

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT

RECEIVED**FEB 02 2015****DEPARTMENT OF
WATER RESOURCES**

This is to certify that: SMP INC.
 PO BOX 27
 BOISE ID 83707
 (208) 336-2110

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right	Rented Rate	Annual Rented Volume	Total Rented Acres
63-31639	0.16 CFS	81 AF	18.0 AC

**COMBINED
RENTAL TOTALS:**

0.16 CFS 81 AF 18.0 AC

TERM OF RENTAL:

March 1, 2015, to December 31, 2019

Rental Fee:

Years 2015-2017 \$1,377 annually
Years 2018-2019 \$1,620 annually

The fee for rental of the above-described water is \$1,377.00 for years 2015-2017 and \$1,620.00 for years 2018-2019. Ten percent (\$137.70 for years 2015-2017) (\$162.00 for years 2018-2019) will go to the Department for administrative costs, and the remainder will be paid to the lessor. An annual payment shall be received by the Department prior to February 15, each year for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. To terminate the agreement prior to the end of the rental period, written notice must be received by the Department at least 30 days prior to the rental fee due date.

Detailed water right specific limitations and conditions are attached.

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

Dated this 29th day of January, 2015.

SMP, Inc.
 By: David Spurling
 (Print Name)

[Signature]
 (Signature)

Secretary
 (Title if on behalf of company or organization)

Having determined that this agreement satisfies the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and conditions herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board this 4th day of February, 2015.

[Signature]
 BRIAN PATTON, Acting Administrator
 Idaho Water Resource Board

**WATER RIGHT NO. 63-31639
WATER SUPPLY BANK RENTAL AGREEMENT**

The renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described below:

Renter: SMP INC.
PO BOX 27
BOISE ID 83707
(208) 336-2110

Priority Date: 9/7/1990

Source: GROUND WATER **Tributary to:**

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01	to 11/15	0.16 CFS	81.0 AF
	Total:		0.16 CFS	81.0 AF

LOCATION OF RENTER'S POINT(S) OF DIVERSION:

GROUND WATER SW¼NW¼ Sec. 16 Twp 3N Rge 2W CANYON County

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
3N	2W	16					9			9									18

Total Acres: 18

Acre Limit within Place of Use described: 18

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from 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.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. This rental agreement does not authorize the construction of a well.
6. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
7. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
8. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
9. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.

10. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
11. The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.



STATE OF IDAHO
WATER RESOURCE BOARDAPPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK

RECEIVED

OCT 23 2014

DEPARTMENT OF
WATER RESOURCES

This application must be prepared in accordance with the minimum requirements listed to be acceptable for processing by the Department. Incomplete applications will be returned.

Name of Renter(s) SMP, Inc.Mailing Address P. O. Box 27, Boise, ID 83707Phone 208-336-2110

Email _____

A. DESCRIPTION OF WATER SOUGHT FOR RENT

1. <u>Maximum Flow Rate (cfs)</u>	<u>Maximum Volume (ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
<u>0.36</u>	<u>54</u>	<u>Irrigation</u>	<u>March 1</u> to <u>Nov. 15</u>
_____	_____	_____	_____ to _____
_____	_____	_____	_____ to _____
Total: <u>0.36</u>	<u>54</u>		

2. Source of water Groundwater tributary to _____

3. Point(s) of Diversion:

TWP	RGE	SEC	GOVT LOT	1/4	1/4	1/4	County
3N	2W	16			SW	NW	Canyon

4. Lands to be irrigated or place of use:

TWP	RGE	SEC	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	2W	16					9			9									18

If the use is for irrigation, show total number of acres proposed through rental.

Total Acres 18

B. OWNERSHIP

1. Do you own the land at the proposed point of diversion?

Yes ☒ No ☐

If no, list owner, contact information, and attach a copy of the agreement or other written authority to use the proposed point of diversion. _____

2. Do you own the land at the proposed place of use?

Yes ☒ No ☐

If no, list owner, contact information, and attach a copy of the agreement or other written authority to use the proposed place of use. _____

C. MAP

Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described by this application in section A. Include legal description labels.

D. GENERAL INFORMATION

1. Please provide a description of the proposed diversion system.
2 wells, pumps, motors and pipelines
2. Describe any other water rights diverted through the same point(s) of diversion or used for the same purpose(s) as described above.
63-2597
3. Will the proposed place of use receive water from any other source? Yes ☒ No ☐
If yes, describe. Water delivered by the Pioneer Irrigation District.
4. If the proposed use is not for irrigation, please provide a detailed description of the proposed use and how you determined the amount of water required. Attach additional sheets if needed. _____
5. Are there any other applications pending before the Department, such as an application for permit or transfer, for the same use(s) proposed by this rental? Yes ☐ No ☒
If yes, describe. _____
6. Was this rental application submitted in response to a Notice of Violation or a pending Notice of Violation? Yes ☐ No ☒
If yes, describe. _____

E. RENTAL TERM

Do you wish to rent water from the Board's bank for more than one (1) year? Yes ☒ No ☐
If yes, please specify the number of years desired through proposed rental. 5 years

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval.

If this application is approved, the applicant agrees to the following:

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Renter shall comply with all applicable state and federal laws while using water under this agreement.
3. Renter shall hold the Board, the Director, and the state of Idaho harmless from all liability on account of negligent acts of the renter.
4. The Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
5. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
6. Renter is not authorized to use water proposed by this application until the rental fees are paid in full and the renter receives an executed copy of the agreement signed by the Director.

Signature of Applicant

David Spurling, Secretary
Printed Name and Title*

Date

14 OCT 2014

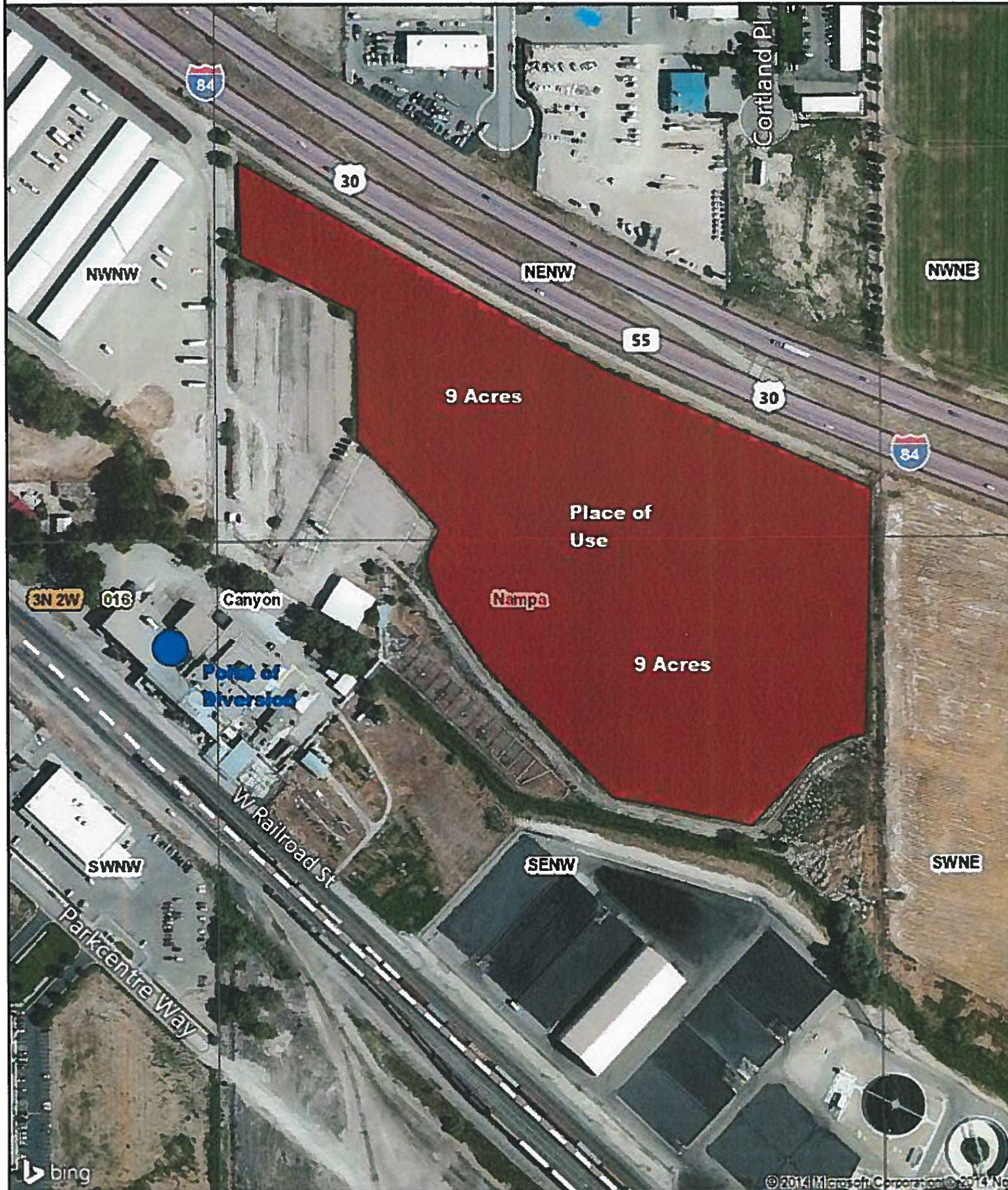
Signature of Applicant

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

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

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

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

February 4, 2015

SMP CO
PO BOX 27
BOISE ID 83707

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 63-31639**

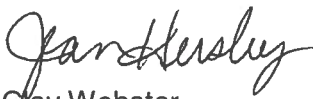
Dear Renter:

Please find enclosed a receipt in the amount of **\$1,377.00** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 81 acre-feet of water for irrigation of 18.0 acres during 2015. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$1,239.30 of the rental fee will be paid to the lessor(s) and 10% or \$137.70 will be retained by the Department to offset administrative costs.

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

Sincerely,

for 
Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure(s): Receipt No. C099878
Rental Agreement (copy)

c: Sascha Marston – Fiscal
IDWR Western Regional Office



J.R. SIMPLOT COMPANY ONE CAPITAL CENTER 999 MAIN STREET SUITE 1300
P.O. BOX 27 BOISE, IDAHO 83707-0027 (208) 336-2110 FAX (208) 389-7515

CORPORATE HEADQUARTERS

RECEIVED

FEB 02 2015

DEPARTMENT OF
WATER RESOURCES

January 29, 2015

State of Idaho
Department of Water Resources
Attn: Cheri Palmer
Water Rights Supervisor
P.O. Box 83720
Boise, ID 83720-0098

RE: Application to Rent Water From the Water Supply Bank
Water Right No(s) 63-31639

Dear Cheri,

Enclosed is the Water Supply Bank Rental Agreement for the above mentioned water right, as well as a check in the amount of \$1,377.00 to cover the 2015 irrigation season, which includes the 10% fee for administrative costs.

Please let me know if you have any questions, or need additional information. I can be reached at (208) 389-7258 or diana.gastanaga@simplot.com.

Thank you for your assistance.

Sincerely,

Diana Gastanaga
Property Administrator



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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

January 22, 2015

SMP INC
PO BOX 27
BOISE ID 83707

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 63-31639**

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

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of \$1,377.00 for 2015-2017 was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 81.0 acre-feet. A rental fee of \$1,620.00 for 2018-2019 was calculated based on the increased rate of \$20.00 per acre-foot times a diversion volume of 81.0 acre-feet. An annual payment shall be received by the Department prior to the execution of this agreement and prior to February 15 in all subsequent years for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check for \$1,377.00 for the 2015 irrigation season made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing. Pursuant to the Water Supply Bank Rules, 90% or \$1,239.30 of the rental fee will be paid to the lessor(s) and 10% or \$137.70 will be retained by the Department to offset administrative costs.

If you have any questions, please contact me at (208) 287-4944.

Sincerely,


for Cherie Palmer
Water Rights Supervisor
WSB Process Point of Contact

Enclosure(s)

c: IDWR Front Desk

MEMORANDUM

To: Water Right No. 63-31639
From: Sandra Thiel
Date: 1/22/2015
Re: Review of Applications to rent water from the State Water Supply Bank

PURPOSE/NARRATIVE: On October 23, 2014, the Department received an application from SMP (Simplot Meat Products) to rent ground water for five years. They intend to irrigate 18 acres at their property in Canyon County. The property currently receives shares of Pioneer Irrigation District water. I asked Vic Conrad how they intend to use the surface water if they rent ground water. He responded that they plan to grow specialty crops and can't afford to run out of water at the end of the season (see email below).

This water will be diverted through the same point of diversion as right 63-2597. The application seeks a flow rate of 0.36 cfs or 0.02 cfs per acre. The application volume is 54 acre feet or 3 af/a.

AUTHORITY TO FILE: The application was signed by David Spurling, Senior VP, Secretary and General Counsel for J. R. Simplot Company. Canyon County tax records show that Simplot Meat Products LLC is the owner of the property.

WATER RIGHT VALIDITY: This water right was licensed on November 15, 2012 and forfeiture is not an issue.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: No enlargement is evident.

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The lease appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS:

The Western regional office had no concerns The Western regional office had no concerns about this lease/rental

No. C 84850	Due no later than Sep 30, 2014 Annual Report Form		2. Registered Agent and Address (NO PO BOX)			
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	1. Mailing Address: Correct in this box if needed. SMP, INC. DAVID SPURLING P.O. BOX 27 BOISE ID 83707		DAVID E SPURLING 999 MAIN ST., STE 1300 BOISE ID 83702-0027			
			3. <u>New</u> Registered Agent Signature:*			
4. Corporations: Enter Names and Business Addresses of President, Secretary, and Directors. Treasurer (optional).						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
PRESIDENT	WILLIAM J WHITACRE	999 MAIN STREEET SUITE 1300	BOISE	ID	USA	83702
SECRETARY	DAVID SPURLING	999 MAIN STREET SUITE 1300	BOISE	ID	USA	83702
DIRECTOR	WILLIAM J WHITACRE	999 MAIN STREET SUITE 1300	BOISE	ID	USA	83702
DIRECTOR	SCOTT R SIMPLOT	999 MAIN STREET SUITE 1300	BOISE	ID	USA	83702
DIRECTOR	MARK MCKELLAR	999 MAIN STREET SUITE 1300	BOISE	ID	USA	83702
5. Organized Under the Laws of: ID C 84850		6. Annual Report must be signed.* Signature: David Spurling Name (type or print): David Spurling Date: 07/11/2014 Title: Secretary				
Processed 07/11/2014		* Electronically provided signatures are accepted as original signatures.				

Thiel, Sandra

From: Grimm, Angie
Sent: Thursday, January 22, 2015 8:29 AM
To: Thiel, Sandra
Subject: RE: water supply bank rental

Sandra,

Good morning! Nick (processed the last rental of this right interestingly enough) and I both looked at this one, and neither of us have any regional area type concerns with this rental. Thank you for the opportunity to comment.

Sincerely,
Angie

Angela M. Grimm, P.G.
Water Resources Agent, Sr.
IDWR - Western Region
2735 Airport Way
Boise, ID 83705-5082
(208) 334-2190 phone
(208) 334-2348 fax

From: Thiel, Sandra
Sent: Thursday, January 08, 2015 9:05 AM
To: Grimm, Angie
Subject: water supply bank rental

Good morning Angie, the attached memo and map describe a water supply bank rental application. Please review and let me if you have any concerns. Thanks.

Sandra Beer Thiel
Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098
(208)287-4881
sandra.thiel@idwr.idaho.gov



State of Idaho

DEPARTMENT OF WATER RESOURCES

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GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

January 22, 2015

J R SIMPLOT CO
PO BOX 27
BOISE ID 83707

RE: WATER SUPPLY BANK LEASE CONTRACTS FOR RIGHT 63-31639

Dear Lessor:

Water Right **63-31639** was leased into the Water Supply Bank on January 1, 2015 in accordance with the executed original Lease Contracts enclosed. **Your water right as described on the Lease Contracts is considered leased into the Bank and should remain unused until it is formally released from the Bank.**

58 acres of this right will automatically be released from the Bank on **December 31, 2015**, and 18 acres of this right will automatically be released from the Bank on **December 31, 2019**, unless the right is released earlier by the Board, or upon your request. **Please note your right may not be available for immediate release if it has been rented.** 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. This form is available from our public website at www.idwr.idaho.gov.

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 me at 287-4910.

Sincerely,

fw Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

C: IDWR Western Region

Thiel, Sandra

From: Conrad, Vic [Vic.Conrad@simplot.com]
Sent: Thursday, January 08, 2015 8:17 AM
To: Thiel, Sandra
Subject: RE: Water supply bank rental

Yes,
We intend to plant some specialty crops here and cannot afford to run out of water. If Pioneer needs to shut down early prior to the end of the irrigation season, we need a back-up source. This is the reason for the application.

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Thursday, January 08, 2015 8:14 AM
To: Conrad, Vic
Subject: Water supply bank rental

Hello, Hope you are well after the holidays. I am reviewing the rental for the lease/rental package for right 63-31639. The place of use for the rental appears to have shares of Pioneer Irrigation District water. Will the ground water be supplemental to the surface water?

Sandra Beer Thiel
Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098
(208)287-4881
sandra.thiel@idwr.idaho.gov