

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

**IN THE MATTER OF APPLICATION)
FOR PERMIT NO. 37-8859)
)
IN THE NAME OF:)
SMOKEY DOME LLC)**

**NOTICE OF PRE-HEARING
CONFERENCE**

On October 18, 1996, SMR LLC, filed an Application for Permit No. 37-8859 with the Idaho Department of Water Resources (department) for the diversion and use of 5.0 cfs of water from the West Fork of Threemile Creek tributary to Camas Creek. Protest(s) were filed by Stephen Smith and Pamela Smith and by VM Diamond Ranch. On May 18, 2005, the application was assigned to Smokey Dome LLC (current applicant).

Included in the application file is an indication of interest by the Wood River Land Trust and the Big Wood Canal Company in support of the protests.

On July 5, 2012, James Speck, attorney for the applicant, requested that a pre-hearing conference be scheduled and that potentially the interests of the protestants may have changed or the location of the protestants is unknown.

Due to the passage of time and the inability of the department to contact the protestants directly by phone, the department is scheduling a conference and providing notice to individuals or entities based on the application file and review of taxlot records, and records of the Secretary of State.

The department has scheduled the matter of protest for a tele-conference set for Wednesday, August 01, 2012, beginning at 1:00 P.M.

For a tele-conference connection, all involved parties should call AT&T at **215-446-0193** at the appropriate time on August 1, 2012 as listed above, and supply the assigned Participation Code Number: **675676, followed by the # key.**

Agenda items for the pre-hearing conference will include:

1. Identify status of parties.
2. Identify spokesman and/or counsel representing the protestant(s).
3. Review of the application.
4. Identify issues of protest.
5. Designate date for identifying witnesses.
6. Schedule further pre-hearing conference is needed.

7. Designate target date for conducting administrative hearing if no additional conference is need and resolution is not possible during the pre-hearing conference.

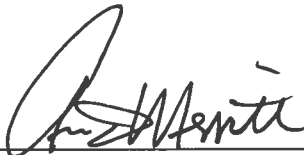
The department encourages the applicant and protestants to discuss and resolve the protests before the pre-hearing conference. If private discussions are not possible or do not resolve the protests, the department's Rules of Procedure provide for a pre-hearing conference to be held before scheduling a formal hearing.

The pre-hearing conference provides another informal opportunity for the applicant and protestants to meet. The parties often settle their differences at the pre-hearing conference. If a formal hearing is needed to resolve the protests, the pre-hearing conference serves as an opportunity to formulate or simplify the issues, obtain concessions of fact or identification of documents to avoid unnecessary proof, schedule discovery (when discovery is allowed), arrange for the exchange of proposed exhibits or prepared testimony, limit witnesses, schedule hearings, establish procedure at hearings, and address other matters that may expedite orderly conduct and disposition of the proceeding.

It is important for all parties to give considerable thought to each of these matters before appearing at the pre-hearing conference and to make the most of the opportunity to resolve the dispute informally.

If you require special accommodations in order to attend, participate in, or understand the pre-hearing conference, please notify the department at least (10) days prior to the hearing. Inquiries about scheduling, hearing facilities, etc., should be directed to Denise Maline, (208) 736-3033.

Dated this 16th day of July, 2012.



Allen Merritt
Regional Manager

CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of July, 2012, I mailed a true and correct copy, postage prepaid, of the foregoing **NOTICE OF PREHEARING CONFERENCE** to the person(s) listed below:

Smokey Dome LLC
c/o Chuck Hill
Pistol Creek Financial
PO Box 1607
Bellevue, WA 98009

Speck & Aanestad
Attn: James Speck
PO Box 987
Ketchum, ID 83340

Pamela Tucker
PO Box 713
Hailey, ID 83333

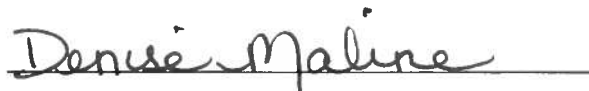
Wood River Land Trust
119 E Bullion St
Hailey, ID 83333

Big Wood Canal Company
Attn: Lynn Harmon
409 N Apple St
Shoshone, ID 83352

Hobdey Law Office PLLC
Attn: Craig Hobdey
PO Box 176
Gooding, ID 83330-0176

VM Diamond Ranch LLC
3000 E Lake Hazel Rd
Meridian, ID 83642

VM Diamond Ranch LLC
570 Dry Creek Rd
Upton, WY 82730

A handwritten signature in dark ink, reading "Denise Maline", is written over a horizontal line.

Denise Maline
Administrative Assistant

PRE-HEARING CONFERENCE AND/OR HEARING PROCEDURE APPLICATION FOR PERMIT

ISSUES

Applications to appropriate the water of the State of Idaho are referred to as applications for permit, and are for the development of new water rights. Section 42-203A, Idaho Code, requires the department to consider the following issues in connection with an application for permit:

1. Will the proposed appropriation reduce the quantity of water under existing water rights?
2. Is the water supply sufficient for the purpose for which it is sought to be appropriated?
3. Was the application made in good faith or for delay or speculative purposes?
4. Does the applicant have sufficient financial resources with which to complete the proposed project?
5. Will the proposed use conflict with the local public interest, where local public interest is defined as interests that the people in the area directly affected by a proposed water use have in the effects of such use on the public water resource?
6. Will the proposed use be contrary to the conservation of water resources within the State of Idaho?
7. Will the proposed use adversely affect the local economy of the watershed or local area within which the source of water for the proposed use originates, in the case where the place of use is outside of the watershed or local area where the source of water originates?

BURDEN OF PROOF

The applicant has the initial burden of proof for issues 1, 2, 3, 4, 6, and 7 above and must provide evidence for the department to evaluate these criteria.

The initial burden of proof on issue 5, if applicable, lies with both the applicant and protestant as to factors of which they are most knowledgeable and cognizant. The applicant has the ultimate burden of persuasion, however, for this issue.

PROCEDURE

The department generally conducts an informal conference with the parties to determine the issues and to try to settle a protested matter before a hearing is scheduled. If a hearing is held, the department will issue a written decision based on the hearing record.

CONFERENCE

The purpose of a pre-hearing conference is to provide the opportunity for the parties and the department to familiarize themselves with a contested matter and to attempt to resolve the matter. At the conference, the department may also formulate and simplify the issues to avoid unnecessary proof, identify documents, schedule discovery, exchange proposed exhibits or prepared testimony, limit witnesses, discuss settlement or make settlement offers, schedule hearings, establish procedure at hearing, and address other matters that may expedite orderly conduct and disposition of the proceeding or its settlement. When attending the conference, please bring a calendar with your schedule for the next two–six month period from the date of the pre-hearing conference for the purpose of scheduling a hearing. Parties will be expected to discuss their availability at the prehearing conference for the purpose of scheduling the hearing.

HEARING

A hearing may be conducted according to Sections 42-1701A(1) and (2), Idaho Code and the department's Rules of Procedure. Copies of Idaho Code and the department's rules are available upon request or by accessing the department's website at: www.idwr.idaho.gov . The department records formal hearings, and copies of a hearing recording are available upon request. There may be a charge for reproducing the recording.

The hearing will likely be conducted by a hearing officer appointed by the Director rather than by the Director himself. If so, the hearing officer will prepare a recommended or preliminary order. Parties can petition for reconsideration of a decision or file exceptions. A brief to support exceptions may request oral argument. Parties may seek judicial review of any final order issued by the Director.

EXHIBITS

A party who plans to offer an exhibit as part of the hearing record must provide a copy of the proposed exhibit to the parties and to the hearing officer.

AMERICANS WITH DISABILITIES ACT

Any hearing scheduled will be conducted in a facility which meets the accessibility requirements of the Americans with Disabilities Act. If you require special accommodations in order to attend, participate in or understand the hearing, please notify the department no later than ten (10) days prior to the hearing.