NOTICE OF PUBLIC HEARING IN THE MATTER OF THE PROPOSED CREATION OF A WATER DISTRICT IN THE ST. ANTHONY – REXBURG AREA IN ADMINISTRATIVE BASINS 21 AND 22.

The Director of the Idaho Department of Water Resources ("Director") is authorized to divide the state into water districts for the purpose of distributing water among appropriators under the laws of the State of Idaho. The authority to create water districts applies to those streams or other water sources, including ground water, for which the priorities of appropriation have been adjudicated by court decree. During a water rights adjudication, Section 42-1417, Idaho Code, authorizes the district court to approve interim administration of the water rights by the Director if reasonably necessary to protect senior water rights. The district court may permit the distribution of water pursuant to chapter 6, title 42, Idaho Code, in accordance with partial decrees entered by the court, or in accordance with a Director's Report as modified by the court's order.

On May 1, 2006, and May 25, 2006, the Snake River Basin Adjudication ("SRBA") District Court issued orders authorizing the Director to distribute water pursuant to chapter 6, title 42, Idaho Code, in accordance with the Director's Reports and the partial decrees that have superseded the Director's Reports in Administrative Basin 21, and Administrative Basin 22 Part 1 Ground Water. The Director proposes to create a permanent water district within portions of Administrative Basins 21 and 22 overlying the Eastern Snake Plain Aquifer ("ESPA") as shown in the map below, and hereafter referred to as the "St. Anthony-Rexburg Area Water District," or "Water District No. 100."

NOTICE IS HEREBY GIVEN, pursuant to Section 42-604, Idaho Code, that the Director of the Department of Water Resources will conduct a public hearing regarding the proposed creation of the water district as follows:

PUBLIC HEARING FOR PROPOSED WATER DISTRICT:

7:00 PM, Tuesday, November 14, 2006 Best Western Cotton Tree Inn 450 W 4th S, Rexburg, Idaho.

Information and testimony presented at the hearing on November 14th will create a record upon which the Director will rely to determine whether formation of a water district is appropriate, and, if so, how the district should be formed. It is important that holders of water rights understand and participate in the hearing. The Director will serve as the hearing officer. Persons attending the hearing will be provided an opportunity to make an oral presentation regarding the creation of the proposed district. Written comments may be submitted to the Director at the hearing or at any time prior to the close of the written comment period set for November 24, 2006. Written comments not presented at the hearing should be mailed to the Director, Idaho Department of Water Resources, P.O. Box 83720, Boise, Idaho, 83720-0098.

The Director proposes that all ground water rights with points of diversion located within the boundaries of the proposed district be included in the district, except those used solely for domestic and/or stock water purposes as defined in Section 42-111, Idaho Code. Permitted and licensed rights not decreed in the SRBA and/or not included in SRBA Director's reports are subject to inclusion within the proposed water district unless used solely for domestic and/or stock water purposes. This notice of hearing has been sent to all water right holders of record in accordance with these criteria.

The Director proposes that the District become operational in 2007. Upon creation of the water district, a meeting of the holders of water rights within the district will be held during this winter for the purpose of electing a watermaster and conducting other business necessary to initiate operation of the district. The Director proposes that the water district watermaster be responsible for certain duties under the direction and supervision of the Director including: (1) measurement and reporting of

diversions under water rights; (2) administration of water rights in priority; (3) curtailment and enforcement against unauthorized or excessive diversions; and (4) enforcement of stipulated agreements or mitigation plans approved by the Director.

The hearing will be conducted in a facility that meets the accessibility requirements of the Americans with Disabilities Act. Should you require special accommodations in order to attend, participate in, or understand the hearing, please contact the Department of Water Resources at least 10 days prior to the hearing. Questions concerning this notice may be directed to the Department's hotline at (800) 451-4129, the Department's regional office in Idaho Falls at (208) 525-7161 or the state office in Boise at (208) 287-4958.

Karl J. Dreher, Director

