Outline for Creation of Water Districts and Administration of Rights to the Use of Ground Water From the Eastern Snake Plain Aquifer in IDWR Administrative Basins 35, 36, 41, and 43

The Director of the Idaho Department of Water Resources ("Director") is authorized by statute to divide the state into water districts for the purpose of performing the essential governmental function 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, for which the priorities of appropriation have been adjudicated by court decree. During the pendency of a water rights adjudication, the district court is authorized by statute 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.

I. BACKGROUND INFORMATION

- 1. On August 3, 2001, the Director established the American Falls Ground Water Management Area and the Thousand Springs Ground Water Management Area ("GWMAs") pursuant to Idaho Code § 42-233b. The Director designated the GWMAs due to concerns about the depletionary effects of ground water withdrawals under junior priority water rights and the availability of water supplies for senior priority water rights from connected surface and ground water sources during the severe drought conditions being experienced across the Snake River Plain. The Director issued the order in response to his recognition that he has a responsibility, subject to the confines of existing knowledge and technology, to exercise his statutory authorities to administer water rights for the use of ground water in a manner that recognizes and protects senior priority surface water and ground water rights in accordance with the provisions of Idaho law. In establishing the GWMAs, the Director stated his intent to curtail diversions under certain junior ground water rights that caused significant depletions to hydraulically connected surface water sources.
- 2. On August 31, 2001, the Director was advised by representatives of holders of junior priority ground water rights and holders of senior priority surface water rights that agreements in principle had been reached that would provide replacement surface water for the next two irrigation seasons equal in amount to what would have resulted from the intended curtailment of certain junior ground water diversions within the GWMAs.
- 3. Based upon the representations that agreements in principle had been reached, the Director announced on August 31, 2001, that no curtailment order would be issued for the GWMAs, provided the agreements in principle were implemented through detailed written agreements.
- 4. After August 31, 2001, representatives of holders of most of the affected ground water

rights entered into three detailed written stipulated Agreements with representatives of most holders of senior priority surface water rights. These Agreements were submitted to the Director for approval.

- 5. Under the Agreements, the represented holders of senior priority surface water rights agreed not to exercise their senior priorities against the represented holders of junior priority ground water rights in exchange for commitments by the ground water right holders to provide specific quantities of replacement water during the two-year term of the stipulated Agreements. In the event the replacement water can not be provided, the Agreements require an appropriate reduction of diversion under ground water rights.
- 6. The signatories to the Agreements agreed to work with the Director to expeditiously create water districts to implement the terms of the Agreements.
- 7. Under the Agreements, the parties request that the Director notify holders of ground water rights subject to interim administration who are not party to the Agreements, or other similar agreements or approved mitigation plans, that they may be subject to curtailment under the prior appropriation doctrine as established by Idaho law.
- 8. On November 19, 2001, the State of Idaho filed with the SRBA district court a motion requesting an order authorizing the interim administration of water rights by the Director in all, or parts, of Basins 35, 36, 41, and 43 overlying the Eastern Snake Plain Aquifer (ESPA).
- 9. On November 19, 2001, the SRBA District Court issued an order setting the State's motion for order authorizing interim administration for hearing on January 8, 2002. The court designated the matter as SRBA Subcase 92-00021 (Interim Administration). The State of Idaho served copies of the court's November 19, 2001, order and the State's motion and supporting briefing and affidavits on all affected parties by U. S. Mail on November 26, 2001.

II. STATUTORY AUTHORITY FOR CREATION OF WATER DISTRICTS

- 1. Idaho law declares all ground waters in the State of Idaho to be the property of the state, whose duty it is to supervise the appropriation and allotment of the water to those diverting the same for beneficial use. Idaho Code § 42-226.
- 2. The Director has a statutory responsibility to administer the use of ground water in the state so as to protect prior surface and ground water rights. See Idaho Code §§ 42-226 and 42-237a.g.
- 3. The Director has responsibility for direction and control over the distribution of water in accordance with the prior appropriation as established by Idaho law doctrine within water districts to be accomplished through watermasters supervised by the Director, and subject to removal by the Director, as provided in chapter 6, title 42, Idaho Code.

- 4. The Director is authorized to establish water districts as necessary to properly administer uses of water from public streams, or other independent sources of water supply, for which a court having jurisdiction thereof has adjudicated the priorities of appropriation. See Idaho Code § 42-604.
- 5. In addition, the district court having jurisdiction over a general water rights adjudication may permit the interim administration of water rights pursuant to chapter 6, title 42, Idaho Code, prior to the entry of a final decree, in accordance with director's reports filed with the court or in accordance with partial decrees that have superseded the director's reports. See Idaho Code § 42-1417.
- 6. Based upon the above statutory authorities and assuming the SRBA District Court permits the distribution of water pursuant to chapter 6, title 42, Idaho Code, the Director will consider creating water districts to administer water rights within those portions of Administrative Basins 35, 36, 41, and 43 overlying the ESPA, as shown on the map appended as Attachment A, to protect senior priority water rights.
- 7. The Director concludes that compliance with the provisions of the interim stipulated Agreements will provide adequate replacement water to satisfy the need for any mitigation or curtailment of the rights to the use of ground water held by persons who are party to the Agreements or are represented by a party to the Agreements during the term of the stipulated agreements.

III. PROPOSED ACTION FOR CREATION OF WATER DISTRICTS

- 1. The Director concludes that immediate administration of water rights, other than domestic and stockwater rights as defined under Idaho Code §§ 42-111 and 42-1401A(11), pursuant to chapter 6, title 42, Idaho Code, is necessary.
- 2. The Director concludes that water districts should be formed on a permanent basis and be used to administer the affected water rights in accordance with the prior appropriation doctrine as established by Idaho law.
- 3. The Director concludes that the watermaster of any new water district created within the ESPA shall perform the following duties in accordance with the direction and supervision of the Director:
 - a. Curtail illegal diversions (i.e., any diversion without a water right or in excess of the elements or conditions of a water right).
 - b. Measure and report the diversions under water rights.
 - c. Enforce the provisions of the stipulated agreement.

- d. Curtail out-of-priority diversions determined by the Director to be causing injury to senior water rights that are not covered by a stipulated agreement or a mitigation plan approved by the Director.
- 4. The Director proposes that the instructions contained in Attachment B shall be used to guide the watermasters in performing the duties described above.
- 5. The Director proposes that the guidelines contained in Attachment C shall represent minimum standards for the ESPA water districts.
- 6. Additional instructions to the watermaster for the administration of water rights from hydraulically connected sources will be based upon available data, models, and the Director's best professional judgment.

IV. PROPOSED WATER DISTRICT ORGANIZATION AND BOUNDARIES

Option 1:

Create two separate districts as shown in the map on Attachment D, one district including most of Basin 35 and that portion of Basin 41 that overly the ESPA (Area 1) and one district including all of Basin 36 and a portion of Basin 43 that overly the ESPA (Area 2). These districts may include the following organizational features:

- (a) Election and appointment of a single watermaster for each water district where the watermaster is or becomes a direct employee of IDWR. (water district elects and contracts with IDWR to provide watermaster services; IDWR provides certain support to district and watermaster).
- (b) Creation of subdistricts that match boundaries of existing ground water districts or irrigation districts.
- (c) Water District Advisory Committee would include representation from board of directors of ground water districts and/or irrigation districts.
- (d) Appointment of deputy watermasters by the watermaster, with approval from the Director. Deputy watermasters shall work pursuant to instructions of the watermaster. Deputy watermasters could be employees or contractors of existing ground water districts or irrigation districts that are located within the water district. Duties of appointed deputy watermasters that are also employees or contractors of an existing ground water district shall be limited primarily to measuring and reporting of diversions. Regulation of diversions or enforcement of water rights by an appointed deputy watermaster who is also an employee or contractor of an existing ground water district or irrigation district may be done upon instruction by the watermaster.
- (e) Diversions not included in an existing ground water district or irrigation district shall be

assessed directly by the water district watermaster.

(f) Ground water districts or irrigation districts that are organized as subdistricts will collect and pay the pro-rata expenses on behalf of the diversions and users within their respective district (this will avoid billing of individual water rights or diversions by both the subdistrict/ground water district and the water district).

Option 2:

Create separate water districts matching the boundaries of existing ground water districts or irrigation districts with each district having a separate watermaster that is elected by members of the district and appointed by the Director of IDWR.

Option 3A: (Thousand Springs Area only)

Expand or modify existing State Water District 36-A (Billingsley and Riley Creeks and tributary springs) to the entire administrative Basin 36 area, including ground water and other springs that are tributary directly to the Snake River. Most or all of the organizational features listed under Option 1 above may be included under this option, including a subdistrict for the spring and surface water diversions located below the Eastern Snake Plain rim.

Option 3B: (Thousand Springs Area only)

Expand existing State Water District 36-A to include the other spring and surface water sources in Basin 36 that are located below the Eastern Snake Plain rim. This expanded district is a separate water district from the new district or districts created for the ground water rights and diversions in the remaining portion of Basin 36 overlying the Eastern Snake Plain Aquifer.

Preferred Option

The above options are proposed options that the Director has considered or discussed with interested parties and water users. The Director remains open-minded with respect to the boundaries and organizational structure of newly created water districts in the ESPA. A final proposal will not be made until after the SRBA court issues an Order for Interim Administration, expected to be in early January of 2002. A final decision from the Director will not be made until after a hearing has been held. The earliest expected hearing date is around February 18, 2002.

The option currently favored by the Director is Option 1. This option considers the different hydrologic relationships within the ESPA and may provide the most flexibility for water users as well as existing ground water districts and irrigation districts. This option is preferred because the district can receive considerable support from the State, through IDWR, for water rights administration including water right enforcement, regulation of diversions, and implementation of stipulated agreements and/or mitigation plans. This option also allows opportunity for irrigation districts and ground water districts to provide certain services and support to the water district in areas pertaining to water measurement and reporting, water right ownership changes,

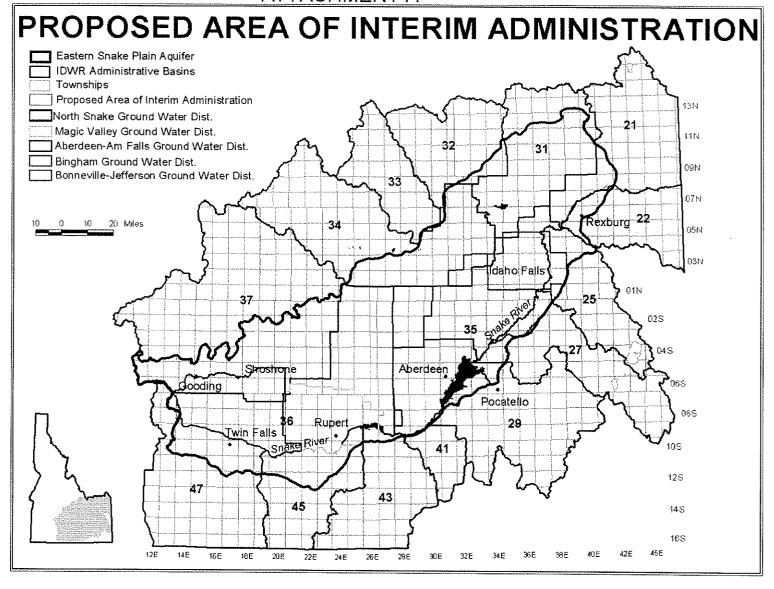
implementation of agreements and mitigation plans, plus simplify budget and assessment processes. This option should provide costs that are lower than or at least competitive to other options.

Table 1. on the following page is a matrix summarizing the descriptions, objectives, costs, benefits and concerns of the above proposed water district options.

TABLE 1. WATER DISTRICT OPTIONS

	Option 1	Option 2	Option 3A or 3B
Description	Two districts for interim admin area; IDWR employee is watermaster; subdistricts for separate ground water and irrigation districts	Separate districts for individual ground water and irrigation districts	A) Same as option 1, but Basin 36 Area includes spring/sw rights below rim B) Option 1 with separate water district in 1000 Springs area for spring/sw rights below rim
Objective	Boundaries aligned w/ hydrologic zones; consistent presence & support from IDWR relative to regulation and enforcement; allows continued meas. & reporting from irrigation and ground water districts	Boundaries consistent with existing ground water and irrigation dists.	A) Include District 36A & additional springs with ground water users B) Separate district for spring users
Costs	Very low initial costs for first 2 year period; future costs are minimized due to IDWR support	Higher per user due to lower economy of scale & duplicity of some tasks	Both options similar to option 1
Benefits	Provides flexibility to GW and Irrig. Dists. with greater support and communication from State/IDWR for water rights admin. and regulation	Convenience to ground water dists.;	A) Provide common forum for spring and gw users yet retain springs area as subdistrict w/local deputy B) Keep spring interests separate; may be easier for budget & assessment, measuring & intra-regulatory purposes

Concerns	Boundaries not related
	to hydrology,
	GW/Irrig Dist. staff
	provide regulation;
	More inconsistency of
	duties, reporting etc.
	among districts;
	Reduced efficiency of
	communication and
	support from IDWR



Attachment B Watermaster Letter Of Instruction

- 1. The watermaster is assigned the following duties:
 - a. Distribute water to rights consistent with the prior appropriation doctrine as implemented by Idaho law and in accordance with instructions from IDWR based upon decrees, partial decrees, Director's Reports, permits, licenses, transfers, stipulated agreements, approved mitigation plans, and rules. Unless otherwise instructed by IDWR, a lawful diversion of ground water is not to be curtailed unless IDWR has determined that such diversion is causing injury to a senior priority water right.
 - b. Monitor diversion and use of water from public water sources throughout the year as directed by IDWR.
 - c. Regulate diversions by adjusting, locking, and posting headgates and other diversions as necessary to prevent unauthorized diversion and use of water, including diversions not in accordance with an approved mitigation plan and to prevent diversion and use of water until annual assessments are paid in accordance with a resolution adopted at the annual water district meeting.
 - i. Diversion and use of water will be regulated to not exceed the diversion rate and volume authorized under the right.
 - ii. The rate of diversion will be regulated based upon an instantaneous diversion rate. For rights from surface sources, if the stream flow is known to fluctuate diurnally, IDWR may authorize the diversion rate to be adjusted based upon a twenty four (24) hour average. For rights from ground water sources, IDWR may authorize the diversion rate to be adjusted based upon a seven (7) day average, if no other water rights are injured by periodic, short-term diversions exceeding the authorized diversion rate.
 - iii. The rate of diversion will be measured at the point of diversion from the public water source or as near as practicable to the diversion as determined by IDWR and not the field headgate or other place of use, unless otherwise provided by the terms of the water right.
 - iv. Headgates, valves, pump control boxes, and other means of diversion will be locked and posted when instructed by IDWR as necessary to prevent unauthorized diversions.
 - v. Water will be distributed only for diversion at the point(s) of diversion for use in accordance with the place, period, and nature of use authorized by the water right. The watermaster will advise IDWR of variations in the use from that authorized and will curtail diversion when instructed by IDWR.

- d. In accordance with an approved annual work plan, measure/estimate and record on forms provided by IDWR or in an electronic format approved by IDWR the rate of flow and monthly volume of water diverted under each right at each point of diversion.
- e. Prepare and submit an annual report in a form approved by IDWR of the diversion of natural flow or ground water under each right and other information required by Idaho Code §§ 42-606 and 42-610.
- f. Prepare and submit to IDWR the proposed budget for the following year in accordance with Idaho Code § 42-615. The budget shall include a work plan for the upcoming year for approval of IDWR.
- g. Monitor the availability of water in the public water sources used in the district including monitoring ground water levels as directed by IDWR, in accordance with the approved annual work plan.
- h. Advise IDWR of changes of ownership of water rights and of address changes of water right holders in the district.
- i. Inventory, using GPS equipment, all diversions from public water sources with the district and notify IDWR of any changes.
- j. Monitor water use in the district in accordance with the approved annual work plan, including obtaining and reporting the data necessary for SEBAL computations.
- k. Perform other duties, as instructed by IDWR, necessary to: (1) monitor, inventory, and regulate use of water from public water supplies within the district; (2) document that public water supplies available within the district have been lawfully diverted and used under the rights thereto and approved mitigation plans; and (3) conduct the business of the district by preparing budgets, resolutions, and other necessary documents, providing for the collection of the budget and arranging for annual and other meetings to be held.
- 2. When appointed by the Director of IDWR, the watermaster and deputy watermasters are authorized as employees of IDWR to make <u>reasonable</u> entry on lands within the district to carry out the duties of the watermaster as instructed by IDWR. The order and/or cover letter accompanying the order establishing the water district will advise each water right holder of the following:
 - a. The watermaster, deputy watermasters, and designated IDWR employees are authorized under Idaho Code § 42-1701(5) to make reasonable entry on land within the district to carry out the duties of the water district and IDWR relative to water distribution and use. These duties include but are not limited to:
 - i. Monitoring diversion and measuring rate and volume of water diverted from ground water and other public water sources.

- ii. Measuring the depth to water in wells.
- iii. Monitoring the place, period, and nature of use of water to identify unauthorized diversion and use and to determine compliance with mitigation provisions required by agreement or order of IDWR.
- iv. Curtailment of diversions to prevent unauthorized diversion or use, out-of-priority diversions, or failure to comply with mitigation requirements. The watermaster's authority includes locking and posting the diversion.
- b. Prior to beginning routine field visits to monitor diversion and use of water, the watermaster and/or deputy watermaster will contact the water right holder/property owner to arrange an acceptable route of ingress/egress to each point of diversion, including securing copies of keys or security codes necessary to access locked gates, doors, and panels. When these arrangements have been made, the right owner will not be advised in advance of field visits for routine monitoring of diversion and use of water, but will be advised prior to the watermaster or deputy watermasters adjusting or curtailing diversions.
- c. Although the watermaster and deputy watermasters are authorized to take direct action to adjust headgates and valves and to turn off pump control equipment, the water right holder or his/her agent will be asked to make the adjustments and curtailments found to be necessary. If the water right holder cannot be located within a reasonable time in person or by mail, the watermaster or deputy watermaster will make the adjustments to the diversion.

3. Coordination with IDWR

- a. An elected watermaster will not begin performing duties until the secretary of the district provides IDWR with a copy of the minutes of the annual or other meeting at which the watermaster was elected, the watermaster has provided IDWR evidence that the oath of office required by Idaho Code § 42-605(10) has been taken, and IDWR has issued a certificate of appointment.
- b. Advise IDWR of all deputy or assistant watermasters hired by the watermaster in accordance with Idaho Code §§ 42-605(3) and 42-609. Deputy or assistant watermasters will not do field work to monitor or regulate water diversion or use until evidence of subscribing to an oath of office has been provided to IDWR and IDWR has issued a certificate of appointment.
- c. The watermaster will promptly notify IDWR of any unauthorized use of water observed in the district prior to curtailing diversion or taking any other enforcement actions. Curtailment or other enforcement action, including issuance of a Notice of Violation by IDWR, will be in accordance with IDWR instructions.

- d. The watermaster will provide recommendations concerning those diversions for which measuring devices or controlling works should be required by IDWR.
- e. Promptly advise IDWR of any action taken by the watermaster or deputy or assistant watermasters that could result in damages being sought from the water district or IDWR.
- 4. Domestic/stock exemption.
 - a. The watermaster shall monitor and regulate diversion and use of water in accordance with these instructions under all rights in the district except those used only for domestic or stockwater purposes.
 - b. Exempt domestic purposes are as defined in Idaho Code § 42-111.
 - c. Exempt stockwater purposes are as defined in Idaho Code § 42-1401(12).
 - d. The watermaster will, when instructed by IDWR, take action to curtail use under exempt domestic and stockwater uses to comply with the limitations of the exemption.

Attachment C Minimum Standards for Water Districts in the Eastern Snake River Plain

The following minimum standards apply to Water Districts created in the Eastern Snake River Plain for the purpose of distributing ground water and surface water under the supervision and guidance of the Idaho Department of Water Resources (IDWR). These standards are established in accordance with the provisions of Title 42, Idaho Code, particularly Chapter 6. Water Districts formed for this purpose are to meet the following minimum standards.

- 1. Conduct a Water District meeting involving as many members of the district as possible at least once per year in accordance with Idaho Code § 42-605 and provide a certified copy of the minutes to IDWR.
- 2. Set a budget to provide sufficient funds such that all of the minimum standards described herein can be accomplished.
- 3. Establish resolutions necessary for conducting meetings, collecting assessments, and delivering water within the Water District.
 - a. Require watermaster to serve all year.
 - b. Voting/assessment procedures including those for nonconsumptive uses.
 - c. Water not to be delivered if assessment not paid.
 - d. Watermaster authorized to acquire and hold property on behalf of district.
 - e. Annual meeting dates and locations.
 - f. Method of selecting advisory committee.
- 4. Select an Advisory Committee.
- 5. Coordinate with IDWR.
 - a. Water District meetings.
 - b. Advisory Board meetings.
 - c. Special meetings.
- 6. Provide an annual statement of Water District finances and provide for independent financial audits of Water District finances in accordance with the minimum requirements of Idaho Code § 67-450B.
- 7. Elect a watermaster that meets the following standards:
 - a. Ability to manage the Water District office, including preparation and maintenance of district budgets and preparation and collection of assessments, and hire, train, and supervise all employees of the Water District.
 - b. Ability to operate, or supervise the operation of all office and field equipment utilized by the Water District.
 - c. Ability to analyze water measurement data, and to apply the data to make water delivery determinations in accordance with IDWR guidelines and instructions.

- d. Ability to coordinate with IDWR in receipt and transmittal of all pertinent water right and water use data or information.
- e. Ability to analyze spatial data, including information derived by The Surface Energy Balance Algorithm for Land (SEBAL) for computing evapotranspiration for large areas, to augment flow measurements in determining compliance with water diversion limitations.
- f. Ability to conduct water distribution enforcement actions.
 - i. Distribute water to rights consistent with the prior appropriation doctrine as implemented by Idaho law in accordance with IDWR instructions based on decrees, partial decrees, Director's Reports, permits, licenses, transfers, stipulated agreements, approved mitigation plans, and rules.
 - ii. Curtail out-of-priority diversions determined by IDWR to be causing injury to senior priority water rights that are not covered by a stipulated agreement or a mitigation plan approved by IDWR. Except as provided in iv., a lawful diversion of ground water is not to be curtailed unless IDWR has determined that such diversion is causing injury to a senior priority water right.
 - iii. Curtail illegal diversions.
 - (1) Use a database compatible with databases used by IDWR, including a functional spatial interface, to assist in the location and tracking of illegal diversions.
 - (2) Be capable of regulating water rights by both point of diversion and place of use.
 - (3) Be capable of assisting IDWR in the issuance of and follow-up for Notices of Violation as required, and following other curtailment provisions in accordance with instructions from IDWR.
 - iv. Curtail diversions for which assessments have not been paid.
- g. Ability to conduct Water District reporting in a format and medium approved by IDWR or in accordance with instructions from IDWR.
 - i. An annual report, showing -
 - (1) Water usage of each water user, by diversion.
 - (2) Mitigation plans or stipulated agreements for water rights diverting out of priority.
 - (3) Expenses and budget for the Water District and apportionment of expenses among users.
 - (4) Unauthorized and excessive diversions.
 - (5) Other information deemed necessary by the Director of IDWR
 - ii. A proposed and adopted annual budget for the following year, including an annual work plan.
 - iii. Posting Water District information to the Internet in coordination with IDWR.
- h. Ability to work longer hours during the irrigation season.
- i. Ability to maintain good working relationships with water users, advisory committee, IDWR, and other agencies.
- j. Ability to communicate effectively in writing and verbally, including at large meetings.

- 8. Provide for the acquisition and maintenance of the following:
 - a. An office to provide an address for the district with adequate space for employees, equipment, and district activities. The office must comply with applicable safety and access requirements.
 - b. Office equipment.
 - i. Standard office equipment.
 - ii. Communication equipment.
 - (1) Telephone, cell phone, facsimile, answering machine.
 - (2) Internet access with a minimum communication speed of 500kbs.
 - (3) Interconnection with IDWR Wide Area Network.
 - iii. Automation equipment (maintain, operate, and be proficient in computer software and hardware that is compatible with IDWR systems).
 - (1) PCs with minimum speed of 500MHz.
 - (2) Windows 2000 Operating System or newer.
 - (3) Office 2000 Software or newer.
 - (4) ArcView 3.2 or newer.
 - (5) Global Positioning System receivers with capability to download information that is compatible with ArcView.
 - (6) PC compatible printers with color capability.
 - b. Field equipment.
 - i. Transportation (4X4 trucks).
 - ii. Measurement.
 - (1) Surface water (AA and Pygmy Meters, or other current meters acceptable to IDWR, with topsetter rod and counter).
 - (2) Ground water.
 - (a) Portable, non-invasive flow measurement device such as Polysonic Transit-Time Meter and pipe thickness gage or meter.
 - (b) Portable depth to water probes (steel tape and electronic) for use in wells.
 - (c) Power consumption measuring equipment.
 - (3) Periodically calibrate flow measuring equipment in a manner acceptable to IDWR.
 - (4) Measure and record diversions under water rights and depths to water in an approved monitoring network with a frequency distribution deemed acceptable by IDWR.

- 9. Elect a treasurer that meets the following standards:
 - a. Ability to establish and supervise an automated accounting system.
 - b. Ability to develop or utilize a system compatible with systems used by IDWR that will provide for updating ownership records utilized by both the Water District and IDWR.
 - c. Ability to ensure that billing is conducted in a fair and equitable manner.
 - d. Ability to prepare a financial statement for the district at the end of each year and file the statement with IDWR.
 - e. Ability to oversee collection of assessments.
 - f. Ability to work with watermaster to pay district obligations.
- 10. Comply with all applicable employment requirements (IRS, FICA, Workman's Compensation, etc.)

