

NOTICE OF HEARING IN THE MATTER OF THE PROPOSED MERGER OF WATER DISTRICT NO. 72-B, GARDEN CREEK AND TRIBUTARIES, AND WATER DISTRICT NO. 72-C, CHALLIS CREEK AND TRIBUTARIES.

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. Section 42-604, Idaho Code provides authority for the Director to create, revise the boundaries of, or abolish a water district or combine two (2) or more water districts.

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 merger of Water District No 72-B, Garden Creek and tributaries, and Water District No. 72-C, Challis Creek and tributaries, as follows:

PUBLIC HEARING FOR PROPOSED MERGER OF WATER DISTRICTS 72-B & 72-C:

**7:00 PM, January 23, 2007 at the Challis High School Cafeteria,
100 High St, Challis, Idaho.**

The merger of the two water districts is proposed in response to resolutions adopted by water users at the 2006 annual meetings of Water District No.s 72-B and 72-C that support combining the two water districts into a single water district. The 2006 minutes and resolutions from both districts reflect that combining the districts will lower costs and improve operational efficiency.

Water Districts No.s 72-B and 72-C are currently organized as separate water districts near Challis, Idaho that annually elect a watermaster and adopt a budget to deliver surface water in accordance with water rights and their dates of priority. These two districts were designated as separate sub-districts within Water District No. 170 by amended final order of the Director creating Water District No. 170, dated April 6, 2006. Water District No. 170 includes surface water and ground water rights in Administrative Basins 71 and 72 of the Upper Salmon River Basin. Designated sub-districts in Water District No. 170 continue to be responsible for distribution of surface water rights in their respective areas. Combining Water Districts 72-B and 72-C will result in one sub-district for the Garden and Challis Creek drainages within Water District No. 170.

Information and testimony presented at the hearing on January 23rd will create a record upon which the Director will rely to determine whether combining the two water districts is appropriate. It is important that holders of water rights understand the proposed action and participate in the hearing. 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 on February 2, 2007. Written comments not presented at the hearing should be sent to the Director, Department of Water Resources, PO Box 83720, Boise, Idaho, 83720-0098.

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.

This notice of hearing has been sent to all surface water right holders of record in Water Districts 72-B and 72-C.

Karl J. Dreher, Director