

Prehearing Conference Notes

Shekinah Industries Inc.

By: J. Westra, Sherry Borgeman

Dec. 7, 2011

9:30 am - 11:30 am

Location: Western Regional Office.

Attending:

John Westra	IDWR
Sherry Borgeman	IDWR
Wayne Shepherd	City of Mountain Home
Mike Preston	Shekinah Ind.
Mike Cramer	Shekinah Ind.
Bruce Smith	Mayfield Townsite LLC
Christian Petrich	Nevid LLC
Norm Semanko	Nevid LLC via teleconference until approx. 11 am.
Craig Haynes	G3 LLC

-J. Westra made introductions, discussed the conference purpose, and reviewed the meeting. As the consolidated hearing proposed for water sufficiency is pending, this conference would provide parties a vehicle to present other concerns relating to other evaluation criteria under IC 42-222. Hopefully, a more one on one setting would be productive to all.

-Protestant issues and concerns

City of Mtn. Home, Shepherd – What will effect of Transfer #73811 be on the City's water rights and ability to pump water for the city? What is the science behind this? Mitigation Plan?

Mayfield, Smith - What is the effect of the consolidation hearing on this?

Proposed new POD inside Ground water management area; Mayfield's application is outside the GWMA, well interference and sufficiency of water main concerns. Mr. Smith discussed some the same issues with the United Water IMAF process in previous years. Does Brockway report use old or new GWMA boundaries?

Nevid, Semanko & Petrich-- Concern about Nevid's current and future water rights.

Shekinah not the only applicants that are ready & willing to move forward and doesn't want any more delays. Concerned about moving a senior priority existing water right into an area which places the Shekinah at the senior priority. There should be some kind of subordination or mitigation for the new permits and junior priority rights. The consolidation process proposed by the Dept. will only result in a long drawn out several year process.

G-3, Haynes - If transfer goes through and the new development causes their wells to go dry malfunction, who is responsible/paying for new well or deepening/repair work?

What if Shekinah sells property and/or water right after the transfer is granted?

Applicants responses/comments

Preston – Shekinah is anxious to move ahead with development. The Brockway report indicates the transfer helps city by moving POD further away from their existing well(s). They would be willing to work with G3 on an agreement should it become necessary to deepen or make complete any injury. The agreement would apply to future owners of the property. Preston had paid for Brockway report to obtain information Dept requested. He felt he had provided what the Department had asked for. Brockway report based on their application and older water rights, not any newer applications for permit. He would like to work with the protestants.

Cramer - Will consider making separate agreements or allow conditions on water right as protestants prefer. Brockway report does not specifically say moving the POD will help the city, but it does imply that it will. Brockway report consistent with what the Department has accepted in the past All models/reports are subject to criticism, even SPF's & ESPA

- No pump test – used existing data for the Brockway report
- Not sure whether report used old or new GWMA boundaries
- Does report contain accurate & adequate information, is it appropriate and reasonable?

Applicant believes yes.

-This transfer application should be on its own, not consolidated—had recently filed concerns with the Director.

-Nevid/Petrich report is based on narrow geographic area; Brockway report considers traditional methods of recharge more regional approach.

-Not sure if Brockway report is comprehensive enough in scope to help everyone in the consolidated hearing. All parties would have to agree on whether or not it is.

Applicant Conclusions/Requests

The Applicant requests an individual hearing the last two weeks of June, Discovery, dispositive motions by March. Parties should work with each resolving the issues. The transfer should not be included in the consolidated case. Department has worked to create a process that can't & won't move forward efficiently and is expensive & time consuming.

Westra Comments:

The proposed consolidated case for the planned community applications has raised many questions by parties—all good. As the consolidation process unfolds, many of the concerns will be addressed for parties.