

JUL 22 2014

DEPARTMENT OF
WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("Lease") is effective March 28, 2014, between the Idaho Water Resource Board ("Board"), and

Lessor: J R SIMPLOT CO
C/O TERRY UHLING
 PO BOX 27
 BOISE ID 83707
 (208) 336-2110

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>	<u>Total Leased Acres</u>
61-2165	1.16 CFS	339.0 AF	59.0 AC
61-12291	2.90 CFS	800.9 AF	194.3 AC
Combined Lease Totals:	4.06 CFS	1139.9 AF	253.3 AC

The water rights described herein shall be available for rental from the Bank as follows:
Authorized Period of Use under Lease: 03/1 to 11/1

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, 2016.
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.

SUPPORT DATA

IN FILE # 61-2165

SCANNED

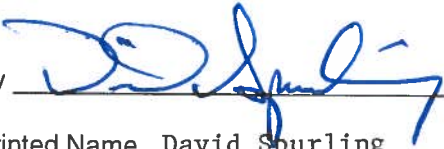
JUL 23 2014

Page 1 of 6

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

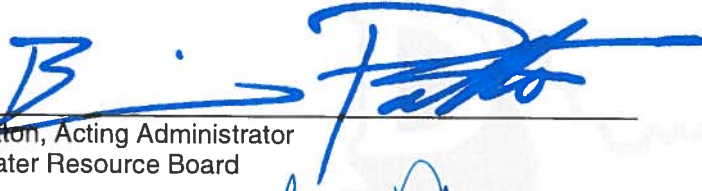
IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

J R SIMPLOT CO
C/O ~~TERRY UHLING~~ DAVID SPURLING
PO BOX 27
BOISE ID 83707

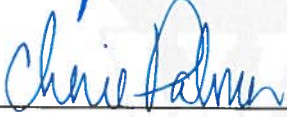
By 
Printed Name David Spurling

Date 18 July 2014
Senior Vice President, Secretary
Title and General Counsel

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 July 22, 2014

Lease approved by IDWR 

Date July 22, 2014

ATTACHMENT A
WATER RIGHT NO. 61-2165
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: J R SIMPLOT CO
C/O TERRY UHLING
PO BOX 27
BOISE ID 83707
(208) 336-2110

Priority Date: 12/2/1963

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01	to 11/01	1.16 CFS	339.0 AF
	Total:		1.16 CFS	339.0 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NWSW	Sec. 4, Twp 05S, Rge 04E, ELMORE County
GROUND WATER	NESW	Sec. 5, Twp 05S, Rge 04E, ELMORE County
GROUND WATER	SENE	Sec. 6, Twp 05S, Rge 04E, ELMORE County
GROUND WATER	NWNW	Sec. 5, Twp 05S, Rge 04E, ELMORE County
GROUND WATER	NESE	Sec. 5, Twp 05S, Rge 04E, ELMORE County
GROUND WATER	SENE	Sec. 5, Twp 05S, Rge 04E, ELMORE County
GROUND WATER	SESE	Sec. 31, Twp 04S, Rge 04E, ELMORE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
05S	04E	5											19.0	40.0					59.0

Total Acres: 59.0

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Total Leased Acres</u>
61-2165 and 61-12291,	4.06 CFS	1139.9 AF	253.3 AC

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.
12. The period of use for the irrigation described in this approval may be extended to an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water after 11/01 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than August 14, 2007.

ATTACHMENT A
WATER RIGHT NO. 61-12291
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: J R SIMPLOT CO
C/O TERRY UHLING
PO BOX 27
BOISE ID 83707
(208) 336-2110

Priority Date: 12/2/1963

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01	to 11/01	2.90 CFS	800.9 AF
	Total:		2.90 CFS	800.9 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	SWSE	Sec. 8, Twp 03S, Rge 06E, ELMORE County
GROUND WATER	SWSE	Sec. 8, Twp 03S, Rge 06E, ELMORE County
GROUND WATER	NENW	Sec. 17, Twp 03S, Rge 06E, ELMORE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
03S	06E	8											X	X			X	X	
03S	06E	17					X	X	X	X									

Total Acres: 194.3

Limited to acres within place of use described above: NA

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Total Leased Acres</u>
61-2165 and 61-12291,	4.06 CFS	1139.9 AF	253.3 AC

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.
12. The period of use for the irrigation described in this approval may be extended to an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water after 11/01 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than August 14, 2007.
13. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.

STATE OF IDAHO
WATER RESOURCE BOARDWATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLISTRECEIVED
MAR 28 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.**

Designated Applicant J. R. Simplot CompanyWater Right No. 61-2165
One water right per applicationAll 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, 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.
- 3D ☒ ☐ Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.
- 4 ☐ ☒ 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 \$ 750.00Received By: CSDate Received: 3/28/14Receipt # C098589W-9 received? Yes ☒ No ☐

(Route W-9 to Fiscal)

Name on W-9:

JR Simplot Company

**STATE OF IDAHO
WATER RESOURCE BOARD**

**APPLICATION 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 J. R. Simplot Company Email Address _____
Mailing Address P. O. Box 27 Phone Number 208-336-2110

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

OR

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

- B. Has the designated applicant 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 _____ 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

Water Right Number 61-2165 ☒ 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.

Wells, pumps, motors, underground pipelines

- B. 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.
2-10471

C. Will the present place of use continue to receive water from any other 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. An application for transfer no. 78656 was approved for this water right on October 24, 2013.

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 January 1, 2014 to Dec. 31, 2015 ²⁰¹⁶ (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

Jodee Kelly, Assistant General Counsel
Printed Name

Date

March 26, 2014

Signature of Authorized Representative

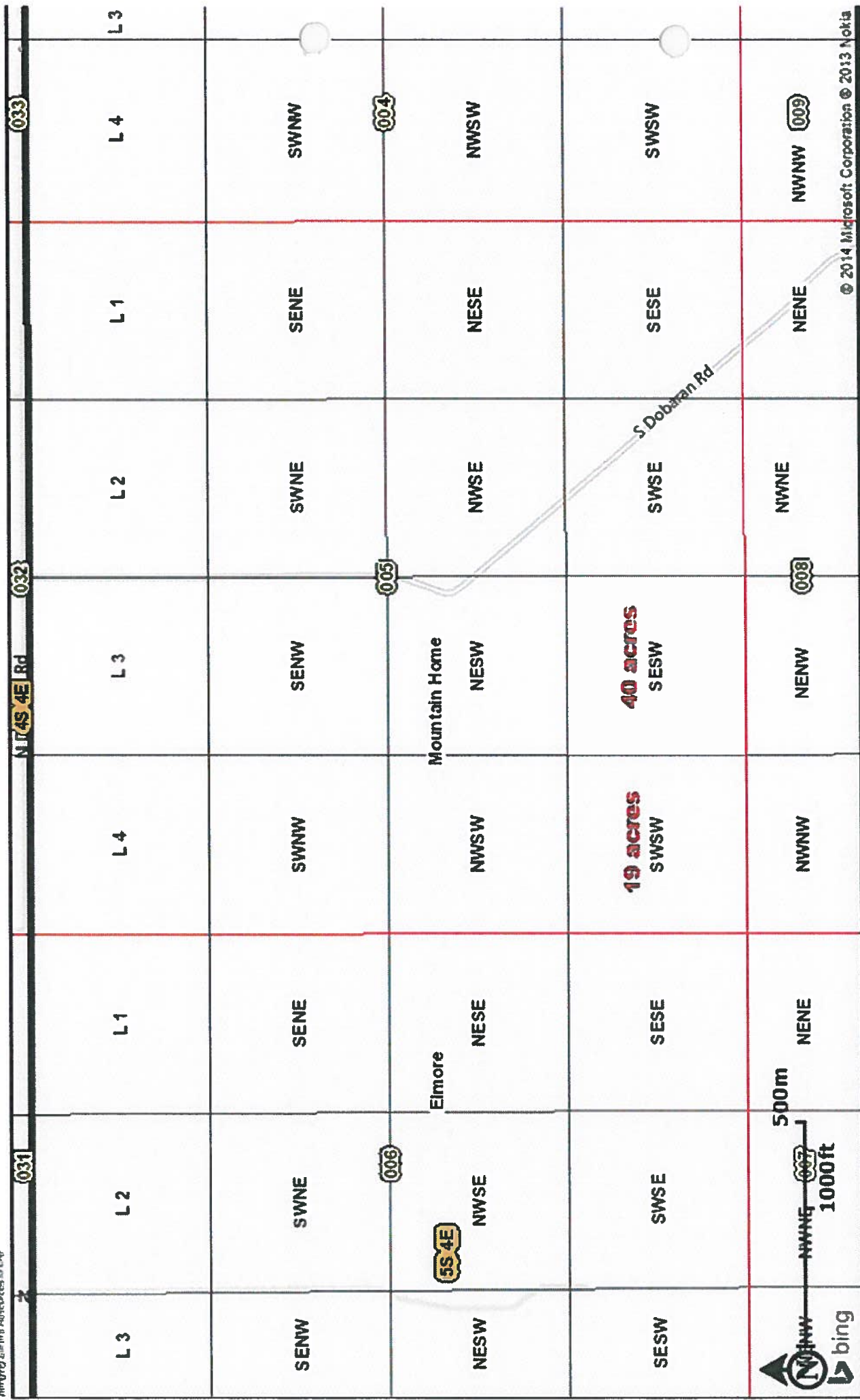
and Assistant Secretary
Printed Name

Date

Mail to:

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

Application to Lease 61-2165 to Water Supply Bank



Map Notes: Red numbers indicate acres that will not be irrigated during the term of lease.

STATE OF IDAHO
WATER RESOURCE BOARDWATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLISTRECEIVED
MAR 28 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.**

Designated Applicant J. R. Simplot CompanyWater Right No. 61-12991
One water right per applicationAll 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, 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.
- 3D ☒ ☐ Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.
- 4 ☐ ☒ 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 \$ 750Received By: CJDate Received: 3/28/14

Receipt #

C098589W-9 received? Yes ☒ No ☐

(Route W-9 to Fiscal)

Name on W-9:

J R Simplot Company

STATE OF IDAHO
WATER RESOURCE BOARDRECEIVED
MAR 28 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 J. R. Simplot Company Email Address _____
Mailing Address P. O. Box 27, Boise, Idaho 83707 Phone Number 208-336-2110

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

OR

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

B. Has the designated applicant 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 _____ 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

Water Right Number 61-12991 ☐ 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.

Two wells have been constructed.

- B. 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.
None

C. Will the present place of use continue to receive water from any other 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. An application for transfer no. 78656 was approved for this water right on October 24, 2013. _____

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 January 1, 2014 to Dec. 31, 2016 (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.

Jodee Kelly
Signature of Designated Applicant

Jodee Kelly, Assistant General Counsel
Printed Name

March 26, 2014
Date

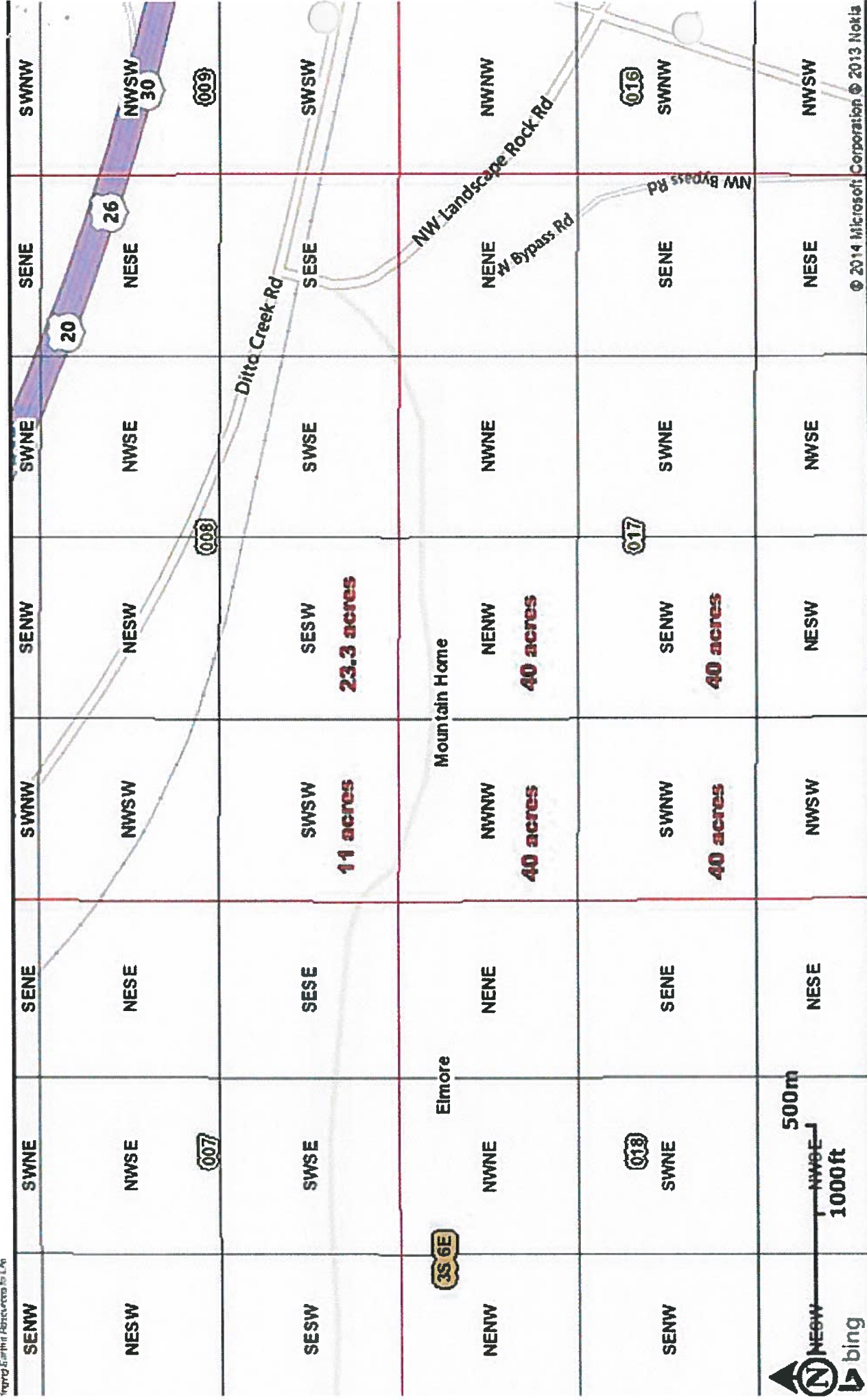
Signature of Authorized Representative

and Assistant Secretary
Printed Name

Date

Mail to:

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



Map Notes: Numbers in Red Represent the Acres Available for Lease to the Bank until December 31, 2016.



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

July 23, 2014

J R SIMPLOT CO
C/O DAVID SPURLING
PO BOX 27
BOISE ID 83707

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 61-2165 & 61-12291

Dear Lessor:

Water Rights 61-2165 and 61-12291 were leased into the Water Supply Bank on March 28, 2014 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, 2016**, 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,

Clay Webster

Technical Records Specialist

Enclosure: Executed Lease Contract

c: John Westra- IDWR Western Regional Manager

MEMORANDUM

To: 61-2165 AND 61-12991

From: Clay Webster

Date: 7/22/2014

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

PURPOSE/NARRATIVE: The department received an application to lease 61-2165 entirely and a portion of 61-12991 to the WSB on March 28, 2014. 61-2165 was leased into the WSB in 2005 for an indefinite period. The right was rented to Del Kohtz until November 2016. These lease contracts will replace the current indefinite lease for 61-2165 and ensure that 61-12291 is identified as leased into the WSB.

AUTHORITY TO FILE: These applications were submitted by J R Simplot Company's Representative Vic Conrad. They were signed by Jodee Kelly Their Assistant General Counsel

WATER RIGHT VALIDITY: These rights were decreed by the SRBA in Aug 2007 under WR # 61-2165. 61-12291 was split off from this right in a transfer in 2013. These rights have been leased into the WSB since 2005. 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: The leased right(s) are not subject to a State Water District. No comments are required as this lease will replace an indefinite lease.





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

CORPORATE HEADQUARTERS

RECEIVED

JUL 22 2014

**DEPARTMENT OF
WATER RESOURCES**

July 21, 2014

Clay Webster
Technical Records Specialist
State of Idaho
Department of Water Resources
P.O. Box 83720
Boise, Idaho 83720-0098

Re: Water Supply Bank Lease; Water Right Nos. 61-2165 and 61-12991.

Dear Clay:

Attached are duplicate partially executed originals of the Water Supply Lease Contract. Please arrange for signature by Mr. Patton, then return one fully executed original to me.

Sincerely,

Vic Conrad
Land, Water & Asset Recovery

Enclosure



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

July 10, 2014

J R SIMPLOT CO
C/O TERRY UHLING
P O BOX 27
BOISE ID 83707

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 61-02165 AND 61-12291 TO THE WATER SUPPLY BANK

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return 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, 2016**, 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
Technical Records Specialist

Enclosure: Proposed Lease Contracts



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

CORPORATE HEADQUARTERS

RECEIVED
MAR 28 2014
DEPARTMENT OF
WATER RESOURCES

March 26, 2014

Cherie Palmer, Sr. Water Resource Agent
Idaho Department of Water Resources
Water Allocation Bureau
322 E. Front Street
PO BOX 83720
Boise, ID 83720-0098

Re: Applications to Lease Water Right Nos. 61-2165 and 61-12291 to Water Supply Bank.

Dear Cherie:

In response to your letter dated March 4, 2014, enclosed is an application to lease water right no. 61-2165 and two applications to lease certain portions of water right no. 61-12291 for different terms. Please file the enclosed applications and apply the enclosed \$750.00 check to cover your fees for filing the enclosed applications.

Sincerely,

Vic Conrad
Land, Water & Asset Recovery

Enclosure

Palmer, Cherie

Subject: FW: A

From: Conrad, Vic [<mailto:Vic.Conrad@montana.gov>]
Sent: Thursday, March 20, 2014 1:15 PM
To: Palmer, Cherie
Subject: RE: Application to Lease

Cherie,
This sounds good. I will prepare the
converted a portion of the irrigatic

From: Palmer, Cherie [<mailto:Cherie.Palmer@montana.gov>]
Sent: Tuesday, March 18, 2014 2:15 PM
To: Conrad, Vic
Subject: RE: Application to Lease

Vic,

I took a look at your number and p
since the water right split, the rent

Water Right	Rate	
61-2165	1.16 cfs	

Palmer, Cherie

From: Conrad, Vic [Vic.Conrad@simplot.com]
Sent: Tuesday, March 18, 2014 8:46 AM
To: Palmer, Cherie
Subject: RE: Status Letter 61-2165 and 61-12291--RESPONSE REQUIRED

One last question (sorry to bother you). On your March 4 letter you indicate that the uncommitted portion of 61-12291 for irrigation is 5.7 acres; 0.30 cfs; 99 af. Is this correct? The flow rate and volume seem excessive for 5.7 acres. Just need to confirm this is okay.

From: Palmer, Cherie [mailto:Cherie.Palmer@idwr.idaho.gov]
Sent: Monday, March 17, 2014 5:09 PM
To: Conrad, Vic
Subject: RE: Status Letter 61-2165 and 61-12291--RESPONSE REQUIRED

Hello Vic,

I see your problem. Let's do this, submit two lease applications for 61-12291. I'm sorry but you'll have to pay for two separate applications under 61-12291 since you are in essence asking for two separate lease contracts.

Thank you for your prompt attention to this matter.

Cherie

From: Conrad, Vic [mailto:Vic.Conrad@simplot.com]
Sent: Monday, March 17, 2014 5:04 PM
To: Palmer, Cherie
Subject: RE: Status Letter 61-2165 and 61-12291--RESPONSE REQUIRED

Cherie,

I prepared the application to lease all of 61-2165 until December 31, 2016 to be consistent with the term of the current lease commitment.

On 61-12291, I would like to lease the uncommitted portion of irrigation (5.7 acres) and the industrial use until December 31, 2015; and the committed portion of the irrigation (190.3 acres) until December 31, 2016 to be consistent with the term of the current lease commitment.

On the application form, I am struggling for a location on the form to explain the separate lease terms. If I complete the application form and explain the different lease terms for the committed and uncommitted portions of the water right in a letter, attaching your March 4 letter, will this be acceptable to you?

From: Palmer, Cherie [mailto:Cherie.Palmer@idwr.idaho.gov]
Sent: Tuesday, March 04, 2014 1:39 PM
To: Conrad, Vic
Subject: Status Letter 61-2165 and 61-12291--RESPONSE REQUIRED

Vic,

I have prepared a letter for your response. I am emailing your copy of the letter so you get the letter ASAP as I have required a short 7 day response time. Once you provide an answer to the questions in my letter, I can move forward

with your pending WSB applications for water rights 61-2162, 61-2163, 2-10471, and 2-10472. Please let me know if you have any questions.

Thanks,

Cherie



CORPORATE HEADQUARTERS

March 10, 2014

Sent Via PDF Image and Regular U.S. Mail

Cherie Palmer, Sr. Water Resource Agent
Water Allocation Bureau
State of Idaho
Department of Water Resources
322 East Front Street
Boise Idaho 83720-0098

RECEIVED

MAR 12 2014

**DEPARTMENT OF
WATER RESOURCES**

Re: IDWR Water Right Nos. 61-2165, 61-12991 and 2-10471.

Dear Cherie:

In response to your letter dated March 4, 2014, Simplot acknowledges that the place of use described under water right nos. 61-2165 and 2-10471 overlap. Once a system for delivering water diverted from the Snake River under 2-10471 is completed, Simplot intends to irrigate the place of use with surface water. However, the system for delivering surface water to the place of use will not be installed before the end of the 2014 irrigation season. Consequently, the place of use described under 61-2165 will not receive water from the Snake River during the 2014 irrigation season.

With respect to the term of the lease for 61-12291 and 61-2165 to the Water Supply Bank, Simplot will submit new applications to lease these water rights to the Bank. The term of the new application will be commensurate with the end of the term of the current lease of these water rights from the water supply bank. If you will please confirm that the term of the current lease of these water rights from the Bank is December 31, 2016, I will prepare and file new applications to lease these water rights to the Bank until December 31, 2016.

In the event you would like to visit the place of use described under 61-2165 to confirm there are no methods of delivering water diverted from the Snake River to this place of use, please contact me and we will make arrangements for a convenient date and time.

Sincerely,

Vic Conrad
Land, Water & Asset Recovery

Enclosure

Webster, Clay

From: Webster, Clay
Sent: Thursday, July 10, 2014 9:09 AM
To: 'vic.conrad@simplot.com'
Subject: WSB Lease Application for 5.7 Acres of right 61-12291

Mr. Conrad,

I am currently processing the lease applications submitted for the J R Simplot Co on 5.7 acres of water right 61-12291. I need to get a map of which 5.7 acres will be idled before I can finish processing this lease.

FYI the lease for the other portion of 61-12291 and all of 61-2165 were placed in the mail today. Thanks for your assistance.

Sincerely,

Clay Webster

Technical Records Specialist
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

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