

Cefalo, James

From: Cefalo, James
Sent: Monday, July 8, 2024 9:15 AM
To: Dennis Leikam; tj@racineolson.com
Cc: Jordan, Blake; thomasrwood@gmail.com
Subject: RE: Application for Transfer 88993 (Idahoan Foods)

Dennis,

Thanks for the quick response. I apologize for not catching the WSB Rental. Because the rental agreement expired in 2023, it has dropped off our ArcMap layer. Currently, there is not an easy way to search for previous WSB Rentals at a rental point of diversion without searching through individual water right records.

The information you provided sufficiently addresses the concern about recent diversion volumes at the Idaho Falls facility. We will complete our final review of the transfer application when the protest period ends.

On other thought. If it appears that the demand will remain high at the Idaho Falls facility into the foreseeable future, perhaps the additional water rights could be moved to the facility through a transfer rather than a Water Supply Bank lease/rental package. Either approach is acceptable. The transfer option, however, avoids a lot of additional paperwork (re-enrolling water rights into the WSB every five years, annual rental payments).

James

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From: Dennis Leikam <DLeikam@idahoan.com>
Sent: Friday, July 5, 2024 10:45 PM
To: Cefalo, James <James.Cefalo@idwr.idaho.gov>; tj@racineolson.com
Cc: Jordan, Blake <Blake.Jordan@idwr.idaho.gov>; thomasrwood@gmail.com
Subject: RE: Application for Transfer 88993 (Idahoan Foods)

Hi James,

Great questions, thanks for the email. Regarding the diversion volumes: You are correct on the over-pumping. I took over managing our water portfolio in 2019 and while auditing our use, noticed that Idahoan had indeed been over-pumping their right. To resolve that issue, we submitted the attached lease of 45 ac-ft of water from our Lewisville facility to Idaho Falls facility (attached). I should have leased more than that, in 2022 we used more water than the lease plus right, the facility was producing record amounts of product in response to COVID demand. All of that said, we will be submitting a lease application to lease water right 31-7489 (in Dubois) to our Idaho Falls facility. This right has been rented in Blackfoot so assuming a similar mitigation amount, expect to net around 300 ac-ft. TJ should be submitting this application very soon.

Our intent is to keep the existing well as a back-up location, but not use it the majority of the time which is why we would like to retain its POD, primary production water will be withdrawn from the new well that is proposed to be drilled and waiting on approval of the application.

Let me know if that answers your question, happy to clarify or discuss further.

Thanks,

Dennis Leikam
Director, Environment, Health & Safety



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From: Cefalo, James <James.Cefalo@idwr.idaho.gov>
Sent: Friday, July 5, 2024 4:14 PM
To: Dennis Leikam <DLeikam@idahoan.com>; tj@racineolson.com
Cc: Jordan, Blake <Blake.Jordan@idwr.idaho.gov>; thomasrwood@gmail.com
Subject: Application for Transfer 88993 (Idahoan Foods)

Dennis and T.J.,

You recently filed Application for Transfer 88993 on behalf of Idahoan Foods, proposing to add a point of diversion and change the place of use for water right 35-8852, which provides water for commercial use at a potato processing facility north of Idaho Falls. Water right 35-8852 authorizes a diversion rate of 0.89 cfs and an annual diversion volume of 430.8 acre-feet for commercial use. Currently, water right 35-8852 describes two points of diversion. Application 88993 proposes to add third point of diversion to the water right and to construct a new ground water well on the property.

I've been notified by Blake Jordan, the Watermaster for Water District 120, that the Idahoan Facility regularly exceeds the annual volume limit of water right 35-8852. The annual volume pumped at the two existing wells is reflected in one measurement record (WMIS #200218). According to diversion records from Water District 120, Idahoan pumped more than 430.8 acre-feet in 2015 (479.3 af), 2016 (476.9 af), 2018 (450.5 af), 2019 (449.2 af), 2020 (467.2 af), 2021 (483.2 af), and 2023 (470.9 af). There are no other commercial or industrial rights at the facility. I am concerned that adding a third well at the Idahoan facility will further exacerbate the over-diversion.

Does Idahoan plan on moving additional water rights to the facility to cover the existing demand and the possible expanded demand (after the third well is online) at the facility?

The Department published notice of Application 88993 on June 26 and July 3. The protest period for the application closes on July 15. Tom Wood contacted me last week and said there is some urgency to get the proposed well drilled while the well driller is available. I am sending this email now in the hope that we can address the over-diversion issue quickly and avoid any delays after July 15.

James