



State of Idaho

DEPARTMENT OF WATER RESOURCES

900 N Skyline Dr., Ste A, Idaho Falls, Idaho 83402-1718

Phone: (208) 525-7161 FAX: (208) 525-7177 www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

September 15, 2014

Banks Brothers
3229 Banks Road
Bancroft, ID 83217

RE: Chesterfield Reservoir Siphon

Dear Water Users:

As you may be aware, CV Ranches recently filed a transfer application to move the point of diversion for the Holbrook water rights from the Chesterfield Reservoir siphon to a pumping station below the reservoir. CV Ranches purchased the Holbrook place about one year ago. For a number of years, the Holbrook rights have been delivered through the reservoir siphon along with some of your water rights and water rights held by Norman Frank.

During the review of the CV Ranches transfer application, the Department discovered a water delivery practice that is inconsistent with the water rights. According to the watermaster, Steve Hebdon, the water users on the siphon (Banks, Frank, Holbrook) have been allowed to divert water as long as the water level in the reservoir is high enough to cover the siphon intake, regardless of priority date. The siphon water users have been allowed to divert water well into the summer months, even though most of their water rights are no longer in priority. Any diversion occurring after the water rights are no longer in priority would be a diversion of Chesterfield Reservoir storage and must be authorized by the storage right holder, Portneuf Marsh Valley Canal Company.

The operation of the siphon has become a major topic of discussion in the (protested) CV Ranches transfer application. None of the parties have been able to locate a written agreement allowing the siphon water users to operate in the way described above. On September 11, 2014, the Department conducted a pre-hearing conference for the CV Ranches transfer. The parties to that case agreed to search their respective files to look for any reference to an agreement.

Unless an agreement can be found, it is likely that the Department will direct the watermaster to discontinue the practice described above and deliver the applicable water rights according to priority dates. Because you could be directly affected by the discussion taking place in the CV Ranches case, I feel it is important to notify you of the issue and allow you to provide any information you may have in your files.

The Department set a deadline of September 30, 2014 for the parties to provide any evidence relating to an agreement between Portneuf Marsh Valley Canal Company and the siphon water users, which allows the siphon users to continue to divert water after their water rights have been curtailed. Please provide any documents you may have by the September 30th deadline. You can send a copy of any applicable documents directly to me at the address listed above.

I would also like to invite you to participate in the next pre-hearing conference which has been scheduled for October 16, 2014 at 10:00 AM at the Lava Hot Springs Community Center. Even though you are not a party to the contested case (and therefore could not participate in the hearing), I think it is important to have you be part of the pre-hearing discussions about the operation of the siphon. Please feel free to call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Cefalo', with a stylized, cursive script.

James Cefalo
(208) 525-7161