



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 287-4800 Fax: (208) 287-6700 Web Site: www.idwr.idaho.gov.

September 7, 2006

JAMES E. RISCH
Governor

KARL J. DREHER
Director

J.R. SIMPLOT SELF-DECLARATION OF REVOCABLE TRUST
C/O VIC CONRAD
PO BOX 27
BOISE ID 83707

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK.
WATER RIGHT NO(S). 61-2162 AND 61-2165**

Dear Renter:

The Department of Water Resources (department) acknowledges receipt of your application to rent water from the Water Supply Bank. Please find enclosed a Water Supply Bank Rental Agreement for your review and signature. Upon signature and return of the agreement, together with the rental fee described below, the department also will sign the agreement and will 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.

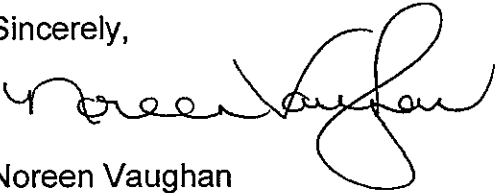
As I discussed with Vic Conrad upon filing the application to Rent Water from the Water Supply Bank, the diversion rate and volume applied to the rental are proportional to the amounts authorized under water right rented and the number of acres to be irrigated. Based on the number of acres identified on the rental application, it was necessary to rent water under both of the water rights referenced above. Since you are renting water in the later portion of the irrigation season, the proportional diversion volume was adjusted based on the number of days you intend to irrigate.

The total rental fee of \$12,511.80 was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 893.7 af. Ten percent (10%) of the total rental fee is retained by the department for administrative fees in accordance with Water Supply Bank rules, IDAPA 37.02.03.01. The remaining ninety percent (90%) is issued back to the lessor of the above referenced water right(s) in the form of a warrant. Since you are the lessor and the renter under this agreement, the department requires that you submit only the portion of the total payment to be retained for administrative fees. Therefore, a rental fee of **\$1,251.18** must be paid in accordance with the rental agreement. Please send a check made payable to the Idaho Department of Water Resources together with the signed rental agreement. Return the signed agreement and fee to my attention so I can complete the processing.

Please note that applications for rental of water must be reviewed in accordance with Section 42-1763, Idaho Code, and the department's Water Supply Bank Rule 30 (IDAPA 37.02.03.030). This includes consideration of whether there will be injury to other water rights, whether the proposal would constitute an enlargement of the water rights, whether the water will be put to a beneficial use, whether the water supply available from applicable rights in the water supply bank is sufficient for the use intended and whether the proposal is in the local public interest. While a one-year rental usually involves a general review of the water rights and proposed use, rental of water over multiple years may require more comprehensive review, notice to advise anyone who desires to protest the proposed water use, and approval by the Idaho Water Resource Board.

If you have questions, please feel free to contact me at (208) 287-4954.

Sincerely,

A handwritten signature in black ink, appearing to read "Noreen Vaughan", with a large, stylized loop at the end.

Noreen Vaughan
Water Allocation Bureau

Encl: 1

c: John Westra – IDWR Western Regional Office

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

This is to certify that: J.R. SIMPLOT SELF-DECLARATION OF REVOCABLE TRUST
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>Right</u>	<u>Rented Rate</u>	<u>Annual Rented Volume</u>	<u>Total Rented Acres</u>
	61-2165	5.03 cfs	453.8 af	314.0 ac
COMBINED	61-2162	2.88 cfs	439.9 af	297.0 ac
RENTAL TOTALS:		7.91 cfs	893.7 af	611.0 ac

TERM OF RENTAL: 08/14/06 to 10/31/06

RENTAL FEE: \$12,511.80

The total fee for rental of the above-described water is \$ 12,511.80. The renter is also the lessor under this agreement and is therefore obligated to pay only the administrative fee of \$1,251.18.

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 Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (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____.

KARL J. DREHER, Director
Department of Water Resources

**WATER RIGHT NO(S). 61-2165
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 SELF-DECLARATION OF REVOCABLE TRUST
PO BOX 27
BOISE ID 83707
(208) 336-2110

Priority Date: 12/02/1963

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	08/14	to 10/31	5.03 CFS	453.8 AF
	Total: 5.03 CFS			453.8 AF

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

GROUND WATER	NWSW	Sec. 04	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NESW	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SENE	Sec. 06	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NWNW	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NESE	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SENE	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SESE	Sec. 31	Twp 04S	Rge 04E	ELMORE County

RENTER'S PLACE OF USE: 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		
04S	04E	31																	40.0	40.0
04S	04E	32			40.0	39.0			40.0				40.0	40.0			39.0	40.0	39.0	477.0
04S	04E	33											39.0							39.0
05S	04E	5			36.0				19.0											55.0

Total Acres: 611.0

**WATER RIGHT NO(S). 61-2165
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. 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 the ongoing Snake River Basin Adjudication or any other department application process.
3. 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.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. This rental agreement does not authorize the construction of a well.
6. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
7. 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.
8. 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.
9. Failure of the right holder to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.

WATER RIGHT NO(S). 61-2162 **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 SELF-DECLARATION OF REVOCABLE TRUST
 PO BOX 27
 BOISE ID 83707
 (208) 336-2110

Priority Date: 01/22/1964

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	08/14	to 10/31	2.88 CFS	439.9 AF
			Total: 2.88 CFS	439.9 AF

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

GROUND WATER	NWSW	Sec. 04	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NESW	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SE1NE	Sec. 06	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NWNW	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	NESE	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SENE	Sec. 05	Twp 05S	Rge 04E	ELMORE County
GROUND WATER	SESE	Sec. 31	Twp 04S	Rge 04E	ELMORE County

RENTER'S PLACE OF USE: 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	
04S	04E	31																	40.0
04S	04E	32			40.0	39.0	40.0			40.0	40.0	40.0	40.0	40.0		39.0	40.0	39.0	477.0
04S	04E	33											39.0						39.0
05S	04E	5			36.0		19.0												55.0

Total Acres: 611.0

**WATER RIGHT NO(S). 61-2162
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
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5. This rental agreement does not authorize the construction of a well.
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9. Failure of the right holder to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.