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DEPARTMENT OF
WATER RESOURCES

October 28, 2011

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

Subject: Application to Lease Water Right Nos. 45-2748, 45-2749, and 45-7137 to the Water Supply Bank

Dear Monica:

This letter is in response to your letter of March 23, 2011 regarding a proposed lease of the above referenced water rights. In that letter, you identified three issues that are addressed below.

1. **Potential Enlargement of the Water Rights.** You noted that McCain would have exceeded their allowable volume in 2009 had the water rights been accepted into the water bank.

McCain's internal records (attached) indicate otherwise. They show diversion of 3,346 af in 2009 and 3,735 af in 2010 (rather than 5,791 af and 3,292 af, respectively).

2. **Limiting Conditions.** In the lease application, McCain requested that the water not be leased out for potato processing purposes and that rental terms be limited to one year.

- You indicated that the Bank cannot arbitrarily limit the type of beneficial use allowed. If such a condition is not allowed by Water Bank rules, then McCain agrees to withdraw that request.
- You noted that the only way you could limit the rental of the water rights for a single year is to grant a one-year lease. A one-year lease is acceptable to McCain.

3. **Consumptive Use.** You asked to include proof of historic consumptive use and how the reduction in consumptive use can be monitored during the lease period.

The water rights proposed for lease are non-consumptive. Consumptive use at the McCain facility is independent of diversion volume, and no reduction in consumptive use is proposed.

Consumption in potato processing is approximately 7% of diversion volume in McCain's water-efficient plants within the US and Canada, and consists primarily of steam losses from boilers, fryers, and dryers. Prior to 2007, the Burley Plant water use was relatively inefficient. McCain instituted significant conservation upgrades of the Burley Plant water system in late 2007, along with aggressive in-plant water conservation measures. These upgrades have resulted in reduced diversions of groundwater. This "saved" water is proposed for lease to the bank. Plant product volume has not changed significantly since prior to 2007. As a result, the overall consumption of water at the McCain site should remain unchanged from prior to 2007. Therefore, the water proposed for lease is non-consumptive.

It should be noted that the water proposed for lease could be considered fully consumptive with respect to aquifer impacts. The water was historically pumped from the Eastern Snake Plain Aquifer and discharged to the Snake River. Some of this discharged water was diverted from the river by downstream irrigators during the irrigation season, but the remainder flowed past Milner Dam, and was not available for return to the Eastern Snake Plain Aquifer.

Based on the responses above, we request that the Department reconsider McCain's applications to lease water right Nos. 45-2748, 45-2749, and 45-7137 to the Water Supply Bank.

Please contact me with any questions. Also, please address copies of future correspondence regarding McCain water rights to the McCain Foods USA, P.O. Box 10, Burley, ID, 83318, Attention: Dusty Galliher.

Sincerely,



Terry M. Scanlan, P.E., P.G.

cc: Dusty Galliher – McCain Foods

Enclosure: Burley Plant Water Use



October 26, 2011

Ms. Cindy Yenter
Idaho Dept. of Water Resources
Water District 140
1341 Fillmore St.
Suite 200
Twin Falls, Idaho 83301

Ms. Yenter:

There has been a misunderstanding on how we are to record and monitor our well water flow to substantiate our water use. The water tracking system that we have been using to-date is to electronically record daily water use from each well. In addition, we have been re-setting our water meters to zero on a yearly basis. We keep daily well water flow records by well and simply sum the daily water flows to derive a monthly total by well.

The attachment to this letter demonstrates the annual water flow by well and total for the facility. For 2008 and forward through 2011, we have daily water flow records available onsite for review. The attachment also details our wastewater discharge volume on a monthly basis to compare to the well water flow volume. The wastewater data is submitted to the EPA as part of our facility NPDES permit and these type of values were used in the past to verify our well water flow volume. As you can see, the numbers correlate very well to the water flow volume.

Beginning January 1, 2012, we will record the actual meter values for the water supply wells and wastewater discharge without zeroing the meters. Beginning in 2012, we will provide beginning and ending meter readings as well as water flow to demonstrate our annual water usage.

The attached spread sheet also shows an additional active well called the southwest well that is part of our water right and well field. The water from this well is used at the adjacent cold store for water supply.

If you have any questions concerning the information presented, please contact me at (208) 678-6729.

Thank you,
Sincerely,

A handwritten signature in cursive script, appearing to read "Dusty Galliher".

Dusty Galliher
Environmental Supervisor
McCain Foods

		"2006"				"001" Discharge "002" Discharge "004" Discharge				Total Usage MG	
		MG		MG		MG		MG		MG	
"2007"	January	Southwest Well MG	Sepsco Well MG	0.863364	0	113.900	35.123	24.111		173.134	
	February			0.280335	0	112.900	38.193	31.003		182.096	
	March			0.569818	0	131.500	41.325	40.307		213.132	
	April			1.256291	0	118.600	27.408	10.823		156.831	
	May			0.646795	0	128.800	27.632	10.066		166.498	
	June			1.086027	0	127.800	23.401	13.041		164.242	
	July			1.294397	0	118.380	16.072	12.002		146.454	
	August			1.496605	0	95.800	22.970	26.754		145.524	
	September			1.232984	0	108.900	17.725	21.234		147.859	
	October			0.680534	0	121.600	17.176	27.700		166.476	
	November			0.57351	0	109.800	20.124	32.843		162.767	
	December			0.457803	0	113.701	23.689	41.484		178.874	
Total Gallons for Year		10.438	0.000			1,401.681	310.838	291.368		2,003.887	
				"001" Discharge "002" Discharge "004" Discharge		MG		MG		Total Usage MG	
"2007"	January	Southwest Well MG	Sepsco Well MG	0.863364	0	119.600	19.552	64.444		204.459	
	February			0.280335	0	110.100	18.148	65.912		194.440	
	March			0.569818	0	116.400	17.381	58.429		192.780	
	April			1.256291	0	92.754	16.800	19.042		129.852	
	May			0.646795	0	96.500	22.565	10.657		130.369	
	June			1.086027	0	99.200	17.447	20.219		137.952	
	July			1.294397	0	97.600	16.332	12.821		128.047	
	August			1.496605	0	92.600	26.486	17.118		137.701	
	September			1.232984	0	83.300	22.401	19.944		126.878	
	October			0.680534	0	100.540	16.391	15.592		133.204	
	November			0.57351	0	99.706	6.368	4.047		110.695	
	December			0.457803	0	104.700	2.798	2.710		110.666	
Total Gallons for Year		10.438	0.000			1,213.000	202.669	310.935		1,737.042	

"2008"	Southwest Well MG	Sepsco Well MG	East Well MG	HLC Well MG	Maint. Well MG	Total Usage MG	"002 Discharge MG	"004 Discharge MG	"001 Discharge MG	Total Usage MG
January	412,088	0	6,881,800	47,179,600	51,735,100	106,208,588	2,500,000	3,330,000	104,348,000	110,178,000
February	356,821	0	7,127,300	48,622,900	52,540,000	108,647,021	4,565,000	2,077,000	99,721,000	106,363,000
March	640,642	0	9,654,300	33,465,300	47,865,900	91,626,142	7,156,000	1,850,000	91,396,000	100,402,000
April	496,540	0	11,580,900	35,323,200	57,702,200	105,102,840	7,746,000	1,793,000	92,462,000	102,001,000
May	1,197,696	0	11,625,800	43,385,100	51,895,100	108,103,696	7,845,000	3,490,000	78,838,000	90,173,000
June	821,960	0	17,893,800	4,207,500	48,889,300	71,812,560	6,892,000	4,810,000	94,627,000	106,329,000
July	1,376,630	0	23,507,400	37,578,800	38,750,300	101,213,130	6,124,000	3,331,000	85,217,000	94,672,000
August	1,702,730	0	21,058,100	37,463,900	47,518,600	107,743,330	6,829,000	2,589,000	93,068,000	102,486,000
September	1,338,860	0	21,247,300	31,437,500	44,884,200	98,907,860	6,666,000	2,282,000	86,000,000	94,948,000
October	1,346,020	0	21,795,300	34,594,400	46,691,400	104,427,120	7,310,000	2,057,000	89,985,000	99,352,000
November	804,105	0	13,752,000	34,748,800	44,869,600	94,174,505	5,947,000	2,605,000	77,398,000	85,950,000
December	716,415	0	12,691,600	32,908,300	38,606,300	84,922,615	6,054,000	5,060,000	64,897,000	76,011,000
Total Gallons for Year	11,210,507	0	178,815,600	420,915,300	571,948,000	1,182,889,407	75,634,000	35,274,000	1,057,957,000	1,168,865,000

"2009"	Southwest Well MG	Sepsco Well MG	East Well MG	HLC Well MG	Maint. Well MG	Total Usage MG	"002 Discharge MG	"004 Discharge MG	"001 Discharge MG	Total Usage MG
January	555,194	0	19,831,000	34,484,000	45,825,000	100,695,194	9,002,000	6,704,000	83,474,000	99,180,000
February	600,621	0	14,288,000	36,715,000	45,054,000	96,657,621	5,011,000	4,650,000	84,516,000	94,177,000
March	570,679	0	5,257,000	27,232,000	50,562,000	83,621,679	2,994,000	3,293,000	76,987,000	83,274,000
April	624,806	0	8,890,900	32,448,700	45,568,100	87,532,506	3,122,000	646,000	80,499,000	84,267,000
May	645,404	0	10,032,900	38,713,400	48,508,400	97,900,104	3,007,000	554,000	91,245,000	94,806,000
June	1,418,295	0	14,789,100	36,064,300	45,321,800	97,593,495	3,386,000	684,000	93,865,000	97,935,000
July	1,851,106	0	17,052,700	29,616,100	41,121,000	89,640,906	3,793,000	611,000	73,679,000	78,083,000
August	1,495,070	0	37,691,200	18,586,900	25,118,700	82,891,870	2,542,000	517,000	69,174,000	72,233,000
September	1,285,922	0	7,548,900	30,905,400	42,494,100	82,234,322	3,332,000	468,000	71,334,000	75,134,000
October	1,013,277	0	9,253,200	33,846,300	49,976,900	94,089,677	3,176,000	759,000	80,885,000	84,820,000
November	688,807	0	10,674,300	33,655,000	46,134,700	91,152,807	3,159,000	0	88,296,000	91,455,000
December	457,894	0	22,426,300	30,962,000	32,691,000	86,537,194	2,896,000	0	80,441,000	83,337,000
Total Gallons for Year	11,207,075	0	177,735,500	383,229,100	518,375,700	1,090,547,375	45,420,000	18,886,000	974,395,000	1,038,701,000