



**State of Idaho**

**DEPARTMENT OF WATER RESOURCES**

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: [www.idwr.idaho.gov](http://www.idwr.idaho.gov)

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C. L. "BUTCH" OTTER  
Governor

GARY SPACKMAN  
Interim Director

November 11, 2010

GALENA RIDGE LLC  
610 BUNKER AVE  
KELLOGG ID 83837

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK

Dear Applicant:

On July 20, 2009, the Department received your Application to Rent Water from the Water Supply Bank. I am returning the application to you for because there are no water rights available from the Water Supply Bank to rent to you. The Department must review all rental applications in accordance with the Water Supply Bank Rules (known as IDAPA 37.02.03). No leased rights are available that would allow you to rent and meet those criteria.

If you have any questions, please feel free to call me at (208) 287-4907.

Sincerely,

Monica P. Van Bussum  
Sr. Water Resource Agent

C: Bob Haynes – IDWR Northern Regional Manager  
Jeff Fereday – Givens Pursley LLP

Before the Idaho Water Resource Board

RECEIVED

NOV 01 2007

DEPARTMENT OF WATER RESOURCES

**APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK**

Applicant GALENA RIDGE, LLC, Phone 208-783-1507  
an Oregon limited liability company  
 Address 610 Bunker Avenue  
 City Kellogg State ID Zip Code 83837

**A. DESCRIPTION OF WATER SOUGHT TO RENT**

1. Source of water Government Creek  
 tributary to Bunker Creek, then South Fork Coeur d'Alene River
2. Maximum volume of water 585 AF for irrigation during irrigation season plus 6 AF for year-round storage plus construction and other purposes as described in paragraph 5 below AF.
3. Maximum rate of diversion 2.5 cfs.

**B. DESCRIPTION OF USE PROPOSED**

1. Nature of intended use Irrigation, diversion to and from irrigation storage, irrigation storage, construction dust mitigation, filling and refilling irrigation storage, and aesthetic storage
2. Location of point of diversion SE 1/4 SW 1/4, Section 2,  
 Township 48N, Range 2E, B.M. Shoshone County.
3. Season of use: From January 1 to December 31
4. Description of diverting works: Gravity flow from diversion point #1. Pumped flow from diversion point #2  
 Pump HP 225 est max Lift 460 ft Pump type Vertical turbine (proposed)  
 Canal name, if appropriate N/A
5. Place of use:
  - a. If water is for irrigation, describe the number of acres to be irrigated by 40-acre tract, section, township and range.

TWP	RGE	SEC	NE				NW				SW				SE				TOTALS
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
48N	2E	1			10	1	1		13	19	3	1			3	13			64
48N	2E	2			12	20									8	12	12	2	66

Total number of acres irrigated 130

b. If water is not for irrigation, describe the nature of the intended use and the place of use.

Applicant intends to use a portion of the water diverted to; i) fill and refill approximately 6 acre-feet of ponds, that will be used for rediversion for irrigation including peaking, to make up for evaporation and construction diversions, and for aesthetic and recreational purposes, ii)for construction dust mitigation and construction compaction efforts.

6. Describe any other water rights used for the same purposes as rental water sought under this application. None

7. Who owns the property at the point of diversion? Applicant, as to one point, the State Department of Environmental Quality ("DEQ") as to the other. DEQ has indicated that it will provide Applicant with access to the point of diversion on DEQ property.

See attached letter labeled Exhibit "A"

8. Who own the property at the point of use? Applicant

9. Are you seeking a rental for more than one (1) year? yes (yes or no)

If yes, for how many years? three

10. Remarks: Applicant seeks to rent water right numbers 94-4244 and 94-4217, both of which are owned by IDEQ and have been (or soon will be) leased to the Water Bank with the intent that Applicant Galena Ridge would rent, divert and use water under these rights for the uses, and in the places, described above.

10/26/07  
Date

Jeff R Colburn  
Signature of Applicant

**FOR DEPARTMENT USE ONLY**

Received by \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_

Published in \_\_\_\_\_ Pub. Dates \_\_\_\_\_

Protests filed by \_\_\_\_\_

Hearing held by \_\_\_\_\_

Action recommended \_\_\_\_\_

No. <b>W 24055</b>	<b>Due no later than May 31, 2007 Annual Report Form</b>		2. Registered Agent and Address <b>(NO PO BOX)</b>			
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080  <b>NO FILING FEE IF RECEIVED BY DUE DATE</b>	1. Mailing Address: Correct in this box if needed. GALENA RIDGE, LLC BRAD ELAM 401 HARBOR ISLES BLVD KLAMATH FALLS OR 97601		CT CORPORATION SYSTEM 300 N 6TH ST BOISE ID 83702			
			3. <u>New</u> Registered Agent Signature:*			
4. Limited Liability Companies: Enter Names and Addresses of Managers OR Members.						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
MEMBER	J ANDRES	755 FALCON CREST DR.	REDMOND	OR	USA	97756
MEMBER	R C WENDT	3250 LAKEPORT BLVD	KLAMATH FALLS	OR	USA	97601
MEMBER	S PORTER	3250 LAKEPORT BLVD	KLAMATH FALLS	OR	USA	97601
MEMBER	D P KINTZINGER	3250 LAKEPORT BLVD	KLAMATH FALLS	OR	USA	97601
MEMBER	K E HOGGARTH	401 HARBOR ISLES BLVD	KLAMATH FALLS	OR	USA	97601
MEMBER	S WOLLEY	5115 RUNNING Y RD	KLAMATH FALLS	OR	USA	97601
MEMBER	J ALLEN	401 HARBOR ISLES BLVD	KLAMATH FALLS	OR	USA	97601
5. Organized Under the Laws of:  <b>OREGON W 24055</b>		6. Annual Report must be signed.* Signature: K E HOGGARTH Name (type or print): K E HOGGARTH Date: 05/01/2007 Title: TREASURER				
Processed 05/01/2007		*Electronically provided signatures are accepted as original signatures.				

u A  
RECEIVED  
JAN 18 2007  
DEPARTMENT OF  
WATER RESOURCES

**FREEMAN B. DUNCAN**  
**Attorney at Law**  
**P.O. Box 1629**  
**Post Falls, ID 83877-1629**  
**(208) 773-8720**

January 16, 2007

Ms. Cynthia Bridge-Clark  
Idaho Department of Water Resources  
322 E. Front Street  
P.O. Box 83720  
Boise, ID 83720-0098

Re: Idaho Department of Environmental Quality/Water rights

Dear Ms. Clark:

For the last six years, I have been serving as a special deputy attorney general representing the Idaho Department of Environmental Quality (DEQ), with land transfer issues associated with the Super Fund site in Shoshone County, Idaho. Under the federal super fund laws, the State of Idaho is to receive title to approximately 1600 acres of land within the boundaries of the super fund site to assist with the future costs of operating and maintaining the remediation efforts installed by the Environmental Protection Agency (EPA). This is basically property ceased by EPA from Bunker Hill (Bunker Limited Partnership) as one of the main responsible parties for the pollution. The Idaho Legislature designated DEQ as the title holder for the acreage. My job has been to coordinate the transfer of title from EPA to DEQ, and the subsequent transfer from DEQ to third parties to create economic development and O & M revenue. We are close to receiving title to all of the acreage, and have begun transferring title to third parties. Now comes the water rights issue.

Properties that are now vested in DEQ have established water rights out of Government Creek (copies attached). I have been working with Bob Haynes in your Coeur d'Alene Office about the best way to handle and document the transfer of the water rights. Since DEQ is basically going to be a short term property owner and does not intend

to personally use the water, Bob suggested that I explore the ability to transfer the water rights to the water bank so that the rights are not forfeited. That makes a lot of sense to me, but I will readily admit that I know very little about water rights and even less about the water bank. Bob suggested that I make contact with you. I would welcome any information you can give me, and copies of any necessary forms.

While DEQ does not have any actual use for the water, the water has been used by both EPA and local government entities for dust control and industrial purposes since the original seizure by EPA. EPA's use is close to ended, but local government entities desire to continue to use our water rights. My client has also been approached by Eagle Crest (the developer of a major golf course complex on 560 acres of 1600 acres) with a request to use the water rights for both dust control and irrigation during the construction of the course. This will require a substantial investment by them to improve the existing diversion point and diversion system. Obviously, they are reluctant to make this investment and my client is reluctant to allow them to make the improvements if it will affect the validity of the water rights. Again, a need to better understand how the water bank process works.

With this introduction to the situation and my lack of knowledge concerning how to proceed in this matter, I look forward to hearing from you.

Sincerely



Freeman B. Duncan

Cc: client  
John Karpenko, Meckel Engineering

**RECEIVED** STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

JUL 1 1983

**CLAIM TO A WATER RIGHT**

Department of Water Resources  
Northern District Office

Under the provisions of Section 42-243, Idaho Code, any person using or claiming rights to the public waters of Idaho established by diversion and application to a beneficial use must file a claim with the Department of Water Resources on or before June 30, 1983. Exempted from this filing are single family domestic uses as defined in Section 42-230(d), Idaho Code. Also exempted are rights represented by a permit, license, decree, adjudicated right, or a previously filed claim.

The filing of this claim does not confirm the water right claimed but failure to file may result in forfeiture of a water right.

Notice is hereby given that BUNKER LIMITED PARTNERSHIP  
(Name of Claimant)  
P. O. Box 29, Kellogg, Idaho 83837 Telephone No. (208) 784-1261  
(Mailing Address) (Zip Code)

claims a right to the diversion and beneficial use of the surface or ground water. The extent and nature of said claim is as follows:

(1) Date of priority: (When was the water first applied to a beneficial use) 1899

A claim is not acceptable on a ground water source with a priority later than March 25, 1963 or on a surface water source with a priority later than May 20, 1971. An exception is that a claim may be filed on single family domestic use from a ground water source.

(2) Describe the source of water: (Name of stream, lake, spring, etc., or ground water)  
Government Creek tributary to S. Fork of Coeur d'Alene River

(3) Describe the purpose for which the water has been used and the time during the year when you have used the right claimed:

Quantity	(cfs, gpd, AFA)	Use	(Domestic, Irrigation, Stock, Etc.)	(Both dates inclusive)	
				(Mo., Day)	(Mo., Day)
Quantity <u>3 CFS</u>	Use <u>Industrial</u>	Period of Use From <u>1-1</u>	To <u>12-31</u>		
Quantity _____	Use _____	Period of Use From _____	To _____		
Quantity _____	Use _____	Period of Use From _____	To _____		
Quantity _____	Use _____	Period of Use From _____	To _____		
Quantity _____	Use _____	Period of Use From _____	To _____		

(4) 3 CFS TOTAL QUANTITY USED.  
(cfs, gpd, AFA)

(5) A) Point of diversion: (Location of point where water is diverted from its source)  
SE 1/4 SE 1/4, Sec. 10 Twp. 48N Rge. 2E B.M., County of Shoshone  
Additional points of diversion: \_\_\_\_\_

B) Describe means of diversion of water: (Pump and pipeline, well, diversion dam, reservoir, length of ditch and field, etc.). Give sizes and capacities: be as specific as possible. Describe any changes in the system and give the date of the change.  
Diversion dam, 8" pipeline to 20,000 gallon tank, 10" pipeline to Zinc Plant.  
(See narrative supplement), Smelter and Mine.

(6) A) Describe location of use by listing number of irrigated acres within each 40-acre tract in appropriate box. If use is not for irrigation, place an "X" in appropriate box to show location.

T	R	SEC.	NEX				NWX				SWX				SEX				TOTAL		
			NEX	NW%	SW%	SE%	NEX	NW%	SW%	SE%	NEX	NW%	SW%	SE%	NEX	NW%	SW%	SE%			
48N	2E	2																			
48N	2E	2	X																		
48N	2E	7				X															
48N	3E	6							X												

No. of acres \_\_\_\_\_

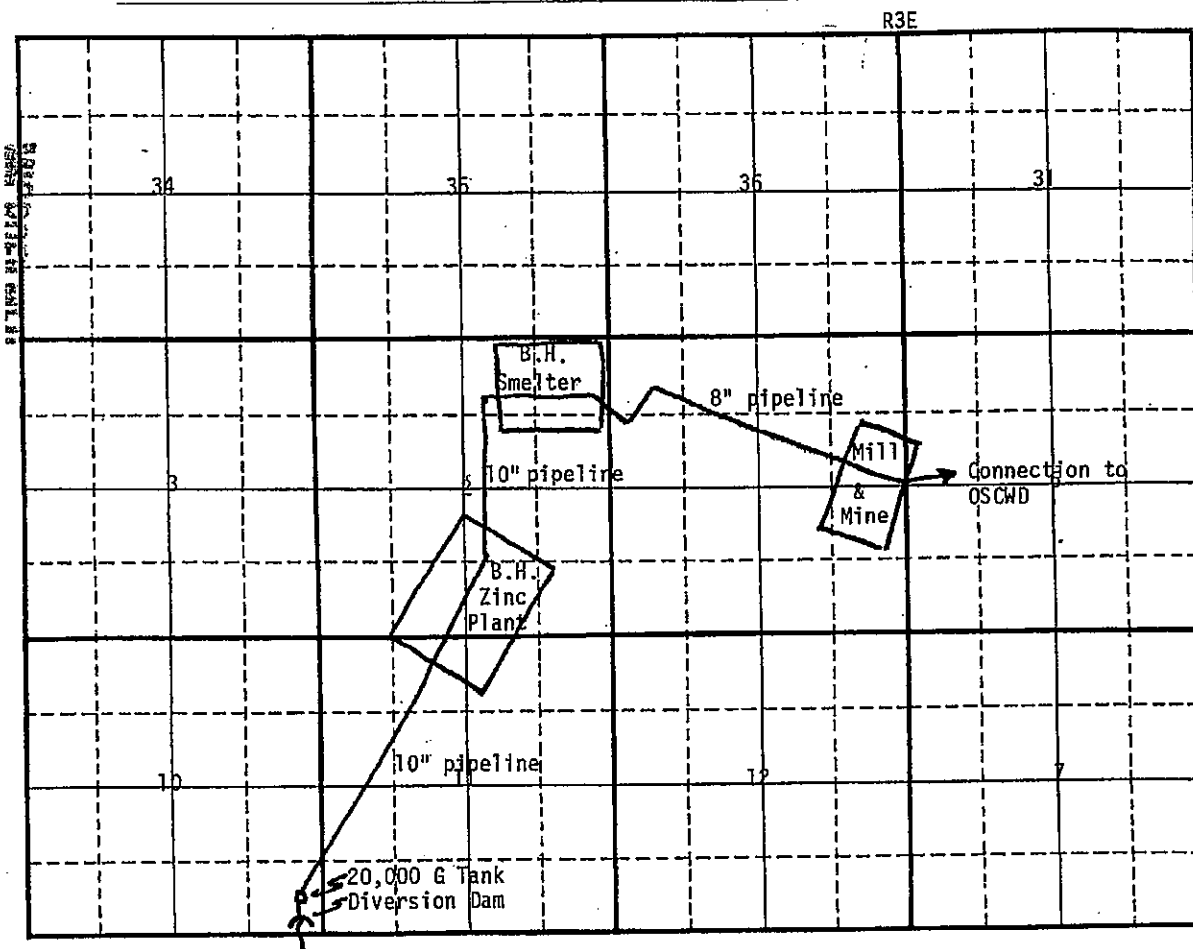
B) If water is used for other than irrigation, fully describe that use, being as specific as possible: Industrial  
Use being used for employee sanitation, non-contact cooling, contact cooling,  
Boiler feed water, process dilution, yard washdown and fire protection, as well  
as supply to Central Shoshone Water District.

NOTE: Include here the type and number of stock watered: None

(7) If you are claiming water as a member of an organization, list name of organization: Bunker Limited Partnership.

RECORDED

(8) Remarks See attached letter, record copies and drawings for additional information and history of this water usage.



Scale: 2 Inches equal 1 mile.

Map should show the location of the point of diversion and the place of use of the water by 40-acre subdivisions, section, township and range of the public land survey system.

State of Idaho )  
 ) ss.  
 County of Shoshone )

Be it known that the undersigned, being duly sworn, deposes and says that he, she, they subscribed the foregoing claim to a water right, together with all attached information, and that the matters and facts therein are true to the best of the affiant's knowledge.

Sworn to before me this 24<sup>th</sup> day of June

[Signature]  
 (Claimant)  
 1983

[Signature]  
 Notary Public  
 Residing at Kellogg, Idaho

My commission expires 11-18-86

FOR DEPARTMENT USE ONLY

Received by <u>[Signature]</u>	Date <u>6/28/83</u>	Exception filed by:	Forwarded to	Date
Prelim. check by <u>[Signature]</u>	Date <u>6/28/83</u>	(28396)	claimant by:	
\$20.00 fee received by <u>[Signature]</u>	Date <u>6/28/83</u>			
Published In <u>[Signature]</u>				
Dates <u>8/30/83</u>				

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

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Quantity	(cfs, gpd, AFA)	Use	(Domestic, Irrigation, Stock, Etc.)	Period of Use From		(Both dates inclusive)	
				(Mo., Day)	To	(Mo., Day)	(Mo., Day)
<u>7 CFS</u>		<u>Industrial</u>		<u>1-1-</u>	<u>To</u>	<u>12-31</u>	
Quantity		Use		Period of Use From	To		
Quantity		Use		Period of Use From	To		
Quantity		Use		Period of Use From	To		
Quantity		Use		Period of Use From	To		

(4) 7 CFS TOTAL QUANTITY USED.  
(cfs, gpd, AFA)

(5) A) Point of diversion: (Location of point where water is diverted from its source)  
SE 1/4 SW 1/4, Sec. 2 Twp. 48N Rge. 2E B.M., County of Shoshone  
Additional points of diversion: \_\_\_\_\_

B) Describes means of diversion of water: (Pump and pipeline, well, diversion dam, reservoir, length of ditch and field, etc.). Give sizes and capacities: be as specific as possible. Describe any changes in the system and give the date of the change. Diversion Gate in 6' x 6' concrete lined ditch diverting stream flow into a reservoir measuring 125' x 125' and holding 1.7 million gallons.  
The water is pumped or flows from this reservoir to its various uses.

(6) A) Describe location of use by listing number of irrigated acres within each 40-acre tract in appropriate box. If use is not for irrigation, place an "X" in appropriate box to show location.

T	R	SEC.	NE1/4				NW1/4				SW1/4				SE1/4				TOTAL
			NE1/4	NW1/4	SW1/4	SE1/4	NE1/4	NW1/4	SW1/4	SE1/4	NE1/4	NW1/4	SW1/4	SE1/4	NE1/4	NW1/4	SW1/4	SE1/4	
48N	2E	2												X					
48N	2E	2	X																

No. of acres \_\_\_\_\_

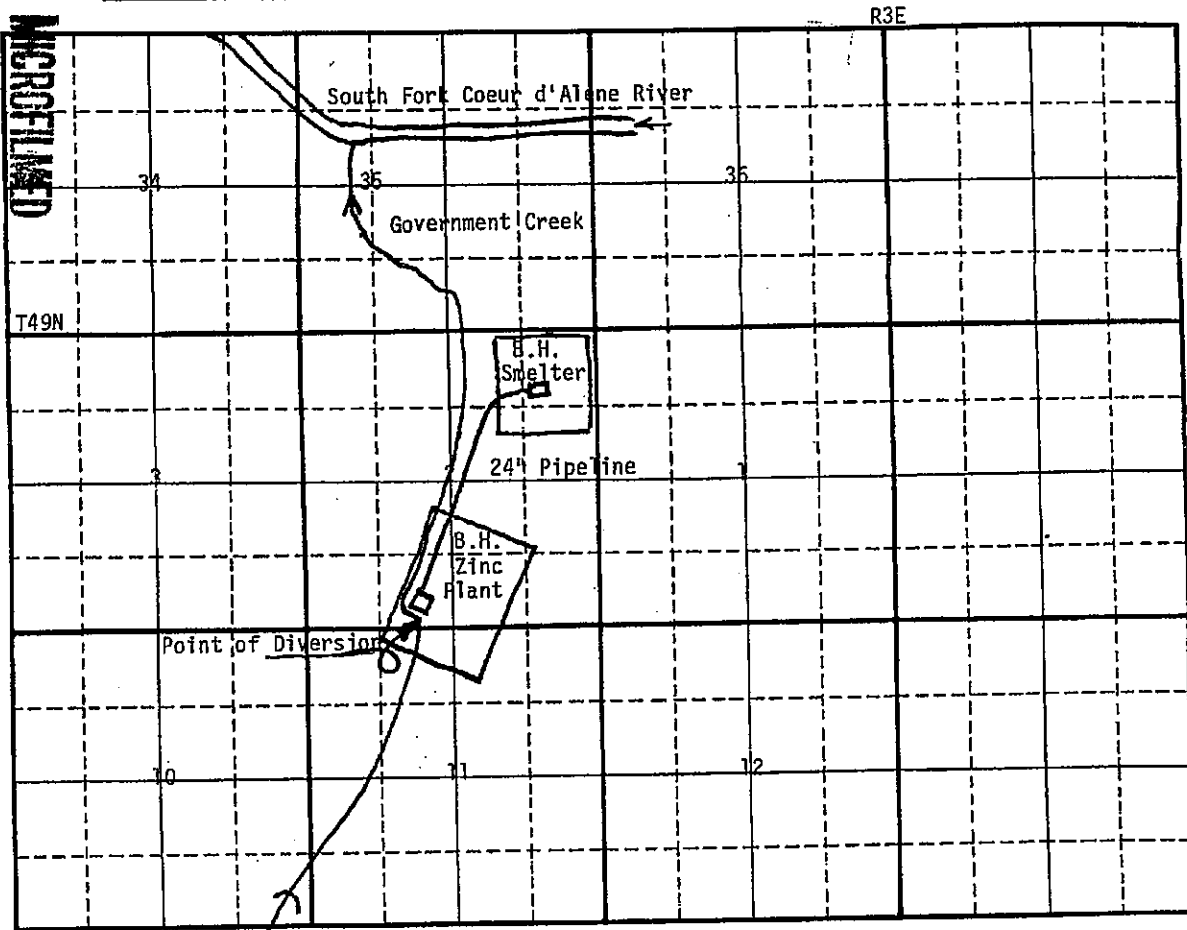
B) If water is used for other than irrigation, fully describe that use, being as specific as possible: Industrial  
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NOTE: Include here the type and number of stock watered: none

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MICROFILMED

(8) Remarks \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



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[Signature]  
 (Claimant)  
Rae Mandali  
 Notary Public  
 Residing at Kellogg, Idaho

My commission expires 11-18-86

FOR DEPARTMENT USE ONLY

Received by <u>LB</u>	Date <u>6/28/83</u>	Exception filed by:	Forwarded to	Date
Prelim. check by <u>LB</u>	Date <u>6/28/83</u>		claimant by:	
\$20.00 fee received by <u>LB</u>	Date <u>6/28/83 (28996)</u>			
Published in <u>Kellogg, Idaho</u>				
Dates <u>7-20, 27-83</u>				