



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

April 7, 2011

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

J R SIMPLOT CO
C/O TERRY T UHLING
999 MAIN ST STE 1300
PO BOX 27
BOISE ID 83707

**RE: APPLICATION TO LEASE AND RENT WATER THROUGH THE WATER SUPPLY
BANK, WATER RIGHT NO. 24-4017**

Dear Renter:

The Department of Water Resources has completed its review of your application to lease and rent the above-mentioned water right numbers through the Water Supply Bank.

The offered right is accepted into the Bank in accordance with the attached Water Supply Bank Lease Acceptance. If you do not agree with the conditions of the Lease Acceptance and would like to withdraw your water right from the Bank, you must contact the Department within thirty (30) days of receipt of this notification. This right will automatically be released from the Bank on **December 31, 2011**.

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

A rental fee of \$2,220.40 per year was calculated based on the current rental rate of \$14.00 per acre-foot times a combined diversion volume of 158.6 acre-feet. Since you are the lessor, you need to pay the 10% administrative fee of **\$222.04**.

Please send a check made payable to the Idaho Department of Water Resources, together with the signed rental agreement, to my attention within 14 days so I can complete the processing. If you have any questions, please contact me at (208) 287-4907.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure – Lease Acceptance and Rental Agreement

c: Allen Merritt – IDWR Southern Regional Office
Vic Conrad – J R Simplot Co.

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

This is to certify that: J R SIMPLOT CO
C/O TERRY T UHLING
999 MAIN ST STE 1300
PO BOX 27
BOISE ID 83707
(208) 336-2110

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

Summary of Water Rights or Portions Rented from the Bank

	<u>Water Right</u>	<u>Rented Rate</u>	<u>Annual Rented Volume</u>	<u>Total Rented Acres</u>
	24-4017	0.90 CFS	158.6 AF	45.3 AC
COMBINED RENTAL TOTALS:		0.90 CFS	158.6 AF	45.3 AC

The renter is limited to a diversion volume of 113.3 acre-feet for the use authorized under this agreement.

TERM OF RENTAL: April 1, 2010 to October 31, 2010

RENTAL FEE: \$2,220.40

The total fee for rental of the above-described water is \$2,220.40. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$222.04.

Detailed water right specific limitations and conditions attached.

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

Dated this _____ day of _____, 20_____.

By: _____
(Print Name) (Signature)

(Title if on behalf of company or organization)

Having determined that this agreement satisfies the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and conditions herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board this ____ day of _____, 20_____.

GARY SPACKMAN, Interim Director
Department of Water Resources

WATER RIGHT NO. 24-4017
WATER SUPPLY BANK RENTAL AGREEMENT

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

Renter: J R SIMPLOT CO
C/O TERRY T UHLING
999 MAIN ST STE 1300
PO BOX 27
BOISE ID 83707
(208) 336-2110

Priority Date: 09/18/1890

Source: SOUTH FORK SAGE CREEK **Tributary to:** SAGE CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
INDUSTRIAL	04/15	to 10/31	0.90 CFS	*158.6 AF
	Total:		0.90 CFS	*158.6 AF

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

SOUTH FORK SAGE CREEK SE¼NE¼SE¼ Sec. 18 Twp 09S Rge 46E CARIBOU County

RENTER'S PLACE OF USE: INDUSTRIAL

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
08S	45E	25													X		X	X	NA
08S	46E	30											X						NA
08S	46E	31						X	X			X	X	X		X			NA
09S	45E	13													X		X	X	NA
09S	46E	6		X (Lot 2)	X	X	X (Lot 3)							X		X	X		NA
09S	46E	7			X		X			X	X			X		X	X		NA
09S	46E	18					X			X	X		X	X			X		NA
09S	46E	19		X			X	X											NA

Total Acres: NA

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. The water rented under this agreement is appurtenant to irrigation of 45.3 acres.
3. The renter is limited to a diversion volume of 113.3 acre-feet for the use authorized under this agreement.
4. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
5. Use of water under this agreement does not constitute a dedication of the water to renter's place of use and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
6. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.

**WATER RIGHT NO. 24-4017
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

7. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
8. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
9. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
10. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
11. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
12. Use of water under this agreement 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. 110.
13. Industrial use is for dust abatement for road construction.