

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED
FEB 02 2022
DEPARTMENT OF
WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1465

This Lease Contract ("**Lease**") is between the Idaho Water Resource Board ("**Board**"), and

LESSOR: J R SIMPLOT CO
C/O JAMES B ALDERMAN
PO BOX 27
BOISE, ID 83707-0027

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources and received by the Department on October 14, 2021.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
45-2746	5/9/1966	GROUND WATER	2.0	798.5	214.3
Lease Totals			2.0	798.5	214.3

2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2022 to December 31, 2026. This Lease shall bind the parties and take effect when both parties have signed it.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.

WATER SUPPLY BANK LEASE CONTRACT No. 1465

5. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right is administratively changed due to a water right split and renumbering, this lease may be reduced by an equal amount to reflect the water right elements as legally defined under the water right. If a lease contract cannot be reduced sufficient to reflect the legal definition of a water right as amended through a water right split and/or water right transfer, the Board may release the water right from the Water Supply Bank.
6. **ASSIGNMENT OF CONTRACT:** This lease is between the Board and the Lessor, who is the recognized owner or designated representative of the recognized owners of water rights described herein. Should ownership of any part of a water right herein described change during the term of this lease, either through a water right split, a water right transfer, sale of property to which the water right is appurtenant, or through any other recognized water right reassignment, the lease benefits and obligations to the conditions of acceptance for any such water rights will be assigned to the new owners.
7. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1465

IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

LESSOR: J R SIMPLOT CO
C/O JAMES B ALDERMAN
PO BOX 27
BOISE, ID 83707-0027

By 
Title James B. Alderman, Senior Vice President and Secretary
Date 1-27-22

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 2/2/22

Lease approved by IDWR 

Date 2/2/22

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1465

ATTACHMENT A WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water rights or portions thereof leased to the bank are described as follows:

Source and Location of Point(s) of Diversion for Water Right No(s): 45-2746

GROUND WATER	SWNWSW	Sec. 20	Twp 10S	Rge 23E	CASSIA County
GROUND WATER	SENWSW	Sec. 20	Twp 10S	Rge 23E	CASSIA County
GROUND WATER	L 2SWNE	Sec. 19	Twp 10S	Rge 23E	CASSIA County
GROUND WATER	SESE	Sec. 29	Twp 10S	Rge 21E	CASSIA County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
45-2746	IRRIGATION	04/01	to	10/31	2.0 cfs	798.5 AF
Totals:					2.0 cfs	798.5 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
11S	20E	13			13.0	12.0			30.0	31.0	40.0	40.0	32.0	39.0	39.0	40.0	32.0	32.0	380.0
11S	20E	14			8.0	27.0					34.0	33.0	32.0	32.0	40.0	40.0	32.0	32.0	310.0
11S	20E	23	33.0	34.0	33.0	32.0	33.0	33.0	33.0	33.0	34.0	33.0	32.0	33.0	33.0	34.0	33.0	32.0	528.0
11S	20E	24	32.0	32.0	33.0	32.0	32.0	31.0	32.0	33.0	34.0	33.0	32.0	33.0	33.0	34.0	33.0	32.0	521.0
11S	20E	25	34.0	34.0	34.0	33.0													135.0

Total Acres: 1,874.0

Acre Limit: 214.3

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, or the lease term expires. A right may be released from the bank upon request, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1465

5. While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. This right when combined with all other rights shall provide no more than .02 cfs per acre nor more than 4 af per acre for the lands listed.
13. Water is injected into the Snake River and delivered through the Milner Low Lift Canal delivery system.
14. Use of water under this water right will be regulated by the watermaster of State Water District No. 01.
15. A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion. A totalizing measuring device of a type acceptable to the Department shall be maintained at both points of diversion as well as the point of re-diversion from Milner Low Lift Canal. Rediversion of water via the Milner Low Lift Canal is subject to a 5.5% conveyance loss or as may be determined by the watermaster. Approval of transfer 3960 in no way confirms use of water under claim No. 45-04167. Right Nos. 45-02746 and 45-04167 when combined shall not exceed the irrigation of 385.6 acres within the place of use described above in a single irrigation season. Two points of diversion are located within the NWSW, S20, T10S, R23E.
16. The use of water for irrigation under this right may begin as early as March 15 and may continue to as late as November 15, provided other elements of the right are not exceeded. The use of water before April 1 and after October 31 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.
17. This right is limited to the irrigation of 214.3 acres within the place of use described above in a single irrigation season.

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1465

45-2746

Effective until December 31, 2026

This map depicts the **place of use to be idled** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



The USDA-FSA Aerial Photography Field office asks to be credited in derived products.

● Approved Lease Point of Diversion

Approved Lease Place of Use

Township/Range

Sections



0 0.5 1 Miles

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1465

45-2746

Effective until December 31, 2026

This map depicts the **point of diversion** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



● Approved Lease Point of Diversion

Approved Lease Place of Use

Township/Range

Sections

QQ



0 250 500 Feet

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1465

45-2746
Effective until December 31, 2026

This map depicts the **point of diversion** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



● Approved Lease Point of Diversion

□ Approved Lease Place of Use

□ Township/Range

□ Sections

□ QQ



0 500 1,000 Feet

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

OCT 12 2021

DEPARTMENT OF
WATER RESOURCES

APPLICATION TO SELL OR LEASE A WATER RIGHT TO THE WATER SUPPLY BANK

Designated Applicant J. R. Simplot Company

(Select one owner – see item 1A on the application)

Water Right No. 45-2746

(One water right per application)

Is this application being submitted with a rental application as a lease/rental package?

Yes ☐ No ☒

This application must be prepared in accordance with the minimum requirement checklist below. Use this checklist to ensure all necessary documentation has been provided. This checklist is part of the lease application and must be included with the lease application. Applications that do not meet the minimum requirements will not be processed and may be returned or denied.

MINIMUM REQUIREMENT CHECKLIST

All items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*

Yes

- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank*.
- ☒ Application filing fee of \$250.00 per water right. If you are submitting more than one lease application and the water rights have an overlapping, common place of use, or a common diversion rate or volume, the total fee for all water rights is \$500.00. For places of use, multiple water rights must be used to irrigate the same lands in order to qualify for the joint filing fee. Individual filing fees are required for water rights that share a common permissible place of use but which cover separate acres within the permissible place of use.
- ☒ Confirmation this form has been printed **single sided**, per requirement of the Water Supply Bank.

Attachment N/A Yes

- 1A ☒ ☐ Signatures and contact information for *all owners* of the water right to be leased or sold on this application.
- 1B ☒ ☐ An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.
- 1C ☒ ☐ *Notice of Change in Water Right Ownership* form (accessible from www.idwr.idaho.gov).
- 1D ☒ ☐ Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.
- 2 ☒ ☐ Description of a water right portion offered to the Water Supply Bank.
- 3 ☐ ☒ A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. You have the option of printing a map using the map tool on IDWR's website at: www.idwr.idaho.gov.
- 4A ☒ ☐ Written consent from irrigation district or water delivery company.
- 4G ☒ ☐ Evidence demonstrating the water right has not been forfeited pursuant to Section 42-222(2), Idaho Code.

Department Use Only

Fee Amount \$ 500-Received By: K4Date Received: 10.12.21Receipt # C111124W-9 received? Yes ☐ No ☒ (Route W-9 to Fiscal)

Name on W-9:

2164

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

1. CONTACT INFORMATION

- A. This application must be completed by a Designated Applicant who is a current owner of the water right being sold or leased to the Water Supply Bank. If there are additional current owners, those individuals must authorize the Designated Applicant to represent them on this application by completing and signing Attachment 1A of this application package.

Designated Applicant J. R. Simplot Company

Mailing Address P. O. Box 27, Boise, Idaho 83707

Street City State Zip Code

Email Address vic.conrad@simplot.com Phone Number 208-336-2110

☒ The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Applicant is representing additional water right holders who have completed Attachment 1A.

- B. Has the Designated Applicant submitted an IRS Form W-9 to this Department within the last 2 years? Yes ☒ No ☐
If no, complete the form and attach to this application (Attachment 1B).

- C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐
If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

- D. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☒ No ☐
If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1D).

Name of Representative James B. Alderman Organization Officer of Applicant

Professional Title Sr. V.P. and General Counsel

Email Address _____

Mailing Address P. O. Box 27, Boise, Idaho 83707

Phone Number _____

☒ Send all correspondence for this application to the representative and not to the Designated Applicant.

OR

☐ Send original correspondence to the Designated Applicant and copies to the representative.

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

☒ The full water right is being offered to the Bank.

OR

☐ A part of the water right is being offered to the Bank.

If a portion of the water right is being offered, **complete Attachment 2.**

3. MAP

Attach a map of the point(s) of diversion and place(s) of use proposed to be idled by this lease application. Make sure the idled place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to idle. If the water right proposed for lease is located within a permissible place of use (PPU) and portions of the PPU will continue to receive water from non-leased water rights, clearly outline on a map the acres within the PPU that will continue to be irrigated, as well as acres that will be idled during the lease term. Label the map **Attachment 3.**

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

- A. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☒
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 4A).
If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to [Section 42-108, Idaho Code](#) and [IDAPA WSB Rule 37.02.03.25.02e](#).
- B. Please provide a description of the current water diversion and delivery system.
Wells, underground pipelines.

- C. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank. _____

- D. Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes ☐ No ☒
Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of \$500.
- E. Will the present place of use continue to receive water from any other source? Yes ☐ No ☒
If yes, explain the relationship between the different water sources and how enlargement of the authorized use will not occur if this water right is leased. _____

- F. Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. Water Right 45-2746 was Leased to the Water Supply Bank until December 31, 2021. This application seeks to resume leasing the water right to the Water Supply Bank for another 5 year term.

- G. Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes ☐ No ☒
If yes, describe the circumstances and attach evidence to demonstrate how the water right has not been lost through forfeiture (Attachment 4G). See [Section 42-223, Idaho Code](#) for exceptions to forfeiture. Your application may be denied if forfeiture concerns are not addressed. _____

- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?
If yes, describe. Yes ☐ No ☒

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE AGREEMENT

- A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☒.

If lease, specify the years when the use of water will be suspended: 2022 to 2026 (maximum lease period 5 calendar years).
(Year) (Year)

- B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.

Current Rental Rate _____

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right, even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture is stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any element of the water right.



James B. Alderman

Signature of Designated Applicant

Senior Vice President and Secretary

October 7, 2021

Date

Signature of Authorized Representative

Date

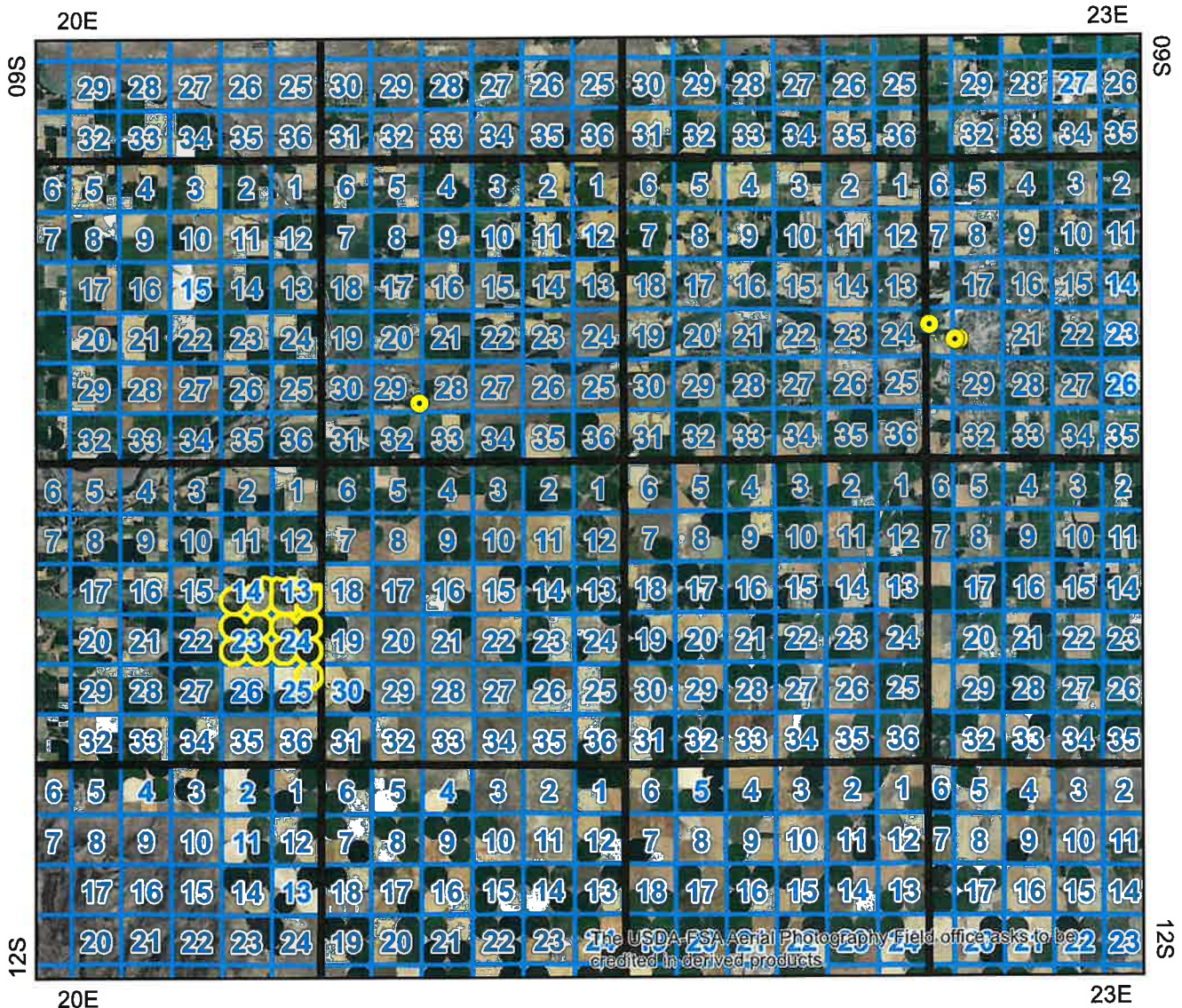
State of Idaho
Department of Water Resources

Water Right

45-2746

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.



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

0 2.25 4.5 9 Miles





IDAHO DEPARTMENT OF
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Gary Spackman

February 7, 2022

J R SIMPLOT CO
C/O JAMES B ALDERMAN
PO BOX 27
BOISE ID 83707-0027

**RE: WATER SUPPLY BANK LEASE CONTRACTS 1460, 1465, 1470 and 1471
FOR WATER RIGHTS 45-2746, 61-12039, 61-7170 & 61-2165**

Dear Lessor:

Water rights **45-2746, 61-12039, 61-7170 & 61-2165** were leased into the Water Supply Bank (Bank) as of January 1, 2022, in accordance with the enclosed executed lease contract. **Your water rights, as described on the lease contract, are considered leased into the Bank and should remain unused until they are formally released from the Bank.** More information and further restrictions placed on your water rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The rights will automatically be released from the Bank on **December 31, 2026**, unless the rights are released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water rights from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at www.idwr.idaho.gov. **Please note your water rights may not be available for immediate release if they have been rented or are being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

If you have questions regarding this matter, please contact this office at bank@idwr.idaho.gov or 208-287-4800.

Sincerely,

Jean Hersley

for
Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Southern & Western Region
Water District No. 140 & 161



RECEIVED

FEB 02 2022

DEPARTMENT OF
WATER RESOURCES

J.R. Simplot Company
P.O. Box 27, Boise, Idaho
83707 0027

1099 West Front Street
Boise, Idaho 83702

Vic.conrad@simplot.com
208 780 7359 Business
208 780 7333 Fax

January 31, 2022

Jean Hersley
Water Supply Bank
State of Idaho
Department of Water Resources
322 E. Front Street, Suite 648
P. O. Box 83720
Boise, ID 83720-0098

Re: Water Supply Bank Lease Contract Nos. 1465, 1460. 1470 and 1471.

Dear Ms. Hersley:

Enclosed are partially executed duplicate originals of the above referenced Lease Contracts. Please arrange for the signature of the Idaho Water Recourse Board and IDWR and return fully executed originals of each contract to me.

Sincerely,

Vic Conrad
Land, Water & Asset Recovery

Enclosure



Hersley, Jean

From: Skinner, Corey
Sent: Monday, January 24, 2022 8:20 AM
To: Hersley, Jean
Subject: Re: WSB Lease contract for 45-2746 in the name of Simplot

No concerns from me.

From: Hersley, Jean <Jean.Hersley@idwr.idaho.gov>
Sent: Friday, January 21, 2022 9:15 AM
To: adam@waterwellconsultants.com <adam@waterwellconsultants.com>; Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Cc: Bank <Bank@idwr.idaho.gov>
Subject: WSB Lease contract for 45-2746 in the name of Simplot

Please let me know within 7 days if you have any comments or concerns with the attached lease.

*Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942*



322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Gary Spackman

January 21, 2022

J R SIMPLOT CO
C/O JAMES B ALDERMAN
PO BOX 27
BOISE ID 83707-0027

RE: APPLICATION TO LEASE WATER RIGHT 45-2746 CONTRACT 1465, WATER RIGHT 61-12039 CONTRACT 1460, WATER RIGHT 61-2165 CONTRACT 1470 & WATER RIGHT 61-7170 CONTRACT 1471 TO THE WATER SUPPLY BANK

******TIME SENSITIVE RESPONSE REQUIRED******

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The right will automatically be released from the Bank on **December 31, 2026**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your right may not be available for immediate release if it has been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says: "While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

If you have questions regarding this matter, please contact this office at bank@idwr.idaho.gov or 208-287-4800.

Sincerely,

Jean Hersley

for
Water Supply Bank

Enclosures: Proposed Lease Contracts

Hersley, Jean

From: Hersley, Jean
Sent: Friday, January 21, 2022 9:16 AM
To: 'adam@waterwellconsultants.com'; Skinner, Corey
Cc: Bank
Subject: WSB Lease contract for 45-2746 in the name of Simplot
Attachments: Idled Acres.pdf; Lease Application Review 45-2746.xls; Lease Contract - 1465.docx

Please let me know within 7 days if you have any comments or concerns with the attached lease.

*Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942*

WATER SUPPLY BANK		Quick Tools	
Lease Review Checklist		Decreed Year	No Forfeiture Concerns Thru:
Applicant(s) Name: Simplot		2011	2017
Memo Date: December 6, 2021		2012	2018
Water Right Number(s): 45-2746		2013	2019
		2014	2020
		2015	2021
Reviewers Name: Jean			
1	Fill out WSB Data Entry Checklist for Leases (Front of File)	x	COMMENTS/CONCERNS:
2	Reason for lease of water rights (Brief description of lease proposal in narrative)		
	Portion of right		
	All of right	x	
3	Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)		
		Yes	No
4	Rentable? (If no explain in comments or narrative)	x	
5	Authority to file		
	Current owner or designated applicant	x	
	SOS Web site checked for business entity	x	
	Other (explain in comments)		
6	Water Right validity		
	Decreed/Licensed/Statutory claim date (write in comments section)		2005
	Past irrigation to ensure forfeiture is not an issue if decreed or licensed over 7 years ago (consider transfers that changed the POU, rentals to the POU etc.)		
	Has this right previously been leased to the bank or in CREP?	x	2005 to 2021
7	Injury to other water rights		
	If the POD is through a delivery entity, was consent provided?	na	
	If the POD is through a delivery entity, was holdback required? (percentage in comments)		%
	Any other concerns		
8	Enlargement concerns	Check box	
	Complete a POU comparison overlap analysis	x	
	Complete a combined limits review	x	
	Complete POD overlap analysis (if there is an overlap add condition to lease)	x	
		Yes	No
	Are there overlapping rights that need to be placed in the bank also?	x	
	Will the place of use continue to receive water? (if yes explain in comments)	x	
9	Local Public Interest		
	Does the processor know of any problems this action will cause for the local public?	x	
10	Have you contacted regional office and watermaster for comment/concerns?	x	
	Send the watermaster comment request form or e-mail request	x	
11	Area Headgate requirement (write in Comments)		4
12	Is water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments	x	
13	Narrative: The applicant wishes to place the entire right in the Bank. David Spurling, secretary, signed the application. This right was decreed in 2005 and has been in the Bank since then. This right has never been used at this POU. While Simplot is the owner of the water right, Funk and Double Eagle Properties own the land. Application for Transfer 71316 was filed on June 18, 2004, and included some ownership documents conveying property from Glen Dale Farms and Simplot to Funk. In those documents as "Exhibit B" is a list of what water rights were and were not conveyed to Funk. 45-2746 was not conveyed to Funk, even though it is on the same property as other Funk rights and the Funks own the property to which 45-2746 is appurtenant. 45-2746 is not being used on the property to which it is appurtenant, hence the application to the Bank. A copy of the deeds and exhibits are in the file. This right has overlapping conditions with 45-4167 that was disallowed in the SRBA. It shares the same POU as several other rights but since Simplot retained this right in the sale of the land, the other rights to do need to be leased. This right is currently within WD 140.		

Condon, Mary

From: Buyer, Remington
Sent: Wednesday, October 13, 2021 2:39 PM
To: Condon, Mary
Subject: RE: J R Simplot Lease~Rental of WRs 36-4179 and 45-²⁷⁴⁶~~2476~~

Follow Up Flag: Follow up
Flag Status: Completed

Also looks like a similar situation happened with lease application 2150 and rental application 2151. The paperwork submitted requested a 2020 start date, but approvals are already in place for 2020 and the paperwork should've requested a 2022 start date.

No action required on your part. Just keeping you in the loop.

From: Buyer, Remington
Sent: Wednesday, October 13, 2021 2:36 PM
To: Condon, Mary <Mary.Condon@idwr.idaho.gov>
Subject: J R Simplot Lease~Rental of WRs 36-4179 and 45-2476

FYI - Today we received applications to lease into the Bank water rights 36-4179 and 45-²⁷⁴⁶~~2476~~ (lease application 2164) so that the rights might be rented by Simplot to offset curtailments of ESPA water rights at two of their Magic Valley facilities. We should split the water rights onto two separate applications, so we can generate separate contracts. We'll also want to split the rental request (rental application 2165) into two separate rental applications so we can generate separate rental agreements. I updated the dates data entry in the software system to reflect that these are 2022 rental requests, as the rental application paperwork submitted requested a 2020 start date, which is incorrect.

COPY

Simplot

J.R. Simplot Company
P.O. Box 27, Boise, Idaho
83707 0027

1099 West Front Street
Boise, Idaho 83702

Vic.conrad@simplot.com
208 780 7359 Business
208 780 7333 Fax

RECEIVED

OCT 12 2021

WATER

October 7, 2021

Mary Condon
Water Supply Bank Specialist
State of Idaho
Department of Water Resources
322 E. Front Street
P. O. Box 83720
Boise, Idaho

Re: Water Supply Bank Lease/Rental Applications; IDWR Water Right Nos. 36-4179 and 45-2476.

2746

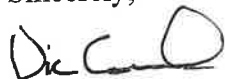
Dear Mary:

Enclosed are applications to lease the above referenced water rights to the Water Supply Bank, each for a 5-year term. If approved, applications to rent 0.18 cfs and 9 acre feet for Simplot's SGS Jerome Unit and 0.49 cfs and 65.8 acre feet for Simplot Mini-Cassia SGS Unit from water right 36-4179 are also enclosed. These rental applications are submitted to substitute for the diversion and use of water right nos. 36-8471, 36-7636 and 36-8469, which were curtailed due to the Rangen Call. It is my understanding the Curtailment Order issued under the Rangen Call remains in effect.

Please use the enclosed \$500.00 check to cover your fee for applying to lease water rights 36-4179 and 36-2746 to the Water Supply Bank.

Similar rental applications for Simplot's Jerome and Mini-Cassia SGS Units were submitted and approved in 2020. An ESPA model was run to confirm the rental amount at that time. I will forward electronically the results of that model run to you separately by email.

Sincerely,



Vic Conrad
Land, Water & Asset Recovery

Enclosures

COPY

2164 + 2165