

EXHIBIT 5
DATE 1/17/05
HB 6,8

To: RRGL Grant Review Committee

RE: RVCD Phase I Implementation -- Ruby Groundwater Management Plan

Thank you for the opportunity to present a brief overview of the Ruby Valley Conservation District's RRGL Grant proposal.

The funding request in this grant application is two- fold. Part of the funding would be used to implement soil sampling on the East Bench, and in addition, part of the funding would be used to conduct a study investigating the potential for a Basin Closure.

The Ruby Valley Conservation District understands that this grant proposal has ranked low within the review process of the DNRC. The Ruby Valley Conservation District (RVCD) respectfully disagrees with the outcome. The primary feedback received from the review process is that the grant lacks data to support its claims. This was in part due to the fact the technical data wasn't included in the grant itself, but rather on a CD disk (Ruby Groundwater Management Plan) provided with the grant application. The Ruby Groundwater Plan, which was completed last year, and funded by the DNRC, identifies both of the issues within this funding request as areas that the Conservation District and the Ruby Watershed Council need to address.

The nitrate issue on the East Bench is a significant concern. In addition to the Ruby Groundwater Management Plan which suspects agricultural practices as a source to elevated nitrate levels, the Beaverhead TMDL Phase I report speaks of elevated nitrate levels in both Spring and Stone Creeks. These creeks flow across the East Bench and discharge into the lower Beaverhead River. Residential wells drilled within the past three years and tested for nitrates, show elevated levels. The RVCD believes that the funding request for nitrogen soil testing in this grant, would help insure that best management plans (BMP's) are implemented. This action would seem preferable to undertaking more research at a huge cost in comparison.

The Basin Closure study is of great importance as well. Because of the lingering drought, high production wells are being investigated and in some cases implemented. As outlined in the Ruby Groundwater Management Plan, this poses a threat to surface water rights and flows within the river system. Since the writing of this grant, other groups have come forward and presented ideas to the Ruby to change wording on how surface and groundwater interaction law is now interpreted within the Upper Missouri Basin. The approach taken in this funding request was to bring local water right holders to the table along with interested stakeholders and the DNRC, and allow the process to unfold locally. The state of Idaho is facing a 900 million dollar buy-out of water rights, many of which are wells along the Snake River in order to insure river flows. This funding request is to fix a potential problem if locally supported, before it becomes a nightmare as seen in other states.

The RVCD views both of components of this grant as important issues within the Ruby Watershed. The RVCD also believes that data from the Ruby Groundwater Management Plan support this grant request. We are asking for funding for these projects to continue the efforts within the Ruby Watershed and build on our past successes.

Thank you for your time!

**The Ruby Valley Conservation District
Gary Giem Chairman**