

JAN 02 2015

DEPARTMENT OF
WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("Lease") is effective January 1, 2015, between the Idaho Water Resource Board ("Board"), and

Lessor: ASH GROVE CEMENT CO
11011 CODY ST
OVERLAND PARK KS 66210
(913) 951-8900

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.
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

<u>Water Right</u>	<u>Lease Rate</u>	<u>Lease Volume</u>
29-4069	0.67 CFS	485.0 AF
29-7076	0.04 CFS	29.0 AF
29-7855	0.67 CFS	438.5 AF
29-10029	0.31 CFS	Not Stated
Combined Lease Totals:	1.69 CFS	952.5 AF

The water rights described herein shall be available for rental from the Bank as follows:
Authorized Period of Use under Lease: 01/01 to 12/31

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:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31, 2019.
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.

5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

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

ASH GROVE CEMENT CO
11011 CODY ST
OVERLAND PARK KS 66210

By Bruce W Newell

Date December 31, 2014

Printed Name Bruce W Newell

Title V.P. Manufacturing Services

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-9098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date January 5, 2015

Lease approved by IDWR 

Date 1/5/2015

ATTACHMENT A
WATER RIGHT NO. 29-4069
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water right or portion thereof leased to the bank is described as follows:

Lessor: ASH GROVE CEMENT CO
 11011 CODY ST
 OVERLAND PARK KS 66210
 (913) 951-8900

Priority Date: 6/1/1937

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
INDUSTRIAL	01/01	to 12/31	0.67 CFS	485.0 AF
	Total:		0.67 CFS	485.0 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	SWSWSE	Sec. 21, Twp 07S, Rge 36E, BANNOCK County
GROUND WATER	SWSWSE	Sec. 21, Twp 07S, Rge 36E, BANNOCK County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: INDUSTRIAL

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07S	36E	21															X		
07S	36E	28		X			X			X									

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, the lease term expires, or upon request from the lessor to change the term of the lease, 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.
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.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
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.

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.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
12. 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.

ATTACHMENT A
WATER RIGHT NO. 29-7855
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water right or portion thereof leased to the bank is described as follows:

Lessor: ASH GROVE CEMENT CO
 11011 CODY ST
 OVERLAND PARK KS 66210
 (913) 951-8900

Priority Date: 10/18/1988

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
INDUSTRIAL	01/01	to 12/31	0.67 CFS	438.5 AF
	Total:		0.67 CFS	438.5 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER NENE

Sec. 28, Twp 07S, Rge 36E, BANNOCK County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: INDUSTRIAL

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07S	36E	21															X		

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, the lease term expires, or upon request from the lessor to change the term of the lease, 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.
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.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
12. 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.

ATTACHMENT A
WATER RIGHT NO. 29-10029
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water right or portion thereof leased to the bank is described as follows:

Lessor: ASH GROVE CEMENT CO
11011 CODY ST
OVERLAND PARK KS 66210
(913) 951-8900

Priority Date: 9/1/1928

Source: PORTNEUF RIVER **Tributary to:** SNAKE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
INDUSTRIAL	01/01	to 12/31	0.31 CFS	Not Stated
	Total:		0.31 CFS	Not Stated

LOCATION OF POINT(S) OF DIVERSION:

PORTNEUF RIVER SWSWSE Sec. 21, Twp 07S, Rge 36E, BANNOCK County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: INDUSTRIAL

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07S	36E	21																	
07S	36E	28		X			X			X							X		

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, the lease term expires, or upon request from the lessor to change the term of the lease, 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.
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.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
12. 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.
13. 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. 29D.

STATE OF IDAHO
WATER RESOURCE BOARDWATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLISTRECEIVED
SEP 15 2014
DEPARTMENT OF
WATER RESOURCES

An application to lease or sell a water right into the Water Supply Bank must be prepared in accordance with the minimum requirements listed below to be acceptable for processing by the Department. 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. **Incomplete applications will be returned to applicants for completion.** For instructions on how to complete a lease application, visit the Department's website at www.idwr.idaho.gov.

Water Right No: 29-4069All items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*.

YES

- ☒ Completed *Water Supply Bank Lease or Sale Application Checklist* (this form).
- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank* (pages 2-3).
- ☒ Application filing fee of \$250.00. If you are submitting more than one lease application and the water rights have a common place of use, or common diversion rate, or common diversion volume, the combined maximum fee is \$500.00.

Attachment N/A YES

- 1A ☐ ☒ Contact information for *all owners* of the water right that is being 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 ☒ ☐ Written consent from irrigation district or water delivery company.
- 1E ☐ ☒ 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, organization or association not currently registered as a business entity in the State of Idaho, 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.
- 3D ☐ ☒ Watermaster records or other evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.
- 4 ☐ ☒ Create 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. If you don't already have a detailed map, you can create one using IDWR's online General Mapping Tool (<http://maps.idwr.idaho.gov/mapall/>) to locate a water right place of use or point of diversion.

Department Use Only

Fee Amount \$ <u>500⁰⁰</u>	Received By: <u>A</u>	Date Received: <u>9/15/14</u>	Receipt # <u>C099408</u>
W-9 received? Yes ☒ No ☐ (Route W-9 to Fiscal)		Name on W-9: <u>Ash Grove Cement Company</u>	

STATE OF IDAHO
WATER RESOURCE BOARDRECEIVED
SEP 15 2014
DEPARTMENT OF
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK

1. CONTACT INFORMATION

- A. An application to sell or lease a water right to the water supply bank must be completed by a Designated Applicant who is a recognized owner of the water right being sold or leased to the Water Supply Bank. If there are additional owners recorded for the property to which the water right is appurtenant, 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 Ash Grove Cement Co. Email Address _____
Mailing Address 11011 Cody Street, Overland Park, KS 66210 Phone Number 913-951-8900

☒ 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 completed an IRS Form W-9 (Attachment 1B)? Yes ☒ No ☐
- 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 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 1D).
- E. 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 1E).

Name of Representative Bruce Newell Organization Ash Grove Cement Company
Professional Title V.P. Manufacturing Services Email Address bruce.newell@ashgrove.com
Mailing Address 11011 Cody Street, Overland Park, KS 66210 Phone Number 913.319.6185

☐ 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

Water Right Number 29-4069 ☒ 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 a water right is being offered, complete Attachment 2)

3. GENERAL INFORMATION

- A. Please provide a description of the current water diversion system.

Ground water pump for industrial use - inactive

- B. Describe any other water rights used for the same purpose or at the same place of use as described above.

Water from rights 29-7855, 29-4069, and 29-10029 were
combined to provide needed water for a cement
manufacturing operation.

C. Will the present place of use continue to receive water from any source?

Yes ☐ No ☒

If yes, describe. _____

D. Has any portion of this water right undergone a period of five or more consecutive years of non-use?

Yes ☐ No ☒

If yes, describe and attach Watermaster records or other evidence to demonstrate that the water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code. _____

E. Is this water right involved in any other IDWR process such as an application for transfer or a mitigation plan? Yes ☐ No ☒

If yes, describe. _____

4. 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, for a period from 01/01/15 to 12/31/19 (maximum lease period 5 years).
(Month / Day / Year) (Month / Day / 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 provisions are stayed.
5. Acceptance of a water right into the bank does not, in itself, confirm the validity of the water right or any elements of the water right.

Signature of Designated Applicant

Bruce W Newell

Signature of Authorized Representative

Printed Name

Bruce W Newell

Printed Name

Date

Sept. 4, 2014

Date

Mail to:

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

List all individuals or business entities that are owners of the property to which the water right on this application is appurtenant. All water right holders must be signatories to a Water Supply Bank Lease Application however only the Designated Applicant needs to provide a completed IRS Form W-9 (Attachment 1B). **All correspondence and any financial payment associated with the rental of this water right will be directed to the Designated Applicant.** If additional space is needed to list any other water right holders, attach a second copy of Attachment 1A.

	Designated Applicant	Applicant #2	Applicant #3
Name	NA		
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 2

DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

1. <u>Water Right Number</u>	<u>Amount (cfs/ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
29-4069	0.67 cfs	Industrial	01 to 12/31
			to
			to
			to
			to

Total Amount: 0.67 cfs

2. Source of water Ground water tributary to _____

3. Point(s) of Diversion:

Twsp	Rge	Sec	Lot	¼	¼	¼	County
07S	36E	21		SW	SE		Bannock
07S	36E	28		NE	NW		"
07S	36E	28		NW	NE		"

4. Lands irrigated or place of use:

[illegible]

If the water right is for irrigation, show total number of acres offered to the bank. Total Acres _____

		Date		11/17/2012	
Quarry				Drilling, Blasting and Dozing	
Crushing to Storage				Dozers	Operating Hrs 0.0
	Tons Crushed	Operating Hrs	Water Spray (hrs)	Tons/Hr Crushed	Quarry Shots (YTD) 0
Limestone	0	0.0	0.0	0.0	
Silica	0	0.0	0.0	0.0	
Iron Ore	0	0.0	0.0	0.0	
Gypsum	0	0.0	0.0	0.0	
Clay	0	0.0	0.0	0.0	
UB through storage pile	0	0.0		0.0	
Receiving					
				Silica (t/day)	0.00
				Gypsum (t/day)	0.00
				Iron Ore (t/day)	0.00
				Limestone/Clinker (t/day)	0.00
				Clay (t/day)	0.00
				12-Month Running Total of Limestone/Clinker to Rail Bin (t)	
				N/A per FIC 2-2007.01/71	
				12-Month Running Total of L/S, Clay, Shale Processed (t)	
				90	
				12-Month Running Total of Iron Processed (t)	
				0	
				12-Month Running Total of Silica Processed (t)	
				0	
				12-Month Running Total of Gypsum Processed (t)	
				8,268	
				12-Month Running Total of Limestone Through Storage Pile (t)	
				1,856	
				Iron Ore Rec'd, Crushed, & Stored (t/day)	
				0	
				Iron Ore Rec'd, Crushed, & Stored (hr/day)	
				0.0	
				Iron Ore Processed (t/hr) (MTD)	
				0	
				Gypsum Rec'd, Crushed, & Stored (t/day)	
				0	
				Gypsum Rec'd, Crushed, & Stored (hr/day)	
				0.0	
				Gypsum Processed (t/hr) (MTD)	
				0	
Raw Mill				Kiln Feed	
	(t/day)	Mill Op. Hours		Kiln Feed (t)	Hours (hr)
Limestone	0	0.0		0	0.0
Silica	0	0.0		0	0.0
Iron Ore	0	0.0		0	0.0
Monthly Avg. Throughput (TPH)		0		Clinker Production (t/day)	
12-Month Running Total of Raw Prod. (t)		0		0	
				#1 Kiln	0
				#2 Kiln	0
				#1 Kiln Prod YTD Avg (TPH)	0.0
				#2 Kiln Prod YTD Avg (TPH)	0.0
TYPES AND AMOUNTS OF					
Coal #1	Tons/Hour	MMBTU/Day	Used Oil #1	Gallons/Day	%MMBTU's
Coal #2	0.00	0.00	Used Oil #2	0.00	0.00
				TDF	0.00
				TDF	0.00
				12-Month Rolling Avg. (lbs/hr)	0.00
				Tons/Day	0.00
				%MMBTU's	0.00
Total tons Coal Burned (YTD)				12-Month Running Total of Coal Burned	
				0	
Cement Production				Cement Loadout	
	Amount Produced in Tons	Hours	t/hr (MTD)	Amount in Tons (Day)	Hours
#1 Mill	110	7.7	15.4	0	0.0
#2 Mill	0	0.0	0.0	0	0.0
#3 Mill	109	7.7	15.2	0	0
Cement	(YTD)	123,882		Cement Shipped (YTD)	129,024
				12-Month Running Total of Cement Shipped (t)	
				137,566	
				CKD (t/day)	
				0.00	
				CKD Landfilled (t)	
				0.000	
				CKD Landfilled Year to Date	
				0.00	
Clinker Reclaim					
Monthly Avg. Throughput (TPH)				0	
Clinker Reclaim (t) (YTD)				0	
Chemical Dust Suppressant (applications per)				0	
Water Applications to Roads				SEE LOG	

Documentation of water use.

This data shows amount of cement produced on this date, month to date, and year to date.

The cement manufacturing process used comingled water from water right #'s

29-4069, 29-7855, and 29-10029.

IDAHO Department of Water Resources
Geographic Information Services



Water

- Wells

Water Rights / Adjudication

- POD - Adjudication Claims
- POD - Adjudication Recommendations
- POD - Permits
- POD - Water Rights
- POU - Adjudication Claims
- POU - Adjudication Recommendations
- POU - Permits
- POU - Water Rights

Ground Water

- Areas of Drilling Concern
- Contamination Area
- Nitrate Priority Areas
- Critical Ground Water Areas
- Ground Water Management Areas

Eastern Snake Plain Aquifer

- ESPA Boundary
- ESPA Model Outline
- ESPA Model Grid



State of Idaho
Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098
Phone: (208) 287-4800
Fax: (208) 287-6700

Scale: 1" = 1260 feet

Created: 8/28/2014 -- Persons using information from this site for official purposes, or other purposes, for which accuracy and completeness are required, are hereby notified that they should first verify the information with the public records or other primary sources from which the information was obtained.

Wells 29-4069 and 29-7855 are within close proximity to one another. Both wells are identified in IDWR's map as 29-4069. This is incorrect. One well is 29-4069 and the other is 29-7855.

Webster, Clay

From: Webster, Clay
Sent: Friday, July 15, 2016 8:19 AM
To: 'Bruce Newell'
Subject: RE: Water Bank agreement

Bruce,

At the end of the year the department will send out notification letters with a payment from the rental of leased rights. If the rights are not rented, no notification is sent. Have a good weekend.

Clay

From: Bruce Newell [<mailto:bruce.newell@ashgrove.com>]
Sent: Friday, July 15, 2016 8:16 AM
To: Webster, Clay
Subject: Re: Water Bank agreement

Thanks Clay

Will someone send us a report annually with status of our banked water?

Bruce

On Jul 15, 2016, at 8:59 AM, Webster, Clay <Clay.Webster@idwr.idaho.gov> wrote:

Bruce,

I checked these water rights and they have not been rented.

Sincerely,
Clay Webster
Water Resource Agent
clay.webster@idwr.idaho.gov
208-287-4910
Idaho Department of Water Resources (IDWR)

From: Bruce Newell [<mailto:bruce.newell@ashgrove.com>]
Sent: Thursday, July 14, 2016 6:51 AM
To: Webster, Clay
Subject: Fwd: Water Bank agreement

Clay, could I get an update again on our water rights that are banked - did not see anything at year end.

Bruce

----- Forwarded message -----

From: **Bruce Newell** <bruce.newell@ashgrove.com>

Date: Fri, Aug 14, 2015 at 11:24 AM

Subject: Water Bank agreement

To: "Webster, Clay" <Clay.Webster@idwr.idaho.gov>

Cc: Kim Beachner <kim.beachner@ashgrove.com>, Eric Magness
<eric.magness@ashgrove.com>, Kelly Packard <kelly.packard@ashgrove.com>

Clay, could you please update me on the status of our water rights that have been banked with your department as outlined in the attached agreement. I have not been notified if these have been rented or not. How are notifications to be made of rental under this agreement?

Thanks, Bruce

--

Bruce W. Newell
V.P. Manufacturing Services
Overland Park, Kansas

--

Bruce W. Newell
V.P. Manufacturing Services
Overland Park, Kansas

Webster, Clay

From: Webster, Clay
Sent: Friday, August 14, 2015 10:58 AM
To: 'Bruce Newell'
Subject: RE: Water Bank agreement

Bruce,

Normally after the end of the year the department will send out notification letters with a payment from the rental of leased rights. If the rights are not rented, no notification is sent. I checked the status of these rights and they have not been rented as of today. Have a good weekend.

Sincerely,

Clay Webster

Water Resource Agent
clay.webster@idwr.idaho.gov

208-287-4910

Idaho Department of Water Resources (IDWR)

322 E. Front Street

P.O. Box 83720

Boise, ID 83720-0098

208-287-4800

www.idwr.idaho.gov

From: Bruce Newell [<mailto:bruce.newell@ashgrove.com>]
Sent: Friday, August 14, 2015 10:25 AM
To: Webster, Clay
Cc: Kim Beachner; Eric Magness; Kelly Packard
Subject: Water Bank agreement

Clay, could you please update me on the status of our water rights that have been banked with your department as outlined in the attached agreement. I have not been notified if these have been rented or not. How are notifications to be made of rental under this agreement?

Thanks, Bruce

--

Bruce W. Newell
V.P. Manufacturing Services
Overland Park, Kansas



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 6, 2015

ASH GROVE CEMENT CO
11011 CODY ST
OVERLAND PARK KS 66210

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 29-4069, 29-7076, 29-7855 and 29-10029

Dear Lessor:

Water Rights **29-4069, 29-7076, 29-7855 and 29-10029** were leased into the Water Supply Bank on January 1, 2015 in accordance with the executed original Lease Contract enclosed. **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.**

The rights will automatically be released from the Bank on **December 31, 2019**, unless the rights are released earlier by the Board, or upon your request. **Please note your rights may not be available for immediate release if they have 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,

for Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: IDWR Eastern Region
Randy Smith – Water District No. 29D



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

December 19, 2014

ASH GROVE CEMENT CO
11011 CODY ST
OVERLAND PARK KS 66210

**RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 29-4069, 29-7076, 29-7855 AND 29-10029
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(s) to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return BOTH 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 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 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 me at 287-4910.

Sincerely,

Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

Webster, Clay

From: Bruce Newell [bruce.newell@ashgrove.com]
Sent: Thursday, December 18, 2014 1:07 PM
To: Webster, Clay
Subject: Re: Water Supply Bank Lease Applications of Ash Grove Cement Co Water Rights

Clay, in speaking to the plant yesterday the water used at the plant from the water right sources was used in different ways. The water used at the plant for cooling/process water was circulated through the plant/process system and evaporated by heat or mixed in with the material to make slurry feed for the kilns - any additional water from this addition was captured on sight and pumped up the hill to the quarry retention pond and evaporated. No discharge back to the river was done - additional water was used to control fugitive dust emissions from crushing in the quarry and road dust emissions put down by plant water truck daily as a requirement of our permit. We also had to maintain a certain amount of fire water in our plant water tanks as part of our insurance requirement.

Hope this answers your question.

Bruce

On Wed, Dec 17, 2014 at 4:07 PM, Webster, Clay <Clay.Webster@idwr.idaho.gov> wrote:

Bruce,

If you had something that shows what percentage of water diverted is consumptively used in the process that will be of great help. I already have the information on the water rights. The department receipted your check in September I believe they would have deposited it then. I have attached a scanned copy of the receipt for you.

Clay

From: Bruce Newell [<mailto:bruce.newell@ashgrove.com>]
Sent: Wednesday, December 17, 2014 2:37 PM
To: Webster, Clay
Subject: Re: Water Supply Bank Lease Applications of Ash Grove Cement Co Water Rights

That is Ash Grove Cement Company. I will see what we have on historical data but I believe I supplied quantities we are permitted for as far as the application process? Did you cash the check we submitted as part of this process?

Bruce

On Dec 17, 2014, at 3:23 PM, "Webster, Clay" <Clay.Webster@idwr.idaho.gov> wrote:

Mr. Newell,

I am processing the applications to lease the Ashland Grove Cement Co Water Rights into the Idaho Water Supply Bank. I need to get historical data on the consumptive use of the water used for processing the cement in this plant. I appreciate any information that you could provide.

Sincerely,

Clay Webster

Water Resource Agent

clay.webster@idwr.idaho.gov

208-287-4910

Idaho Department of Water Resources (IDWR)

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

208-287-4800

www.idwr.idaho.gov

--

Bruce W. Newell
V.P. Manufacturing Services
Overland Park, Kansas

MEMORANDUM

To: Water Right No(s). 29-4069, 39-7076, 29-7855 and 29-10029

From: Clay Webster

Date: December 17, 2014

Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: The Department received applications to lease these Industrial water rights entirely into the WSB on September 15, 2014 for the 2015 season for 5 years. I discussed the process that was used for this plant with the Company Representative (Bruce Newell) on December 17, 2014. The company did not have any discharge water. These water rights will have to be considered 100% consumptive.

AUTHORITY TO FILE: This application was signed by Bruce W. Newell who is listed on the Company's website as the Vice President of Manufacturing Services. The address listed on the application is the street address listed on the Idaho SOS web site.

WATER RIGHT VALIDITY: 29-4069, 29-7076 and 29-10029 were partially decreed in March of 2004. 29-7855 was licensed in March of 1997. The applicant provided documentation of tons of concrete produced during the 2012 year as well. Forfeiture is not an issue at this time.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: No enlargement is evident through the lease alone. Proper rental review should protect against enlargement.

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: One of the leased rights is subject to Water District 29D. The regional office and the watermaster had no concerns about this lease.

Webster, Clay

From: Cefalo, James
Sent: Tuesday, December 02, 2014 8:47 AM
To: Webster, Clay
Subject: RE: Region Comments on WSB Lease Applications for 29-4069, 29-7076, 29-7855 and 29-10029

Clay,

It appears that the industrial water rights have been used in recent years. Therefore, I don't have any concerns with accepting the water rights into the WSB.

James

From: Webster, Clay
Sent: Friday, November 28, 2014 2:59 PM
To: Cefalo, James
Subject: Region Comments on WSB Lease Applications for 29-4069, 29-7076, 29-7855 and 29-10029

James,

Hope you had a Happy Thanksgiving! I am processing lease applications for the Ash Grove Cement Co. Do you have any concerns? Thanks.

Clay

Webster, Clay

From: randy77@msn.com
Sent: Monday, December 01, 2014 8:18 PM
To: Webster, Clay
Subject: Re: WD29D Watermaster Comments on WSB lease for Ash Grove Cement Co 29-10029, 29-4069, 29-7076 and 29-7855

I have no concerns about the lease

----- Original message-----

From: Webster, Clay
Date: Mon, Dec 1, 2014 8:31 AM
To: randy77@msn.com;
Subject: WD29D Watermaster Comments on WSB lease for Ash Grove Cement Co 29-10029, 29-4069, 29-7076 and 29-7855

Mr. Smith,

The Ash Grove Cement Co has applied to lease the above mentioned water rights into the Water Supply Bank. They say that they have been out of production since 2012. 29-10029 is a right from the Portneuf River. The others are ground water rights. Do you have any concerns about this lease? Thank you.

Sincerely,

Clay Webster

Water Resource Agent
clay.webster@idwr.idaho.gov
208-287-4910

Idaho Department of Water Resources (IDWR)
322 E. Front Street
P.O. Box 83720
Boise, ID 83720-0098
208-287-4800
www.idwr.idaho.gov

MEMORANDUM

To: Water Right No(s). 29-4069, 39-7076, 29-7855 and 29-10029

From: Clay Webster

Date: November 28, 2014

Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: The Department received applications to lease these Industrial water rights entirely into the WSB on September 15, 2014 for the 2015 season for 5 years.

AUTHORITY TO FILE: This application was signed by Bruce W. Newell who is listed on the Company's website as the Vice President of Manufacturing Services. The address listed on the application is the street address listed on the Idaho SOS web site.

WATER RIGHT VALIDITY: 29-4069, 29-7076 and 29-10029 were partially decreed in March of 2004. 29-7855 was licensed in March of 1997. The applicant provided documentation of tons of concrete produced during the 2012 year as well. Forfeiture is not an issue at this time.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: No enlargement is evident through the lease alone. Proper rental review should protect against enlargement.

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: One of the leased rights is subject to Water District 29D. The regional office and the watermaster had no concerns about this lease.



OUR COMPANY

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Directors

CHARLES T. SUNDERLAND
Chairman of the Board & Chief Executive Officer

KENTON W. SUNDERLAND
Vice Chairman of the Board

GEORGE M. WELLS
Vice Chairman - Strategic Relationships

JOHN W. WEBSTER
Private Investor

CHARLES V. LARSON
Private Investor

J. RANDALL VANCE
President & Chief Operating Officer

F. LYNN MARKEL
Private Investor

EILEEN FLINK
Former Vice President & General Counsel
(Retired 2010)

MICHAEL J. HRIZUK
Senior Vice President - Manufacturing

PATRICK J. GORUP
Vice President - Ash Grove Materials

Officers

CHARLES T. SUNDERLAND
Chairman of the Board & Chief Executive Officer

KENTON W. SUNDERLAND
Vice Chairman of the Board

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President & Chief Operating Officer

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Vice President - Sales, West Division

PATRICK J. GORUP
Vice President - Ash Grove Materials

DAVID W. EZELL
Vice President - Human Resources

STEPHEN M. RYAN
Vice President, General Counsel & Secretary

CURTIS D. LESSLIE
Vice President - Environmental Affairs

No. C 96956	Due no later than Dec 31, 2013 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.		C T CORPORATION SYSTEM 921 S ORCHARD ST STE G BOISE ID 83705 USA			
	ASH GROVE CEMENT COMPANY MELISSA RUSCH BOX 25900 OVERLAND PARK KS 66225		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
DIRECTOR	CHARLES T SUNDERLAND	11011 CODY	OVERLAND PARK	KS	USA	66210
PRESIDENT	KENTON W SUNDERLAND	11011 CODY	OVERLAND PARK	KS	USA	66210
DIRECTOR	J RANDALL VANCE	11011 CODY	OVERLAND PARK	KS	USA	66210
DIRECTOR	GEORGE M WELLS	11011 CODY	OVERLAND PARK	KS	USA	66210
DIRECTOR	JOHN W WEBSTER	11011 CODY	OVERLAND PARK	KS	USA	66210
DIRECTOR	CHARLES V LARSON	11011 CODY	OVERLAND PARK	KS	USA	66210
DIRECTOR	F L MARKEL	11011 CODY	OVERLAND PARK	KS	USA	66210
TREASURER	JOHN F WOODFILL	11011 CODY	OVERLAND PARK	KS	USA	66210
SECRETARY	KENTON W SUNDERLAND	11011 CODY	OVERLAND PARK	KS	USA	66210
DIRECTOR	EILEEN FLINK	11011 CODY	OVERLAND PARK	KS	USA	66210
5. Organized Under the Laws of:		6. Annual Report must be signed.*				
DE C 96956		Signature: KENTON W SUNDERLAND			Date: 12/16/2013	
		Name (type or print): KENTON W SUNDERLAND			Title: Secretary	
Processed 12/16/2013		* Electronically provided signatures are accepted as original signatures.				