

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED
FEB 14 2014
DEPARTMENT OF
WATER RESOURCES

This Lease Contract ("**Lease**") is effective January 1, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: SOLVAY USA INC
CN7500
Cranbury NJ, 08512-7500
(609) 860-3432

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>Acre Limit</u>	<u>Total Leased Acres</u>
27-07008A	3.33 CFS	18.5 AF	NA	NA
27-07008B	3.33 CFS	18.5 AF	NA	NA
Combined Lease Totals:	6.66 CFS	18.5AF	NA	NA

The water rights described herein shall be available for rental from the Bank as follows:
Authorized Period of Use under Lease: July 1 to October 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, 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.

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.

SOLVAY USA INC

CN7500

Cranbury NJ, 8512-7500

(609) 860-3432

By

Printed Name Fred Ellerbusch

Date

Feb. 11, 2014

Title

Director
Remediation, Redeployment
and Real Estate

IDAHO WATER RESOURCE BOARD

322 East Front Street

P.O. Box 83720

Boise, ID 83720-9098

By

Brian Patton
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date

02-18-2014

Lease approved by IDWR

Samuel S. Skaggs

Date

02-18-2014

ATTACHMENT A
WATER RIGHT NO. 27-7008A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: **SOLVAY USA INC**
 CN7500
 Cranbury NJ, 8512-7500
 (609) 860-3432

Priority Date: 7/26/1968

Source: BLACKFOOT RIVER **Tributary to:** SNAKE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
INDUSTRIAL	07/01	to 10/31	3.33 CFS	18.5 AF
	Total:		3.33 CFS	18.5 AF

LOCATION OF POINT(S) OF DIVERSION:

BLACKFOOT RIVER NW¼SW¼ Sec. 25 Twp 07S Rge 43E CARIBOU County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S	43E	33	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
07S	43E	3	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
		10	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
		11	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
		13	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
		14	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
		23	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
		24	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
		25	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0

Total Acres: NA

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
27-7008A and 27-7008B	6.66 CFS	18.5 AF	NA	NA

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate. 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.
2. 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.
3. 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.

ATTACHMENT A
WATER RIGHT NO. 27-7008A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

4. While a water right is in the bank, forfeiture provisions are stayed.
5. Use of rights 27-7008A and 27-7008B are limited when combined to one or more of the following in accordance with the conditions of approval on the water rights: total combined diversion rate, annual diversion volume, and total acres authorized for irrigation.
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. 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. 27.
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. 27-7008B
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: **SOLVAY USA INC**
 CN7500
 Cranbury NJ, 8512-7500
 (609) 860-3432

Priority Date: 07/26/1968

Source: SPRING

Tributary to: ANGUS CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
INDUSTRIAL	07/01	to 10/31	3.33 CFS	18.5 AF
	Total:		3.33 CFS	18.5 AF

LOCATION OF POINT(S) OF DIVERSION:

SPRING NE¼SW¼ Sec. 11 Twp 07S Rge 43E CARIBOU County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S	43E	33	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
07S	43E	3	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
		10	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
		11	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
		13	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
		14	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
		23	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
		24	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0
		25	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	0

Total Acres: NA

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
27-7008A and 27-7008B	6.66 CFS	18.5	NA	NA

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate. 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.
2. 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.
3. 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.

ATTACHMENT A
WATER RIGHT NO. 27-7008B
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

4. While a water right is in the bank, forfeiture provisions are stayed.
5. Use of rights 27-7008A and 27-7008B are limited when combined to one or more of the following in accordance with the conditions of approval on the water rights: total combined diversion rate, annual diversion volume, and total acres authorized for irrigation
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:
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 - c. New lessor(s) of record will receive payment after the following rental season.
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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.

RECEIVED

DEC 19 2013

DEPARTMENT OF
WATER RESOURCES

STATE OF IDAHO
WATER RESOURCE BOARD
WATER SUPPLY BANK
REQUEST TO EXTEND LEASE TERM

ONE FORM PER WATER RIGHT

This form is a statement that the lessor requests an extension of a Water Supply Bank ("Bank") lease for the water right identified below. A water right remains in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. However, if a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

If requesting a change in lease amounts (reducing or increasing acreage, etc.), you must file an Application to Sell or Lease a Water Right to the Water Supply Bank. This form can be found on IDWR's website at: www.idwr.idaho.gov.

Water Right No: 27-7008A Telephone No: 609-860-3432

Name(s) of Lessor(s): Solvay USA Inc. (formerly Rhodia Inc.), Attn: Director of Site Services

Mailing Address: CN7500

City: Cranbury State: NJ Zip: 08512-7500

Current Expiration Date: December 31, 2013

Requested Expiration Date: December 31, 2016

Lease term not to exceed 5 years.

All lease extension request forms must be signed and submitted with the following REQUIRED items:

1. Plat map, survey map or aerial photograph clearly showing the specific acres proposed to be idled for the duration of this lease.
2. Filing fee of \$250.00. If you are submitting more than one lease application and the rights have a common place of use or common diversion rate or common diversion volume, the combined maximum fee is \$500.00.
3. A completed Internal Revenue Service (IRS) Form W-9 (attached). If your water right is rented, we will be unable to issue payment to you without a current W-9 form.

The lessor requests that the above water right remain in the Bank through the date referenced above.

 Signature of Lessor
Fred Ellerbusch, Director
Printed Name and Title*
Date: 12-19-2013

Signature of Lessor
Printed Name and Title*
Date

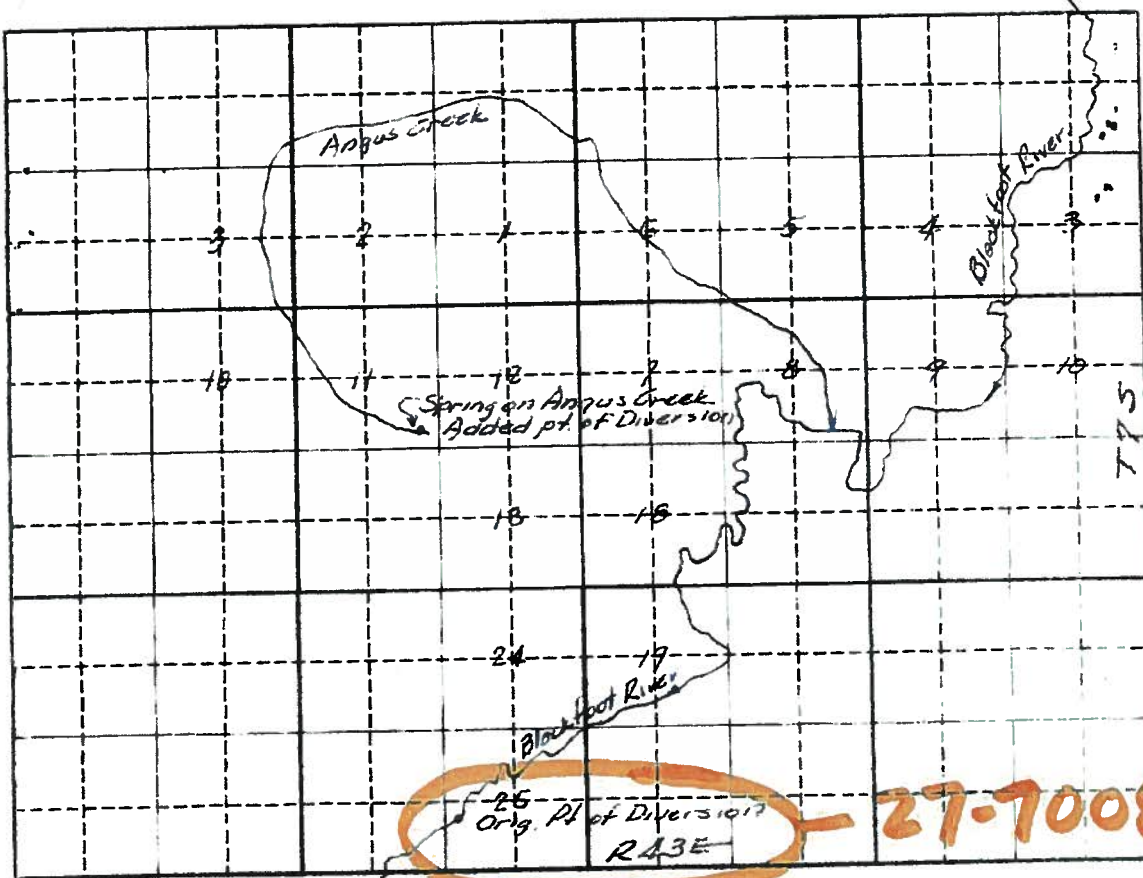
*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

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

FOR OFFICE USE ONLY

Filing fee received by: HP Date: 12-19-13 Receipt No: C098086

Complete the following map by showing land and point of diversion as proposed by this amendment. Show 40 acre subdivisions, sections, townships, ranges, and ditches.



27-7008A

Scale: 2 inches equal 1 mile

That no one will be injured by such change, and that such change will be made at permit holder's own risk.

Signed at Boise, Idaho, this 11th day of September, 1969.

J. A. TERTELING & SONS

[Signature]
(signature) Partner

ACTION OF STATE RECLAMATION ENGINEER

Dept. of Water Admin.

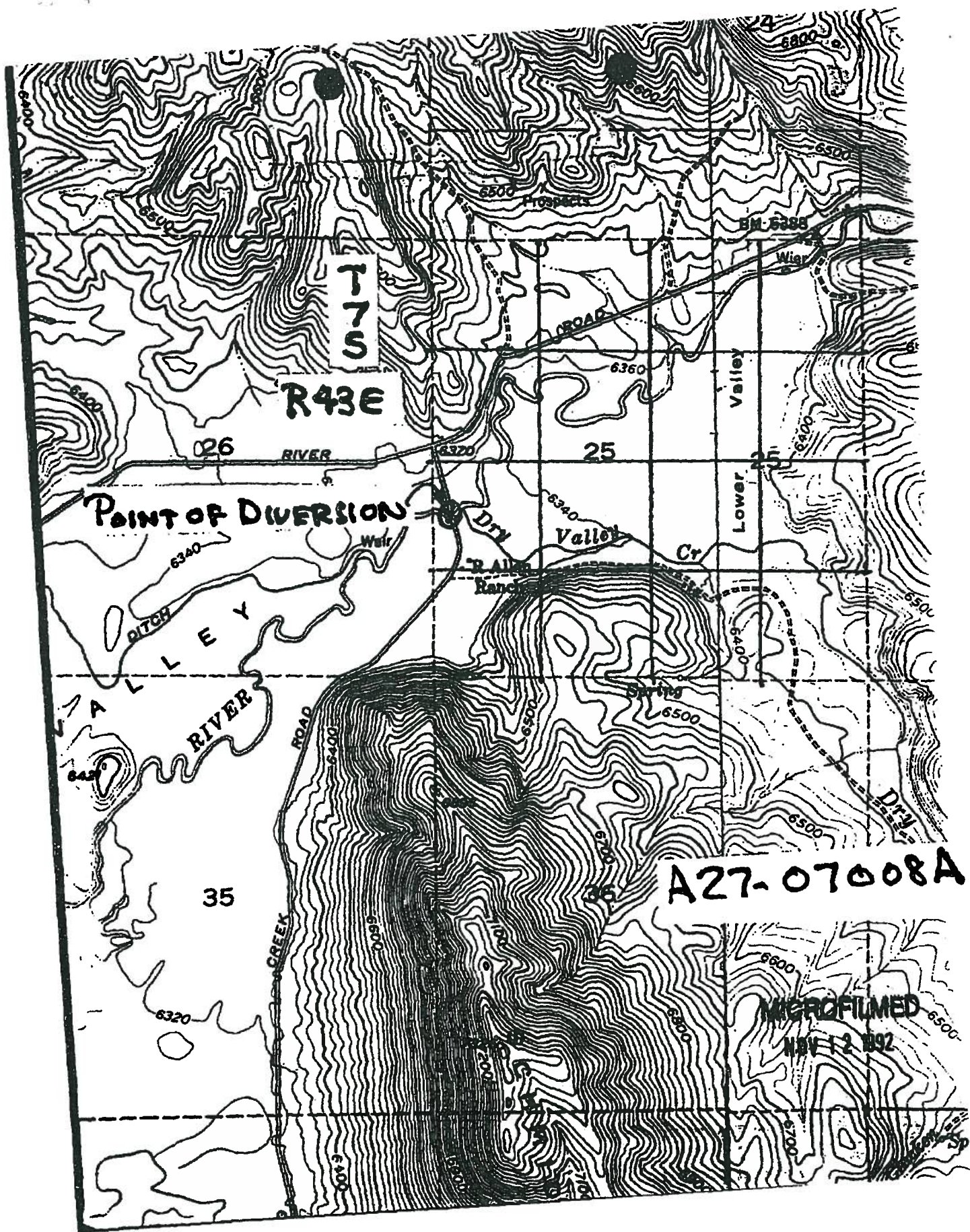
I, R. KEITH HIGGINSON, Director, ~~State Reclamation Engineer~~ of the State of Idaho

hereby approve the above application for amendment for Permit No. 27-7008.

Witness my hand this 25 day of September, 19 72

[Signature]
Director

~~State Reclamation Engineer~~



A27-07008A

MICROFILMED
NOV 12 1992

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DEC 19 2013

DEPARTMENT OF
WATER RESOURCES

STATE OF IDAHO
WATER RESOURCE BOARD
**WATER SUPPLY BANK
REQUEST TO EXTEND LEASE TERM**

ONE FORM PER WATER RIGHT

This form is a statement that the lessor requests an extension of a Water Supply Bank ("Bank") lease for the water right identified below. A water right remains in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. However, if a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

If requesting a change in lease amounts (reducing or increasing acreage, etc.), you must file an Application to Sell or Lease a Water Right to the Water Supply Bank. This form can be found on IDWR's website at: www.idwr.idaho.gov.

Water Right No: 27-7008B Telephone No: 609-860-3432

Name(s) of Lessor(s): Solvay USA Inc. (formerly Rhodia Inc.), Attn: Director of Site Services

Mailing Address: CN7500

City: Cranbury State: NJ Zip: 08512-7500

Current Expiration Date: December 31, 2013

Requested Expiration Date: December 31, 2016

Lease term not to exceed 5 years.

All lease extension request forms must be signed and submitted with the following REQUIRED items:

1. Plat map, survey map or aerial photograph clearly showing the specific acres proposed to be idled for the duration of this lease.
2. Filing fee of \$250.00. If you are submitting more than one lease application and the rights have a common place of use or common diversion rate or common diversion volume, the combined maximum fee is \$500.00.
3. A completed Internal Revenue Service (IRS) Form W-9 (attached). If your water right is rented, we will be unable to issue payment to you without a current W-9 form.

The lessor requests that the above water right remain in the Bank through the date referenced above.

 Fred Ellerbusch, Director 12-19-2013
Signature of Lessor Printed Name and Title* Date

Signature of Lessor Printed Name and Title* Date

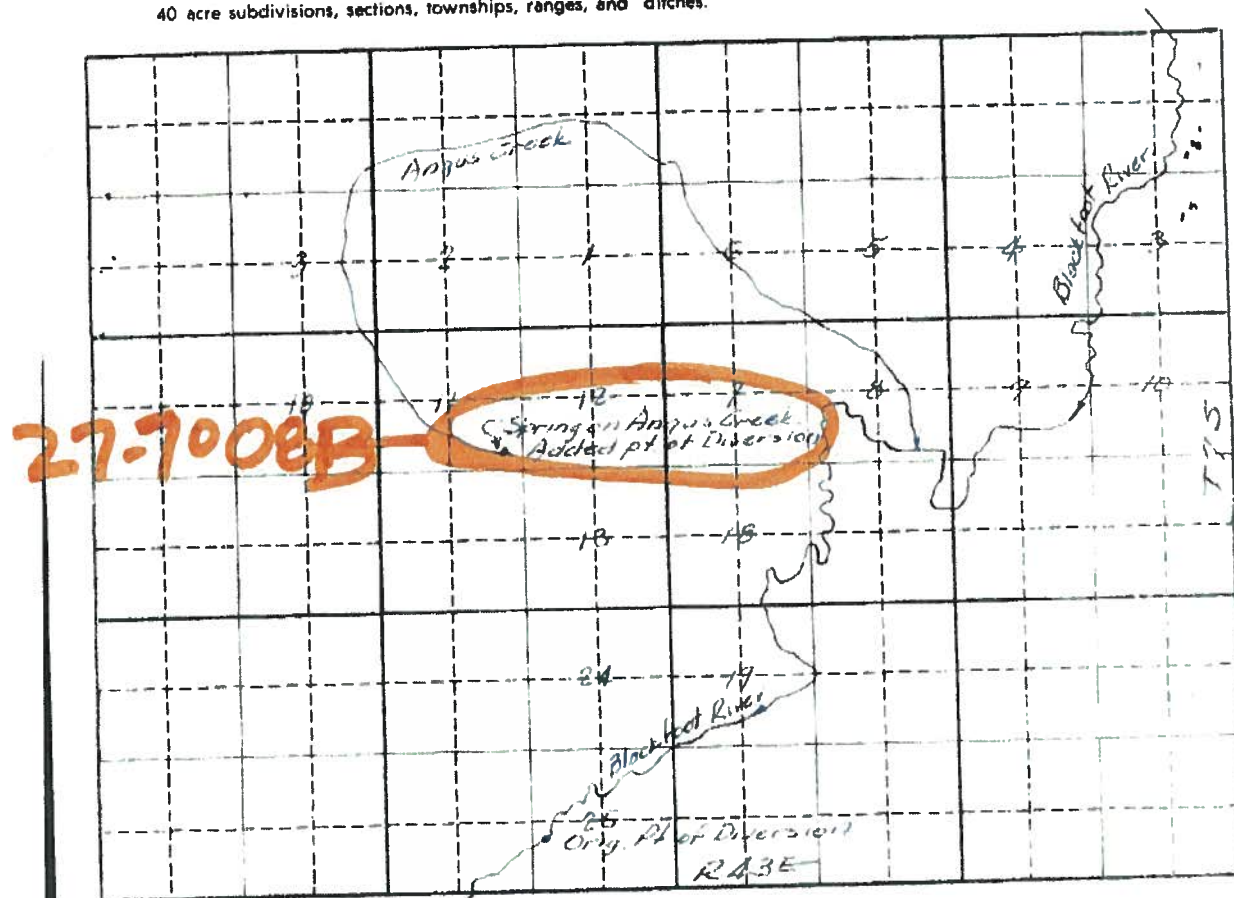
*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

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

FOR OFFICE USE ONLY

Filing fee received by: HP Date: 12-19-13 Receipt No: C098086

Complete the following map by showing land and point of diversion as proposed by this amendment. Show 40 acre subdivisions, sections, townships, ranges, and ditches.



Scale: 2 inches equal 1 mile

That no one will be injured by such change, and that such change will be made at permit holder's own risk

Signed at Boise, Idaho, this 11th day of September, 1969
J. A. TERTELING & SONS
 (signature) Partner

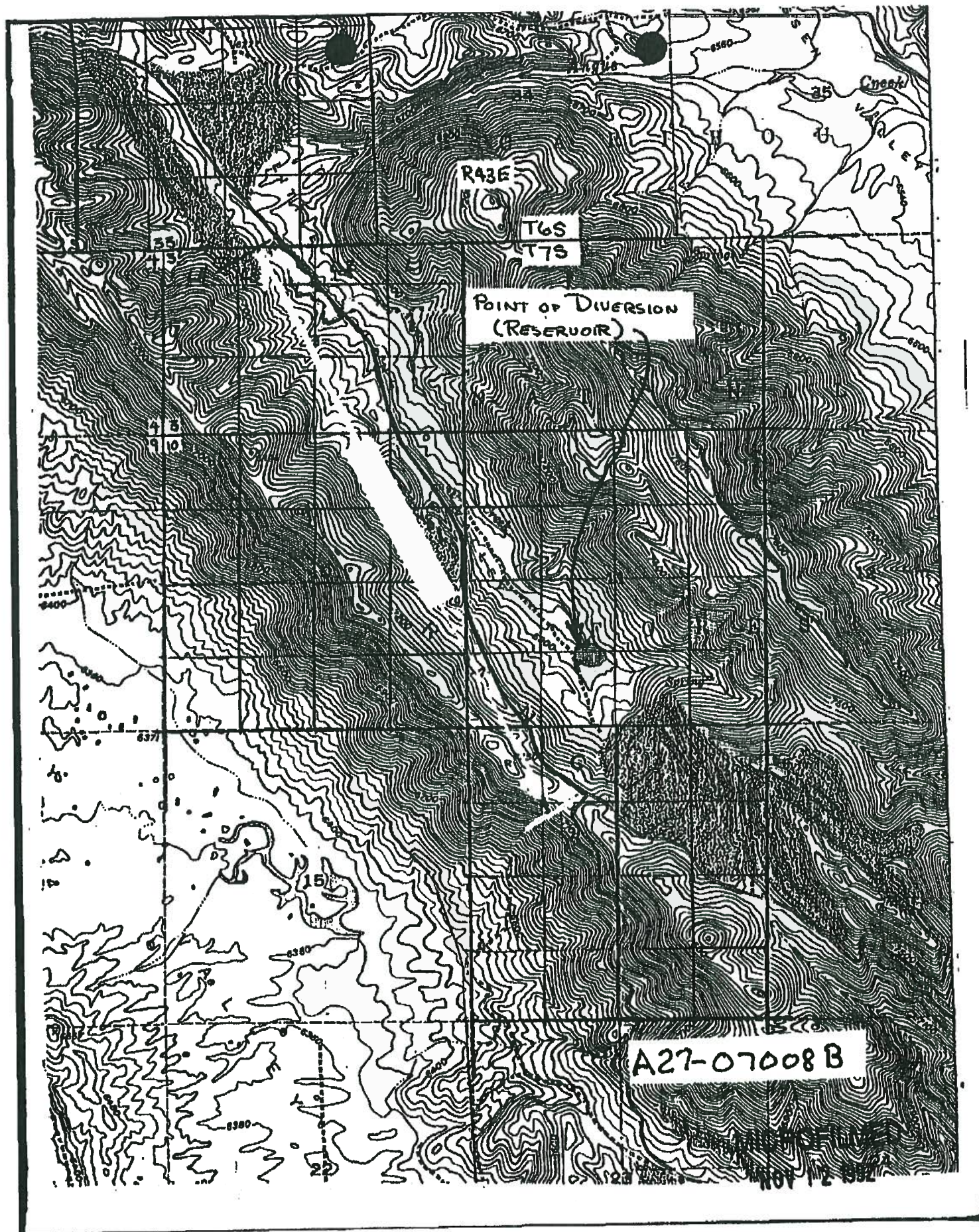
ACTION OF STATE RECLAMATION ENGINEER

I, R. KEITH HIGGINSON, Director, Dept. of Water Admin., State Reclamation Engineer of the State of Idaho, hereby approve the above application for amendment for Permit No. 27-7008.

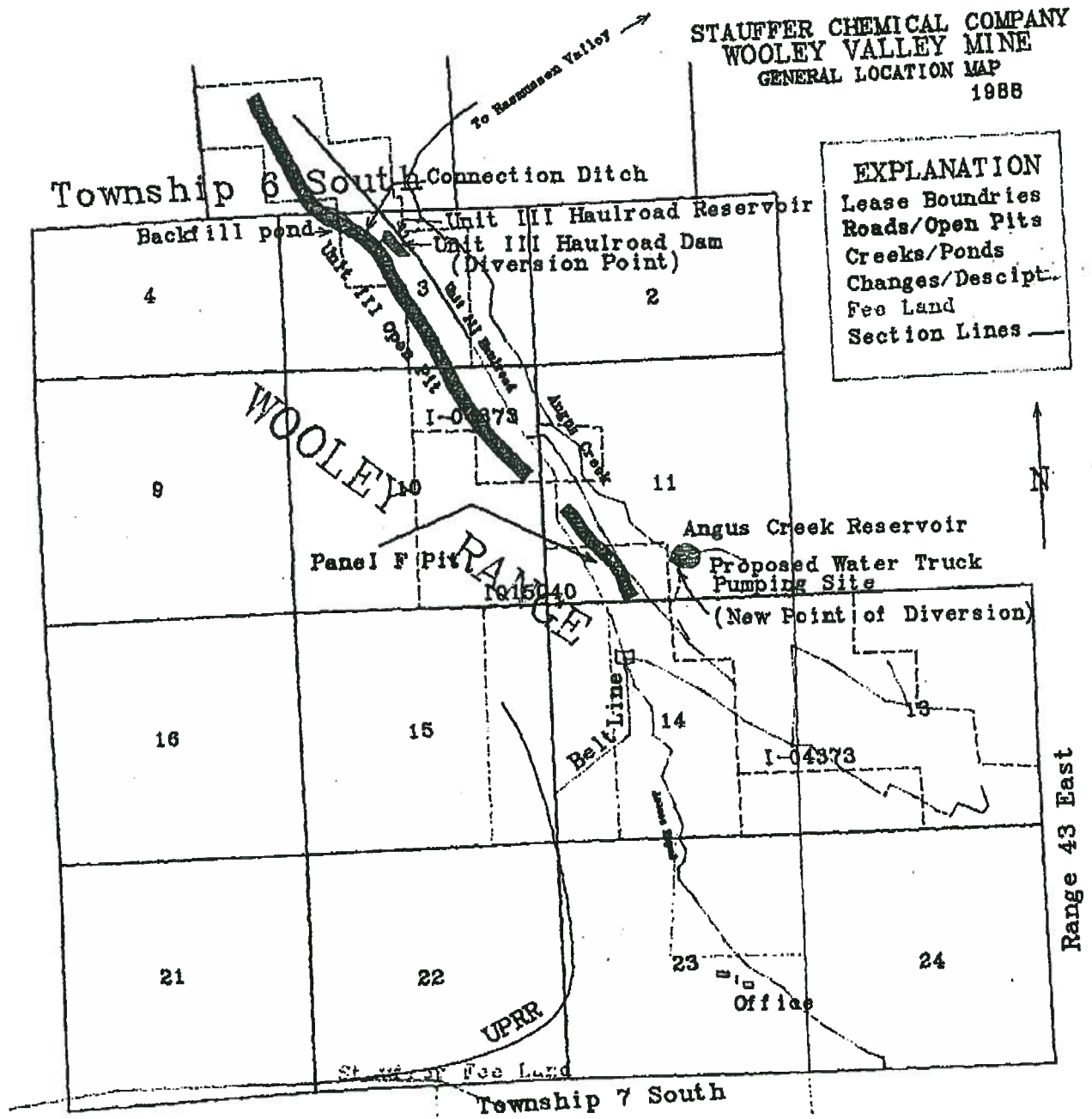
Witness my hand this 25 day of September, 1972

Director

State Reclamation Engineer



STAUFFER CHEMICAL COMPANY
WOOLEY VALLEY MINE
GENERAL LOCATION MAP
1988



GIVENS PURSLEY_{LLP}

LAW OFFICES

601 W. Barnock Street
PO Box 2720, Boise, Idaho 83701
TELEPHONE: 208 388-1200
FACSIMILE: 208 388-1300
WEBSITE: www.givenspursley.com

MICHAEL P. LAWRENCE
Direct Dial: 208-388-1294
E-Mail: mpl@givenspursley.com

Gary G. Allen
Peter G. Barton
Christopher J. Beeson
Clint R. Bolinder
Erik J. Bolinder
Preston N. Carter
Jeremy C. Chou
William C. Cole
Michael C. Creamer
Amber N. Dina
Elizabeth M. Donick
Thomas E. Dvorak
Jeffrey C. Fereday
Martin C. Hendrickson
Don E. Knickrehm

Neal A. Koskella
Debora K. Kristensen
Michael P. Lawrence
Franklin G. Lee
David R. Lombardi
Kimberly D. Maloney
Emily L. McClure
Kenneth R. McClure
Kelly Greene McConnell
Alex P. McLaughlin
Melodie A. McQuade*
Christopher H. Meyer
L. Edward Miller
Patrick J. Miller
Judson B. Montgomery

Deborah E. Nelson
W. Hugh O'Riordan, LL.M.
Angela M. Reed
Matt G. Smith
P. Mark Thompson
Jeffrey A. Warr
Robert B. White

*Licensed in Virginia

Retired:
Kenneth L. Pursley
James A. McClure (1924-2011)
Raymond D. Givens (1917-2008)

February 14, 2014

Via Hand Delivery

Clay Webster
Idaho Department of Water Resources
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

RECEIVED
FEB 14 2014
DEPARTMENT OF
WATER RESOURCES

Re: Water Supply Bank Lease Contracts
Our file #5963-1

Dear Clay:

Enclosed with this letter for filing are duplicate **originals** of the Water Supply Bank Lease Contract for Water Right Nos. 27-07008A and 27-07008B executed by Solvay USA Inc.

It is my understanding from your letter of January 24, 2014 that once the contract has been signed, a copy will be forwarded to Solvay USA Inc. I would appreciate if you would also forward me a fully-executed copy for our records.

Should you have any questions or need anything else, please let me know. Thank you.

Very truly yours,



Michael P. Lawrence

Enclosure
2005445_1

Webster, Clay

From: Michael P. Lawrence [mpl@givenspursley.com]
Sent: Friday, February 07, 2014 3:31 PM
To: Webster, Clay
Cc: Peter G Barton
Subject: Solvay WSB Lease Contracts - 27-7008A and 27-7008B [IWOV-GPDMS.FID96646]

Clay,

I'm following up on the telephone conversation we had just a moment ago about Solvay's Water Supply Bank Lease Contract for right nos. 27-7008A and 27-7008B.

Per that conversation, February 20, 2014 is the new deadline for Solvay to return their executed Contract to the Department.

Thanks for your help.

Mike

Michael P. Lawrence

Givens Pursley LLP

601 W. Bannock St., Boise, Idaho 83702

(208) 388-1200 tel (208) 388-1294 direct (208) 388-1300 fax

www.givenspursley.com

CONFIDENTIALITY NOTICE: This e-mail contains confidential information that is protected by the attorney-client and/or work product privilege. It is intended only for the use of the individual(s) named as recipients. If you are not the intended recipient of this e-mail, please notify the sender, and please do not deliver, distribute or copy this e-mail, or disclose its contents or take any action in reliance on the information it contains.



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 24, 2014

SOLVAY USA INC
CN7500
CRANBURY NJ 08512-7500

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 27-7008A and 27-7008B 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. We have removed the following line from the Lease Contract per the request of your attorney. *"Water is used for road dust abatement program at Wooley Valley Mine."* **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

c: Michael P. Lawrence- Givens Pursley LLP

MEMORANDUM

DATE: January 24, 2014

TO: Water Right Files 27-7008A

FROM: Clay Webster

RE: Authority to file for Lease on behalf of Solvay USA Inc.

Today Michael P. Lawrence of Givens Pursley LLP contacted me via telephone with concern's over condition 12 of Attachment A of the Water Supply Bank Lease Contract . He was adamant that it needed to be stricken from the contract because it was not on the decree. This is the line stricken. "Water is used for road dust abatement program at Wooley Valley Mine." It was the fourth condition of approval on the Proof Report.



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 17, 2014

SOLVAY USA INC
CN7500
CRANBURY NJ 08512-7500

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 27-7008A and 27-7008B 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

c: Michael P. Lawrence- Givens Pursley LLP

Keen, Shelley

From: Michael P. Lawrence [mpl@givenspursley.com]
Sent: Thursday, January 16, 2014 11:16 AM
To: Keen, Shelley
Cc: Peter G Barton
Subject: Solvay Water Supply Bank Lease Extensions [IWOV-GPDMS.FID96646]
Attachments: IDWR to Solvay re WSB lease applications.PDF

Shelley,

As we just discussed on the phone, I am sending you this email in response to the attached letter from IDWR to this firm's client, Solvay USA Inc. The letter requests "proof of authority to sign on behalf of the business entity listed as applicant."

First, please note that the letter inaccurately references the Department's receipt of "application(s) to lease" water rights into the Water Supply Bank. It should reference the Request to Extend Lease Term forms submitted by Solvay for rights that already have been accepted/leased into the Water Supply Bank (right nos. 27-7008A and 27-7008B).

In any case, the person who executed Solvay's Water Supply Bank lease extension forms, Fred Ellerbusch, is the same person who signed Solvay's original Water Supply Bank lease applications in 2012. He is Solvay's Director of Remediation, Redeployment and Real Estate and, as such, he has authority to sign the lease applications and lease extension requests on behalf of Solvay.

Please let me know if you need anything further to process Solvay's lease extensions.

Thanks,
Mike

Michael P. Lawrence

Givens Pursley LLP

601 W. Bannock St., Boise, Idaho 83702

(208) 388-1200 tel (208) 388-1294 direct (208) 388-1300 fax

www.givenspursley.com

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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 10, 2014

SOLVAY USA INC
CN7500
CRANBURY NJ 08512-7500

**RE: ADDITIONAL INFORMATION REQUEST FOR PROCESSING APPLICATION(S) TO
LEASE WATER RIGHT NO(S). 27-7008A and 27-7008B TO THE WATER SUPPLY
BANK**

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

Dear Applicant:

The Idaho Department of Water Resources (Department) acknowledges receipt of the application(s) to lease the above referenced water right(s) to the Idaho Water Resource Board's Water Supply Bank (Bank). The Department will review your application as resources allow.

If the right(s) is determined to be eligible for acceptance into the Bank, the right will be entered as of the date of receipt of the application. The acceptance date may be adjusted when additional information is required. A preliminary review of your application(s) has been completed and it has been determined that additional information is required to continue processing.

Please provide the following information within 14 days of the date of this letter or the application will be returned:

- proof of authority to sign on behalf of the business entity listed as applicant.

The department will continue processing your application(s) once you have submitted the requested information. Water right forms are available from the Department's web site at www.idwr.idaho.gov. If you have any questions, please contact me at (208) 287-4910.

Sincerely,

Clay Webster
Technical Records Specialist

Enclosure: Receipt #C09086

c: Attorney – Mike Lawrence Givens Pursley LLP

Webster, Clay

From: Webster, Clay
Sent: Friday, January 03, 2014 9:57 AM
To: Cefalo, James; Swank, Lyle
Subject: WSB Lease Request for Solvay USA Inc (Previously Rhodia Inc.)
Attachments: 27-7008A 27-7008B Lease Review Memo.docx

James and Lyle,

I am processing an extension for a lease for Water Rights 27-7008A and 27-7008B. They were originally leased in 2012 with 27-7125. That rights Lease was extended to Dec 31 2016 in Sept 2012. These rights were decreed as industrial use for road maintenance with no POU. Attached are the PODs as identified in Arc Map. Please let me know if you have any concerns or comments. Thanks

MEMORANDUM

To: Water Right File No(s). 27-7008A and 27-7008B

From: Clay Webster

Date: January 3, 2014

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

PURPOSE/NARRATIVE: On December 19, 2013, the Department received applications to lease the entirety of these two rights to the Water Supply Bank.

AUTHORITY TO FILE: The applications were signed by Fred Ellerbusch, Director of Remediation, Redeployment and Real Estate for Solvay USA Inc. per e-mail received on January 16, 2014 from Michael P. Lawrence of Givens Pursley LLP.

WATER RIGHT VALIDITY: These water rights were partially decreed in the Snake River Basin Adjudication in 2007, they have been leased into the WSB along with 27-7125 since March 29, 2012. Therefore, five years of non-use is not an issue.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: Imagery was viewed in Arc Map for these rights. There was no evidence that the water is being used under these water rights. WR 27-7008B has an in-stream pond which appears in all of our historical imagery. No enlargement is evident through the lease alone. Proper rental review should protect against enlargement. Rental review should get some indication of how much water has actually been used under these rights.

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 subject to Water District #27. I contacted Lyle for comment or concerns on January 3, 2014 and as of January 17, 2013. No response was received. I will assume he has no questions or concerns

MEMORANDUM

DATE: January 3, 2014

TO: Water Right Files 27-7008A

FROM: Clay Webster 

RE: Authority to file for Lease on behalf of Solvay USA Inc.

Today I attempted to contact the Director of Site Services for Solvay USA Inc to get verification of Fred Ellerbusch's authority to sign for the company to Lease Water Rights 27-7008A and 27-7008B into the Water Supply Bank. I then contacted Michael P. Lawrence of Givens Pursley LLP. He expressed concerns because he was not required to provide this information in the past for Mr. Ellerbusch. I explained our requirement to verify this information and that Mr. Ellerbusch's name was not listed on the Secretary of State's web site. He said he would attempt to obtain this information for us from them.

MEMORANDUM

DATE: December 24 2013

TO: Water Right Files 27-7008A and 27-7008B

FROM: Shelley W. Keen 

RE: Water Supply Bank Lease Applications

Yesterday afternoon I received a phone call from attorney Mike Lawrence about Solvay USA's applications to renew the Water Supply Bank leases for Rights 27-7008A and 27-7008B. Mike indicated that in order to meet our timeline, the applications were submitted as scanned images by email. The originals will follow in the mail from the East Coast as soon as possible. I told Mike that would be satisfactory.

GIVENS PURSLEY LLP

LAW OFFICES

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PO Box 2720, Boise, Idaho 83701
TELEPHONE: 208 388-1200
FACSIMILE: 208 388-1300
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MICHAEL P. LAWRENCE
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Michael C. Creamer
Amber N. Dina
Elizabeth M. Donick
Thomas E. Dvorak
Jeffrey C. Fereday
Martin C. Hendrickson
Don E. Knickrehm

Neal A. Koskella
Debora K. Kristensen
Michael P. Lawrence
Franklin G. Lee
David R. Lombardi
Emily L. McClure
Kenneth R. McClure
Kelly Greene McConnell
Alex P. McLaughlin
Melodie A. McQuade*
Christopher H. Meyer
L. Edward Miller
Patrick J. Miller
Judson B. Montgomery
Deborah E. Nelson

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DEC 19 2013

DEPARTMENT OF
WATER RESOURCES

W. Hugh O'Riordan, LL.M.
Angela M. Reed
Matt G. Smith
P. Mark Thompson
Jeffrey A. Warr
Robert B. White

Of Counsel
Kimberly D. Maloney

*Licensed in Virginia

Retired:
Kenneth L. Pursley
James A. McClure (1924-2011)
Raymond D. Givens (1917-2008)

December 19, 2013

Via Hand Delivery

Idaho Department of Water Resources
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

Re: Water Supply Bank Requests to Extend Lease Terms; Notice of Owner's Name Change

Dear Department:

Enclosed with this letter for filing are executed Water Supply Bank Requests to Extend Lease Terms for water right nos. 27-7008A and 27-7008B. Also enclosed are IRS W-9 forms completed and executed by the water rights' owner. I have included a check in the amount of \$500.00 for the filing fees.

Please be advised that, effective October 1, 2013, Rhodia Inc. changed its name to become Solvay USA Inc. ("Solvay"). As part of this name change, no assets were transferred, there was no merger, and Solvay remains a Delaware corporation with the same mailing address. In other words, there has been no change in water right ownership or mailing address. Please update the Department's records to reflect the owner's new name—Solvay USA Inc.—for all rights currently listed under Rhodia Inc.: 27-7008A, 27-7008B, and 27-7125.

Thank you. Please let me know if you have any questions or if you need anything else.

Very truly yours,



Michael P. Lawrence

Enclosures
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