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DEPARTMENT OF
WATER RESOURCES

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Attorneys for Idaho Ground Water Appropriators, Inc.

BEFORE THE IDAHO DEPARTMENT OF WATER RESOURCES

IN THE MATTER OF THE DISTRIBUTION OF WATER TO VARIOUS WATER RIGHTS HELD BY AND FOR THE BENEFIT OF A&B IRRIGATION DISTRICT, AMERICAN FALLS RESERVOIR DISTRICT #2, BURLEY IRRIGATION DISTRICT, MILNER IRRIGATION DISTRICT, MINIDOKA IRRIGATION DISTRICT, NORTH SIDE CANAL COMPANY, AND TWIN FALLS CANAL COMPANY
IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN

Docket No. CM-MP-2016-001

Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order

A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company (collectively the "Surface Water Coalition" or "SWC"), and Idaho Ground Water Appropriators, Inc. ("IGWA") hereby stipulate and move the Director to enter the proposed *Order Approving IGWA's Mitigation Plan* attached hereto as ***Exhibit A*** under Rule 43 of the Department's Rules for Conjunctive Management of Surface and Ground Water Resources ("CMR").

STIPULATION

1. The Eastern Snake Plain Aquifer (ESPA) supplies groundwater to approximately one million irrigated acres and to numerous cities, businesses, dairies, factories and homes; and

2. The ESPA is hydraulically connected to the Snake River and discharges to the Snake River via tributary springs, which supply surface water for multiple beneficial uses, including aquaculture, hydropower, and the irrigation of approximately one million acres; and

3. Since 1952 the total volume of water stored in the ESPA has decreased due to increasing direct diversions of ground water, increasingly efficient surface water irrigation practices, and other factors; and

4. Current ESPA water levels and total storage content, after more than six decades of decline, are inadequate to provide a reasonably safe supply of water for sustainable surface and groundwater irrigation, hydropower, aquaculture, municipal and industrial uses, the curtailment of which would cause severe economic harm to the State of Idaho

5. In 2015, historic settlement agreements, identified herein, were entered into between the following surface water right holders: A & B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company and Twin Falls Canal Company, collectively known as the Surface Water Coalition (SWC); and the following ground water right holders: Aberdeen American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Carey Valley Ground Water District, Jefferson-Clark Ground Water District, Madison Ground Water District, Magic Valley Ground Water District, North Snake Groundwater District, Fremont-Madison Irrigation District, Anheuser-Busch, United Water, Glanbia Foods, City of Blackfoot, City of American Falls, City of Jerome, City of Rupert, City of Heyburn, City of Paul, City of Chubbuck and City of Hazelton, collectively known as the Idaho Ground Water Appropriators, Inc.; (IGWA) for the purpose of resolving pending water delivery calls and provide for on-going management of the ESPA to address the current hydrologic conditions identified in paragraphs nos. 3 and 4;

6. Attached hereto as ***Exhibits B and C*** respectively are true and correct copies of the *Settlement Agreement entered into June 30, 2015, between participating members of the Surface Water Coalition and participating members of the Idaho Ground Water Appropriators, Inc.* and *Addendum to Settlement Agreement* (collectively the "SWC-IGWA Settlement Agreement").

7. Attached hereto as ***Exhibit D*** is a true and correct copy of the *Agreement* dated October 7, 2015 between A&B Irrigation District and the IGWA members who entered into the SWC-IGWA Settlement Agreement (the "A&B-IGWA Agreement").

8. The parties hereby incorporate and submit the SWC-IGWA Settlement Agreement and the A&B-IGWA Agreement (collectively, the "Agreements") as a stipulated mitigation plan in reference to the Surface Water Coalition delivery call (IDWR Docket No. CM-DC-2010-001). The Coalition stipulates that the mitigation provided by participating IGWA members under the Agreements is, provided the Agreements are implemented, sufficient to mitigate for any material injury caused by the groundwater users who belong to, and are in good standing with, a participating IGWA member.

9. With respect to the 2015 obligation identified in the SWC-IGWA Agreement (Paragraph 2.a), on May 8, 2015, the SWC and IGWA filed the *Surface Water Coalition and IGWA Stipulation and Joint Motion Regarding April as Applied Order and Third Methodology Order* in IDWR Docket No. CM-DC-2010-0001, pursuant to which the Director entered an *Order Approving Stipulation and Granting Joint Motion* dated May 8, 2015 ("May 8, 2015 Order").

10. IGWA fully satisfied its 2015 obligation(SWC-IGWA Settlement Agreement, Paragraph 2.a) and the May 8, 2015 Order by leasing and assigning 110,000 acre feet of storage water to the SWC through the Water District 01 Rental Pool procedures.

11. With respect to the long term obligations identified in the SWC-IGWA Agreement (Paragraph 3), IGWA is proceeding to implement those actions commencing in 2016. Participating IGWA members providing the stipulated mitigation to the SWC are not subject to curtailment under the SWC delivery call, IDWR Docket No. CM-DC-2010-001, provided actions are implemented and performed as set forth in the SWC-IGWA Settlement Agreement. Junior ground water right holders who are not protected from curtailment under the Agreements and who do not otherwise have an approved Rule 43 mitigation plan will be subject to conjunctive administration pursuant to the Director's orders under IDWR Docket No. CM-DC-2010-001.

12. IGWA, on behalf of its participating members identified in the Agreements, stipulates and acknowledges the obligations, benchmarks and goal identified in Paragraphs 1 and 4 of the SWC-IGWA Settlement Agreement. Provided the obligations identified in the SWC-IGWA Settlement Agreement are performed, the parties stipulate this mitigation plan is effectively operating pursuant to CM Rules 40.01.b, 40.05 and 43.

13. The parties stipulate and request that the Director issue the attached Order approving the SWC-IGWA Settlement Agreement and the A&B-IGWA Agreement together as a mitigation plan under CMR 43 ("IGWA's Settlement Agreement Mitigation Plan").

14. Groundwater users who are not presently protected under IGWA's Mitigation Plan may participate on an equitable basis by joining an IGWA Ground Water District or Irrigation District that entered into the SWC-IGWA Settlement Agreement and the A&B-IGWA Agreement and by complying with such District's obligations under IGWA's Settlement

Agreement Mitigation Plan; or, secure Director approval of an individual mitigation plan which complies with CMR 43 and provides adequate mitigation to help achieve the groundwater level goal and benchmarks set forth in the SWC-IGWA Settlement Agreement.

Therefore, the parties request that the Director:

(a) Publish notice of IGWA's 2015 Mitigation Plan in accordance with CMR 43.02; and

(b)Approve the SWC-IGWA Settlement Agreement and the A&B-IGWA Agreement together as a complete mitigation plan under CMR 43.

(c) Take the necessary management actions to address declining ESPA groundwater levels, water supply and sustainability issues in order that the benefits contemplated in the SWC-IGWA Settlement Agreement are realized.

DATED this ____ day of March, 2016.

BARKER ROSHOLT & SIMPSON LLP

John K. Simpson
Travis L. Thompson
Paul L. Arrington

Attorneys for A&B Irrigation District, Burley Irrigation District, Milner Irrigation District, North Side Canal Company, and Twin Falls Canal Company

FLETCHER LAW OFFICE

By
W. Kent Fletcher

Attorneys for Minidoka Irrigation District and American Falls Reservoir District #2

RACINE OLSON NYE BUDGE & BAILEY, CHTD.

Randall C. Budge

Attorneys for Idaho Ground Water Appropriators, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of March, 2016, I served a true and correct copy of the foregoing *Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order* on the following by the method indicated:

Director Gary Spackman c/o Deborah Gibson State of Idaho Dept of Water Resources 322 E Front St Boise, ID 83720-0098 *** service by electronic mail facsimile – 208-287-6700 gary.spackman@idwr.idaho.gov deborah.gibson@idwr.idaho.gov	Matt Howard U.S. Bureau of Reclamation 1150 N. Curtis Rd. Boise, ID 83706-1234 *** service by electronic mail only mhoward@pn.usbr.gov emcgarry@pn.usbr.gov	IDWR – Eastern Region 900 N. Skyline Dr., Suite A Idaho Falls, ID 83402-1718 *** service by electronic mail only lyle.swank@idwr.idaho.gov
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A. Dean Tranmer City of Pocatello P.O. Box 4169 Pocatello, ID 83201 *** service by electronic mail only facsimile – 208-234-6297 dtranmer@pocatello.us	William A. Parsons Parsons, Smith & Stone LLP P.O. Box 910 Burley, ID 83318 *** service by electronic mail only wparsons@pmt.org	IDWR – Southern Region 1341 Fillmore St., Suite 200 Twin Falls, ID 83301-3380 *** service by electronic mail only allen.merritt@idwr.idaho.gov cindy.yenter@idwr.idaho.gov

Michael C Creamer Jeffrey C. Fereday Givens Pursley 601 W Bannock St Ste 200 P.O. Box 2720 Boise, ID 83701-2720 *** service by electronic mail only mcc@givenspursley.com jcf@givenspursley.com	Kathleen Carr US Dept Interior, Office of Solicitor Pacific Northwest Region, Boise 960 Broadway, Ste 400 Boise, ID 83706 *** service by electronic mail only facsimile – 208-334-1918 kathleenmarion.carr@sol.doi.gov	

Randall C. Budge

EXHIBIT A

Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order

BEFORE THE IDAHO DEPARTMENT OF WATER RESOURCES

IN THE MATTER OF THE DISTRIBUTION OF WATER TO VARIOUS WATER RIGHTS HELD BY AND FOR THE BENEFIT OF A&B IRRIGATION DISTRICT, AMERICAN FALLS RESERVOIR DISTRICT #2, BURLEY IRRIGATION DISTRICT, MILNER IRRIGATION DISTRICT, MINIDOKA IRRIGATION DISTRICT, NORTH SIDE CANAL COMPANY, AND TWIN FALLS CANAL COMPANY	Docket No. CM-MP-2016-_____
IN THE MATTER OF IGWA'S SETTLEMENT AGREEMENT MITIGATION PLAN	**FINAL ORDER**

Based upon and consistent with the Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order filed herein, and good cause appearing therefore,

IT IS HEREBY ORDERED as follows:

The IGWA Settlement Agreement Mitigation Plan is APPROVED upon the following conditions:

1. The parties will work cooperatively in implementing the terms of the Agreement, to wit: Sections 3 (Long Term Practices, Commencing 2016), 3.m ("Steering Committee"), and 4.a ("Adaptive Water Management"). The parties will undertake the following actions to begin implementation:

   a. Section 3. Long Term Practices, Commencing 2016:

   - Pursuant to 3.a of the Settlement Agreement, prior to April 1, 2016, the participating Districts will submit to the Steering Committee their proposed actions to be taken for the upcoming irrigation season, together with supporting information compiled by the Districts' consultants.

   - Pursuant to 3.e.i of the Agreement, IDWR will collect, process, archive and submit sentinel well data to the Steering Committee within 30 days of collection.

- Pursuant to 3.e. of the Agreement, the parties and their consultants will use a groundwater level index at the sentinel wells and mutually agreed upon calculation techniques ("3e Calculation Technique") to determine if the ground water level benchmarks and goal are met by June 1. This information shall be provided for use by the Steering Committee.

- IDWR will verify each District's well measurement and other diversion reduction data (recharge, CREP, conversions, end-gun removals, etc.) to confirm the accuracy of the data. This IDWR analysis shall be provided to the Steering Committee by _____ annually. IDWR will not take additional action following the analysis for non-conformance unless requested by the obligated District.

- Any District may elect to report to the Department and request enforcement against a member that is not in compliance with any mitigation plan or activity implemented by the District to comply with the Settlement Agreement. Such members will not be protected under the Settlement Agreement. The Director will evaluate the breach and if a breach is found to exist provide notice of violation and opportunity to cure to the breaching member. If the member fails to cure the breach the Director will issue an order against the breaching member requiring action to cure the breach or be subject to curtailment. .

b. Section 3.m. Steering Committee:

- The Steering Committee will review the technical information supplied by IDWR together with technical reports compiled by the parties' consultants. This information will be reviewed at least bi-annually.

- If, based on the information reported and available, the Steering Committee finds that the Long Term Practices as set forth in paragraph 3 of the Agreement have been performed but the ground water level benchmarks or goal set forth in 3.e.ii have not been met, the Steering Committee shall recommend additional actions to be undertaken by the Districts pursuant to 3.m.iii of the Settlement Agreement. If the Steering Committee does not agree upon additional actions prior to March 1 of the following year, the Director shall issue an order requiring additional actions to be undertaken by the Districts to achieve the benchmarks or goal not met.

- If, based on the information reported and available, the Steering Committee finds any breach of the Long Term Practices as set forth in paragraph 3 of the Agreement, the Steering Committee shall give ninety (90) days written notice of the breach to the breaching party specifying the actions that must be taken to cure such breach. If the breaching party refuses or fails to take such actions to cure the breach, the Steering Committee shall report the breach to the Director with all supporting information, with a copy provided to the breaching party. If the Director determines based on all available information that a breach exists which has not been cured, the Director shall issue an order specifying actions that must be taken by the breaching party to cure the breach or be subject to curtailment.

  If the Steering Committee does not agree that a breach has occurred or upon actions that must be taken by the breaching party to cure the breach, the same will be reported to the Director who will evaluate all available information and issue an order specifying actions that must be taken by the breaching party to cure the breach or be subject to curtailment.

- The Steering Committee will submit a report to the parties and the Department prior to April 1 annually reporting on: (a) progress on implementation and achieving the benchmarks and goals of the Settlement Agreement, (b) performance of the Long Term Practices set forth in paragraph 3 of the Settlement Agreement, (c) the status and resolution of any breaches, and (d) adaptive water management measures recommended and implemented pursuant to paragraph 4 of the Settlement Agreement.

c. Section 4. Adaptive Water Management Measures:

- The intent of the Adaptive Management Provision is to provide a forum for the parties to resolve implementation issues without a party seeking an enforcement order from IDWR or a district court. The terms of the Settlement Agreement and this order approving the same as a mitigation plan control and satisfy any mitigation obligations imposed by the Methodology Order on the parties to the Settlement Agreement. IDWR involvement in the described annual actions and enforcement will be limited to those actions described herein. If the Agency is required by law to conduct additional oversight, the parties would engage the IDWR in the necessary actions.

2. On-going measures:

a. Total groundwater diversions from the ESPA shall be reduced by 240,000 acre-feet annually starting in 2016 and based on a 3-year rolling average going forward. This diversion reduction has been allocated pro-rata by agreement between the Districts.

b. IGWA shall provide 50,000 acre-feet of storage through private leases from the Upper Snake Reservoir system to the SWC twenty-one (21) days after the date of allocation (as set by the Water District 01 Watermaster).

c. IGWA shall use its best efforts to continue existing conversions in Water Districts 130 and 140.

d. IGWA's participating members shall not irrigate sooner than April 1 or later than October 31 in any year.

e. IGWA's participating members shall install approved closed conduit flow meters on all remaining unmeasured and power consumptive coefficient measured ground water diversions by the beginning of the 2018 irrigation season. The parties will determine the sequence to phase in this condition by ground water district each year. If an adequate measurement device is not installed by the beginning of the 2018 irrigation season, a power consumption coefficient methodology will be utilized to evaluate and verify the individual consumptive groundwater use reduction condition.

f. The parties intend based on modeling results that the foregoing actions, coupled with the State's commitment to 250,000 AF of annual recharge, will return the groundwater level to the average aquifer level of 1991-2001 in mutually agreed upon wells using mutually agreed upon calculation techniques. A preliminary list of 19 wells has been agreed upon and will be used (Exhibit A), recognizing that the list may be modified based on additional technical information. The groundwater level benchmarks and goal are as follows:

    i. Benchmark 1: The ground water levels at the identified wells must be stabilized by April 2020 to 2015 ground water levels.

    ii. Benchmark 2: The ground water levels at the identified wells must increase by April 2023 to a point halfway between 2015 ground water levels and the 1991-2001 average. (Benchmark 2)

3. Recovery Goal: The ground water levels at the identified wells must increase by April 2026 to the 1991-2001 average. No groundwater user who belongs to and is in good standing with an IGWA member who is participating in the SWC-IGWA Settlement Agreement will be subject to curtailment so long as the obligations under the SWC-IGWA Settlement Agreement identified herein are being performed. Junior ground water right holders who are not protected from curtailment under the SWC-IGWA Settlement Agreement and who do not otherwise have an approved Rule 43 mitigation plan which

complies with CMR will be subject to conjunctive administration pursuant to the Director's orders under IDWR Docket No. CM-DC-2010-001, consistent with Conjunctive Management Rules, including, but not limited to 40.05.

4. This is a FINAL ORDER of the agency. Any party may file a petition for reconsideration of this final order within fourteen (14) days of the service of this order. The agency will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law pursuant to Idaho Code § 67-5246.

5. Unless the right to a hearing before the Director or the water resource board is otherwise provided by statute, any person who is aggrieved by the action of the Director, and who has not previously been afforded an opportunity for a hearing on the matter shall be entitled to a hearing before the Director to contest the action. The person shall file with the Director, within fifteen (15) days after receipt of written notice of the action issued by the Director, or receipt of actual notice, a written petition stating the grounds for contesting the action by the Director and requesting a hearing. See Idaho Code§ 42-1701A(3).

6. Pursuant to sections 67-5270 and 67-5272, Idaho Code, any party aggrieved by the final order or orders previously issued by the Director in this matter may appeal the final order and all previously issued orders in the matter to district court by filing a petition in the district court of the county in which a hearing was held, the final agency action was taken, the party seeking review of the order resides, or the real property or personal property that was the subject of the agency action is located. The appeal must be filed within twenty-eight (28) days: (a) of the service date of the final order; (b) of an order denying a petition for reconsideration; or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. See Idaho Code§ 67-5273. The filing of an appeal to district court does not in itself stay the effectiveness or enforcement of the order under appeal.

7. Nothing in this Order shall modify or change the rights of the parties to the settlement agreement between the Surface Water Coalition and the participating groundwater districts, dated June 30, 2015. This Order and mitigation plan deal with the rights and obligations of the parties to the Agreement only.

Dated this _____ day of March, 2016.

GARY SPACKMAN
Director

EXHIBIT B

Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order

ORIGINAL

SETTLEMENT AGREEMENT ENTERED INTO JUNE 30, 2015 BETWEEN PARTICIPATING MEMBERS OF THE SURFACE WATER COALITION[1] AND PARTICIPATING MEMBERS OF THE IDAHO GROUND WATER APPROPRIATORS, INC.[2]

IN SETTLEMENT OF LITIGATION INVOLVING THE DISTRIBUTION OF WATER TO THE MEMBERS OF THE SURFACE WATER COALITION, THE PARTIES AGREE AS FOLLOWS:

1. **Objectives.**
   a. Mitigate for material injury to senior surface water rights that rely upon natural flow in the Near Blackfoot to Milner reaches to provide part of the water supply for the senior surface water rights.
   b. Provide "safe harbor" from curtailment to members of ground water districts and irrigation districts that divert ground water from the Eastern Snake Plain Aquifer (ESPA) for the term of the Settlement Agreement and other ground water users that agree to the terms of this Settlement Agreement.
   c. Minimize economic impact on individual water users and the state economy arising from water supply shortages.
   d. Increase reliability and enforcement of water use, measurement, and reporting across the Eastern Snake Plain.
   e. Increase compliance with all elements and conditions of all water rights and increase enforcement when there is not compliance.
   f. Develop an adaptive groundwater management plan to stabilize and enhance ESPA levels to meet existing water right needs.

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[1] The Surface Water Coalition members ("SWC") are A&B Irrigation District (A&B), American Falls Reservoir District No. 2 (AFRD2), Burley Irrigation District (BID), Milner Irrigation District (Milner), Minidoka Irrigation District (MID), North Side Canal Company (NSCC), and Twin Falls Canal Company (TFCC). The acronym "SWC" in the Settlement Agreement is used for convenience to refer to all members of the Surface Water Coalition who are the actual parties to this Settlement Agreement.

[2] The Idaho Ground Water Appropriators, Inc. ("IGWA") are Aberdeen-American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Carey Valley Ground Water District, Jefferson Clark Ground Water District, Madison Ground Water District, Magic Valley Ground Water District, North Snake Ground Water District, Southwest Irrigation District, and Fremont-Madison Irrigation District, Anheuser-Busch, United Water, Glambia Cheese, City of Blackfoot, City of American Falls, City of Jerome, City of Rupert, City of Heyburn, City of Paul, City of Chubbuck, and City of Hazelton. The acronym "IGWA" in the Settlement Agreement is used for convenience to refer to all members of the Idaho Ground Water Appropriators, Inc. who are the actual parties to this Settlement Agreement.

2. **Near Term Practices.**
   a. For 2015 IGWA on behalf of its member districts will acquire a minimum of 110,000 ac-ft for assignment as described below:
      i. 75,000 ac-ft of private leased storage water shall be delivered to SWC;
      ii. 15,000 ac-ft of additional private leased storage water shall be delivered to SWC within 21 days following the date of allocation;
      iii. 20,000 ac-ft of common pool water shall be obtained by IGWA through a TFCC application to the common pool and delivered to SWC within 21 days following the date of allocation; and
      iv. Secure as much additional water as possible to be dedicated to on-going conversion projects at a cost not to exceed $1.1 million, the cost of which will be paid for by IGWA and/or the converting members.
   b. The parties stipulate the director rescind the April 16 As-Applied Order and stay the April 16 3rd Amended Methodology Order, and preserve all pending rights and proceedings.
   c. "Part a" above shall satisfy all 2015 "in-season" mitigation obligations to the SWC.
   d. This Settlement Agreement is conditional upon approval and submission by the respective boards of the Idaho Ground Water Appropriators, Inc. ("IGWA") and the Surface Water Coalition ("SWC") to the Director by August 1.
   e. If the Settlement Agreement is not approved and submitted by August 1 the methodology order shall be reinstated and implemented for the remainder of the irrigation season.
   f. Parties will work to identify and pass legislative changes needed to support the objectives of this Settlement Agreement, including, development of legislation memorializing conditions of the ESPA, obligations of the parties, and ground water level goal and benchmarks identified herein.

3. **Long Term Practices, Commencing 2016.**
   a. *Consumptive Use Volume Reduction.*
      i. Total ground water diversion shall be reduced by 240,000 ac-ft annually.
      ii. Each Ground Water and Irrigation District with members pumping from the ESPA shall be responsible for reducing their proportionate share of the total annual ground water reduction or in conducting an equivalent private recharge activity. Private recharge activities cannot rely on the Water District 01 common Rental Pool or credits acquired from third parties, unless otherwise agreed to by the parties.
   b. *Annual storage water delivery.*
      i. IGWA will provide 50,000 ac-ft of storage water through private lease(s) of water from the Upper Snake Reservoir system, delivered to SWC 21 days after the date of allocation, for use to the extent needed to meet irrigation

requirements. Any excess storage water will be used for targeted conversions and recharge as determined by SWC and IGWA.

ii. IGWA shall use its best efforts to continue existing conversions in Water Districts 130 and 140.

c. *Irrigation season reduction.*

Ground water users will not irrigate sooner than April 1 or later than October 31.

d. *Mandatory Measurement Requirement.*

Installation of approved closed conduit flow meter on all remaining unmeasured and power consumption coefficient (PCC) measured ground water diversions will be completed by the beginning of the 2018 irrigation season. Measurement device installation will be phased in over three years, by ground water district, in a sequence determined by the parties. If an adequate measurement device is not installed by the beginning of the 2016 irrigation season, a cropping pattern methodology will be utilized until such measuring device is installed.

e. *Ground Water Level Goal and Benchmarks.*

i. Stabilize and ultimately reverse the trend of declining ground water levels and return ground water levels to a level equal to the average of the aquifer levels from 1991-2001. Utilize groundwater levels in mutually agreed upon wells with mutually agreed to calculation techniques to measure ground water levels. A preliminary list of 19 wells has been agreed to by the parties, recognizing that the list may be modified based on additional technical information.

ii. The following benchmarks shall be established:

- Stabilization of ground water levels at identified wells by April 2020, to 2015 ground water levels;
- Increase in ground water levels by April 2023 to a point half way between 2015 ground water levels and the ground water level goal; and
- Increase of ground water levels at identified wells by April 2026 to the ground water level goal.

iii. Develop a reliable method to measure reach gain trends in the Blackfoot to Milner reach within 10 years.

iv. When the ground water level goal is achieved for a five year rolling average, ground water diversion reductions may be reduced or removed, so long as the ground water level goal is sustained.

v. If any of the benchmarks, or the ground water level goal, is not achieved, adaptive measures will be identified and implemented per section 4 below.

f. *Recharge.*

Parties will support State sponsored managed recharge program of 250 KAF annual-average across the ESPA, consistent with the ESPA CAMP and the direction in HB

547. IGWA's contributions to the State sponsored recharge program will be targeted for infrastructure and operations above American Falls.

g. *NRCS Programs.*
Parties will support NRCS funded permanent water conservation programs.

h. *Conversions.*
IGWA will undertake additional targeted ground water to surface water conversions and/or fallow land projects above American Falls (target near Blackfoot area as preferred sites).

i. *Trust Water Rights.*
The parties will participate and support the State in initiating and conducting discussions regarding long-term disposition of trust water rights and whether trust water rights should be renewed or cancelled, or if certain uses of trust water rights should be renewed or cancelled.

j. *Transfer Processes.*
Parties agree to meet with the State and water users to discuss changes in transfer processes within or into the ESPA.

k. *Moratorium Designations.*
State will review and continue the present moratoriums on new applications within the ESPA, including the non-trust water area.

l. *IDWR Processes.*
Develop guidelines for water right applications, transfers and water supply bank transactions for consideration by the IDWR.

m. *Steering Committee.*
   i. The parties will establish a steering committee comprised of a representative of each signatory party and the State.
   ii. Steering committee will be formed on or before September 10, 2015 and will meet at least once annually.
   iii. The Steering Committee will develop an adaptive management plan for responding to changes in aquifer levels and reach gain trends, review progress on implementation and achieving benchmarks and the ground water goal.
   iv. A technical work group ("TWG") will be created to support the Steering Committee. The TWG will provide technical analysis to the Steering Committee, such as developing a better way to predict and measure reach gains and ground water levels, to assist with the on-going implementation and adaptive management of the Settlement Agreement.

4. **Adaptive Water Management Measures.**
   a. If any of the benchmarks or the ground water level goal is not met, additional recharge, consumptive use reductions, or other measures as recommended by the

Steering Committee shall be implemented by the participating ground water parties to meet the benchmarks or ground water level goal.

b. The SWC, IGWA and State recognize that even with full storage supplies, present (2015) reach gain levels in the Near Blackfoot to Milner reach (natural flows) are not sufficient to provide adequate and sustainable water supplies to the SWC.

5. **Safe Harbor.**
   No ground water user participating in this Settlement Agreement will be subject to a delivery call by the SWC members as long as the provisions of the Settlement Agreement are being implemented.

6. **Non-participants.**
   Any ground water user not participating in this Settlement Agreement or otherwise have another approved mitigation plan will be subject to administration.

7. **Term.**
   This is a perpetual agreement.

8. **Binding Effect.**
   This Agreement shall bind and inure to the benefit of the respective successors of the parties.

9. **Entire Agreement.**

   This Agreement sets forth all understandings between the parties with respect to SWC delivery call. There are no other understandings, covenants, promises, agreements, conditions, either oral or written between the parties other than those contained herein. The parties expressly reserve all rights not settled by this Agreement.

10. **Effect of Headings.**
    Headings appearing in this Agreement are inserted for convenience and reference and shall not be construed as interpretations of the text.

11. **Effective Date.**
    This Agreement shall be binding and effective when the following events have occurred:
    a. This Agreement is approved and executed by the participating parties consistent with paragraph 2.e. above; and
    b. IGWA has assigned all of the storage water required by paragraph 2.a.i. , ii., and iii. to the SWC by July 8, 2015.

The parties have executed this Agreement on the date following their respective signatures.

RACINE OLSON NYE BUDGE AND BAILEY, CHARTERED

Randall C Budge 7/1/15

Randall C. Budge Date

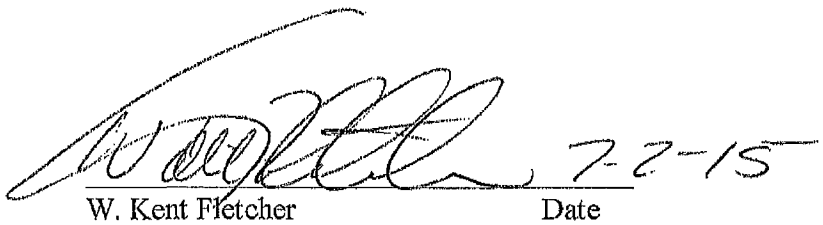
Attorney for Idaho Ground Water Appropriators, Inc.

IDAHO GROUND WATER APPROPRIATORS, INC.

Tim Deeg 7/1/2015
Tim Deeg Date

President

FLETCHER LAW OFFICE



W. Kent Fletcher Date

On Behalf of the Surface Water Coalition

BARKER ROSHOLT AND SIMPSON LLP

7/7/15

John K. Simpson Date

On Behalf of the Surface Water Coalition

The following signature pages are for the August 1 Deadline

FLETCHER LAW OFFICE

7-7-15

W. Kent Fletcher Date

MINIDOKA IRRIGATION DISTRICT

BY: Craig Kent

Title: Chairman Date 7-7-15

AMERICAN FALLS RESERVOIR DISTRICT NO. 2

BY: Ellis Dood

Title: Chairman Date 7-1-15

BURLEY IRRIGATION DISTRICT

BY: Dean Edgar
Title: President Date: July 14, 2015

Attested by:

Lana K. Pincock

Lana K. Pincock
Secretary / Treasurer

MILNER IRRIGATION DISTRICT

BY: Scott Creasbury

Title: Board Chairman Date: 7/23/2015

NORTH SIDE CANAL COMPANY

BY: John Benkers

Title: Chairman Date: 7/20/15

TWIN FALLS CANAL COMPANY

BY: Dan R. Shumaker

Title: Chmn. BoD Date: July 22, 2015

ABERDEEN-AMERICAN FALLS GROUND WATER DISTRICT

7-16-15

Nick Behrend Date

Chairman

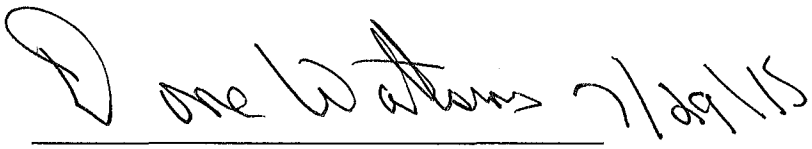
BINGHAM GROUND WATER DISTRICT

7/29/15

Craig Evans Date

Chairman

BONNEVILLE-JEFFERSON GROUND WATER DISTRICT



Dane Watkins Date

Chairman

CAREY VALLEY GROUND WATER DISTRICT

Leta Hansen 7/27/15

Leta Hansen Date

Chairman

JEFFERSON CLARK GROUND WATER DISTRICT

7/28/15

Kirk Jacobs Date

Chairman

MADISON GROUND WATER DISTRICT

Jason Webster 7-23-15

Jason Webster Date

Chairman

MAGIC VALLEY GROUND WATER DISTRICT

7/14/2015

Dean Stevenson Date

Chairman

NORTH SNAKE GROUND WATER DISTRICT

7/22/2015

Lynn Carlquist Date

Chairman

FREEMONT MADISON IRRIGATION DISTRICT

~~Dale L. Swenson~~ Date

Jeff Raybould

~~Manager~~ Chairman

SOUTHWEST IRRIGATION DISTRICT

_____

RANDY BROWN Date

Chairman

EXHIBIT C

Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order

ADDENDUM TO SETTLEMENT AGREEMENT

This Addendum To Settlement Agreement ("*Addendum Agreement*") is entered into between the parties to the *Settlement Agreement Entered Into June 30, 2015, Between Participating Members of the Surface Water Coalition and Participating Members of Idaho Ground Water Appropriators, Inc.*, ("*Settlement Agreement*").

RECITALS

WHEREAS, all members of the Surface Water Coalition, excepting A&B Irrigation District, and all eight Ground Water Districts and Fremont-Irrigation District, executed the *Settlement Agreement* (Ex. A) by August 1, 2015; and

WHEREAS, all parties wish to clarify certain issues related to the settlement discussions;

WHEREAS, the parties wish to address and resolve this issue in this *Addendum Agreement.*

COVENANTS

NOW THEREFORE, in consideration of the above recitals and the mutual agreements contained herein, the parties to the *Settlement Agreement* further agree as follows:

1. **Incorporation of Recitals**. The Recitals set forth above are an integral part of this *Addendum Agreement* and are fully incorporated herein by this reference.

2. **Area of Common Groundwater Supply.** All parties in the *Settlement Agreement* reserve the right to participate in any administrative or other proceeding to establish a new area of common groundwater supply if the existing Conjunctive Management Rule 50 boundary is rescinded.

3. **Legislation.** As contemplated in the *Settlement Agreement*, all parties have a right to fully participate in the drafting and passage of any legislation proposed to implement the *Settlement Agreement.*

4. **Binding Effect**. This Agreement shall bind and inure to the benefit of the respective successors of the parties.

5. **Entire Agreement**. This Agreement and the *Settlement Agreement* set forth all understandings between the parties. There are no other understandings, covenants, promises, agreements, conditions, either oral or written between the parties other than those contained herein and in the Agreement between A&B and IGWA dated _____. The parties expressly reserve all rights not settled by this Agreement.

convenience and reference and shall not be construed as interpretations of the text.

The parties have executed this Agreement on the date following their respective signatures.

SURFACE WATER COALITION:

American Falls Reservoir District No. 2

Ellis Gooch 10-1-15

Ellis Gooch Date
President

Burley Irrigation District

Dean Edgar 10/13/2015

Dean Edgar
Chairman

Date

Milner Irrigation District

Scott Breeding 10/14/15

Scott Breeding Date
Chairman

Minidoka Irrigation District

Frank Hunt Oct 13-2015

Frank Hunt — Date

Chairman

North Side Canal Company

John Beukers Date
Chairman

Twin Falls Canal Company

Dan Shewmaker 10-13-15

Dan Shewmaker Date
Chairman

IDAHO GROUNDWATER APPROPRIATOR'S, INC.:

ABERDEEN-AMERICAN FALLS GROUND WATER DISTRICT

10-7-15

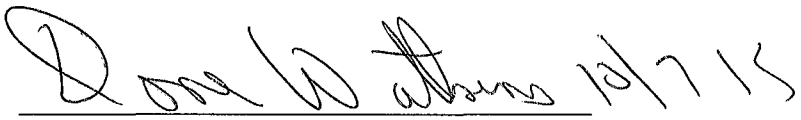
Nick Behrend Date
Chairman

BINGHAM GROUND WATER DISTRICT

Oct 8, 2015

Craig Evans Date
Chairman

BONNEVILLE-JEFFERSON GROUND WATER DISTRICT



Dane Watkins Date
Chairman

CAREY VALLEY GROUND WATER DISTRICT

Leta Hansen 10/7/15

Leta Hansen Date
Chairman

JEFFERSON CLARK GROUND WATER DISTRICT

10/13/15

Kirk Jacobs Date
Chairman

MADISON GROUND WATER DISTRICT

Jason Webster 10-19-15

Jason Webster Date
Chairman

MAGIC VALLEY GROUND WATER DISTRICT

10/7/2015

Dean Stevenson Date
Chairman

NORTH SNAKE GROUND WATER DISTRICT

10/7/2015

Lynn Carlquist — Date
Chairman

FREEMONT MADISON IRRIGATION DISTRICT

Dale L. Swenson Date
~~Manager~~ Jeff Raybould
Chairman

EXHIBIT D

Surface Water Coalition's and IGWA's Stipulated Mitigation Plan and Request for Order

AGREEMENT

This Agreement is made this 7th day of October, 2015, by and between A&B Irrigation District ("A&B") and the Idaho Ground Water Appropriators, Inc., Aberdeen-American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Carey Valley Ground Water District, Jefferson-Clark Ground Water District, Madison Ground Water District, Magic Valley Ground Water District, North Snake Ground Water District, and Fremont-Madison Irrigation District (referred to collectively herein as the "Ground Water Districts").

RECITALS

WHEREAS, all members of the Surface Water Coalition, except A&B Irrigation District, and all eight Ground Water Districts and Fremont-Irrigation District, executed the *Settlement Agreement* (Ex. A) by August 1, 2015; and

WHEREAS, disputes have arisen concerning the scope of A&B's participation in the *Settlement Agreement*; and

WHEREAS, the parties wish to address and resolve these issues in this Agreement.

COVENANTS

NOW THEREFORE, in consideration of the above recitals and the mutual agreements contained herein, the parties agree as follows:

1. **Incorporation of Recitals**. The Recitals set forth above are an integral part of this *Agreement* and are fully incorporated herein by this reference.

2. **A&B Irrigation District Surface Water Delivery Call.** A&B agrees to participate in the *Settlement Agreement* as a surface water right holder only. The obligations of the Ground Water Districts set forth in Paragraphs 2 – 4 of the *Settlement Agreement* do not apply to A&B and its ground water rights. A&B agrees to not make a surface water delivery call against junior-priority ground water rights held by participating members of the Ground Water Districts as set forth in Paragraph 6 of the *Settlement Agreement.*

3. **A&B Irrigation District Ground Water Delivery Call.** A&B further agrees to not make a ground water delivery call against junior-priority ground water rights held by participating members of the Ground Water Districts.

4. **A&B Irrigation District "Soft Conversions."** A&B agrees to implement approximately 3,000 acres of "soft conversions" within its project. A&B has already developed approximately 1,500 acres and is currently in the process of developing an additional 1,500 acres to receive water through a new pumping plant and pipeline project to be completed in the future.

5. **Ground Water Districts' Implementation of *Settlement Agreement*.** The safe harbor identified above is conditioned upon the Ground Water Districts implementing the *Settlement Agreement* in accordance with its terms.

6. **Ground Water Districts' Delivery Calls.** The safe harbor provided by A&B above shall be null and void against any Ground Water District and/or against any participating member of a Ground Water District that files a surface or ground water delivery call against A&B's ground water rights.

7. **Ground Water Recharge Projects.** A&B and the Ground Water Districts agree to cooperate and work together to identify and implement recharge projects within or near A&B's irrigation project that benefit aquifer levels, and the sentinel wells identified in the *Settlement Agreement*.

8. **Binding Effect.** This Agreement shall bind and inure to the benefit of the respective successors of the parties.

9. **Entire Agreement.** This Agreement sets forth all understandings between the parties. There are no other understandings, covenants, promises, agreements, conditions, either oral or written between the parties other than those contained herein. The parties expressly reserve all rights not settled by this Agreement.

10. **Effect of Headings.** Headings appearing in this Agreement are inserted for convenience and reference and shall not be construed as interpretations of the text.

The parties have executed this Agreement on the date following their respective signatures.

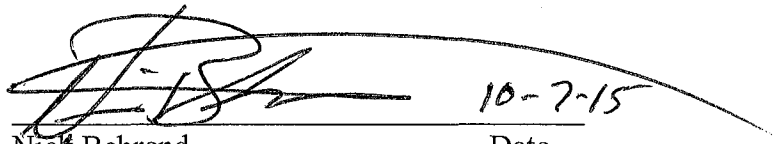
A&B IRRIGATION DISTRICT

Harold Mohlman 10-12-15

Harold Mohlman Date
Chairman

IDAHO GROUNDWATER APPROPRIATOR'S, INC.:

ABERDEEN-AMERICAN FALLS GROUND WATER DISTRICT



10-7-15

Nick Behrend Date
Chairman

BINGHAM GROUND WATER DISTRICT

Oct 8, 2015

Craig Evans — Date
Chairman

BONNEVILLE-JEFFERSON GROUND WATER DISTRICT

Dane W Watkins 10/7/15

Dane Watkins Date
Chairman

CAREY VALLEY GROUND WATER DISTRICT

Leta Hansen 10/7/15

Léta Hansen Date
Chairman

JEFFERSON CLARK GROUND WATER DISTRICT

10/13/15

Kirk Jacobs Date
Chairman

MADISON GROUND WATER DISTRICT

Jason Webster 10-19-15

Jason Webster Date
Chairman

MAGIC VALLEY GROUND WATER DISTRICT

10/7/2015

Dean Stevenson Date
Chairman

NORTH SNAKE GROUND WATER DISTRICT

10/7/2015

Lynn Carlquist — Date
Chairman

FREEMONT MADISON IRRIGATION DISTRICT

~~Dale L. Swenson~~ Jeff Raybould Date
~~Manager~~
Chairman