

Moffatt Thomas

MOFFATT THOMAS BARRETT ROCK & FIELDS, CHTD.

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Jetta Hatch Mathews

Robert E. Bakes, *of counsel*
Norman M. Semanko, *of counsel*

Willis C. Moffatt, 1907-1980
Eugene C. Thomas, 1931-2010
John W. Barrett, 1931-2011
Kirk R. Helvie, 1956-2003

RECEIVED

AUG 05 2013

WATER RESOURCES
WESTERN REGION

August 2, 2013

Boise
Idaho Falls
Pocatello

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Steve Lester
Water Rights Supervisor
Idaho Department of Water Resources
Western Region
2735 Airport Way
Boise, ID 83705-5082

Re: Proposed Settlement Agreement
Application for Permit 63-33639 (Snake River Dairies, LLC)
MTBR&F File No. 22-377.0

Dear Steve:

Please see the enclosed e-mail and proposed Settlement Agreement that I attempted to e-mail to you. I received a "bounce-back" e-mail, so am sending you a hard copy. If IDWR has any major concerns or objections regarding the contents of the proposed agreement, please let me know. Otherwise, we plan to execute the agreement soon.

Thank you for your attention to this matter.

Very truly yours,



Dylan B. Lawrence

DBL/kdp

Enclosures

cc: Jerry Tlucek (w/encls.)
Al and Martha Worman (w/encls.)

Karlyn Parker

From: Dylan Lawrence
Sent: Friday, July 26, 2013 4:08 PM
To: 'steven.lester@idwr.idaho.gov'
Cc: 'aworman46@gmail.com'
Subject: Proposed settlement agreement - Application for Permit 63-33639 (Snake River Dairies, LLC)
Attachments: 2936604_1_Settlement Agreement - Worman - Snake River Dairies LLC.DOCX

Steve:

Thanks again for your helpful participation in the June 27 pre-hearing conference in the above-referenced matter. As you will recall, during that meeting, Mr. Worman indicated that he would be willing to withdraw his protest in exchange for a commitment by the Applicant to install measuring devices on the two wells identified as points of diversion in the application, and I indicated that I would discuss that idea with the Applicant. By way of update, the Applicant has agreed to that arrangement in principle, so I have drafted the attached settlement agreement. I have already provided the agreement to Mr. Worman, and he finds it acceptable. We have not signed, however, because I recall your saying during the pre-hearing conference that IDWR may want to briefly review the agreement prior to execution to make sure there is nothing IDWR may find objectionable from an ongoing oversight/administration perspective.

Please let me know within the next few days if IDWR has any major objections to the attached agreement. I don't think there is anything in there that IDWR should find objectionable; you'll note that it does not call for any reporting to IDWR until IDWR says so, and there's nothing else that implies that IDWR is responsible for any ongoing oversight or administration of withdrawals from the Applicant's wells.

Thanks,
Dylan

Dylan Lawrence
Moffatt Thomas Barrett Rock & Fields, Chtd.
P.O. Box 829
Boise, Idaho 83701-0829
Phone & fax: (208) 385-5417

8/2/2013

AUG 05 2013

WATER RESOURCES
WESTERN REGION**SETTLEMENT AGREEMENT**

THIS SETTLEMENT AGREEMENT, dated effective as of July ____, 2013, is by and between **AL WORMAN** and **MARTHA WORMAN**, a married couple, of 6884 W. Warren Spur Road, Melba, Idaho 83641 (collectively, the "Protestants"), and **SNAKE RIVER DAIRIES, LLC**, an Idaho limited liability company, of 15188 S. Can-Ada Rd., Melba, Idaho 83641 (the "Applicant").

RECITALS

WHEREAS, on or about October 24, 2012, Applicant filed that certain Amended Application for Permit to appropriate the public waters of the State of Idaho with the Idaho Department of Water Resources ("IDWR"), identified as application number 63-33639 (the "Application"); and

WHEREAS, the Application proposes to divert up to an additional 1.95 cfs of irrigation water from two existing groundwater wells located in the SESE of Section 20 and the NWNW of Section 29, Township 1 South, Range 1 West, B.M., in Ada County, Idaho (the "Wells"); and

WHEREAS, Protestants own a domestic well located within the SESWSE of Section 18, Township 1 South, Range 1 West, B.M., in Ada County, Idaho; and

WHEREAS, on or about March 6, 2013, Protestants filed a formal protest of the Application (the "Protest"); and

WHEREAS, Protestants have agreed to withdraw their Protest of the Application in exchange for a promise by Applicant to install measuring devices on the Wells upon IDWR's issuance of the water right license for the Application;

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Withdrawal of Protest. Contemporaneously with the execution of this Settlement Agreement, Protestants shall withdraw the Protest of the Application by signing the two Withdrawal of Protest forms attached hereto as Exhibit A and submitting them to IDWR.

2. Installation of Measuring Devices. In exchange for Protestants' withdrawal of the Protest, Applicant agrees to install a measuring device equipped with a totalizer on each of the Wells within a reasonable time after IDWR issues a water right license for the water diversion and use contemplated by the Application.

3. Reporting of Withdrawals. Once the measuring devices contemplated by Section 2 have been installed, Applicant agrees to provide Protestant with a written summary of ground water withdrawals from the Wells for the prior irrigation season. Applicant shall provide

Protestant with such written summary within 60 days after irrigation withdrawals from the Wells have concluded for the season. This reporting obligation to the Protestant shall cease upon the earlier of (1) Applicant's receipt of written notice that Applicant must report ground water withdrawals from the Wells directly to IDWR or to a water-related entity, such as a water district, water measurement district, groundwater district, or groundwater management district; or (2) ten (10) years after IDWR issues a water right license for the water diversion and use contemplated by the Application.

PROTESTANTS:

Al Worman

Martha Worman

APPLICANT:

SNAKE RIVER DAIRIES, LLC,
an Idaho limited liability company

By _____
Jerry L. Tlucek, Member

EXHIBIT A

**WITHDRAWAL
OF PROTEST**

TO WHOM IT MAY CONCERN:

I hereby withdraw my protest of Application for
Water Right No. 63-33639

Signed this _____ day of _____, 20____.

Signature of Protestant

Al Worman

Printed Name of Protestant

WITHDRAWAL OF PROTEST

TO WHOM IT MAY CONCERN:

I hereby withdraw my protest of Application for
Water Right No. 63-33639

Signed this _____ day of _____, 20____.

Signature of Protestant

Martha Worman

Printed Name of Protestant