

Preston N. Carter (ISB No. 8462)  
Charlie S. Baser (ISB No. 10884)  
Givens Pursley LLP  
601 W. Bannock St.  
Boise, ID 83702  
Telephone: (208) 388-1200  
Facsimile: (208) 388-1300  
prestoncarter@givenspursley.com  
charliebaser@givenspursley.com

*Attorneys for Falls Water Co., Inc.*

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE  
APPLICATION OF FALLS WATER  
CO., INC. FOR APPROVAL OF  
ACQUISITION OF THE ASSETS OF  
MORNING VIEW WATER COMPANY

Case No. FLS-W-20-04

APPLICATION OF FALLS WATER  
CO., INC. FOR APPROVAL OF  
ACQUISITION OF THE ASSETS OF  
MORNING VIEW WATER COMPANY  
AND REQUEST FOR MODIFIED  
PROCEDURE

Falls Water Co., Inc. ("Falls Water") seeks the Idaho Public Utilities Commission's ("Commission") approval of Falls Water's acquisition of the assets of the water supply and distribution system (the "Water Business") of Morning View Water Company ("Morning View"), in accordance with the Asset Purchase Agreement dated and effective as of July 2, 2020 (the "Agreement"). Falls Water also requests that the Certificate of Public Convenience and Necessity ("CPCN") of Morning View (No. 314) be transferred to Falls Water, and that this Application be processed by modified procedure.

Please serve all notices and communications with regard to this Application upon:

Preston N. Carter  
Charlie S. Baser  
Givens Pursley LLP  
601 W. Bannock St.  
Boise, ID 83702  
Telephone: (208) 388-1200  
Facsimile: (208) 388-1300  
[prestoncarter@givenspursley.com](mailto:prestoncarter@givenspursley.com)  
[charliebaser@givenspursley.com](mailto:charliebaser@givenspursley.com)  
[kendrah@givenspursley.com](mailto:kendrah@givenspursley.com)

Eric W. Nelsen  
Senior Regulatory Attorney  
NW Natural  
250 SW Taylor Street  
Portland, Oregon 97204  
Telephone: (503) 610-7618  
[Eric.Nelsen@nwnatural.com](mailto:Eric.Nelsen@nwnatural.com)

## BACKGROUND AND PROCEDURAL HISTORY

### *Falls Water Co., Inc. and NW Natural Water Company, LLC*

1. Falls Water is a regulated public water utility providing water service to a portion of Bonneville County northeast of the City of Idaho Falls and north of the City of Ammon. Falls Water has been supplying water service since 1958 and currently serves approximately 5,500 customers under CPCN No. 236. In February 2018, the Commission approved the acquisition of Falls Water by NW Natural Water Company, LLC (“NW Natural Water”). *See* Order No. 34103 (July 10, 2018). An organizational chart of NW Natural Holdings’ corporate structure is attached to the accompanying testimony of Justin Palfreyman, the President of Falls Water, NW Natural Water of Idaho, LLC (“NW Natural Water of Idaho”), and NW Natural Water.<sup>1</sup>

2. Falls Water, NW Natural Water of Idaho, and NW Natural Water are members of a family of companies held by Northwest Natural Holding Company (“NW Natural Holdings”), which was created during a recent corporate reorganization of Northwest Natural Gas Company and its affiliates. Northwest Natural Gas Company, now a direct subsidiary of NW Natural Holdings, is a 162-year-old natural gas utility serving customers in the Pacific Northwest.

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<sup>1</sup> Falls Water currently is a subsidiary of NW Natural Water. NW Natural Water intends to make Falls Water a subsidiary of NW Natural Water of Idaho, which is itself a subsidiary of NW Natural Water. Falls Water is not aware of any legal requirement for Commission approval of this reorganization, but requests Commission approval if required. *Cf.* Application in Case No. FLS-W-18-01 (filed Feb. 21, 2018) (providing notice of corporate reorganization).

3. NW Natural Holdings and NW Natural Water have financial resources and access to capital markets to sufficiently capitalize Falls Water so that it can provide safe and reliable water utility service and proactively address the infrastructure needs of the utility. Palfreyman Testimony at 3. NW Natural Water and its subsidiaries recently acquired regulated water utilities in Idaho, Oregon, and Washington. Palfreyman Testimony at 4. This experience will carry over to the Falls Water's acquisition of Morning View.

***Morning View Water Company***

4. Morning View is a regulated water utility that serves approximately 118 residential customers in and around Rigby in Jefferson County, Idaho under CPCN No. 314. Morning View's service territory is in the same vicinity as Falls Water's service territory, located approximately 9 miles north of Falls Water's current office location. Palfreyman Testimony at 5.

**THE TRANSACTION**

5. Falls Water and the selling parties (Morning View, Nolan Gneiting, and Dawn Gneiting) entered into the Agreement on July 2, 2020. The Agreement and the actions it contemplates, to the extent related to this Application, are referred to as the "Transaction." The Agreement, attached to Mr. Palfreyman's testimony, is conditioned upon the Commission's approval of all requests in this Application.<sup>2</sup> Agreement ¶ 5(b).

6. If approved, under the Agreement, Falls Water will acquire the selling parties' assets related to the Morning View Water Businesses (collectively, the "Water Business Assets"). Palfreyman Testimony at 6.

7. If the Transaction is approved, Falls Water employees will assume the roles previously undertaken by Morning View's current employees. Palfreyman Testimony at 5.

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<sup>2</sup> The Agreement has been filed as "Confidential" under Commission's rules.

8. Tony Wise, the licensed water system operator for Falls Water, will serve as the licensed water system operator for the assets of Morning View's Water Business. Mr. Wise holds license number DWD3-21515 (Class 3), and his business address is 2180 N. Deborah Drive, Idaho Falls, ID 83401. Palfreyman Testimony at 6.

9. Falls Water is not requesting any change to rates, rate structure, or other charges in this Application. Any future changes will be based on prudently incurred capital expenditures and other accepted ratemaking principles. Palfreyman Testimony at 6-7.

10. If the Transaction is approved, Falls Water will work with Commission Staff to update its tariffs to reflect its addition of the Morning View Water Business Assets and the retention of the existing rates, rate structure, and other charges for current customers of Morning View and Falls Water. Palfreyman Testimony at 7.

11. Falls Water intends to work with Commission Staff before and during future rate proceedings to consider consolidation of rates, rate structure, and other charges as reasonable and appropriate for current Falls Water and Morning View customers. Palfreyman Testimony at 7.

12. Falls Water submits that the Transaction is in the public interest. The Transaction will provide access to capital that is not currently available to Morning View. Falls Water and its parent companies will offer expertise in operating regulated utilities. Falls Water also will maintain the existing rates, rate structure, and other charges and will maintain or improve the level of services currently provided.

13. Falls Water, NW Natural Water of Idaho, NW Natural Water, and their affiliates have financial resources and access to capital markets to sufficiently capitalize Falls Water so that it can provide safe and reliable water utility service and proactively address the

infrastructure needs of the Water Business Assets now owned by Morning View. Palfreyman Testimony at 3.

14. Additionally, the system currently owned by Morning View will benefit from Falls Water's, and its affiliates', core competencies in constructing and maintaining infrastructure, providing exemplary customer service, and effectively managing regulated utilities. Falls Water has the ability to make needed improvements to the water system. Palfreyman Testimony at 3-4.

15. Falls Water employees, who are based near Morning View's current location, have the business experience and water system expertise to operate and maintain the Morning View Water Business Assets. Palfreyman Testimony at 6.

16. Falls Water has not definitively identified any specific capital expenditures or improvements for the Morning View Water Business Assets. Preliminarily, Falls Water has noted that one of Morning View's wells will likely require an upgrade, and that a water conservation plan or additional water rights may be required. Palfreyman Testimony at 5-6. If the Transaction is approved, Falls Water will incorporate the Morning View Water Business Assets in future updates to Falls Water's Water Master Plan. Palfreyman Testimony at 6.

#### **REQUEST FOR EQUITY TREATMENT OF EXPENDITURES**

17. Morning View is what could be characterized as a distressed small water utility.

18. For example, Morning View has failed to collect its revenue requirement in every year since 2016; customers have expressed dissatisfaction with management; Commission Staff has recognized Morning View's concern about its ability to service its debt; and Morning View has struggled to adequately file and support rate cases. *See* Case No. MNV-W-19-01, Order No. 34542 (Feb. 3, 2020) at 2-3 (failure to collect revenue requirement); *id.* at 6-7 (customer complaints); *id.* at 1 (noting that rate case was allowed to proceed despite failure to comply with

filing requirement); Case No. MNV-W-19-01, Comments of the Commission Staff (Dec. 18, 2019) at 11 (noting concern about servicing debt).

19. In addition, Morning View is a small system that is heavily financed with debt. *See* Case No. MNV-W-19-01, Order No. 34542 at 5 (noting a capital structure of 99.76% debt); Case No. MNV-W-19-01, Comments of the Commission Staff at 3 (noting that the Company does not expect any significant growth over the next five years).

20. Accordingly, even though acquisition of Morning View by Falls Water would provide significant benefits to Morning View's customers, Morning View would not traditionally be considered an attractive target for acquisition.

21. To enable the Transaction, Falls Water respectfully requests that the Commission treat Falls Water's future, prudently incurred investments in Morning View's Water Business as 100% equity, rather than debt, until Morning View's Water Business reaches a 50% debt / 50% equity capital structure.

22. Treating future, prudently incurred investments in this manner will enable the Transaction to close, providing significant benefits to Morning View customers; it will incentivize the required investments in Morning View's Water Business; and it represents a reasonable approach to resolving the difficulties in acquiring Morning View's Water Business.

23. If approved, Falls Water would separately track and account for expenditures in Morning View's Water Business to demonstrate when the 50% debt / 50% equity capital structure is met. Falls Water is open to working with Commission Staff and the Commission to identify a reasonable and accurate process for doing so.

#### **REQUEST TO AMEND AND TRANSFER CPCN**

24. Morning View currently holds CPCN No. 314.

25. As described above, Falls Water intends to provide service to Morning View

Water customers. Accordingly, Falls Water respectfully requests that CPCN No. 314 be transferred to Falls Water.

26. The transfer of the CPCN is necessary to effectuate the Transaction and to realize the public benefits discussed above. The transfer of the CPCN is generally in the public interest for the same reasons as the Transaction.

#### **ADDITIONAL INFORMATION**

27. Additional information that may facilitate the Commission's consideration of the Transaction is identified below.

28. Transaction-related costs related to the acquisition have been incurred by NW Natural Holdings, not by Falls Water, including due diligence, environmental consultants, research, legal, travel, and negotiations. The costs will not be passed to Falls Water and will not be included in any rate case filings. Palfreyman Testimony at 7.

29. If the Transaction is approved, accounting, financial, and customer records will be kept in the local office of Falls Water, 2180 N. Deborah Drive, Idaho Falls, ID 83401. Falls Water's local office also will be the location for former Morning View customers to pay bills, make requests, and otherwise correspond with Falls Water. Palfreyman Testimony at 8.

30. Morning View meters are currently read on a monthly basis year-round, and customers are currently billed on a monthly basis throughout the year. Falls Water intends to maintain this schedule for the foreseeable future. Palfreyman Testimony at 8.

31. Falls Water provides 24-hour response to repairs or water quality issues. Customers can call the Falls Water office phone number, (208) 522-1300, and the call will be forwarded to an answering service after hours or whenever the line is not able to be answered during office hours. Palfreyman Testimony at 8.

32. Falls Water will publish a notice to customers in the local newspaper, in the form of Attachment 1 to this Application, regarding the Transaction and the Application, although no notice is required because Falls Water is not proposing any changes to rates. Palfreyman Testimony at 6-7; IDAPA 31.01.01.125.

33. Currently, Morning View employs Nolan Gneiting and Dawn Gneiting. Monthly invoicing, account reconciliations, and annual reporting are performed through an independently contracted bookkeeper. Upon closing of the Transaction, Falls Water employees will take over the roles previously performed by Morning View's employees and contractors. Palfreyman Testimony at 5.

34. Falls Water has not identified any particular opportunities to add new customers to Morning View's Water Business system at this time. However, a total of approximately 150 platted lots are located within the boundaries of Morning View's current CPCN, and the area surrounding Morning View outside the boundaries of the CPCN appears to provide some potential for additional development and associated additional customers. Palfreyman Testimony at 8.

35. The most recent Small Water System Plan for Morning View's Water Business system, which includes well logs, water rights information, and water production data, is attached to Mr. Palfreyman's testimony.

36. Water rights information for Morning View are attached as Attachment 2 to this Application. Information regarding water rights is also included in the Small Water System Plan.

#### **MODIFIED PROCEDURE**

37. Falls Water believes a hearing is not necessary to consider the issues presented in this Application and respectfully requests that it be processed by modified procedure, using



written submissions rather than a hearing, under the Commission's Rules of Procedure 201 through 210.

#### CONCLUSION

Falls Water respectfully requests that the Commission enter an order:

1. Authorizing this matter to be processed by modified procedure.
2. Approving the Transaction, finding: that it is consistent with the public interest, that the cost and rates for supplying service will not be increased by reason of the Transaction, and that Falls Water has the bona fide intent and financial ability to operate and maintain the Morning View Water Business Assets in the public service.
3. Ordering that future, prudently incurred investments in Morning View's Water Business be treated as 100% equity until Morning View's Water Business reaches a 50% debt / 50% equity capital structure;
4. Transferring Morning View's CPCN, No. 314, to Falls Water.
5. Granting such other relief as the Commission deems just and reasonable.

DATED: July 31, 2020.

GIVENS PURSLEY LLP



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Preston N. Carter  
Charlie S. Baser  
Givens Pursley LLP  
*Attorneys for Falls Water Co., Inc.*

**ATTACHMENT 1**  
**FALLS WATER CO., INC.**

Customer Notice

(1 PAGE)

# MORNING VIEW WATER COMPANY CUSTOMER INFORMATION

Dear customers,

In July 2020, Falls Water Company, a subsidiary of NW Natural Water, entered into an agreement to acquire the water utility of Morning View Water Company.

After the sale is approved, the utility will continue to be operated locally with the oversight of Falls Water's team from the Idaho Falls area. The transition is expected to be seamless to customers.

The Idaho Public Utilities Commission (IPUC) is currently reviewing the filing. To follow the regulatory process, check the Commission's website at [www.puc.idaho.gov](http://www.puc.idaho.gov) or use the contact information listed below.

## About Falls Water and NW Natural Water

Falls Water has been providing water service to customers in Eastern Idaho since 1958 and currently serves approximately 5,500 customers. NW Natural Water, which acquired Falls Water in 2018, is a subsidiary of NW Natural Holdings (NYSE:NWN) and is headquartered in Portland, Oregon.

## More information

If you have questions about the transaction and transition to Falls Water, contact Morning View, NW Natural Water, or the IPUC using the following information. (Note: this is for information about the transaction. Please continue to contact Morning View for customer billing and service information.)

### Morning View Water Company

Attn: Nolan and Dawn Gneiting  
3996 E 200 N  
Rigby, Idaho 83442  
[morningviewwater@gmail.com](mailto:morningviewwater@gmail.com)  
208-745-0029

### Idaho Public Utilities Commission

Attn: Adam Rush, Public Information Officer  
472 W. Washington, Boise, Idaho 83702  
[adam.rush@puc.idaho.gov](mailto:adam.rush@puc.idaho.gov)  
208-334-0339  
[www.puc.idaho.gov](http://www.puc.idaho.gov)

### NW Natural Water

Attn: Melissa Moore  
250 SW Taylor Street  
Portland, OR 97204-3038  
[melissa.moore@nwnatural.com](mailto:melissa.moore@nwnatural.com)  
503-226-4211  
[www.nwnaturalwater.com](http://www.nwnaturalwater.com)



**NW Natural**  
WATER™

ATTACHMENT 1 TO APPLICATION  
FALLS WATER CO., INC.

**ATTACHMENT 2**  
**FALLS WATER CO., INC.**

Water Rights Information

(10 PAGES)

**State of Idaho**  
**Department of Water Resources**  
**Water Right License**

**Water Right No. 25-14236**

**Priority:** July 06, 2009

**Maximum Diversion Rate:** 0.25 CFS  
**Maximum Diversion Volume:** 12.0 AF

It is hereby certified that:

MORNINGVIEW WATER CO INC  
 PO BOX 598  
 RIGBY ID 83442

has complied with the terms and conditions of the permit, issued pursuant to Application for Permit dated June 01, 2009, and has submitted Proof of Beneficial Use on May 08, 2020. An examination confirms water is diverted from:

**Source :** GROUND WATER

<u>Beneficial Use</u>	<u>Period of Use</u>	<u>Rate of Diversion</u>	<u>Annual Volume</u>
DOMESTIC	01/01 to 12/31	0.25 CFS	12.0 AF

**Location of Point(s) of Diversion**

GROUND WATER L1 ( NW¼ NW¼), Sec 30, Twp 04N, Rge 39E, B.M. JEFFERSON County  
 GROUND WATER NW¼, NE¼, Sec. 30, Twp 04N, Rge 39E B.M. JEFFERSON County  
 GROUND WATER NW¼, NE¼, Sec. 30, Twp 04N, Rge 39E B.M. JEFFERSON County

**Place of Use:** DOMESTIC

Twp	Rng	Sec	NE				NW				SW			SE					
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	39E	30	X	X			X	X											
								L1											

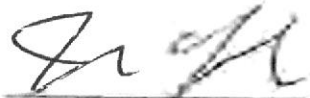
**Conditions of Approval**

- Domestic use is for 10 homes.
- Water rights 25-14236, 25-14199, and 25-7593 shall not exceed a diversion rate of .83 cfs for in-house non consumptive domestic purposes for 152 homes, and .46 cfs, and 92 AFA for the irrigation of 152 lots.
- Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
- Upon specific notification of the Department, the right holder shall install and maintain data loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.
- Prior to diversion and use of water, the right holder shall install and maintain acceptable measuring device(s) at the authorized point(s) of diversion, in accordance with Department specifications.
- The irrigation occurring under this domestic use shall not exceed 1/2 acre within each platted subdivision lot upon which a home has been constructed. This right does not provide for irrigation of common areas or for irrigation of lots upon which homes have not been constructed.
- The domestic use authorized under this right shall not exceed 13,000 gallons per day per home.

State of Idaho  
Department of Water Resources  
**Water Right License**  
Water Right No. 25-14236

This license is issued pursuant to the provisions of Idaho Code § 42-219. The water right confirmed by this license is subject to all prior water rights and shall be used in accordance with Idaho law and applicable rules of the Department of Water Resources.

Signed this 25<sup>th</sup> day of June, 2020



JAMES CEFALO  
Eastern Regional Manager






State of Idaho  
Department of Water Resources

# Water Right 25-14236

DOMESTIC

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



-  Point of Diversion
-  Place Of Use Boundary
-  Townships
-  PLS Sections
-  Quarter Quarters

0 0.125 0.25 0.5 Miles

ATTACHMENT 2 TO APPLICATION  
FALLS WATER CO., INC. 

**State of Idaho**  
**Department of Water Resources**  
**Water Right License**  
**Water Right No. 25-14199**

**Priority:** September 04, 2007

**Maximum Diversion Rate:** 0.83 CFS  
**Maximum Diversion Volume:** 156.0 AF

It is hereby certified that:

MORNINGVIEW WATER CO INC  
 PO BOX 598  
 RIGBY ID 83442

has complied with the terms and conditions of the permit, issued pursuant to Application for Permit dated July 31, 2007, and has submitted Proof of Beneficial Use on May 08, 2020. An examination confirms water is diverted from:

**Source :** GROUND WATER

<u>Beneficial Use</u>	<u>Period of Use</u>	<u>Rate of Diversion</u>	<u>Annual Volume</u>
DOMESTIC	01/01 to 12/31	0.83 CFS	156.0 AF

**Location of Point(s) of Diversion**

GROUND WATER NW¼ NE¼, Sec. 30, Twp 04N, Rge 39E, B.M. JEFFERSON County  
 GROUND WATER NW¼ NE¼, Sec. 30, Twp 04N, Rge 39E, B.M. JEFFERSON County  
 GROUND WATER L1 ( NW¼ NW¼), Sec. 30, Twp 04N, Rge 39E, B.M. JEFFERSON County

**Place of Use:** DOMESTIC

Twp	Rng	Sec	NE				NW				SW				SE			
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE
04N	39E	30	X	X			X	X	L1									

**Conditions of Approval**

- Domestic use is for 130 homes.
- Rights 25-14199, 25-14236 and 25-7593 when combined shall not exceed a total diversion rate of 0.83 cfs for in-house non-consumptive purposes for 152 homes, and 0.46 cfs and 92 AFA for the irrigation of 152 lots.
- Use of water under this right may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
- Upon specific notification of the Department, the right holder shall install and maintain data loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.
- Prior to diversion and use of water under this right, the right holder shall install and maintain acceptable measuring device(s) at the authorized point(s) of diversion, in accordance with Department specifications.
- The irrigation occurring under this domestic use shall not exceed 1/2 acre within each platted subdivision lot upon which a home has been constructed. This right does not provide for irrigation of common areas or for irrigation of lots upon which homes have not been constructed.
- The domestic use authorized under this right shall not exceed 13,000 gallons per day per home.



State of Idaho  
Department of Water Resources  
**Water Right License**  
Water Right No. 25-14199

This license is issued pursuant to the provisions of Idaho Code § 42-219. The water right confirmed by this license is subject to all prior water rights and shall be used in accordance with Idaho law and applicable rules of the Department of Water Resources.

Signed this 25<sup>th</sup> day of June 2020



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JAMES CEFALO  
Eastern Regional Manager

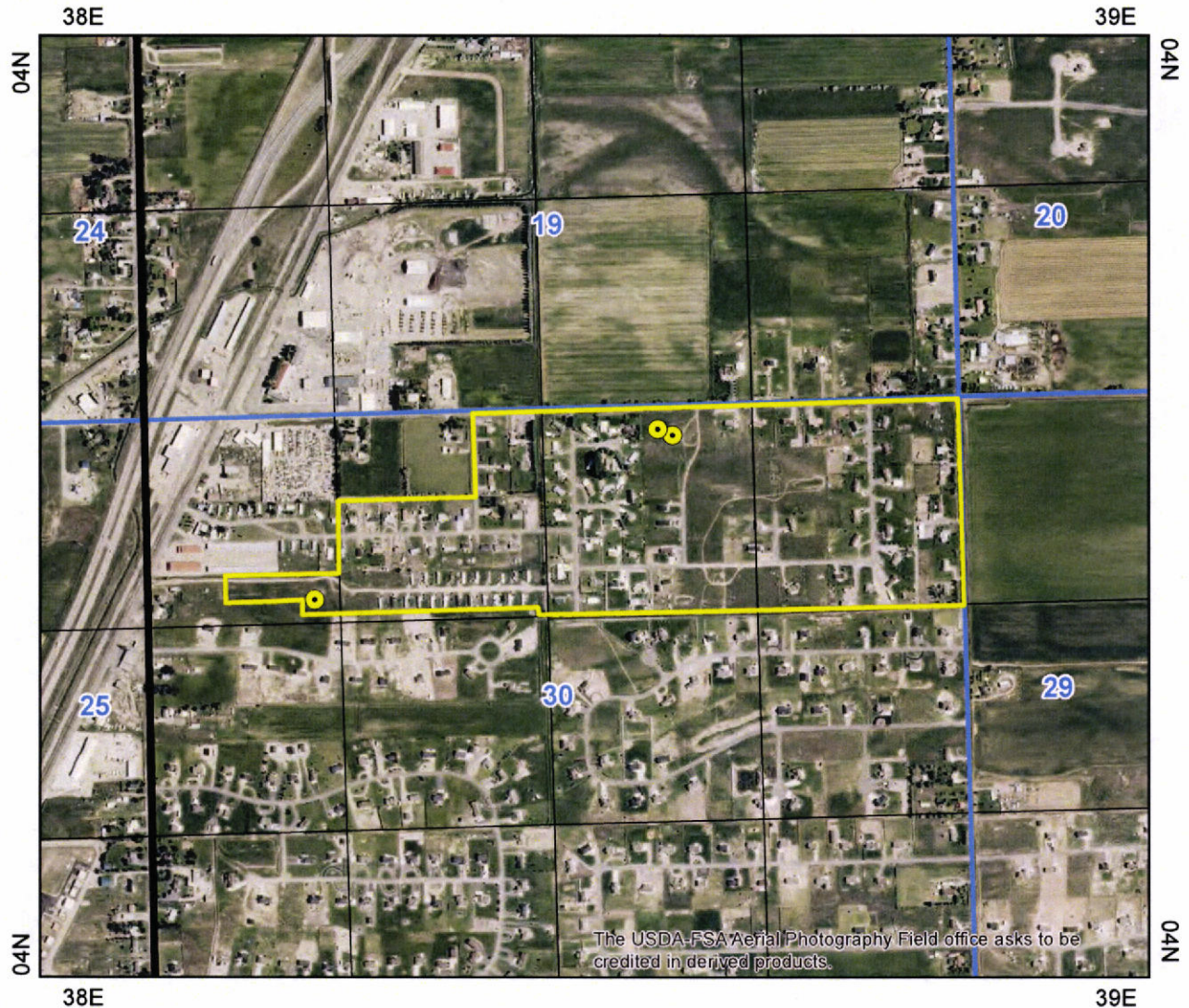
State of Idaho  
Department of Water Resources

# Water Right

25-14199

DOMESTIC

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



- Point of Diversion
- ▭ Place Of Use Boundary
- ▭ Townships
- ▭ PLS Sections
- ▭ Quarter Quarters

0 0.125 0.25 0.5 Miles

ATTACHMENT 2 TO APPLICATION  
FALLS WATER CO., INC.

State of Idaho  
 Department of Water Resources  
**Water Right License**

WATER RIGHT NO. 25-07593

Priority: October 10, 1995

Maximum Diversion Rate: 0.79 CFS  
 Maximum Diversion Volume: 120.8 AF

It is hereby certified that MORNINGVIEW WATER CO INC  
 PO BOX 598  
 RIGBY ID 83442 has complied with the terms and conditions of the permit,  
 issued pursuant to Application for Permit dated May 14, 1991; and has submitted Proof of Beneficial Use  
 on October 10, 1995; and a water right has been established as follows:

**SOURCE**

GROUND WATER

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>DIVERSION RATE</u>	<u>ANNUAL DIVERSION VOLUME</u>
DOMESTIC	01/01 to 12/31	0.33 CFS	28.8 AF
IRRIGATION	04/01 to 10/31	0.46 CFS	92.0 AF

**LOCATION OF POINT(S) OF DIVERSION:**

GROUND WATER	NW <sup>1</sup> / <sub>4</sub> NE <sup>1</sup> / <sub>4</sub>	Sec. 30	Twp 04N	Rge 39E, B.M.	JEFFERSON County
GROUND WATER	NW <sup>1</sup> / <sub>4</sub> NE <sup>1</sup> / <sub>4</sub>	Sec. 30	Twp 04N	Rge 39E, B.M.	JEFFERSON County

**PLACE OF USE: DOMESTIC**

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	39E	30	X	X															

**PLACE OF USE: IRRIGATION**

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	39E	30	9.0	14.0															23.0

Total Acres: 23

**CONDITIONS OF APPROVAL**

1. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120
2. Rights 25-14199 and 25-7593 when combined shall not exceed a total diversion rate of 0.83 cfs for in-house non-consumptive purposes and 0.46 cfs and 92 afa for the irrigation of 152 lots.
3. Domestic use is for 48 homes. Irrigation of lawn, garden and landscaping associated with the home is authorized under the irrigation component of this right.
4. Place of use is located within Morningview Subdivision

State of Idaho  
Department of Water Resources  
**Water Right License**

WATER RIGHT NO. 25-07593

CONDITIONS OF APPROVAL

5. The issuance of this right does not grant any right-of-way or easement across the land of another.
6. The use of water under this right shall not give rise to any claim against the holder of a senior water right based upon the theories of forfeiture, abandonment, adverse possession, waiver, equitable estoppel, estoppel by laches or customary preference.
7. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.

This license is issued pursuant to the provisions of Section 42-219, Idaho Code. The water right confirmed by this license is subject to all prior water rights and shall be used in accordance with Idaho law and applicable rules of the Department of Water Resources.

Signed this 31<sup>st</sup> day of January, 2012.



for GARY SPACKMAN  
Interim Director

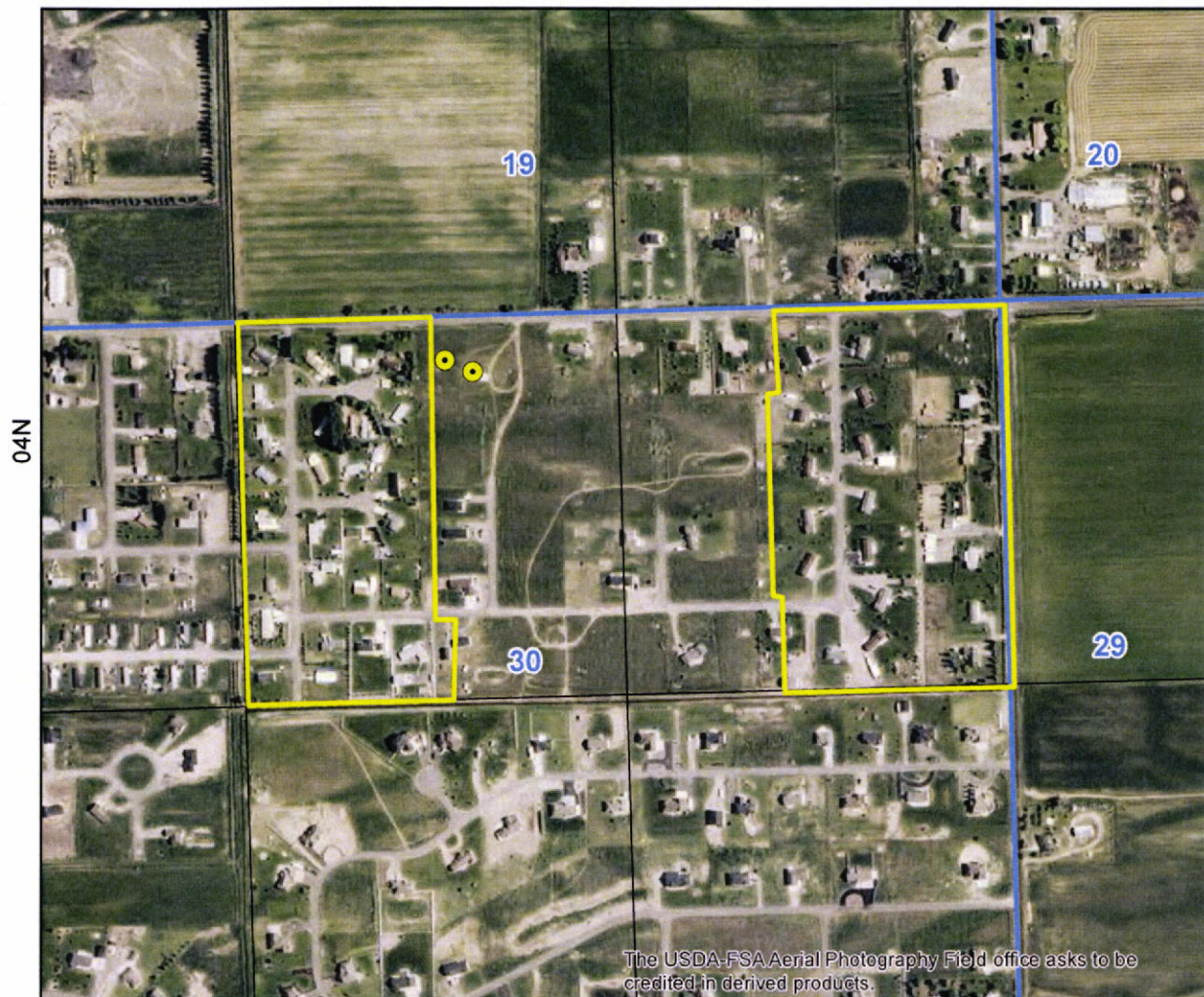
State of Idaho  
Department of Water Resources






# Water Right 25-7593

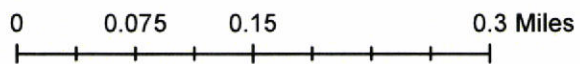
DOMESTIC

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.

39E



-  Point of Diversion
-  Place Of Use Boundary
-  Townships
-  PLS Sections
-  Quarter Quarters



ATTACHMENT 2 TO APPLICATION  
FALLS WATER CO., INC.



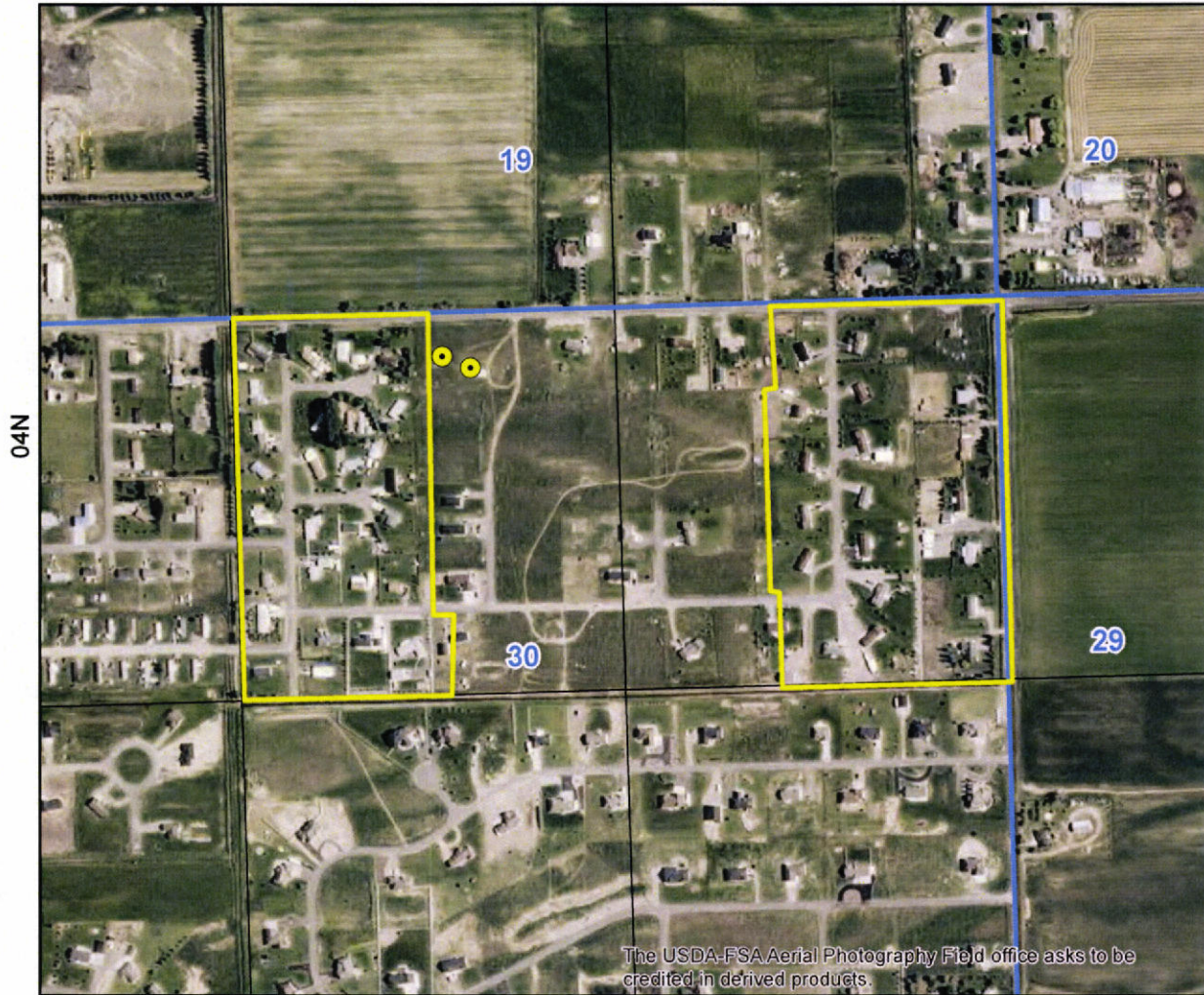
State of Idaho  
Department of Water Resources






# Water Right 25-7593

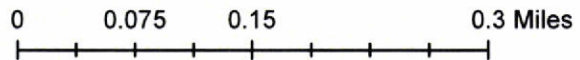
## IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.

39E



-  Point of Diversion
-  Place Of Use Boundary
-  Townships
-  PLS Sections
-  Quarter Quarters



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