



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E FRONT ST STE 648 • PO BOX 83720 • BOISE ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

March 8, 2018

IDAHOAN FOODS LLC
PO BOX 130
LEWISVILLE ID 83431-0130

**RE: LEASED WATER RIGHT NO(S). 31-7128 AND 31-7489 RELEASED FROM THE WATER
SUPPLY BANK**

Dear Lessor:

On March 7, 2018, the Department of Water Resources (Department) received your request to cancel the existing Water Supply Bank (Bank) Lease Contract executed on January 1, 2018 and release water right(s) 31-7128 and 31-7489 from the Bank. **At this time the Department acknowledges that the Bank Lease Contract for of water right(s) 31-7128 and 31-7489 has been canceled releasing the right(s) from the Bank.**

The five (5) year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the bank.

You can reapply to lease the water right(s) in the future by submitting new application form(s) from the Department's website at www.idwr.idaho.gov along with applicable fees.

If you have any questions regarding this matter, please contact me at (208) 287-4910.

Sincerely,

for
Clay Webster
Water Rights Supervisor
WSB Process Point of Contact

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

MAR 07 2018

DEPARTMENT OF
WATER RESOURCES

WATER SUPPLY BANK
REQUEST TO RELEASE A WATER RIGHT FROM THE BANK

ONE FORM PER WATER RIGHT

All water rights leased into the Water Supply Bank shall remain unused by the water right holder for the duration of the Lease Contract. The water right will not be released from the Water Supply Bank until the conclusion of the Lease Contract unless otherwise authorized by the Idaho Water Resource Board. Water right holders may use this form to petition for early termination of their Water Supply Bank Lease Contract.

Water right holders seeking an early termination of a Lease Contract must demonstrate justifiable need for the release. Water rights under Lease Contract that are eligible for early termination can be released from the Water Supply Bank if the release will not impair administration of the Water Supply Bank. **If a water right is currently rented, it cannot be considered for release until the Rental Agreement concludes.** A water right is not released from the Water Supply Bank until written release confirmation is issued by the Water Supply Bank.

Water Right No: 31-7489

Name(s) of Lessor(s): Idahoan Foods, LLC.

Mailing Address: P.O. Box 130

City: Lewisville

State: Idaho

Zip: 83431-0130

Telephone No: 208-525-2256

Email Address: tscott@idahoan.com

Lease Contract Expiration Date: December 31, 2018

Requested Release Date: March 16, 2018

Reason for Early Release:

The property that the water rights cover was sold.


Signature of Lessor

Todd Scott - Director of Engineering

Printed Name and Title*

3-5-18

Date

Signature of Lessor

Printed Name and Title*

Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney.

Mail to:
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 706

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

LESSOR: IDAHOAN FOODS LLC
PO BOX 130
LEWISVILLE, ID 83431-0130

RECEIVED

JAN 29 2018

DEPARTMENT OF
WATER RESOURCES

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 Monday, December 18, 2017.
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)
31-7489	11/6/1987	GROUND WATER	1.00	676.0
Combined Lease Totals			1.00	676.0

RELEASED
MAR 07 2018

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, 2018 to December 31, 2018. 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.

SCANNED
JAN 31 2018

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 706

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. 706

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

LESSOR: IDAHOAN FOODS LLC
PO BOX 130
LEWISVILLE, ID 83431-0130

By Todd Scott
Title Director of Engineering
Date 1-24-18

IDAHO WATER RESOURCE BOARD

322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By Brian Patton
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 1/30/2018

Lease approved by IDWR Cheryl Wata

Date 1-30-2018

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 706

**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): 31-7489

GROUND WATER NWNE Sec. 28 Twp 09N Rge 36E CLARK County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From	to	To		
31-7489	COMMERCIAL	01/01		12/31	1.00 cfs	676.0 AF
Totals:					1.00 cfs	676.0 AF

PLACES OF USE TO BE IDLED UNDER THIS LEASE: COMMERCIAL

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
09N	36E	16			X											X			
09N	36E	21		X	X													X	
09N	36E	22							X	X	X	X	X	X					
09N	36E	27		X			X												
09N	36E	28	X	X											X			X	

Total Acres: N/A

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.
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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 706

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. 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. 110.
13. 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.
14. Prior to the diversion and use of water under this approval, the right holder shall comply with applicable water quality permitting requirements administered by the Department of Environmental Quality or the Department of Agriculture.
15. Commercial use is for a potato processing plant.
16. The place of commercial use authorized by this approval includes land upon which wastewater may be applied for irrigation purposes to satisfy water quality requirements. Water diverted under this approval shall not be used for irrigation unless the water is first used in the commercial facility as authorized by this water right.

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 706

31-7489

COMMERCIAL

Effective until December 31, 2018

This map depicts the COMMERCIAL place of use to be idled 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



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

DEC 18 2017

DEPARTMENT OF
WATER RESOURCES

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

Designated Applicant Idahoan Foods LLC

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

Water Right No. 31-7489

(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 <i>all owners</i> of the water right to be leased or sold on this application. |
| 1B | ☐ | ☒ | An <u>Internal Revenue Service (IRS) Form W-9</u> for the Designated Applicant. |
| 1C | ☒ | ☐ | <i>Notice of Change in Water Right Ownership</i> 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 <u>Section 42-222(2), Idaho Code</u> . |

Department Use Only

Fee Amount \$ 250.00Received By: TEDate Received: 12/18/2017Receipt # C104405W-9 received? Yes ☒ No ☐

(Route W-9 to Fiscal)

Name on W-9:

Idahoan Foods, LLC

929236

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 Idahoan Foods LLC

Mailing Address P.O. Box 130 Lewisville ID 83431-0130
Street City State Zip Code

Email Address tscott@idahoan.com Phone Number (208) 525-2256

☒ 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 _____ Organization _____

Professional Title _____ Email Address _____

Mailing Address _____ 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.
Water has been diverted from wells and used in a potato processing plant. Wastewater is then delivered through mainline to adjacent fields for irrigation.

- 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. Water right no. 31-7128 is also being offered to the Bank. Both rights are described for the same facility and the same acreage for delivery of wastewater.

- 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. BLF Land LLC owns the acreage where wastewater is applied. There are existing water rights appurtenant to those acres. The facility will not receive water from any other source.

- 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. This right is fully consumptive when the facility is in operation. However, the facility has not been in operation for several years.

- 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. The facility has not been in operation since 2009. However, the water rights have been protected through the Water Supply Bank to prevent forfeiture.

- 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: 2018 to 2018 (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.

Todd Scott
Signature of Designated Applicant

Todd Scott
Printed Name

12-13-17
Date

Signature of Authorized Representative

Printed Name

Date

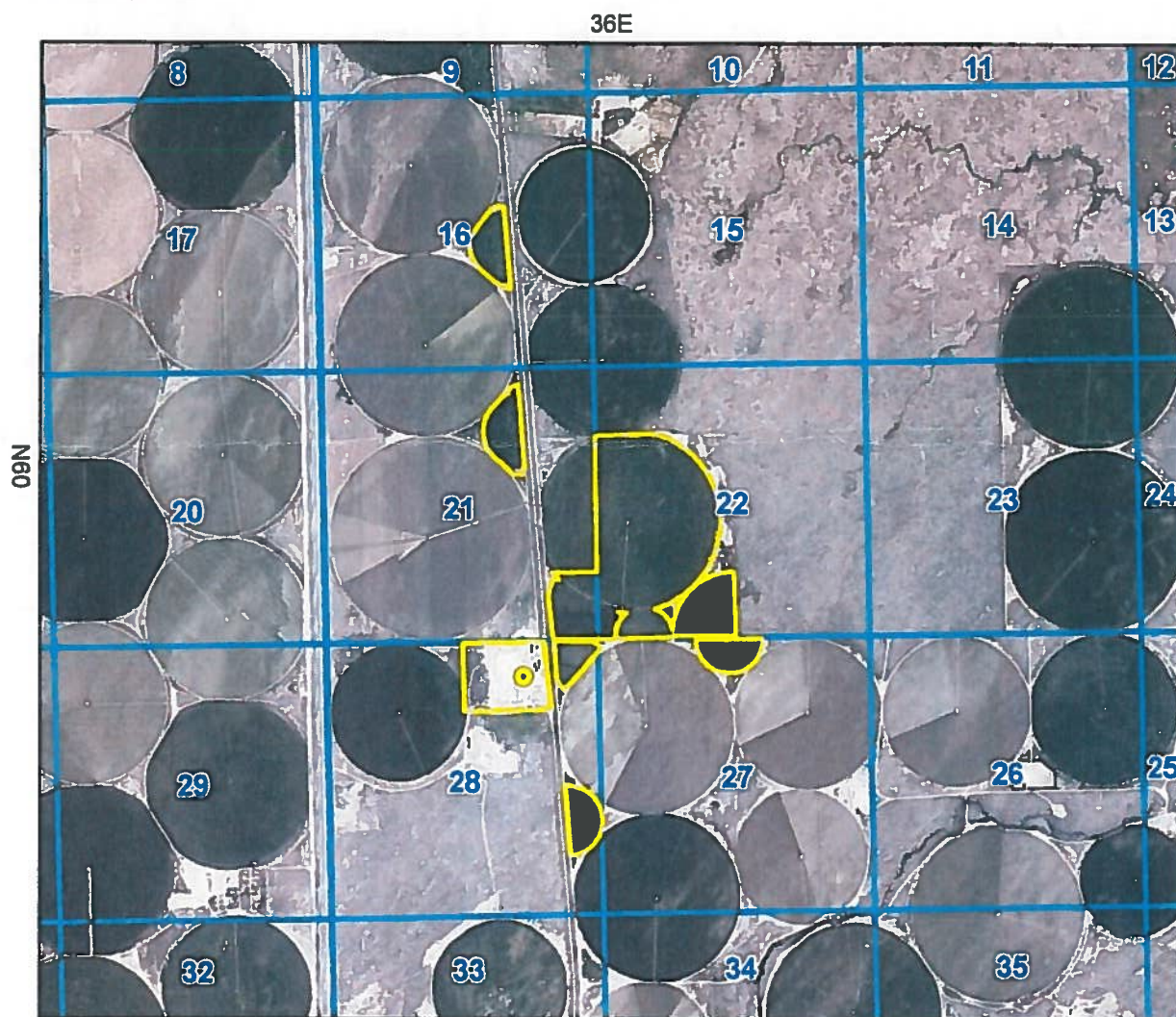
Mail to:
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

State of Idaho
Department of Water Resources

Water Right
31-7489

COMMERCIAL

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.



0 0.425 0.85 1.7 Miles

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





State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

January 31, 2018

IDAHOAN FOODS LLC
PO BOX 130
LEWISVILLE ID 83431-0130

RE: WATER SUPPLY BANK LEASE CONTRACTS FOR WATER RIGHTS 31-7128 and 31-7489

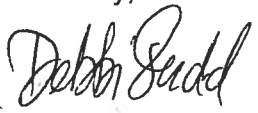
Dear Lessor:

Water rights **31-7128 and 31-7489** were leased into the Water Supply Bank (Bank) as of December 18, 2017, in accordance with the enclosed executed lease contracts. **Your water rights, as described on the lease contracts, 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 contracts. Read the conditions of acceptance carefully.

The rights will automatically be released from the Bank on **December 31, 2018**, 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 contracts 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 287-4800.

Sincerely,


Water Supply Bank

Enclosures: Executed Lease Contracts

c: James Cefalo - IDWR Eastern Region/Water District 110
Jefferson Clark GWD



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

January 29, 2018

IDAHOAN FOODS LLC
PO BOX 130
LEWISVILLE ID 83431-0130

**RE: REQUEST FOR RETURN OF SIGNED WATER SUPPLY BANK LEASE CONTRACTS FOR
WATER RIGHTS 31-7128 and 31-7489**

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

Dear Applicant,

The Department of Water Resources (Department) mailed **two original Water Supply Bank Lease Contracts for your review and signature** on January 11, 2018. The signed contracts have not been returned to the Department.

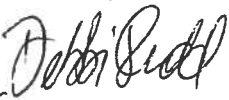
Please sign both original Lease Contracts and return them to the Department within ten (10) days of this letter to complete processing. The Lease Contract is not considered final until both you and the Department have signed.

If the signed lease contracts are not received by the Department within the 10-day period, the lease applications will be returned, and the application fee will not be refunded. You can reapply to lease the water rights in the future by submitting new application forms along with applicable fees.

Please note the forfeiture period is not tolled unless a right is accepted into the Bank, or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. If forfeiture is a concern, you may consider filing an Application for Extension of Time to Avoid Forfeiture of a Water Right form. This and other water right forms are available from the Department's web site at www.idwr.idaho.gov.

If you have questions regarding this matter, please contact this office at 287-4800.

Sincerely,


Debbie Ridd
Water Supply Bank



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

January 11, 2018

IDAHOAN FOODS LLC
PO BOX 130
LEWISVILLE ID 83431-0130

**RE: APPLICATIONS TO LEASE WATER RIGHTS 31-7128 and 31-7489
TO THE WATER SUPPLY BANK**

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

Dear Applicant:

The Department of Water Resources has completed its review of your applications to lease the above-mentioned water rights 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.

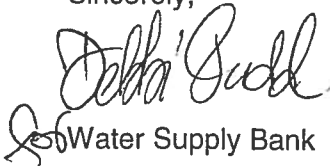
The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. To release the rights from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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 rights may not be available for immediate release if they have 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 287-4800.

Sincerely,


Seth Water Supply Bank

Enclosures: Proposed Lease Contracts
Receipt #s C104405 & C104406



Idahoan Foods, LLC
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Idaho Falls, ID 83402

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RECEIVED

DEC 29 2017

DEPARTMENT OF
WATER RESOURCES

December 26, 2017

Ms. Mary Condon
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Subject: Lease Application 31-7128 and 31-7489

Dear Ms. Condon,

We are writing to notify the Department that we want to enter our water rights 31-7128 and 31-7489 into the Water Supply Bank during the 2018 calendar year.

We have asked the Director of Engineering for our company, Todd Scott, to fill out the application to lease these water rights to the Board's Water Supply Bank. Please accept this letter as proof of authority to allow Todd Scott to sign on behalf of Idaho Foods, LLC.

Sincerely,

A handwritten signature in cursive script that reads "Kerry Buck".

Kerry Buck
Vice President & CFO

WATER SUPPLY BANK

Pick Tools

Lease Review Checklist
Applicant(s) Name: Idahoan Foods

Memo Date: December 20, 2017

Water Right Number(s): 31-7489

Reviewers Name: Mary Condon

Decreed Year	No Forfeiture Concerns Thru:
2011	2017
2012	2018
2013	2019
2014	2020
2015	2021

	Check box	COMMENTS/CONCERNS:
1 Fill out WSB Data Entry Checklist for Leases (Front of File)		
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	Todd Scott, unknown affiliation
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)		5/27/1997
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.)		Beneficial use up to 2009, in the bank since 2015
Has this right previously been leased to the bank or in CREP?	X	WSB since 2015
7 Injury to other water rights		
If the POD is through a delivery entity, was consent provided?	N/A	
If the POD is through a delivery entity, was holdback required? (percentage in comments)	N/A	%
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	BLF Land
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?		
Send the watermaster comment request form or e-mail request	X	James Cefalo 12/22/2017 email
11 Area Headgate requirement (write in Comments)		
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		
Signature is not listed on the SOS and did not leave a title or provide letter proving representation; years past Idahoan Foods was represented by Rocky Mountain and provided letter of authorization. Letter sent 12/26/2017 requesting proof of representation by Todd Scott, must be replied to before contract goes out for signature. The property where the company's waste water was applied for environmental compliance is owned by BLF Land LLC. This property will continue to be irrigated with the primary water rights for this land. These rights are commercial and domestic for the operation of a potato processing plant. These rights are fully consumptive when the facility is in operation but the facility has not been in operation since 2009. Water rights have been in the Bank so forfeiture is not an issue. Idahoan Foods is also leasing in 31-7128 same as previous leases, for commercial on the same POU. GWMA - ESPA; Trust Area; WD 110 Mud Lake		