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MAY 1 8 2012

DEPARTMENT OF

WATER RESOURCES

John M. Marshall John Marshall Law PLLC 575 W. Bannock Street, Suite B Boise, Idaho 83702

Telephone: 208-991-2701 Facsimile: 208-906-8043 john@jmarshalllaw.com

Attorney for Grindstone Butte Mutual Canal Company, MAN Farms, LLC and ATN Holdings, LLC

BEFORE THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF IDAHO

IN THE MATTER OF THE CREATION OF)	
WATER DISTRICT NO. 2, SNAKE RIVER)	PETITION FOR
FROM MILNER DAM TO MURPHY GAGE)	RECONSIDERATION OF
BELOW SWAN FALLS DAM)	PRELIMINARY ORDER

Grindstone Butte Mutual Canal Company, MAN Farms, LLC and ATN Holdings, LLC ("Petitioners") seek reconsideration of the May 1, 2012 Preliminary Order in this matter. Petitioners specifically ask that the Department rescind the order and delay its decision to create Water District 02 in light of the significant burdens that the district will impose upon the water users in the affected river reach. Petitioners respectfully request that the Department thoroughly analyze the data available to it through existing river gages for at least 3 years and then determine whether a district and the associated costs to users is necessary. Alternatively, and at a minimum, Petitioners request that the Department stay implementation of the Preliminary Order pending an opportunity for Petitioners to provide additional comment after their review the public records relied upon by the Department in its decision to create Water District 02.

THE DEPARTMENT DOES NOT NEED TO CREATE A WATER DISTRICT TO ACHIEVE IS STATED ADMINISTRATIVE OBJECTIVES ON THE AFFECTED REACH OF THE SNAKE.

Department officials acknowledged at the public meeting and hearing on the creation of Water District 02 that the affected reach of the Snake has an abundant water supply that has dropped below the flow necessary to supply senior rights only in very rare instances, and then only for a very brief period of time. Even so, the driving reason given for creating the water district is to protect the State's instream flow rights that are measured at the Murphy Gage. Additionally, in Finding of Fact No. 10 in the Preliminary Order, the Department states that a district is necessary to more accurately measure the instream flow at the Murphy Gage and to assess water users' compliance with their water rights.

Petitioners believe that the Department can achieve its stated administrative objectives for the affected reach of the Snake using existing tools without need for creating a water district. Accordingly, Petitioners propose that the decision to create Water District 02 is premature and should be delayed until after the Department determines that it cannot properly administer the affected reach of the Snake without a water district and the associated imposition of costs on the affected water users.

Before creating a water district whose primary design is to satisfy the State's instream flow rights at the Murphy Gage, the Department can and should undertake a concentrated review of the river flow data available from the numerous existing river gages that exist upstream of the Murphy Gage. According to discussion at the public hearing on the creation of the district, there are at least seven gages in the reach that report the flow of the Snake River. Only in the event the data from these gages is demonstrated to be insufficient for understanding the river flows in the reach and for assessing whether the State's instream flows at the Murphy Gage are being

satisfied should the Department consider creating a water district for the purpose of collecting additional data.

Similarly, the objective of ensuring compliance by water users with their water rights can be achieved outside of creating a water district. Initially, and as noted above, there is no identified existing problem related to unfilled senior rights in Basin 02. Consequently, Petitioners question the need for a stepped up compliance program on this reach of the Snake. Moreover, the Department has not identified any chronic compliance problem in the reach that would suggest a new level of administrative intervention is needed. Regardless, the Department has existing tools through Landsat data and the like by which it can assess water user compliance without having to create a water district. These available tools provide for an appropriate level of compliance monitoring under the existing, water-rich circumstances in Basin 02.

In summary, the Department can achieve its administrative objectives for the affected reach of the Snake River using existing administrative tools and existing river gages. Petitioners propose that the Department first utilize these existing tools before imposing the burdens of a water district on them.

THE WATER USERS IN THE DISTRICT WILL HAVE TO SHOULDER A SUBSTANTIAL BURDEN

The burdens on water users following creation of the district are unquestionably significant. Department officials have made it clear that their intent is to require users to install expensive measuring devices and to undertake routine monitoring and reporting of their water use. The cost to comply will require initial capital investment by many of the affected water users of tens of thousands of dollars, perhaps more, and many thousands more in ongoing costs for assessments and operation and maintenance. Additionally, water users will have to devote time and effort to monitoring the administration of the district and to participating in its

governance. These burdens may be acceptable and justified in a situation where a water supply problem exists, but here the Department is asking the water users to assume these burdens in the absence of any identified problem that this new level of government regulation and associated costs are designed to solve.

REQUEST TO PROVIDE ADDITIONAL BRIEFING FOLLOWING REVIEW OF PUBLIC RECORDS

Petitioners have sought to review the Department's public records concerning the rational for creating Water District 02. In the event the Department is not inclined to rescind the Preliminary Order now, Petitioners respectfully request an opportunity to provide further briefing on this matter after they have had the opportunity to review the requested public records.

Conclusion

The imposition of a new water district is a serious matter for the affected water users. A water district adds another level of government regulation to the users and requires them to dip into their own pocket books to fund this new regulatory oversight. Consequently, the affected water users are right to resist the imposition of a water district on them in the absence of any existing water administration problem or explanation of how the creation of a water district and all of its associated costs will help solve an actual problem. The Preliminary Order identifies only a potential, future water supply problem and the need for more data as grounds for creating a district. Because there is no existing water supply problem in the reach, and the Department can collect data and administer existing rights without a water district and its associated costs, Petitioners request that the Department rescind is Preliminary Order and reassess whether the a water district is necessary after it undertakes study of the river data available to it outside of the creation of the district. Petitioners propose at least a three-year study period before the Department reevaluates whether a water district is warranted for the reach. In the alternative,

Petitioners request the opportunity to review the public records at the Department prior to closing the opportunity to be heard on this Petition for Reconsideration.

DATED May <u>\8</u>, 2012.

John Marshall Law PLLC

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John M. Marshall

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

IN THE MATTER OF THE CREATION OF

WATER DISTRICT NO. 2, SNAKE RIT FROM MILNER DAM TO MURPHY O BELOW SWAN FALLS DAM	
DALS HOOLZY	have reviewed the Petition for Reconsideration of
Preliminary Order submitted in this matte	r by Grindstone Butte Mutual Canal Company, MAN
Farms, LLC and ATN Holdings, LLC and	d adopt the positions and arguments made by them as
our own.	
DATED May, 2012. By:	add name] on behalf of [add name of organization]

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BEFORE THE DEPARTMENT OF WATER RESOURCES

DEPARTMENT OF WATER RESOURCES

IN THE MATTER OF THE CREATION OF WATER DISTRICT NO. 2, SNAKE RIVER FROM MILNER DAM TO MURPHY GAGE BELOW SWAN FALLS DAM PRELIMINARY	ATION OF
James D Wolfe have reviewed the Petition for	or Reconsideration of
Preliminary Order submitted in this matter by Grindstone Butte Mutual C	Canal Company, MAN
Farms, LLC and ATN Holdings, LLC and adopt the positions and argum	ents made by them as
our own.	
DATED May [6 , 2012.	
By:	Wolfe Bros Inc, ne of organization]

BEFORE THE DEPARTMENT OF WATER RESOURCES

DEPARTMENT OF WATER RESOURCES

IN THE MATTER OF THE CREATION OF WATER DISTRICT NO. 2, SNAKE RIVER FROM MILNER DAM TO MURPHY GAGE BELOW SWAN FALLS DAM) PETITION FOR RECONSIDERATION OF PRELIMINARY ORDER
Black Mesa Farms Il have re	eviewed the Petition for Reconsideration of
Preliminary Order submitted in this matter by Grin	ndstone Butte Mutual Canal Company, MAN
Farms, LLC and ATN Holdings, LLC and adopt t	he positions and arguments made by them as
our own.	
Ву: 2/12	Mesa Farms LLC Bryan a) Bryan a) orbehalf of [add name of organization]

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES

IN THE MATTER OF THE CREATION OF WATER DISTRICT NO. 2, SNAKE RIVER FROM MILNER DAM TO MURPHY GAGE BELOW SWAN FALLS DAM)) PETITION FOR) RECONSIDERATION OF) PRELIMINARY ORDER
BLANKSMA CALS SETTAGE, have re	eviewed the Petition for Reconsideration of
Preliminary Order submitted in this matter by Gri	ndstone Butte Mutual Canal Company, MAN
Farms, LLC and ATN Holdings, LLC and adopt t	he positions and arguments made by them as
our own.	
DATED May, 2012.	
	Jon behalf of [add name of organization]

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES

IN THE MATTER OF THE CREATION OF WATER DISTRICT NO. 2, SNAKE RIVER FROM MILNER DAM TO MURPHY GAGE BELOW SWAN FALLS DAM)) PETITION FOR) RECONSIDERATION OF) PRELIMINARY ORDER
WILSON + WILSON CO. have	reviewed the Petition for Reconsideration of
Preliminary Order submitted in this matter by G	rindstone Butte Mutual Canal Company, MAN
Farms, LLC and ATN Holdings, LLC and adop	t the positions and arguments made by them as
our own.	
DATED May 17, 2012.	
By:	me] on behalf of [add name of organization]

DEPARTMENT OF

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

IN THE MATTER OF THE CREATION OF)	
WATER DISTRICT NO. 2, SNAKE RIVER)	PETITION FOR
FROM MILNER DAM TO MURPHY GAGE)	RECONSIDERATION OF
BELOW SWAN FALLS DAM)	PRELIMINARY ORDER
)	

Preliminary Order submitted in this matter by Grindstone Butte Mutual Canal Company, MAN Farms, LLC and ATN Holdings, LLC and adopt the positions and arguments made by them as our own.

DATED May 17, 2012.

[add name] on behalf of [add name of organization]

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES

IN THE MATTER OF THE CREATION OF WATER DISTRICT NO. 2, SNAKE RIVER FROM MILNER DAM TO MURPHY GAGE BELOW SWAN FALLS DAM)) PETITION FOR) RECONSIDERATION OF) PRELIMINARY ORDER
GANDER I Brown have re	eviewed the Petition for Reconsideration of
Preliminary Order submitted in this matter by Grin	ndstone Butte Mutual Canal Company, MAN
Farms, LLC and ATN Holdings, LLC and adopt t	he positions and arguments made by them as
our own.	
DATED May 46 , 2012.	
By: Jake	el on behalf of [add name of organization]

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES

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BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO				
IN THE MATTER OF THE CREATION OF WATER DISTRICT NO. 2, SNAKE RIVER FROM MILNER				
DAM TO MURPHY GAGE BELOW SWAN FALLS DAM				
BAGLE CREEK NW, LLC)))) PETITION FOR RECONSIDERATION OF				
PRELIMINARY ORDER				
To CHARLES W. BRYAN, have reviewed the Petition for Reconsideration of Preliminary				
Order submitted in this matter by Grindstone Butte Mutual Canal Company, MAN Farms, LLC				
and ATN Holdings, LLC and adopt the positions and arguments made by them as our own.				
DATED May 17, 2012.				
By: Chtoy-				
Title V.P.				
By: Chyo, -				

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

	IN THE MATTER OF THE CREATION OF WATER DISTRICT NO. 2, SNAKE RIVER FROM MILNER DAM TO MURPHY GAGE BELOW SWAN FALLS DAM CCKIO Stanch
	John About & have reviewed the Petition for Reconsideration of
l	Preliminary Order submitted in this matter by Grindstone Butte Mutual Canal Company, MAN
	Farms, LLC and ATN Holdings, LLC and adopt the positions and arguments made by them as
	our own.
	DATED May 16, 2012. By: And Robalt Rockin Stands [add name] on behalf of [add name of organization]

MAY 18 2012

DEPARTMENT OF

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF IDAHO

WATER DISTRICT NO. 2, SNAKE RIVER FROM MILNER DAM TO MURPHY GAGE BELOW SWAN FALLS DAM DERNHEY Properties, LP PETITION FOR RECONSIDERATION OF PRELIMINARY ORDER
Nick Dekiner have reviewed the Petition for Reconsideration of
Preliminary Order submitted in this matter by Grindstone Butte Mutual Canal Company, MAN
Preliminary Order sublimited in the state of the presitions and arguments made by them as
Farms, LLC and ATN Holdings, LLC and adopt the positions and arguments made by them as
our own.
DATED May 18, 2012.
By! Ain Duner of Delinter [add name] on behalf of [add name of organization] Properties,

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IN THE MATTER OF THE CREATION OF

MAY 1 8 2012

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

WATER DISTRICT NO. 2, SNAKE RIVER) PETITION FOR	
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FROM MILNER DAM TO MURPHY GAGE) RECONSIDERATION (N OF
BELOW SWAN FALLS DAM) PRELIMINARY ORDE	ER

Clover Hollow, LLC has reviewed the Petition for Reconsideration of Preliminary Order submitted in this matter by Grindstone Butte Mutual Canal Company, MAN Farms, LLC and ATN Holdings, LLC and adopts the positions and arguments made by them as our own.

DATED May 17, 2012.

Jack Post, Member of Clover Hollow, LLC

Terry Ketterling, Member of Clover Hollow, LLC

MAY 18 2012

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

	PETITION FOR RECONSIDERATION OF PRELIMINARY ORDER
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South Elmore Irrigation Co., Inc. has reviewed the Petition for Reconsideration of Preliminary Order submitted in this matter by Grindstone Butte Mutual Canal Company, MAN Farms, LLC and ATN Holdings, LLC and adopts the positions and arguments made by them as our own.

DATED May /7, 2012.

Jack Post, President of South Elmore Irrigation Co., Inc.

Terry Ketterling, Secretary of South Elmore Irrigation Co., Inc.

MAY 18 2012

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF IDAHO

IN THE MATTER OF THE CREATION OF)	
WATER DISTRICT NO. 2, SNAKE RIVER)	PETITION FOR
FROM MILNER DAM TO MURPHY GAGE)	RECONSIDERATION OF
BELOW SWAN FALLS DAM)	PRELIMINARY ORDER

Jackie P. Post and Karla K. Post have reviewed the Petition for Reconsideration of Preliminary Order submitted in this matter by Grindstone Butte Mutual Canal Company, MAN Farms, LLC and ATN Holdings, LLC and adopts the positions and arguments made by them as our own.

DATED May /8 , 2012.

Jackie P. Post

Karla K. Post

MAY 1 8 2012

DEPARTMENT OF WATER RESOURCES

DEFORE THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF IDAHO

IN THE MATTER OF THE CREATION OF WATER DISTRICT NO. 2, SNAKE RIVER FROM MILNER DAM TO MURPHY GAGE)	PETITION FOR RECONSIDERATION OF
BELOW SWAN FALLS DAM)	PRELIMINARY ORDER

Bybee Lateral Water Users Association has reviewed the Petition for Reconsideration of Preliminary Order submitted in this matter by Grindstone Butte Mutual Canal Company, MAN Farms, LLC and ATN Holdings, LLC and adopts the positions and arguments made by them as our own.

DATED May _//__, 2012.

Darrel Agenbroad, President of Bybee Lateral Water Users Association

MAY 1 8 2012

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF IDAHO

IN THE MATTER OF THE CREATION OF WATER DISTRICT NO. 2, SNAKE RIVER FROM MILNER DAM TO MURPHY GAGE BELOW SWAN FALLS DAM)) PETITION FOR) RECONSIDERATION OF) PRELIMINARY ORDER
Bart C. Fowers - Little Valley have n	Matural Irr. Co. eviewed the Petition for Reconsideration of
Preliminary Order submitted in this matter by Gri	
Farms, LLC and ATN Holdings, LLC and adopt	the positions and arguments made by them as
our own.	
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By: Bat L Formers - President Little Uklley Mutual [add name] on behalf of [add name of organization] Irrigation Co.

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES

IN THE MATTER OF THE CREA' WATER DISTRICT NO. 2, SNAKI FROM MILNER DAM TO MURP! BELOW SWAN FALLS DAM	RIVER) PETITION OF
Grand View Irrigation	have reviewed the Petition for Reconsideration of
Preliminary Order submitted in this r	matter by Grindstone Butte Mutual Canal Company, MAN
Farms, LLC and ATN Holdings, LL	C and adopt the positions and arguments made by them as
our own.	
DATED May	By: Mark Just [add name of organization]
	Grand View Irrigation District

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

IN THE MATTER OF THE CREATION OF WATER DISTRICT NO. 2, SNAKE RIVEB FROM MILNER DAM TO MURPHY GAGE BELOW SWAN FALLS DAM PETITION FOR RECONSIDERATION OF PRELIMINARY ORDER	
Grand View Mutual Canal have reviewed the Petition for Reconsideration of	
Preliminary Order submitted in this matter by Grindstone Butte Mutual Canal Company, MAN	
Preliminary Order submitted in this thanker by Orintal and the thorn as	
Farms, LLC and ATN Holdings, LLC and adopt the positions and arguments made by them as	
our own.	
By: Land Hold for ledd name of organization] [add name] on behalf of [add name of organization] Coran View Mutual Comal C	з,

PETITION FOR RECONSIDERATION - 1

BEFORE THE DEPARTMENT OF WATER RESOURCES

RECEIVED MAY 18 2012

DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

IN THE MATTER OF THE CREATION OF WATER DISTRICT NO. 2, SNAKE RIVER FROM MILNER DAM TO MURPHY GAGE	Ś	PETITION FOR RECONSIDERATION OF PRELIMINARY ORDER
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Snake River Irrigation Distract reviewed the Petition for Reconsideration of Preliminary Order submitted in this matter by Grindstone Butte Mutual Canal Company, MAN Farms, LLC and ATN Holdings, LLC and adopt the positions and arguments made by them as our own.

DATED May 18, 2012.

[add name] on behalf of [add name of organization]
Snake River Irrigation District

PETITION FOR RECONSIDERATION - 1

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

IN THE MATTER OF THE CREATION OF WATER DISTRICT NO. 2, SNAKE RIVER FROM MILNER DAM TO MURPHY GAGE BELOW SWAN FALLS DAM)) PETITION FOR) RECONSIDERATION OF) PRELIMINARY ORDER
Upper Grand View Canal have	reviewed the Petition for Reconsideration of
Preliminary Order submitted in this matter by G	rindstone Butte Mutual Canal Company, MAN
Farms, LLC and ATN Holdings, LLC and adop	at the positions and arguments made by them as
Farms, LLC and ATN Holdings, 1999 and 2007	
our own.	
DATED May 18, 2012.	
By: [add na	ame] on behalf of [add name of organization]

Secretary

Upper Grand View Canal Company

PETITION FOR RECONSIDERATION - 1

MAY 18 2012

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF IDAHO

IN THE MATTER OF THE CREATION OF WATER DISTRICT NO. 2, SNAKE RIVER FROM MILNER DAM TO MURPHY GAGE BELOW SWAN FALLS DAM)) PETITION FOR) RECONSIDERATION OF) PRELIMINARY ORDER
John Terry Field have n	- eviewed the Petition for Reconsideration of
Proliminary Order submitted in this matter by Gri	ndstone Butte Mutual Canal Company, MAN
Farms, LLC and ATN Holdings, LLC and adopt to	the positions and arguments made by them as
our own.	
DATED May <u>/7</u> , 2012.	
By: Jahr.	e] on behalf of [add name of organization]

MAY 1 8 2012

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF IDAHO

) PRELIMINARY ORDER
,

Preliminary Order submitted in this matter by Grindstone Butte Mutual Canal Company, MAN Farms, LLC and ATN Holdings, LLC and adopt the positions and arguments made by them as our own.

DATED May 18, 2012.

[add name] on behalf of [add name of organization]

GNOERICH BROTHERS FARMS VERUN & ELLA GNAERICA

MAY 18 2012

DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF IDAHO

IN THE MATTER OF THE CREATION OF WATER DISTRICT NO. 2, SNAKE RIVER FROM MILNER DAM TO MURPHY GAGE BELOW SWAN FALLS DAM)) PETITION FOR) RECONSIDERATION OF) PRELIMINARY ORDER
William R WOLFE - Victoria have re	eviewed the Petition for Reconsider

William R. Wolfe - VicToria have reviewed the Petition for Reconsideration of Preliminary Order submitted in this matter by Grindstone Butte Mutual Canal Company, MAN Farms, LLC and ATN Holdings, LLC and adopt the positions and arguments made by them as our own.

DATED May 18, 2012.

Ford named on behalf of fadd name of organization

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DEPARTMENT OF WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

IN THE MATTER OF THE CREATION OF WATER DISTRICT NO. 2, SNAKE RIVER FROM MILNER DAM TO MURPHY GAGE BELOW SWAN FALLS DAM)	PETITION FOR RECONSIDERATION OF PRELIMINARY ORDER
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T. James, Michaele Rhanda have reviewed the Petition for Reconsideration of Preliminary Order submitted in this matter by Grindstone Butte Mutual Canal Company, MAN Farms, LLC and ATN Holdings, LLC and adopt the positions and arguments made by them as our own.

DATED May 18, 2012.

Michael James, My By: Chonda James [add name] on behalf of [add name of organization]