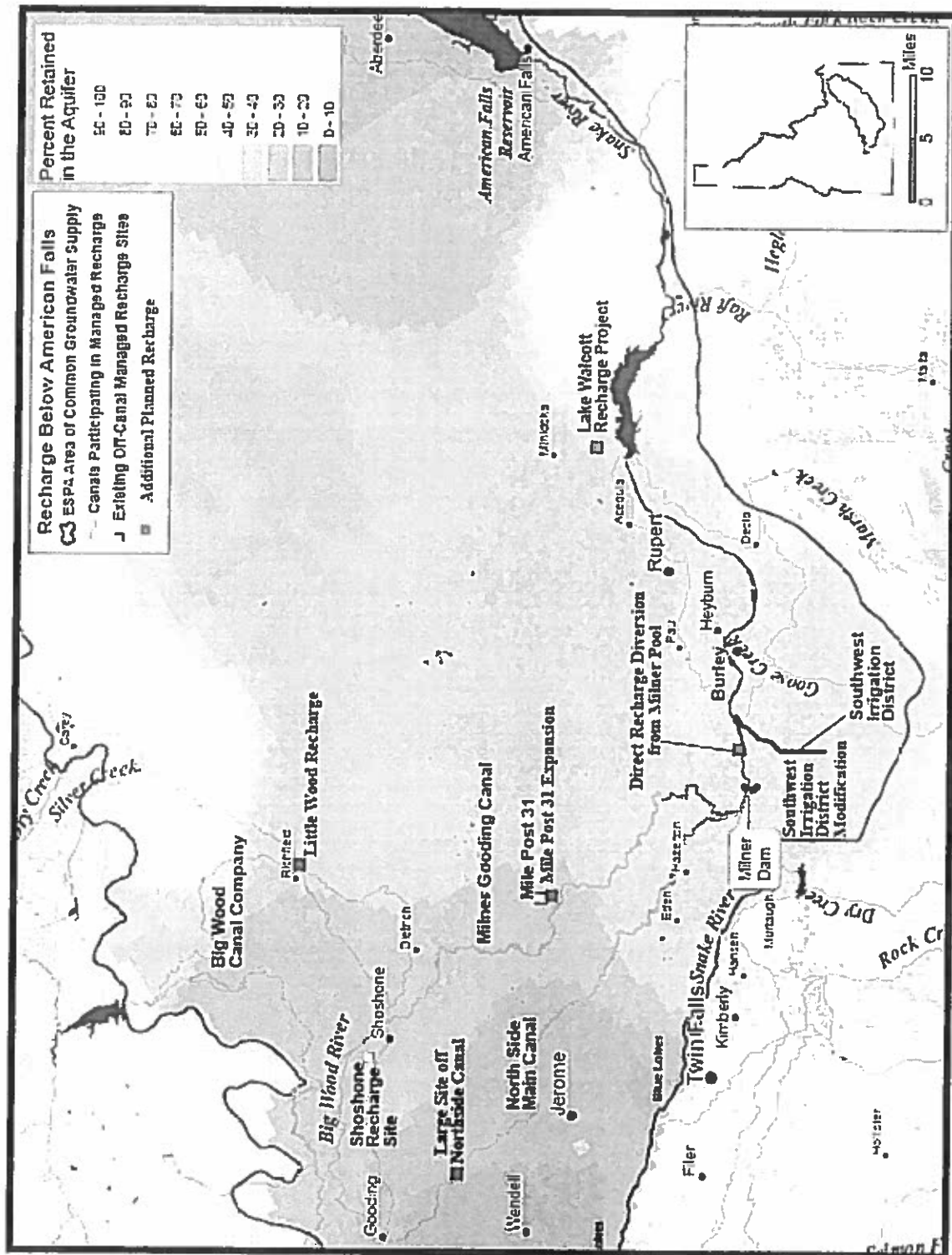
Staffing Needs:

1. ESPA Manages Recharge Program Manager – must be capable of managing and leading a multi-million dollar effort. Capable of understanding the importance of recharge to aquifer stabilization, and the importance of aquifer stabilization to the state, the water users, the power company, and others. Must be capable of negotiating with potential partners.
2. Project Engineer – capable of taking planning-level project layouts and cost estimates through to completed facilities. Will manage multiple design and construction projects at same time.

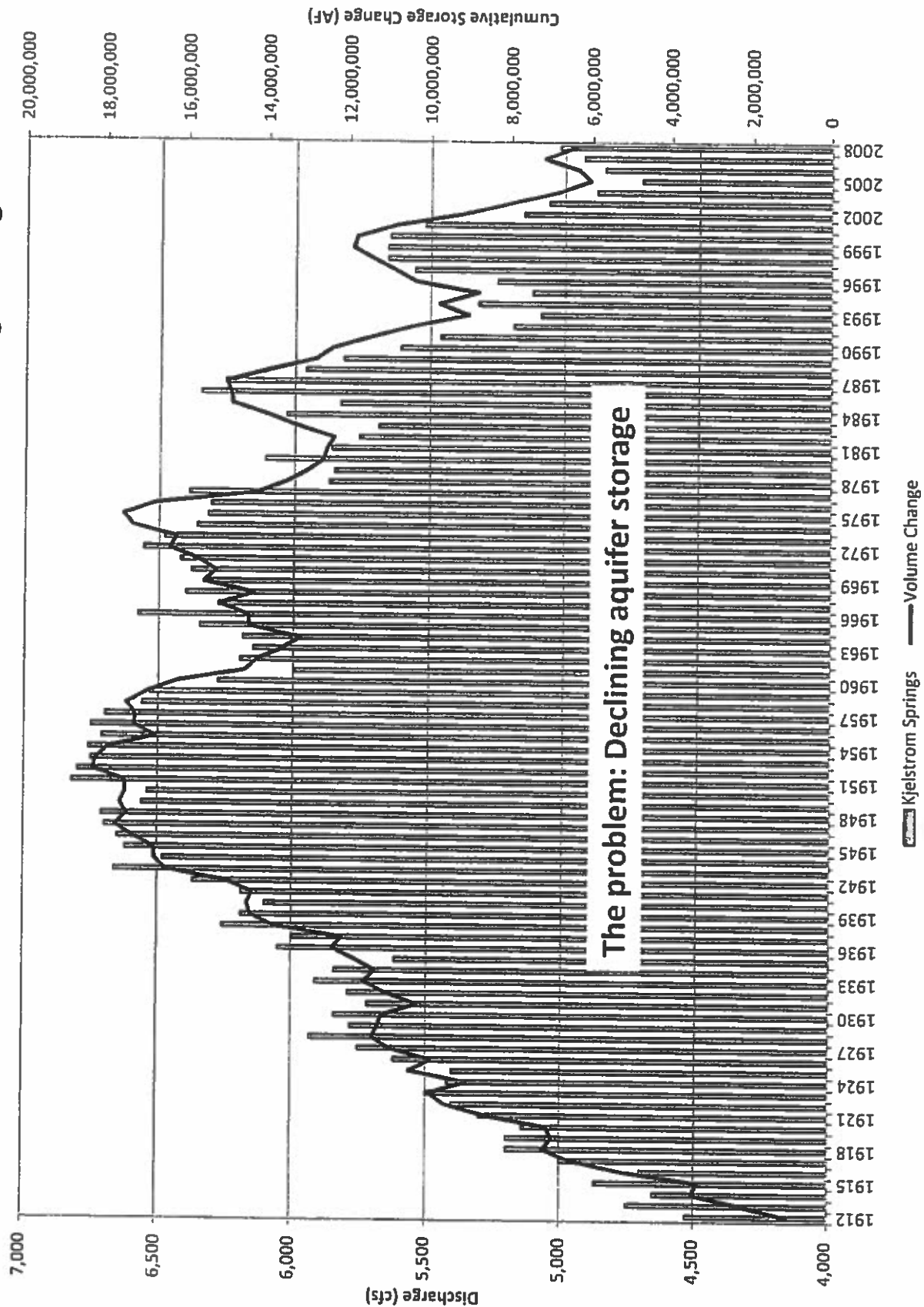
Recharge Component	Construction	Annual O&M	Annual Average AF	
Existing Lower Valley Facilities				
Milner-Gooding Canal Inc. Shoshone and MP31 recharge sites				
Northside Canal				
Southwest Irrigation District Pipeline				
Existing Lower Valley Facilities	N/A	\$130,000	40,000 AF	- Dependent on Canal Company cooperation - Variable deliveries
Additional Lower Valley Down-Canal Facilities				
MP 31 build-out on Milner Gooding Canal	\$200,000			
Large off-canal site on Northside Canal (K-Canal or Nielson Sites)	\$300,000			
Additional Lower Valley Down-Canal Facilities		\$70,000	20,000 AF	- Dependent on Canal Company cooperation - Variable deliveries
Walcott Recharge Site	\$5M	\$100,000	18,000 AF	- Direct diversion from Walcott pool – not reliant on canal companies - Variable deliveries - Engineering/environmental investigations underway
Southwest Irrigation District Pipeline modifications for winter operations	\$2M	\$150,000	7,000 AF	- Divert winter-time(Nov-Mar) Milner spill (500 cfs) to recharge thru dedicated facilities "Base-load" for recharge - Direct diversion from Milner Pool – not reliant on canal companies & below Minidoka hydropower
Direct diversion projects from Milner Pool	\$20M	\$600,000	100,000 AF	- Divert winter-time(Nov-Mar) Milner spill (500 cfs) to recharge thru dedicated facilities "Base-load" for recharge - Direct diversion from Milner Pool – not reliant on canal companies & below Minidoka hydropower
Little Wood River Recharge	\$3M	\$80,000	15,000 AF	- Divert winter-time(Nov-Mar) flows (50 cfs) to recharge thru dedicated facilities "Base-load" for recharge
Water Quality monitoring		\$100,000		
Project Management		\$160,000		
Contingency 20%	\$6.1M	\$288,000		
TOTALS	\$36.6M	\$1.73M/yr	200,000 AF	

[illegible]

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Kjelsstrom Spring Discharge and ESPA Cumulative Storage Change



Spring Diversions in Hagerman Valley

NAIP Images 2013

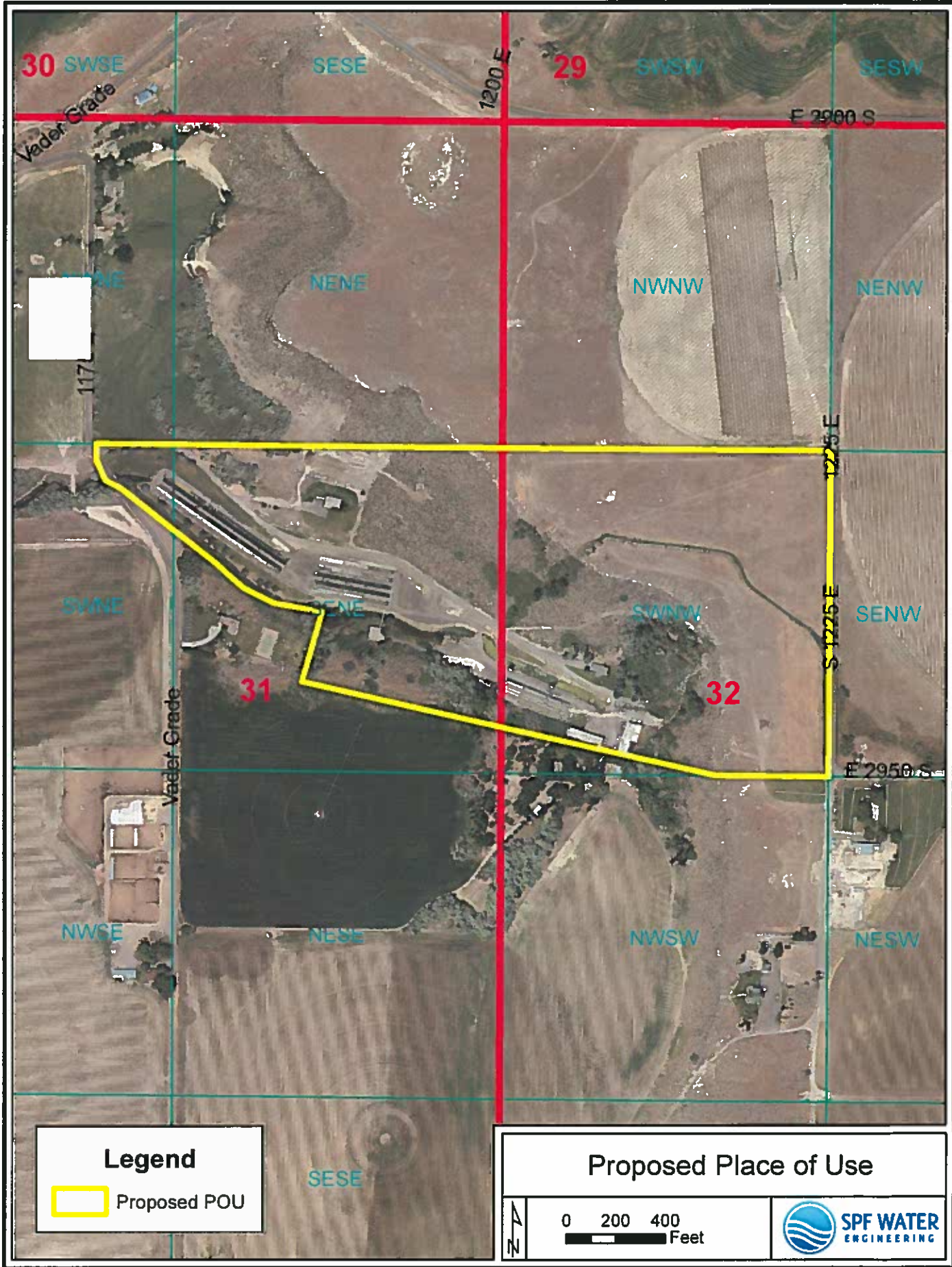
Exhibit 1110 - Page 8



Attachment 7A

Points of Diversion Map

Place of Use Map



Attachment 9

IGWA's Fourth Mitigation Plan and Exhibits

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RECEIVED
AUG 27 2014
DEPARTMENT OF
WATER RESOURCES

Attorneys for Idaho Ground Water Appropriators, Inc. (IGWA)

**BEFORE THE DEPARTMENT OF WATER RESOURCES
OF THE STATE OF IDAHO**

IN THE MATTER OF THE FOURTH
MITIGATION PLAN FILED BY THE
IDAHO GROUND WATER APPROPRI-
ATORS FOR THE DISTRIBUTION OF
WATER TO WATER RIGHT NOS. 36-
02551 & 36-07694 IN THE NAME OF
RANGEN, INC.

"MAGIC SPRINGS PROJECT"

Docket No. CM-MP-2014-__

**IGWA'S Fourth Mitigation Plan
and Request for
Expedited Hearing**

PLAN OVERVIEW

Idaho Ground Water Appropriators, Inc. (IGWA), acting for and on behalf of its members and non-member participants in mitigation activities, submits this fourth mitigation plan and request for hearing ("Mitigation Plan") pursuant to rule 43 of the Rules for Conjunctive Management of Surface and Ground Water Resources¹ ("CM Rules") to provide additional ways of satisfying the mitigation obligation imposed by the Idaho Department of Water Resources' (IDWR) *Final Order Regarding Rangen, Inc.'s Petition for Delivery Call; Curtailing Ground Water Rights Junior to July 13, 1962* ("Curtailment Order"), and thereby prevent curtailment of junior-priority groundwater use.

¹ IDAPA 37.03.11.043.

The Curtailment Order requires the holders of junior-priority ground-water rights to provide simulated steady state benefits of 9.1 cfs to the Curren Tunnel or direct flow of 9.1 cfs to Rangen. Mitigation provided by direct flow may be phased in over five years as follows: 3.4 cfs in the first year, 5.2 cfs in the second year, 6.0 cfs the third year, 6.6 cfs the fourth year, and 9.1 cfs the fifth year.

This Mitigation Plan provides alternate means of providing mitigation in addition to those authorized under IGWA's First Mitigation Plan, IDWR Docket No. CM-MP-2014-001, Second Mitigation Plan, IDWR Docket No. CM-MP-2014-003 and Third Mitigation Plan, IDWR Docket No. CM-MP-2014-004.

MAGIC SPRINGS PROJECT

Under this proposal, IGWA will secure by lease or purchase the right to pump up to 10.0 cfs of first use water from SeaPac of Idaho ("SeaPac") at its Magic Springs facility. SeaPac agrees to lease or sell to IGWA up to ten (10) cfs of first use water for water right nos. 36-7072 and 36-8356 and will provide access to allow IGWA to provide mitigation to Rangen. Attached as *Exhibit 1* is a *Letter of Intent* ("LOI") entered between IGWA and SeaPac.

Pursuant to the LOI, IGWA will secure ownership or control of Aqua Life water right nos. 36-1044, 36-2734, 36-15476, 36-2414 and 36-23389 by long term lease or purchase from the Idaho Water Resource Board ("IWRB"). IGWA will pay all costs to design, construct, operate and maintain the water collection and intake system, pump station, pipeline and other facilities necessary to deliver up to 10 cfs of first use water from Magic Springs to the head of Billingsley Creek directly up gradient from the Rangen hatchery.

The water delivered to Rangen is non-consumptive and will increase water in Billingsley Creek to provide mitigation to other locations in the Hagerman Valley. The LOI also enables IGWA to utilize all discharged water from SeaPac's Magic Spring hatchery which IGWA may separately pump to provide mitigation to other water rights in Billingsley Creek and/or Riley Creek via the Curren Ditch. However, no mitigation plan for approval is sought by this plan other than for Rangen.

Completion of the Magic Springs Project will require the following which would be completed by IGWA at its expense: (1) lease or purchase of 10.0 cfs of water right nos. 36-7072 and 36-8356 owned by SeaPac; (2) long-term lease or purchase from the IWRB of Aqua Life water right nos. 36-1044, 36-2734, 36-15476, 36-2414, and 36-2338 to make available

to SeaPac; (3) design, construction, operation and maintenance of the water intake and collection facilities, the pump station and pipeline to transport water from Magic Springs to the head of Billingsley Creek; (4) acquisition of permanent easements at Magic for the water intake and collection facilities, pump station and pipeline and other necessary features for the delivery of water to the head of Billingsley Creek; (5) approval of a transfer application to change the place of use to Rangen.

SPF Water Engineering has completed preliminary design and engineering work for the Magic Springs Project, attached as *Exhibit 2*. SeaPac has agreed to provide access to IGWA to complete its engineering work. Engineering work has begun and will be completed to a higher level in the near future, at which time the updated engineering work will be provided.

Option Agreements are in place to acquire easements for the delivery pipeline through the Walter Candy and Butch Morris property. An additional easement will be necessary through property of the U.S. Fish & Wildlife Service.

IGWA requests mitigation credit for water it delivers from Magic Springs to Rangen in the future. If Rangen refuses to provide access to its property for IGWA to further engineer and install this delivery system, IGWA again asks that its mitigation obligation to Rangen be suspended.

REQUEST FOR EXPEDITED HEARING

Pursuant to CM Rule 43.02, IGWA requests that this Mitigation Plan be promptly processed and advertised, and that an expedited Scheduling Conference be set with notice given to the parties to discuss the mitigation alternatives identified in this plan; and, to schedule necessary hearings.

RESPECTFULLY SUBMITTED this 27th day of August, 2014.

RACINE OLSON NYE BUDGE &
BAILEY, CHARTERED

By: Randall C. Budge
Randall C. Budge
Thomas J. Budge

CERTIFICATE OF MAILING

I certify that on this 27th day of August, 2014, the foregoing document was served on the following persons in the manner indicated.

Randall C. Bridg

Signature of person mailing form

Director, Gary Spackman Idaho Department of Water Resources PO Box 83720 Boise, ID 83720-0098 <u>Deborah.Gibson@idwr.idaho.gov</u>	☐ U.S. Mail/Postage Prepaid ☐ Facsimile ☐ Overnight Mail ☒ Hand Delivery ☐ E-mail
Garrick Baxter Chris Bromley Idaho Department of Water Resources P.O. Box 83720 Boise, Idaho 83720-0098 <u>garrick.baxter@idwr.idaho.gov</u> <u>chris.bromley@idwr.idaho.gov</u>	☐ U.S. Mail/Postage Prepaid ☐ Facsimile ☐ Overnight Mail ☐ Hand Delivery ☒ E-mail
Robyn M. Brody Brody Law Office, PLLC PO Box 554 Rupert, ID 83350 <u>rbrody@cableone.net</u> <u>robynbrody@hotmail.com</u>	☐ U.S. Mail/Postage Prepaid ☐ Facsimile ☐ Overnight Mail ☐ Hand Delivery ☒ E-mail
Fritz X. Haemmerle Haemmerle & Haemmerle, PLLC PO Box 1800 Hailey, ID 83333 <u>fxh@haemlaw.com</u>	☐ U.S. Mail/Postage Prepaid ☐ Facsimile ☐ Overnight Mail ☐ Hand Delivery ☒ E-mail
J. Justin May May, Browning & May, PLLC 1419 West Washington Boise, ID 83702 <u>jmay@maybrowning.com</u>	☐ U.S. Mail/Postage Prepaid ☐ Facsimile ☐ Overnight Mail ☐ Hand Delivery ☒ E-mail

Exhibit 1

Letter of Intent

LETTER OF INTENT

USE OF WATER FROM SEAPAC OF IDAHO, INC'S MAGIC SPRINGS FACILITY, CONSTRUCTION OF PUMP STATION AND PIPELINE IN EXCHANGE FOR WATER FROM THE AQUA LIFE FACILITY

This Letter of Intent ("LOI") is entered into by and between Idaho Ground Water Appropriators, Inc. ("IGWA"), acting for and on behalf of North Snake Ground Water District, Magic Valley Ground Water District and Southwest Irrigation District (collectively "Districts"), and SeaPac of Idaho, Inc. ("SeaPac").

RECITALS

A. In response to Rangen, Inc.'s ("Rangen") water delivery call, the Idaho Department of Water Resources ("IDWR") determined in its January 29, 2014 order that holders of ground water rights junior to July 13, 1962 must provide 9.1 cfs of direct flow to Rangen. Other delivery calls are pending or may be filed by other Hagerman Valley water right holders seeking to curtail junior ground water users.

B. IGWA represents ground water districts whose members consist of irrigators, municipalities, and commercial and industrial entities with ground water rights. Many of the ground water districts' member's water rights are junior to Rangen and certain other water rights in the Thousand Springs reach of the Hagerman Valley and are subject to curtailment unless a mitigation plan is approved providing replacement water.

C. IGWA and SeaPac support the concepts and implementation of the State of Idaho's *Thousand Springs Water Supply Settlement Framework* designed to provide recharge and other means to stabilize the aquifer, to improve water supplies in the Hagerman Valley and to resolve conflicts between junior and senior water right holders.

D. The Idaho Water Resource Board ("IWRB") owns and operates the Aqua Life Aquaculture Facility Hatchery ("Aqua Life") and has entered into a Letter of Intent with IGWA to make available to IGWA by lease or purchase up to ten (10) cfs of its Aqua Life water rights from adjacent springs as needed to meet the mitigation obligation to Rangen and others in the Hagerman valley. IGWA has entered into negotiations with IWRB seeking to lease and acquire ownership of all of Aqua Life.

E. SeaPac currently has a short-term lease of Aqua Life from IWRB and desires to continue its Aqua Life operations by securing ownership and/or a long-term lease.

F. IGWA desires to secure water from SeaPac's Magic Springs to provide a supply of water for mitigation purposes to Rangen and to other senior rights in the Hagerman Valley.

G. IGWA and SeaPac desire to enter into this Letter of Intent ("LOI") to set forth their intent to commence negotiation of a final agreement providing for the exchange of Magic Springs water for Aqua Life water consistent with the terms set forth below.

TERMS

The Agreement shall have the following terms and conditions:

1. SeaPac will lease or sell to IGWA up to ten (10) cfs of first use water from its Magic Springs water right nos. 36-7072 and 36-8356 and also will provide access to allow IGWA to utilize all discharge water from its Magic Springs facilities as needed to provide mitigation to other water right holders in the Hagerman valley.
2. In exchange for water from Magic Springs, IGWA will secure ownership or control of Aqua Life water right nos. 36-1044, 36-2734, 36-15476, 36-2414, and 36-2338 by long-term lease or purchase from IWRB and make them available to SeaPac.
3. IGWA will pay all costs to design, construct, operate and maintain the water collection and intake system, pump station, pipeline and other facilities necessary to deliver up to 10 cfs of first use water together with discharge water from Magic Springs to the head of Billingsley Creek directly up gradient from the Rangen hatchery and/or other locations in the Hagerman valley for mitigation purposes. IGWA will ensure that the diversion and delivery facilities to be constructed will not interfere with the use of SeaPac's remaining water rights at Magic Springs.
4. IGWA shall be responsible to secure from IDWR approval of such mitigation plans, transfer applications and other permits as may be required to change the point of diversion and place of use to accomplish the delivery of Magic Springs water for mitigation purposes. SeaPac hereby grants consent to IGWA to file and process such mitigation plans, transfer applications based on this LOI, with the approvals made subject to this LOI and the contemplated final Agreement between the parties.
5. SeaPac will grant IGWA permanent easements at Magic to design, construct, operate and maintain the water intake and collection facilities, pump station, pipeline and other facilities as necessary for the delivery of water to other locations for mitigation purposes.
6. IWRB will cooperate with IGWA and provide all necessary documents to conduct such investigation as it shall deem appropriate.
7. The Agreement will be contingent upon: (a) IGWA securing an order from IDWR approving mitigation plans providing for the delivery SeaPac's Magic Springs water rights to satisfy the mitigation obligations to Rangen and/or others in the Hagerman valley; (b) IGWA

securing an order from IDWR approving the transfer of the point of diversion and place of use (as necessary) from SeaPac to Rangen and other locations for mitigation; (c) IGWA proceeding to construct and implement the pump and pipeline facilities pursuant to an approved mitigation plan; and IGWA securing ownership or control by long-term lease of Aqua Life and providing it to SeaPac.

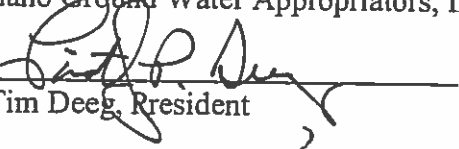
8. This LOI may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute but one and the same agreement. Delivery of an executed counterpart of this LOI via facsimile transmission shall be as effective as delivery of an original signed copy. Thereafter, the parties shall exchange executed originals of this LOI.

9. This LOI is intended as a general expression of the terms and conditions, under which the parties are willing to proceed to prepare, negotiate and if acceptable to all parties in their respective sole discretion, execute a final Agreement. Neither this LOI nor the execution hereof as provided below, shall be binding on any party until the formal Agreement is executed by all parties.

10. Upon execution of this LOI SeaPac will provide access to IGWA to begin engineering work, IGWA will proceed to file and process with IDWR mitigation plans and transfer applications as contemplated and the parties will proceed to negotiate a final Agreement incorporating the terms and conditions as outlined above.

Idaho Ground Water Appropriators, Inc.

By:


Tim Deeg, Resident

SeaPac of Idaho, Inc.

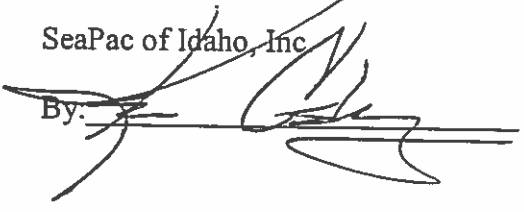
By: 

EXHIBIT 2

MAGIC SPRINGS PROJECT



TECHNICAL MEMORANDUM

DATE: August 26, 2014
TO: Randy Budge - Racine, Olson, Nye, Budge & Bailey, Chartered
FROM: Bob Hardgrove, P.E.
Jason Thompson, P.E.
CC: SPF file (535.0150)
RE: IGWA's 4th Mitigation Plan: Magic Springs Project
10% Preliminary Submittal

The Idaho Ground Water Appropriators, Inc. (IGWA) is reviewing legal and technical options related to water management stemming from the Rangen, Inc. (Rangen) Water Call. IGWA has requested through its water rights legal counsel that SPF Water Engineering (SPF) provide a conceptual design to deliver 9.1 cfs of direct flow to Rangen from the Magic Springs facility owned and operated by SeaPac of Idaho, Inc. (SeaPac). This memorandum presents this conceptual design at a preliminary 10% level.

1. Project Overview

This memorandum provides a feasibility assessment and conceptual opinion of probable cost for delivering replacement water from Magic Springs to Rangen, Inc. (Rangen) by constructing a new spring intake, pump station, and pipeline. This project is referred to as the Magic Springs Project (Project).

In addition to providing up to 9.1 cfs of spring water to Rangen, the Project could provide additional water to Billingsley Creek and/or the Curren Ditch by intercepting flows downstream of SeaPac's raceways. This second source of SeaPac water would require constructing a separate intake, pump station, and pipeline. This additional flow of water could be used to mitigate or avoid other Billingsley Creek water right calls.

2. Water Rights

SeaPac owns two water rights for fish propagation at Magic Springs. Water right 36-7072 authorizes the diversion of 148.2 cfs for fish propagation purposes from Thousand Springs with a priority date of September 5, 1969. Water right 36-8356 authorizes the diversion of 45.0 cfs for fish propagation from springs with a priority date of May 9, 1988. Rights 36-7072 and 36-8356 combined shall not exceed a total diversion rate of 148.2 cfs.

It is anticipated that the Project will be designed to deliver a maximum flow of 10.0 cfs of spring water associated with water right 36-7072 to Rangen. Additional water delivered downstream of Rangen would also likely be accomplished under water right 36-7072.

3. Project Design

3.1. Preliminary Pipeline Alignment

A preliminary pipeline alignment was developed based on an examination of aerial photography, topography, and a site visit to Magic Springs on August 13, 2014. Elevations for the alignment were derived from an aerial survey performed by 3Di GeoTerra Mapping Group on June 12, 2014. The preliminary alignment is shown with property ownership in Figure 1. The alignment and an elevation profile are also included as Attachment A.

From the Magic Springs facility, the alignment parallels the rim and the river before turning up the rim on Hagerman National Fish Hatchery property. It follows an existing dirt road north, then parallels S 1200 E to the north on property owned by Butch Morris. The alignment crosses E 3000 S, then follows the alignment proposed for the Tucker Springs Project to Rangen. The alignment crosses property owned by Walter Candy just south of Rangen. In total, the proposed alignment only crosses four properties, SeaPac, the National Fish Hatchery, Morris, and Candy, before entering Rangen property.

The Project may involve two separate pipelines, with one pipeline delivering spring water directly to Rangen and the larger pipeline delivering water that has passed through the SeaPac facility to Billingsley Creek and/or the Curren Ditch. These pipelines would share the same alignment and trench. The Rangen pipeline would be approximately 1.8 miles long, while the larger pipeline would be approximately 1.5 to 2.5 miles long, depending on the final point of delivery. Both pipelines have a maximum elevation of 3,148 feet.

Mr. Morris and Mr. Candy were reportedly agreeable to granting an easement through their respective properties for the Tucker Springs pipeline, so it has been assumed they will also agree to grant an easement for the Magic Springs alignment(s) as well. The willingness of the Hagerman National Fish Hatchery to cooperate is not known at this time.

The Hagerman Highway District (HHD) approved an open-cut crossing of E 3000 S and also allowed the proposed installation of air valve vaults within their right-of-way for the Tucker Springs Project. Therefore, it is assumed HHD will also grant approval for similar activities for the Magic Springs alignment.

The pipelines will be equipped with combination air valves at defined high points that release air during pipeline filling, let air enter the pipe when it is being drained, and release small amounts of accumulated air when the pipe is under pressure. These valves help protect the pipe during filling and draining events and minimize the amount of air in the line, reducing the friction losses in the pipeline. In areas that are safe from vehicles or farm equipment, air valves would be placed directly over the pipelines with access via a manhole. Where the pipelines are in a road or a farmed field, the air valve would be located remotely in a vault and fed from the pipeline with a small diameter lateral line.

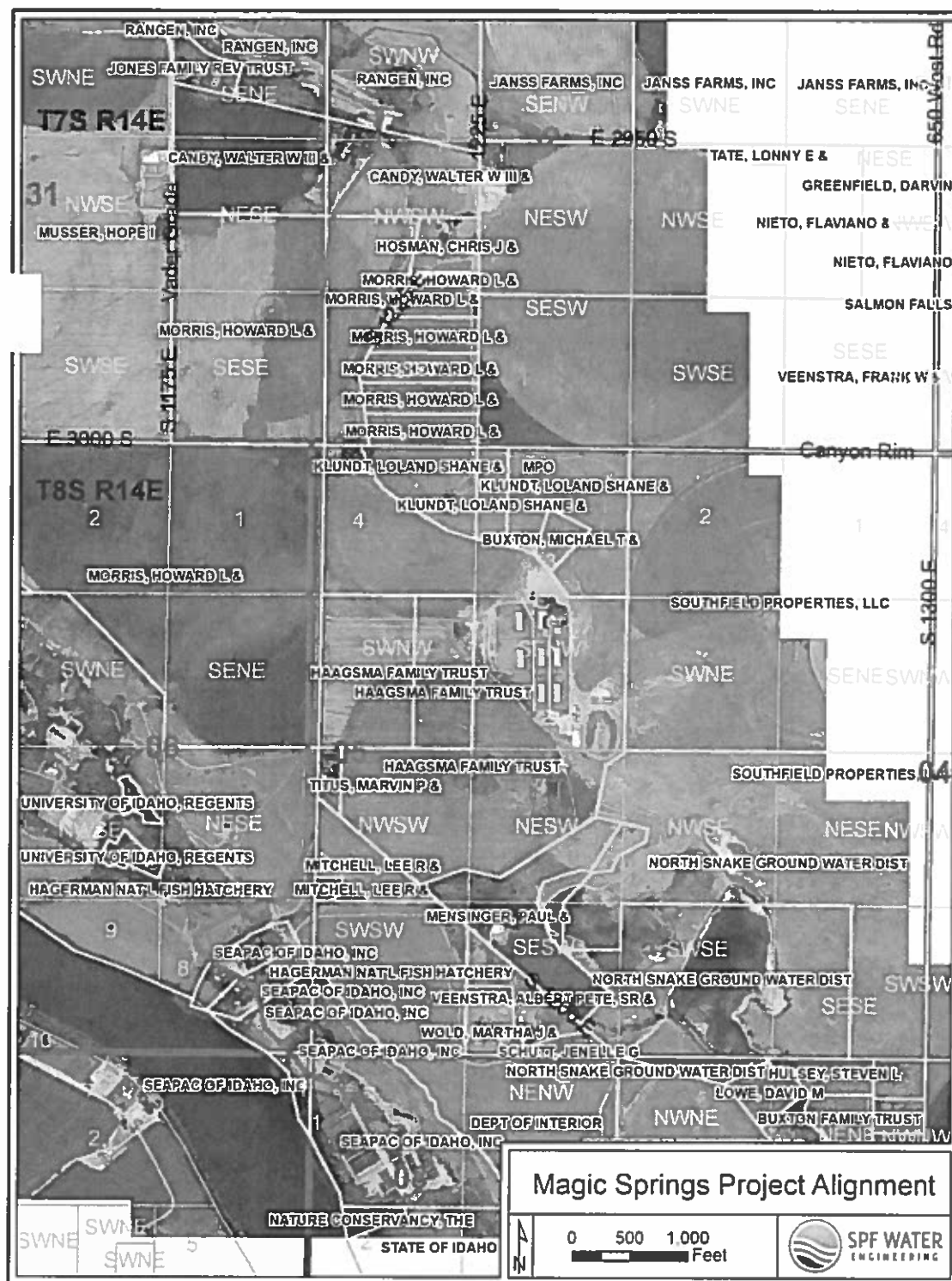


Figure 1. Preliminary Pipeline Alignment

3.2. Points of Diversion

The Project could include diverting water from two separate locations at the Magic Springs facility. The first location would consist of diverting spring water upgradient of Magic Spring's furthest north raceway with delivery to the Rangen facility. The second location would consist of diverting water downstream of the lowest raceway with delivery directly to Billingsley Creek and/or the Curren Ditch. The ground elevation of the spring diversion point is 2,985 feet. The ground elevation of the diversion point downstream of the lowest raceway is approximately 100 feet lower at 2,887 feet. These two points of diversion are shown on Figure 2.

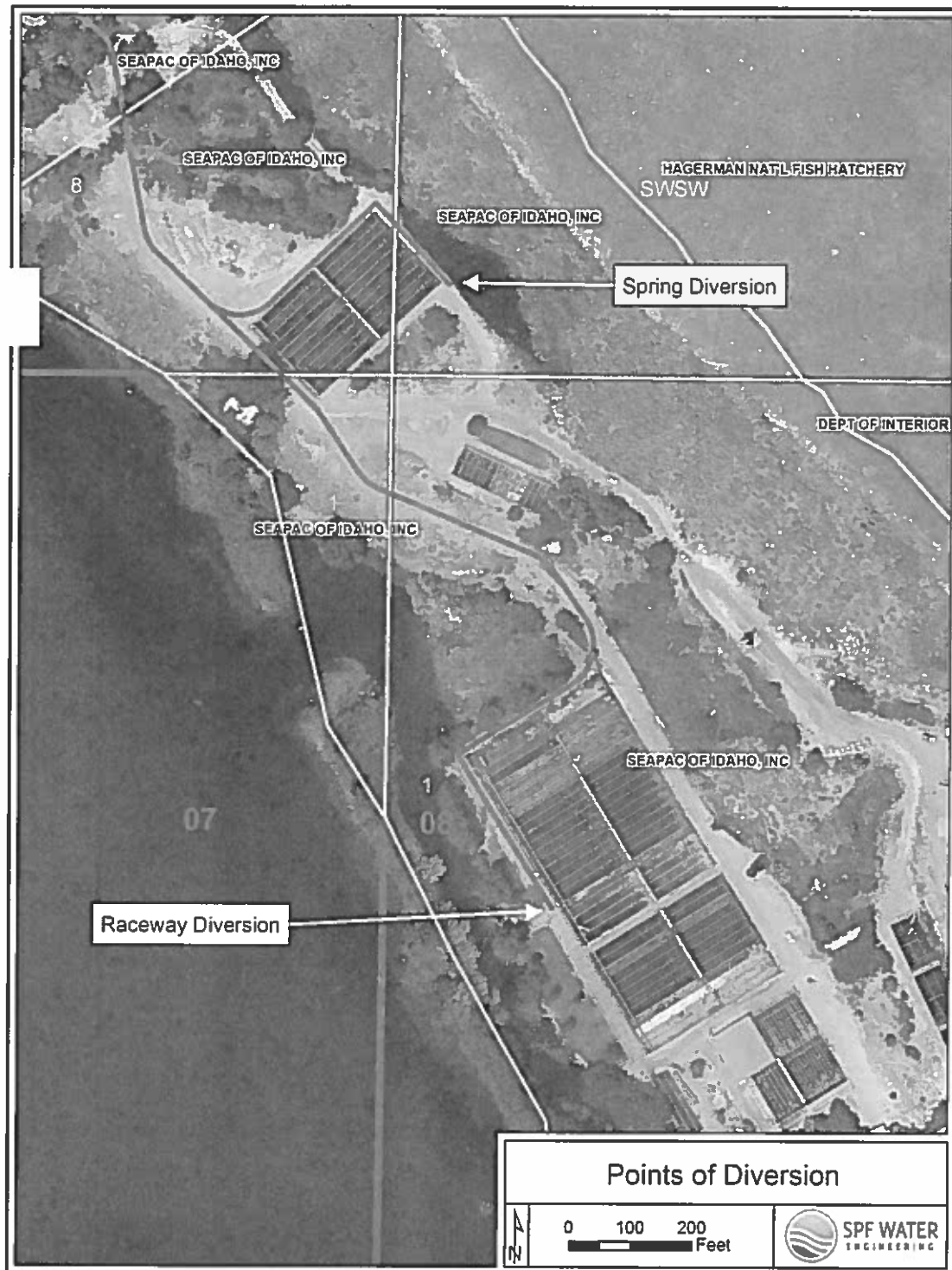


Figure 2. Points of Diversion at Magic Springs

3.3. Pump Station Design

The preliminary design contemplates utilizing two skid-mounted packaged pump stations, one for delivering spring water to Rangen (10 cfs pump station) and one for delivering "pass-through" water directly to Billingsley Creek and/or the Curren Ditch (large pump station). Each pump station would include pumps, mechanical piping, valves, flow meter, variable frequency drives (VFDs), and associated controls housed in an enclosure. The preliminary design includes a backup generator for the 10 cfs pump station to allow delivery during times of power outages. The use of a backup generator for the large pump station is not anticipated at this time.

Each pump station would include three short-set line-shaft turbine pumps. Two of the pumps would be duty pumps and one would be on standby to ensure that two pumps can operate at all times should one be taken out of service for maintenance. The preliminary design anticipates installing the turbine pumps in individual pump cans. For the 10 cfs pump station, a short gravity pipeline would be installed in the spring area to supply the manifold to the pump cans. The pipeline would be screened and equipped with a head gate. Alternatively, the 10 cfs pump station manifold may intercept the line(s) that feeds the north raceways and avoid the spring area completely. For the large pump station, a short pipeline would deliver flows to the pump can manifold. This would be fed directly from the open channel at the bottom of the raceway or from at least two of the existing buried discharge pipes directly downstream of the raceway.

10 cfs Pump Station

To deliver 10 cfs from Magic Springs to Rangen, the pump station will have to generate approximately 225 feet of total dynamic head (TDH). The TDH calculation assumes:

- 2,500 feet of 24-inch fused high density polyethylene (HDPE) pipe (IPS, SDR 11, 19.4-inch I.D.)
- 7,000 feet of 24-inch HDPE pipe (IPS, SDR 17, 21.01-inch I.D.)
- Pumping water elevation of 2,980 feet at spring point of diversion (5 feet below ground surface)
- A maximum pipeline elevation of 3,148 feet
- A pressure sustaining valve to maintain backpressure equal to 25 feet over the maximum elevation of the pipeline, equal to 3,173 feet
- Connection to Rangen's existing 14-inch buried steel pipe between the hatch house and the small raceway
 - Assumed design flow of 4 cfs (1,800 gpm) to Rangen's small raceway
 - Assumed design flow of 6 cfs (2,700 gpm) to the Rangen box

With a TDH of 225 feet and a delivery rate of 10 cfs (4,488 gpm), total brake horsepower (hp) required is 302 hp, or 151 hp per pump with two pumps running. The pumps would require nominal 200-hp motors. All three 200-hp pumps would be controlled by VFDs and paced off flow to maintain any operator-adjustable flow rate up to 10 cfs. System operation would be controlled by a programmable logic controller with remote monitoring

and auto-restart capabilities. The packaged pump station would include an isolation and check valve on each pump, a mainline butterfly valve, pressure relief valve, combination air valve, and a flow meter. A generator is anticipated to provide emergency power. The pump station would be enclosed for protection from weather and to provide sound attenuation. The insulated enclosure would be heated and ventilated.

The pump station would be designed to deliver a maximum flow of 10 cfs at 225 feet of TDH. Because the pump station would include two VFD-controlled pumps paced off of flow, it could be programmed to deliver the phased-in lower direct flows identified by the Idaho Department of Water Resources (IDWR) in the Rangen curtailment order. These flows were determined to be:

- 1st Year: 3.4 cfs (1,525 gpm)
- 2nd Year: 5.2 cfs (2,335 gpm)
- 3rd Year: 6.0 cfs (2,695 gpm)
- 4th year: 6.6 cfs (2,965 gpm)
- 5th year: 9.1 cfs (4,085 gpm)

A tentative location for the pump station is identified in Figure 2 as "Spring Diversion". A final location would be identified in future design documents. The final location will depend on the topographical survey, power availability, existing site infrastructure, constructability, SeaPac input, permitting, and other factors.

During the initial site visit to Magic Springs on August 13, 2014, 3-phase power was identified on the property near the proposed pump station location. However, it is not known if there is adequate capacity to add this pump station. Idaho Power will be contacted to determine power availability at Magic Springs and to identify any distribution system upgrades necessary to supply the pump station if the Project moves forward.

The 10 cfs pump station will be designed to be a reliable, year-round facility and would include: (1) a redundant pump, (2) remote monitoring and alarming capabilities, (3) auto-restart, and (4) a proposed standby power generator and auto-transfer switch. The pump station VFDs would be controlled by discharge rate, allowing them to automatically adjust their speed to deliver a constant flow to Rangen without the need for manual adjustments. The pump station enclosure would be lockable and durable to prevent vandalism or unauthorized entry. All these items will make the pump station dependable, biologically and physically secure, and would minimize downtime due to maintenance and power outages.

Large Pump Station

The large pump station would be designed to collect pass-through water downstream from the lowest raceway at the Magic Springs facility and deliver it directly to Billingsley Creek and/or the Curren Ditch. Per Tom Van Tassel of SeaPac, approximately 85 cfs of pass-through water is available at the large pump site, making water quantity less of a constraint than pump size. For this feasibility assessment, a flow rate of at least 20 cfs (9,000 gpm) has been assumed, but higher or lower flows could be pumped if desired by

increasing or decreasing the pump horsepower. To deliver 20 cfs, the large pump station will need to generate approximately 310 feet of total dynamic head (TDH).

The TDH calculation assumes:

- 3,400 feet of 36-inch fused high density polyethylene (HDPE) pipe (IPS, SDR 11, 29.1-inch I.D.)
- 7,100 feet of 36-inch HDPE pipe (IPS, SDR 17, 31.5-inch I.D.)
- Pumping water elevation of 2,882 feet at point of diversion
- A maximum pipeline elevation of 3,148 feet
- A pressure sustaining valve to maintain backpressure equal to 25 feet over the maximum elevation of the pipeline, equal to 3,173 feet
- Delivery to Billingsley Creek just downstream of the Bridge Diversion at Rangen

With a TDH of 310 feet and a delivery rate of 20 cfs (9,000 gpm), total brake horsepower (hp) required is 822 hp, or 411 hp per pump with two pumps running. The pumps would require nominal 450-hp motors. All three 450-hp pumps would be controlled by VFDs and paced off flow to maintain any operator-adjustable flow rate up to 20 cfs. System operation would be controlled by a programmable logic controller with remote monitoring and auto-restart capabilities. The packaged pump station would include an isolation and check valve on each pump, a mainline butterfly valve, pressure relief valve, combination air valve, and a flow meter. A generator to provide emergency power is currently not anticipated for the large pump station, but could be added if deemed necessary. The pump station would be enclosed for protection from weather and to provide sound attenuation. The insulated enclosure would be heated and ventilated so it can be used year-round.

If a constant flow is less critical for the large pump station, three 300-hp pumps could be utilized without having a spare pump in stand-by. If one of the pumps needed repaired, the flows would be decreased until that pump was operational again.

A tentative location for the pump station is identified in Figure 2 as "Raceway Diversion". A final location would be identified in future design documents. The final location will depend on the topographical survey, power availability, existing site infrastructure, constructability, SeaPac input, and other factors.

During the initial site visit to Magic Springs on August 13, 2014, overhead 3-phase power was identified directly above the proposed pump station location. However, it is not known if there is adequate capacity to add this pump station. Idaho Power will be contacted to determine power availability at Magic Springs and to identify any distribution system upgrades necessary.

For information purposes, the assumed 20 cfs pump station would be capable of delivering up to 21 cfs (9,500 gpm) using the two 450-hp pumps or three 300-hp pumps. However, if the pumps were downsized to two 400-hp pumps they could still deliver up to 19 cfs (8,500 gpm).

3.4. Delivery to Rangen

The Rangen pipeline would connect to the existing 14-inch pipeline between the hatch house and the small raceway. A pressure sustaining valve would be provided immediately upstream of the tie-in point to maintain a minimum upstream pressure in the pipeline under all static and operating conditions. The pressure sustaining valve would ensure a full pipeline upstream of the valve and that enough pumping head is developed to transport water over the mainline high-point without creating a vacuum condition. Isolation valves would be installed on either side of the pressure sustaining valve to allow for maintenance. A bypass line with an isolation valve would be installed around the pressure sustaining valve so delivery could be maintained to Rangen even if the pressure sustaining valve is out of service for maintenance or repair. The pressure sustaining valve would be housed in a buried vault on Rangen property.

Directly downstream of the valve vault, the new pipeline would connect by tee to the existing 14-inch buried steel pipeline that exists between the hatch house and the small raceway. A 14-inch butterfly valve would be installed on the small raceway leg of the tee to allow control of flow to the small raceway. There is an existing 14-inch valve located in a vault near the hatch house that could be used to control flow from or to the Rangen Box. In addition, there is an existing valve and lateral that can be used to direct flow from the 14-inch pipeline to the hatch house.

The existing 14-inch pipeline transports water from the Rangen Box to the small raceways. The pipe from Magic Springs would tie-in to this 14-inch pipe, allowing flows to be directly delivered to the small raceways through the 14-inch pipe, or to the large raceways in two ways: (1) after water flows through the small raceways via an existing 18-inch diameter pipeline and (2) through the Bridge Diversion in Billingsley Creek which can receive water spilled from the Rangen Box. The preliminary design assumes 4 cfs would be delivered to the small raceways and 6 cfs would be delivered to the Rangen Box. However, if the small raceways can take additional flow, a larger portion of the 10 cfs can be sent that direction. The distribution of water between the small raceways and the Rangen Box would be adjusted by opening or closing a 14-inch butterfly valve that would be installed on the small raceway leg of the tee.

3.5. Delivery to Billingsley Creek and/or the Curren Ditch

If delivery of pass-through water from Magic Springs is desired directly into Billingsley Creek the large pipeline could parallel the 10 cfs pipeline and deliver to Billingsley Creek just downstream of the Bridge Diversion on Rangen property. This location is shown on Figure 3. If Rangen is unwilling to allow delivery of water at this location, water could be delivered into Billingsley Creek just west of S 1175 E, with access through property owned by Walter Candy and the Jones Family Trust. This alternate location is also shown on Figure 3. In either point of delivery location, flows will mix with Rangen's discharge and can be diverted into the Curren Ditch from Billingsley Creek if desired.

If it is determined the Magic Springs' pass-through water is not needed or wanted in Billingsley Creek, then the pipeline could be shortened and tied directly into the Sandy

Pipeline on Butch Morris property. This would allow the Magic Springs water to supplement Sandy Pond water during the irrigation season and provide the Curren Ditch with flow during the non-irrigation season.



Figure 3. Delivery to Billingsley Creek

4. Permitting

If the project is constructed, the pipeline contractor will be required to obtain a permit from the HHD and pay any associated fees required at the time of construction.

A 404 permit from the US Army Corps of Engineers will be required if fill is placed in a water of the US or jurisdictional wetlands are impacted. This may be applicable at the Spring Diversion location and for installation of the pipeline in certain areas. It is not anticipated that a 404 permit would be required for the Raceway Diversion. The 404 joint application is also reviewed by the IDWR, which may also issue a stream alteration permit, and the Idaho Department of Environmental Quality which issues 401 water quality certifications. If the Spring Diversion location is identified as habitat for the threatened snail, the US Fish and Wildlife Service will also review the permit and mitigation may be required. It is possible to avoid the 404 permit associated with the Spring Diversion, if the inlet piping to the north raceways can be intercepted and the spring pool is not impacted.

An NPDES permit is not anticipated at this time. It is assumed discharge from the Spring Diversion to Rangen and the Raceway Diversion downstream of the Bridge Diversion would both be covered by Rangen's existing NPDES. If the Raceway Diversion is discharged into Billingsley Creek downstream of Rangen's outfall or directly into the Curren Ditch, it is assumed it would be covered under SeaPac's NPDES permit for discharge into the Snake River.

5. Project Cost Estimate

5.1. Capital Construction Cost Estimate – 10 cfs Pump Station

The Preliminary Opinion of Probable Cost is based on direct vendor material pricing, contractor installation input, and historical information SPF had available. Pipe, fitting, and valve material costs were based on direct vendor pricing obtained in April 2014. Pipeline installation costs were developed based on information from reputable contractors. The preliminary design contemplates a skid-mounted packaged pump station, including pumps, mechanical piping, valves, flow meter, variable frequency drives (VFDs) and associated controls, generator, and enclosure. Costs for this packaged pump station were obtained from a packaged pump station vendor in July 2014.

The 10 cfs pump station estimate totals approximately \$1.8M, which includes a construction contingency and fees for engineering and construction services to design and support the construction effort. The estimate assumes an Idaho Power upgrade is not necessary. Table 1 summarizes the Preliminary Opinion of Probable Cost for the 10 cfs pump station.

Table 1. Preliminary Opinion of Probable Cost

MAGIC SPRINGS PROJECT PRELIMINARY OPINION OF PROBABLE COST Date: 8/17/2014				
ITEM	QTY	UNIT	UNIT PRICE	TOTAL
Pipe Material 24" IPS HDPE, DR11	2500	LF	\$66.58	\$ 166,450
Pipe Material 24" IPS HDPE, DR17	7000	LF	\$45.00	\$ 315,000
Open Trench Pipe Install 24" -- Flat	8500	LF	\$ 10.45	\$ 88,864
Open Trench Pipe Install 24" -- Steep	1000	LF	\$ 23.00	\$ 23,000
HDPE Fusing Operation	195	EA	\$ 257.78	\$ 50,267
Gravity 24" PVC Install	10	LF	\$ 200.00	\$ 2,000
Miscellaneous Site Prep	1	LS	\$ 5,000.00	\$ 5,000
Isolation Valve 24" Installed	1	EA	\$ 8,500.00	\$ 8,500
Isolation Valve 14" Installed	1	EA	\$ 4,200.00	\$ 4,200
Isolation Valve 12" Installed	3	EA	\$ 3,600.00	\$ 10,800
24" HDPE 90 Elbow Installed	2	EA	\$ 2,500.00	\$ 5,000
24" Electrofuse Coupler	4	EA	\$ 1,500.00	\$ 6,000
24" Flange Adapter	4	EA	\$ 1,000.00	\$ 4,000
Rangen Tie-in Assembly	1	LS	\$ 7,000.00	\$ 7,000
Drain Assemblies Complete	3	EA	\$ 1,750.00	\$ 5,250
Air-Vac Assemblies Complete	4	EA	\$ 2,750.00	\$ 11,000
Open Trench Road Crossing	50	LF	\$ 250.00	\$ 12,500
HDD Bore under road and canal	0	LF	\$ 350.00	\$ -
Spring Collection Structure	1	LS	\$ 5,000.00	\$ 5,000
Mechanical Piping	1	LS	\$ 5,000.00	\$ 5,000
Surge Mitigation Equipment (TBD)	1	LS	\$ 30,000.00	\$ 30,000
Pressure Sustaining valve/vault	1	LS	\$ 30,000.00	\$ 30,000
Enclosed Pump Station w Cans	1	LS	\$ 335,000.00	\$ 335,000
Pumpstation Slab	1	LS	\$ 5,000.00	\$ 5,000
Miscellaneous Electrical	1	LS	\$ 10,000.00	\$ 10,000
O.H. Power Supply	1	LS	\$ 26,000.00	\$ 26,000
Standby Generator	1	LS	\$ 165,000.00	\$ 165,000
Erosion & Sediment Control	1	LS	\$ 10,000.00	\$ 10,000
Sub-Total				\$1,345,830
Mobilization 2%				\$ 26,917
Fees 1%				\$ 13,458
Contingency 20%				\$ 269,166
Engineering and CMS 11%				\$ 148,041
TOTAL				\$1,803,413
Notes:				
1. This level Opinion of Probable Cost can be considered accurate to +30% or -20% and has been prepared for guidance in project decisions. The final project costs will vary from the numbers presented and will depend on final project scope, implementation schedule, continuity in project team, conditions required of the general contractor, actual site conditions, competitive market conditions, and actual material costs and labor rates.				
2. Piping, fitting, and valve material costs were based on direct vendor pricing, April 2014.				
3. Pump Station costs were based on direct vendor pricing, April & May 2014.				
4. No easement costs are included.				

5.2. Capital Construction Cost Estimate – Large Pump Station

The costs for the large pump station are less defined, as the pumps are much larger than the other options SPF has recently been estimating. However, based on information that was available it is assumed this system can be constructed in the \$2.8M to \$3.5M range. This assumes the large pump station pipeline is installed at the same time as the 10 cfs pump station pipeline and an Idaho Power upgrade is not necessary.

5.3. Annual System Operational Costs – 10 cfs Pump Station

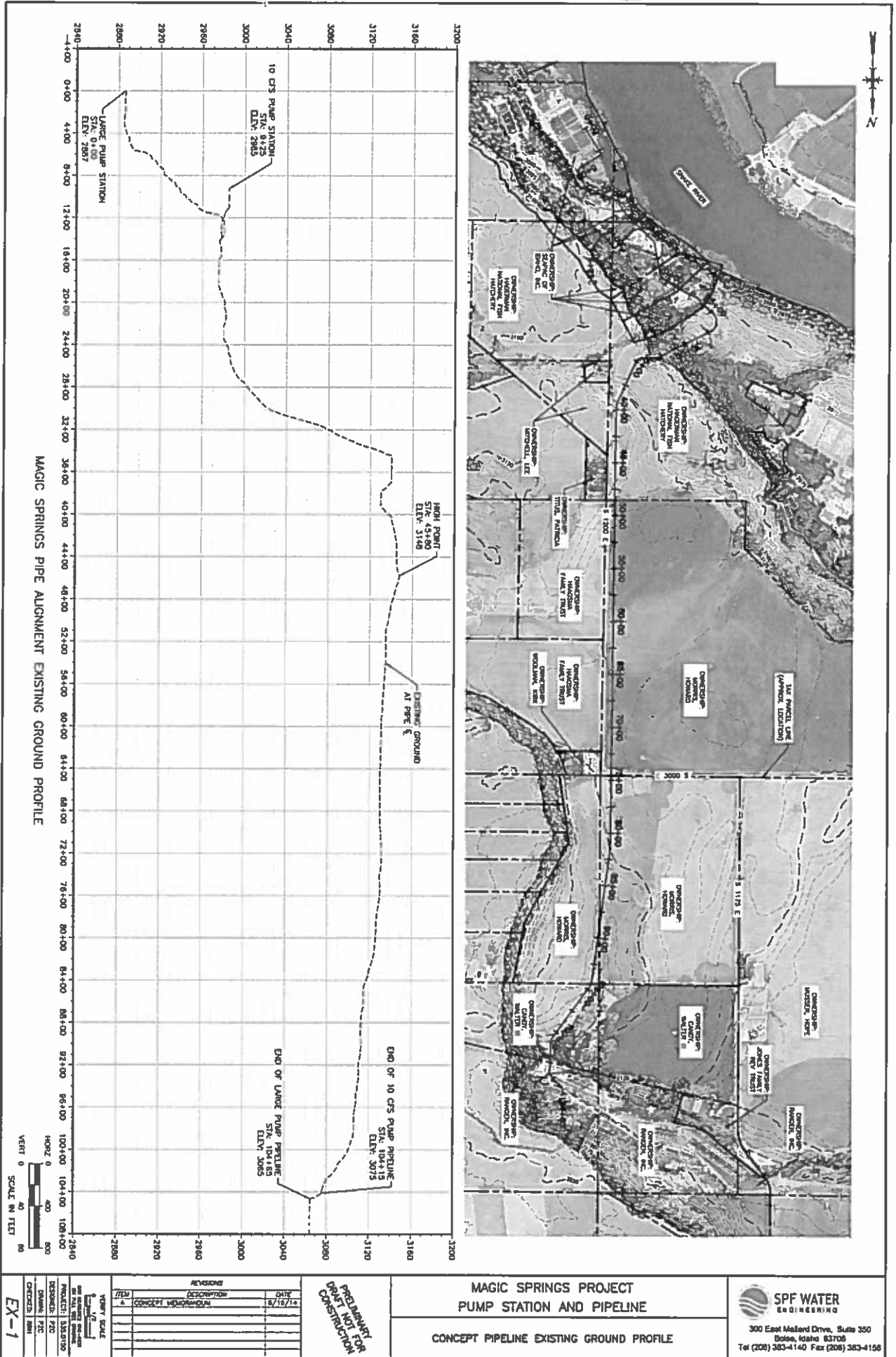
If the Magic Springs Project is constructed there will be on-going operational and maintenance costs associated with the new system. On-going operational costs include electricity, operational labor, and preventative maintenance. A capital reserve fund is recommended to help with replacement costs of the equipment. The costs for the 10 cfs pump station are summarized in Table 2. Water quality testing may be required but is not included in this estimate. The most significant annual cost will be the electrical. Currently a \$0.06/kW-Hr cost is being used for the Idaho Power costs.

Operational costs have not been determined for the large pump station as of yet.

Table 2. Annual Operating Costs

Item	Annual Cost
2 - 200 HP Electrical Costs (\$0.06/kW-Hr)	\$120,740
Weekly Inspections (\$200/week)	\$10,400
Miscellaneous Maintenance	\$5,000
Remote Monitoring	\$2,450
Capital Reserve Fund	\$34,184
TOTAL	\$172,774

APPENDIX A: ALIGNMENT AND GROUND ELEVATION PROFILE



REVISION	DATE
1. CONCEPT DEVELOPMENT	8/19/14
2. CONCEPT DEVELOPMENT	
3. CONCEPT DEVELOPMENT	
4. CONCEPT DEVELOPMENT	
5. CONCEPT DEVELOPMENT	
6. CONCEPT DEVELOPMENT	
7. CONCEPT DEVELOPMENT	
8. CONCEPT DEVELOPMENT	
9. CONCEPT DEVELOPMENT	
10. CONCEPT DEVELOPMENT	

PROJECT: 3350150
 DRAWN: JTC
 CHECKED: JTC
 EX-1

MAGIC SPRINGS PROJECT
PUMP STATION AND PIPELINE

CONCEPT PIPELINE EXISTING GROUND PROFILE

SPF WATER
 ENGINEERING

300 East Mallard Drive, Suite 350
 Boise, Idaho 83706
 Tel (208) 383-4140 Fax (208) 383-4156



State of Idaho

DEPARTMENT OF WATER RESOURCES

Southern Region • 650 Addison Ave W, Suite 500 • Twin Falls, Idaho 83301-5858

Phone: (208) 736-3033 • Fax: (208) 736-3037 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

September 25, 2014

NORTH SNAKE GROUND WATER DISTRICT
152 E MAIN ST
JEROME, ID 83338

MAGIC VALLEY GROUND WATER DISTRICT
PO BOX 430
PAUL, ID 83347

SOUTHWEST IRRIGATION DISTRICT
WILLIAM A PARSONS
PO BOX 910
BURLEY, ID 83318

RE: Transfer No. 79560
Water Right No(s). 36-7072

Dear Applicant(s):

The Department of Water Resources has received your water right transfer application. Please refer to the transfer number referenced above in all future correspondence regarding this transfer.

A legal notice of the application has been prepared and is scheduled for publication in the **TIMES NEWS on 10/2/2014 and 10/9/2014**. Protests to this application may be submitted for a period ending ten (10) days after the second publication (**October 20, 2014**).

If the application is protested, you will be sent a copy of each protest. All protests must be resolved before the application can be considered for approval. If the protest(s) cannot be resolved voluntarily, the Department will conduct a conference and/or hearing on the matter.

If the application is not protested, the Department will process your application and notify you of any action taken on the application. If your application is approved, the Department will send you a copy of the approval document.

Please contact this office if you have any questions regarding the application.

Sincerely,

Denise Maline
Administrative Assistant

cc: RANDALL C BUDGE, ATTORNEY

Maline, Denise

From: Maline, Denise
Sent: Thursday, September 25, 2014 9:24 AM
To: Times News
Subject: LEGAL NOTICE
Attachments: Times News Cover Letter.docx; Times News Ad.doc

Attached please find (1) legal notice being submitted for publication on October 2nd & 9th, 2014. Please feel free to contact me if you have any questions, or if you are not able to run the ad on the dates requested.

Thank you in advance,

Denise Maline
Administrative Assistant
Idaho Dept of Water Resources, Southern Region
650 Addison Ave W, Ste 500
Twin Falls, ID 83301
(208) 736-3033
denise.maline@idwr.idaho.gov



State of Idaho

DEPARTMENT OF WATER RESOURCES

Southern Region • 650 Addison Ave W, Suite 500 • Twin Falls, Idaho 83301-5858

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C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

September 25, 2014

LEGAL NOTICE DEPARTMENT
TIMES NEWS
PO BOX 548
TWIN FALLS, ID 83303-0548

RE: Transfer No. 78803
Water Right No(s): 36-8111

RE: Transfer No. 79560
Water Right No(s): 36-7072

Dear Legal Notice Department:

Please publish the enclosed legal notice on the dates indicated (once a week for two consecutive weekly issues). If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the publication bill. Please send the affidavit and bill to this office before October 20, 2014. Your cooperation is appreciated.

Sincerely,

Denise Maline
Administrative Assistant

Enclosure(s)

**NOTICE OF PROPOSED CHANGE OF WATER RIGHT
TRANSFER NO. 78803**

CITY OF JEROME, 152 E AVE A, JEROME, ID 83338; has filed Application No. 78803 for changes to the following water rights within JEROME County(s): Right No(s). 36-8111. The purpose of the transfer is to change a portion of the above rights as follows: Application proposes to change the place of use (POU), point of diversion (POD), and nature of use for irrigation water right 36-8111. Water right 36-8111 (0.56 cfs,) is currently appurtenant to 38.0 acres of ground located approximately 4.0 to 4.3 miles east, and 0.50 to 0.75 miles north of the intersection of State Highways 25 and 79 in Jerome (city center). Transfer will change POU from that location to the service area of the city of Jerome.

The application will change the POD from its current location, approximately 4.6 miles east and 0.28 miles north of Jerome, to five existing Jerome municipal wells located at the following approximate locations, from the center of Jerome: 1.76 miles east; 0.24 miles east and 0.63 miles north (2 PODs); 0.45 miles east and 0.11 miles south; and 1.66 miles south and 0.03 miles west.

In addition, the application seeks to change the nature of use from irrigation to municipal in order to replace irrigation occurring under the City's other municipal water rights. Although the application intends to change the nature of use to municipal, the purpose of the right will be for irrigation within the City service area.

**NOTICE OF PROPOSED CHANGE OF WATER RIGHT
TRANSFER NO. 79560**

NORTH SNAKE GROUND WATER DISTRICT, 152 E MAIN ST, JEROME, ID 83338; MAGIC VALLEY GROUND WATER DISTRICT, PO BOX 430, PAUL, ID 83347; SOUTHWEST IRRIGATION DISTRICT, WILLIAM A PARSONS, PO BOX 910, BURLEY, ID 83318; has filed Application No. 79560 for changes to the following water rights within GOODING County(s): Right No(s). 36-7072. The purpose of the transfer is to change a portion of the above rights as follows: Application proposes changing the place of use and adding a mitigation component to a 10.0 cfs portion of a water right currently diverted from springs tributary to the Snake River and used at the SeaPac of Idaho hatchery located approximately 2.3 to 2.8 miles east and 4.1 to 4.6 miles south of Hagerman. The change in place of use consists of adding the Rangen fish facility, located approximately 2.2 to 2.5 miles east and 2.6 to 2.8 miles south of Hagerman, as an authorized place of use for fish propagation and mitigation use. The transfer would allow for up to 10.0 cfs of water currently used at the SeaPac of Idaho hatchery to remain at the hatchery &/or be delivered to the Rangen fish facility as proposed in the Fourth Mitigation Plan submitted by the Idaho Ground Water Appropriators in response to the Rangen water delivery call.

For additional information concerning the property location, contact Southern Region office at (208) 736-3033; or to see a full description of these rights and the proposed transfers, please visit our website at www.idwr.idaho.gov and search under New Water Right Applications. Protests may be submitted based on the criteria of Idaho Code Sec. 42-222. Any protest against the proposed change must be filed with the Department of Water Resources, Southern Region, 650 Addison Ave W, Ste 500, Twin Falls ID 83301 together with a protest fee of \$25.00 for each application on or before October 20, 2014. The protestant must also send a copy of the protest to the applicant.

GARY SPACKMAN, Director
Published on October 2nd & 9th, 2014



State of Idaho

DEPARTMENT OF WATER RESOURCES

Southern Region • 650 Addison Ave W, Suite 500 • Twin Falls, Idaho 83301-5858

Phone: (208) 736-3033 • Fax: (208) 736-3037 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

September 25, 2014

CINDY YENTER
WATER DISTRICT #130
650 ADDISON AVE W, STE 500
TWIN FALLS, ID 83301

Hand Delivered

RE: Transfer No. 78803
Water Right No(s): 36-8111

RE: Transfer No. 79560
Water Right No(s): 36-7072

Dear Ms. Yenter:

A copy of the above referenced application is enclosed. Please review the application, then complete the enclosed recommendation form as necessary, and return it to this office within 21 days of the date of this letter.

If the application is approved, IDWR will include appropriate standard conditions of approval for a water right located within a water district, such as regulation by the watermaster, lockable controlling works, and/or measuring devices. Any special conditions or other concerns you have related to this application should be specifically addressed in your recommendation.

IDWR's regional offices can finish reviewing an unprotested application as soon as the protest period has past. Your prompt response to this request will ensure that your recommendation can be considered. If IDWR has not received your written recommendation within 21 days from the date of this letter, IDWR will presume that you do not oppose approval of the application and that you have no comments for IDWR to consider.

Sincerely,

Denise Maline
Administrative Assistant



State of Idaho

DEPARTMENT OF WATER RESOURCES

Southern Region • 650 Addison Ave W, Suite 500 • Twin Falls, Idaho 83301-5858

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C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

September 25, 2014

IDAHO DEPT OF FISH & GAME
324 S 417 E, STE 1
JEROME, ID 83338

RE: Transfer No. 79560
Water Right No(s). 36-7072

Dear Fish & Game:

The Department of Water Resources is seeking written comment and/or recommendations from your agency regarding the above referenced water right application. A copy of the application is enclosed for your reference. Please review the application, complete the enclosed recommendation form, and submit it to this office within 21 days.

The Department can publish notice of the application as soon as the initial review is completed. Therefore, your prompt response to this request is appreciated. If your agency desires to formally protest the approval of this application, you may do so after the notice is published by filing a written protest along with a \$25.00 filing fee within 10 days after final publication.

Please contact this office if you have any questions regarding the application, or you may visit our website at www.idwr.idaho.gov.

Sincerely,


Denise Maline
Southern Region

Enclosure(s)

MEMORANDUM

Date: September 17, 2014
To: Transfer 79560 File
From: Corey Skinner
Re: Evaluation of Sufficiency of Information Submitted

Application proposes changing the place of use and adding a mitigation component to a 10.0 cfs portion of a water right, 36-7072, currently diverted from springs tributary to the Snake River and used at the SeaPac of Idaho hatchery located approximately 2.3 – 2.8 miles east and 4.1 – 4.6 miles south of Hagerman. The change in place of use consists of adding the Rangen fish facility, located approximately 2.2 – 2.5 miles east and 2.6 – 2.8 miles south of Hagerman, as an authorized place of use for fish propagation and mitigation use. The transfer would allow for up to 10.0 cfs of water currently used at the SeaPac of Idaho hatchery to remain at the hatchery &/or be delivered to the Rangen fish facility as proposed in the Fourth Mitigation Plan submitted by the Idaho Ground Water Appropriators in response to the Rangen water delivery call. Note that water right 36-8356 is an associated right for this transfer because its conditions will need to be updated to reflect the splitting and renumbering of right 36-7072 if the proposed transfer is approved.

- **Authority to File:**
The application is filed in the name of IGWA for the North Snake Groundwater District, the Magic Valley Groundwater District, and the Southwest Irrigation District. The right, 36-7072, involved with the transfer is owned by SeaPac of Idaho, Inc. The application includes a copy of a Letter of Intent indicating SeaPac of Idaho's intent to allow the IGWA to implement a plan to provide the direct delivery of up to 10 cfs of water from the SeaPac of Idaho facility.
- **Water Right Validity:**
The right involved with the transfer was decreed in the SRBA in December of 1997. Aerial photography supports use of the right since the decreed date.
- **Injury to Other Water Rights:**
None anticipated. The right involved with the transfer will have the same rate limitations after the transfer.
- **Enlargement of Use:**
None anticipated. Right involved with the transfer will have the same rate limitations after the transfer.
- **Local Public Interest:**
No issues anticipated. The application will be subject to public notice and protest.
- **Beneficial Use/Conservation of Water Resources:**
Proposed uses are recognized as beneficial uses of water.
- **Effect on Economy of the Local Area:**
None anticipated.
- **Effect of the Agricultural Base of the Local Area:**
None anticipated.

Review of the application finds there is no clear inconsistency with criteria set forth in Section 42-222 Idaho Code preventing processing of this application.

Skinner, Corey

From: Skinner, Corey
Sent: Monday, September 15, 2014 4:10 PM
To: 'rcb@racinelaw.net'
Subject: IGWA Transfer Application (36-7072 SeaPac)

Mr. Budge,

I have started reviewing and processing the recently filed IGWA transfer that you submitted involving right 36-7072, currently associated with the SeaPac property. As you recall this is an effort to address the Rangen call via the fourth mitigation plan. I assume the general concept of this application is similar to the last transfer, # 79498, involving the Aqualife water. While reviewing the application, I came across a couple of issues that need to be clarified.

- The bottom of page 2, the signature page, only indicates that there is a change in place of use. I assume you want the "Change in nature of use" box checked also (*this was checked on the transfer # 79498 application*) to reflect the mitigation aspect?
- The bottom of page 3 only indicates the place of use for fish propagation use ("H" symbol) with the mitigation place of use not indicated. I assume you want the mitigation place of use to be the same tracts indicated for fish propagation use and what is shown on the map, basically the Rangen facility? (*this is what is reflected on the transfer # 79498 application*)

I am stuck as far as processing of the application goes until I get these two items resolved/clarified. If you could let me know as soon as possible on these two items, processing of the application can continue.

Thanks,

Corey

*Mr. Budge came into the office on 9/17/2014
and made additions to application to address
items above. P.S. 9/17/2014*



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Pocatello, ID 83204
O 208.232.6101
F 208.232.6109
racinelaw.net

RANDALL C. BUDGE
rcb@racinelaw.net

September 10, 2014

Idaho Department of Water Resources
Southern Region Office
c/o Allen Merritt and Cindy Yenter
650 Addison Ave. West, Suite 500
Twin Falls, Idaho 83301

RECEIVED
SEP 12 2014
DEPT OF WATER RESOURCES
SOUTHERN REGION

Re: Application for Transfer – Magic Springs

Dear Allen and Cindy:

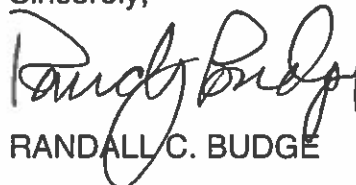
Enclosed please find the original and extra copy of an Application for Transfer of Water Right that we are submitting on behalf of IGWA for North Snake and Magic Valley Ground Water Districts and Southwest Irrigation District, with respect to Water Right No. 36-7072 which is owned by SeaPac of Idaho, Inc. We have mailed a hard copy of the Application together with our check in the amount of \$1,470 for filing fees. The fee is based upon the 10 CFS transfer fee of \$1,220, plus an additional \$250 for adding mitigation to the existing nature of use of fish propagation.

This Transfer Application is an integral part of the pending Fourth Mitigation Plan – Magic Springs Project to Rangen which is scheduled for hearing before the Director commencing October 8-9, 2014.

Accordingly, we would greatly appreciate it if you could expedite the review processing and publication of this Application. Upon filing the original, please conform stamp the extra copy, return to me a PDF copy as I will be providing a courtesy copy to all parties in the Fourth Mitigation Plan Case No. CM-MP-2014-006.

If you have any questions, please contact me or T.J. Budge. Thank you for your cooperation and assistance.

Sincerely,



RANDALL C. BUDGE

RCB:ts

Enclosure

c: Gary Spackman, Director
IGWA