

LAWRENCE G. WASDEN
ATTORNEY GENERAL

CLIVE J. STRONG
Deputy Attorney General
Chief, Natural Resources Division

GARRICK L. BAXTER, ISB #6301
EMMI L. BLADES, ISB #8682
Deputy Attorneys General
Idaho Department of Water Resources
P.O. Box 83720
Boise, Idaho 83720-0098
Telephone: (208) 287-4800
Facsimile: (208) 287-6700
garrick.baxter@idwr.idaho.gov
emmi.blades@idwr.idaho.gov

Attorneys for Respondents

**IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS**

IDAHO GROUND WATER
APPROPRIATORS, INC.,

Petitioner,

vs.

THE DEPARTMENT OF WATER
RESOURCES, and GARY SPACKMAN, in
his capacity as Director of the Idaho
Department of Water Resources,

Respondents.

Case No. CV-2015-237

**AFFIDAVIT OF EMMI L. BLADES IN
SUPPORT OF RESPONSE TO
MOTION FOR RECONSIDERATION**

IN THE MATTER OF DISTRIBUTION OF
WATER TO WATER RIGHT NOS. 36-02551
& 36-07694 (RANGEN, INC.), IDWR
DOCKET NO. CM-DC-2011-004

STATE OF IDAHO)
) ss
County of Ada)

I, EMMI L. BLADES, being first duly sworn upon oath, depose and say:

1. That I am a deputy attorney general and represent the Respondents in the above-captioned matter.

2. That on January 26, 2015, counsel for Idaho Ground Water Appropriator's, Inc. ("IGWA"), submitted to the Idaho Department of Water Resources ("Department") an amended application to lease 7.81 cfs of water right no. 36-7072 to the Water Supply Bank ("WSB"). A true and correct copy of this application is attached as "Exhibit 1".

3. That on January 26, 2015, counsel for IGWA submitted to the Department an amended application to rent 7.81 cfs from the WSB. A true and correct copy of this application is attached as "Exhibit 2".


4. That on January 27, 2015, Department staff issued a Memorandum reviewing the amended application to lease 7.81 cfs of water right no. 36-7072 to the WSB and amended application to rent the same from the WSB. A true and correct copy of this Memorandum is attached as "Exhibit 3".

5. That on January 27, 2015, Department staff issued a letter to counsel for IGWA regarding the rental of water right no. 36-7072 from the WSB and confirming receipt of payment. A true and correct copy of this letter is attached as "Exhibit 4".

6. That on January 27, 2015, an amended WSB lease contract between the Idaho Water Resource Board and SeaPac of Idaho was fully executed by the parties. A true and correct copy of this lease contract is attached as "Exhibit 5".

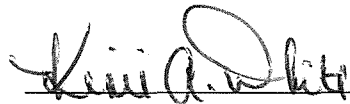
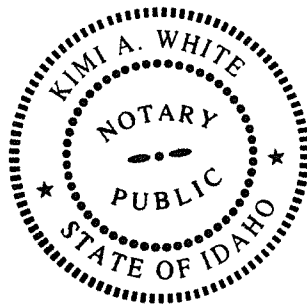
7. That on January 27, 2015, an amended WSB rental agreement was fully executed by the parties. A true and correct copy of this agreement is attached as "Exhibit 6".

DATED this 28 day of January 2015.



Emmi L. Blades
Deputy Attorney General
Idaho Department of Water Resources

SUBSCRIBED AND SWORN to before me this 28th day of January 2015.



NOTARY PUBLIC FOR IDAHO
Residing at Boise, Idaho
Commission Expires: 2/10/16

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 28th day of January 2015, I caused a true and correct copy of the foregoing document to be filed with the Court and served on the following parties by the indicated methods:

Original to:

SRBA District Court
253 3rd Ave. North
P.O. Box 2707
Twin Falls, ID 83303-2707
Facsimile: (208) 736-2121

() U.S. Mail, Postage Prepaid
(x) Hand Delivery
() Facsimile
() E-mail

J. JUSTIN MAY
MAY BROWNING
1419 W. WASHINGTON
BOISE, ID 83702
jmay@maybrowning.com

(x) U.S. Mail, Postage Prepaid
() Hand Delivery
() Facsimile
(x) E-mail

ROBYN BRODY
BRODY LAW OFFICE
P.O. BOX 554
RUPERT, ID 83350
robynbrody@hotmail.com

(x) U.S. Mail, Postage Prepaid
() Hand Delivery
() Facsimile
(x) E-mail

FRITZ HAEMMERLE
HAEMMERLE & HAEMMERLE
P.O. BOX 1800
HAILEY, ID 83333
fxh@haemlaw.com

(x) U.S. Mail, Postage Prepaid
() Hand Delivery
() Facsimile
(x) E-mail

RANDALL C. BUDGE
T.J. BUDGE
RACINE OLSON
P.O. BOX 1391
POCATELLO, ID 83204-1391
rcb@racinelaw.net
tjb@racinelaw.net

(x) U.S. Mail, Postage Prepaid
() Hand Delivery
() Facsimile
(x) E-mail



Garrick L. Baxter
Deputy Attorney General

Exhibit 1

AMENDEDSTATE OF IDAHO
WATER RESOURCE BOARD**WATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLIST**

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 SeaPac of IdahoWater Right No. 36-7072

One water right per application

All 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 \$

Received By:

Date Received:

Receipt #

W-9 received? Yes ☐ No ☐

(Route W-9 to Fiscal)

Name on W-9:

**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 SeaPac of Idaho Email Address seapac@seapacofidaho.com
Mailing Address PO Box 546, Buhl, ID 83316 Phone Number 208.837.6541

☒ 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 Thomas J. Budge Organization IGWA
Professional Title _____ Email Address rcb@racinelaw.net
Mailing Address P. O. Box 1391, Pocatello, Idaho 83204-1391 Phone Number 208-232-6101

☒ 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 36-7072 ☐ 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.

Pump and pipe system currently being installed to delivery water from the Magic Springs Fish Hatchery own by
SeaPac to the Rangen Fish Hatchery on Billingsley Creek.

- 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.
SeaPac water right no. 36-8356

C. Will the present place of use continue to receive water from any other source? Yes ☒ No ☐

If yes, describe. Magic Springs, under water right no. 36-8356 and the remaining portion of 36-7072 that is not being leased into the Bank.

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. IGWA's 4th Mitigation Plan; Application for Transfer No.79560.

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 1/19/15 to 1/19/16* (maximum lease period 5 years).
(Month / Day / Year) (Month / Day / Year) *Terminable upon approval of Transfer 79560.

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 ank does not, in itself, confirm the validity of the water right or any elements of the water right.

[Signature]
Signature of Designated Applicant

KEO FOLEY
Printed Name

1/15/15
Date

[Signature]
Signature of Authorized Representative

Thomas J. Budge
Printed Name

12/12/14
Date

Mail to:

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

**STATE OF IDAHO
WATER RESOURCE BOARD**

ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

List all individuals or business entities that are owners of the property to which the water right on this application is appurtenant. All water right holders must be signatories to a Water Supply Bank Lease Application however only the Designated Applicant needs to provide a completed IRS Form W-9 (Attachment 1B). All correspondence and any financial payment associated with the rental of this water right will be directed to the Designated Applicant. If additional space is needed to list any other water right holders, attach a second copy of Attachment 1A.

Water Right No. 36-7072

	Designated Applicant	Applicant #2	Applicant #3
Name	SeaPac of Idaho		
Mailing Address	PO Box 546, Buhl, ID 83316		
Phone Number	208-837-6541		
Email Address			
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

STATE OF IDAHO
WATER RESOURCE BOARD

ATTACHMENT 2

DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK

- | <u>1. Water Right Number</u> | <u>Amount (cfs/ac-ft)</u> | <u>Nature of Use</u> | <u>Period of Use</u> |
|------------------------------|---------------------------|-----------------------------|----------------------|
| 36-7072 | 5.50 cfs | Fish Propagation/Mitigation | 1/1 to 12/31 |
| | 7.81 cfs | | to |
| | | | to |
| | | | to |
| | | | to |
| | 7.81 | | to |
| Total Amount: | 5.50 cfs | | |

2. Source of water Thousand Springs tributary to Snake River

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
8S	14E	5			SW	SW	Gooding
8S	14E	6			SE	SE	Gooding
8S	14E				NW	NW	Gooding

4. Lands irrigated or place of use:

[illegible]

If the water right is for irrigation, show total number of acres offered to the Bank. Total Acres N/A

LETTER OF INTENT

USE OF WATER FROM SEAPAC OF IDAHO, INC.'S MAGIC SPRINGS FACILITY, CONSTRUCTION OF PUMP STATION AND PIPELINE IN EXCHANGE FOR WATER FROM THE AQUA LIFE FACILITY

This Letter of Intent ("LOI") is entered into by and between Idaho Ground Water Appropriators, Inc. ("IGWA"), acting for and on behalf of North Snake Ground Water District, Magic Valley Ground Water District and Southwest Irrigation District (collectively "Districts"), and SeaPac of Idaho, Inc. ("SeaPac").

RECITALS

A. In response to Rangen, Inc.'s ("Rangen") water delivery call, the Idaho Department of Water Resources ("IDWR") determined in its January 29, 2014 order that holders of ground water rights junior to July 13, 1962 must provide 9.1 cfs of direct flow to Rangen. Other delivery calls are pending or may be filed by other Hagerman Valley water right holders seeking to curtail junior ground water users.

B. IGWA represents ground water districts whose members consist of irrigators, municipalities, and commercial and industrial entities with ground water rights. Many of the ground water districts' member's water rights are junior to Rangen and certain other water rights in the Thousand Springs reach of the Hagerman Valley and are subject to curtailment unless a mitigation plan is approved providing replacement water.

C. IGWA and SeaPac support the concepts and implementation of the State of Idaho's *Thousand Springs Water Supply Settlement Framework* designed to provide recharge and other means to stabilize the aquifer, to improve water supplies in the Hagerman Valley and to resolve conflicts between junior and senior water right holders.

D. The Idaho Water Resource Board ("IWRB") owns and operates the Aqua Life Aquaculture Facility Hatchery ("Aqua Life") and has entered into a Letter of Intent with IGWA to make available to IGWA by lease or purchase up to ten (10) cfs of its Aqua Life water rights from adjacent springs as needed to meet the mitigation obligation to Rangen and others in the Hagerman valley. IGWA has entered into negotiations with IWRB seeking to lease and acquire ownership of all of Aqua Life.

E. SeaPac currently has a short-term lease of Aqua Life from IWRB and desires to continue its Aqua Life operations by securing ownership and/or a long-term lease.

F. IGWA desires to secure water from SeaPac's Magic Springs to provide a supply of water for mitigation purposes to Rangen and to other senior rights in the Hagerman Valley.

G. IGWA and SeaPac desire to enter into this Letter of Intent ("LOI") to set forth their intent to commence negotiation of a final agreement providing for the exchange of Magic Springs water for Aqua Life water consistent with the terms set forth below.

TERMS

The Agreement shall have the following terms and conditions:

1. SeaPac will lease or sell to IGWA up to ten (10) cfs of first use water from its Magic Springs water right nos. 36-7072 and 36-8356 and also will provide access to allow IGWA to utilize all discharge water from its Magic Springs facilities as needed to provide mitigation to other water right holders in the Hagerman valley.

2. In exchange for water from Magic Springs, IGWA will secure ownership or control of Aqua Life water right nos. 36-1044, 36-2734, 36-15476, 36-2414, and 36-2338 by long-term lease or purchase from IWRB and make them available to SeaPac.

3. IGWA will pay all costs to design, construct, operate and maintain the water collection and intake system, pump station, pipeline and other facilities necessary to deliver up to 10 cfs of first use water together with discharge water from Magic Springs to the head of Billingsley Creek directly up gradient from the Rangen hatchery and/or other locations in the Hagerman valley for mitigation purposes. IGWA will ensure that the diversion and delivery facilities to be constructed will not interfere with the use of SeaPac's remaining water rights at Magic Springs.

4. IGWA shall be responsible to secure from IDWR approval of such mitigation plans, transfer applications and other permits as may be required to change the point of diversion and place of use to accomplish the delivery of Magic Springs water for mitigation purposes. SeaPac hereby grants consent to IGWA to file and process such mitigation plans, transfer applications based on this LOI, with the approvals made subject to this LOI and the contemplated final Agreement between the parties.

5. SeaPac will grant IGWA permanent easements at Magic to design, construct, operate and maintain the water intake and collection facilities, pump station, pipeline and other facilities as necessary for the delivery of water to other locations for mitigation purposes.

6. IWRB will cooperate with IGWA and provide all necessary documents to conduct such investigation as it shall deem appropriate.

7. The Agreement will be contingent upon: (a) IGWA securing an order from IDWR approving mitigation plans providing for the delivery SeaPac's Magic Springs water rights to satisfy the mitigation obligations to Rangen and/or others in the Hagerman valley; (b) IGWA

securing an order from IDWR approving the transfer of the point of diversion and place of use (as necessary) from SeaPac to Rangen and other locations for mitigation; (c) IGWA proceeding to construct and implement the pump and pipeline facilities pursuant to an approved mitigation plan; and IGWA securing ownership or control by long-term lease of Aqua Life and providing it to SeaPac.

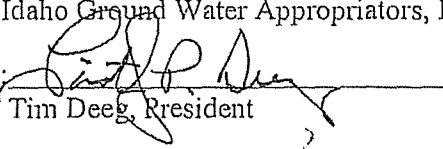
8. This LOI may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute but one and the same agreement. Delivery of an executed counterpart of this LOI via facsimile transmission shall be as effective as delivery of an original signed copy. Thereafter, the parties shall exchange executed originals of this LOI.

9. This LOI is intended as a general expression of the terms and conditions, under which the parties are willing to proceed to prepare, negotiate and if acceptable to all parties in their respective sole discretion, execute a final Agreement. Neither this LOI nor the execution hereof as provided below, shall be binding on any party until the formal Agreement is executed by all parties.

10. Upon execution of this LOI SeaPac will provide access to IGWA to begin engineering work, IGWA will proceed to file and process with IDWR mitigation plans and transfer applications as contemplated and the parties will proceed to negotiate a final Agreement incorporating the terms and conditions as outlined above.

Idaho Ground Water Appropriators, Inc.

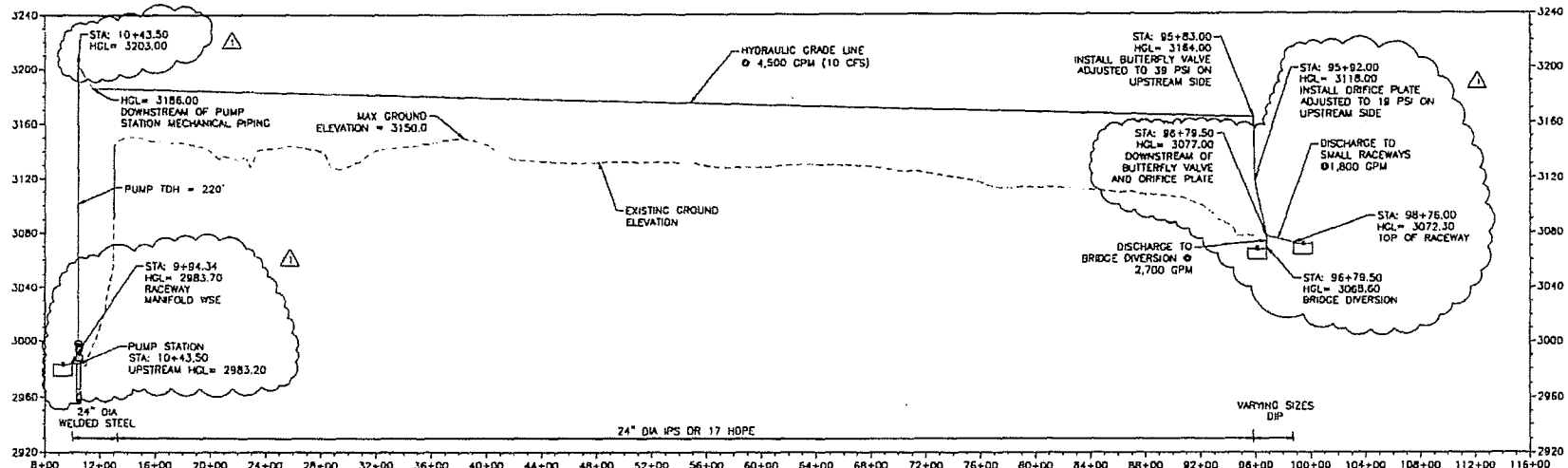
By:


Tim Deeg, President

SeaPac of Idaho, Inc.

By: 

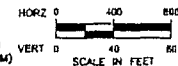
Plan: 11/14/2014 11:14:10 AM (Revised: 11/14/2014 11:14:10 AM) CAD User: P. C. C. C.
 File Name: 11/14/2014 11:14:10 AM (Revised: 11/14/2014 11:14:10 AM)



10/1 PUMP STATION
HYDRAULIC PROFILE

DESIGN CRITERIA

1. TOTAL DELIVERY TO RANGEN= 10 CFS (4,500 GPM)
2. TOTAL DELIVERY TO SMALL RACEWAY= 4 CFS (1,800 GPM)
3. TOTAL DELIVERY TO BRIDGE DIVERSION= 6 CFS (2,700 GPM)



REVISIONS	DATE	DESCRIPTION
1	11/17/14	ISSUED FOR BIDDING
2	11/17/14	ADDITIONAL 4

PROJECT:	133.0190
DESIGNED:	PEC
DRAWN:	PEC
CHECKED:	RMH

Form W-9 (Rev. August 2013) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give Form to the requester. Do not send to the IRS.
Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	SeaPac of Idaho, Inc	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input checked="" type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	
	Exemptions (see instructions): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____	
Address (number, street, and apt. or suite no.)		Requester's name and address (optional)
PO Box 546		
City, state, and ZIP code Buhl, ID 83316		
List account number(s) here (optional)		
Part I Taxpayer Identification Number (TIN) Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3. Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.		
Social security number <div style="border: 1px solid black; width: 100px; height: 20px; margin: 5px 0;"></div> <div style="border: 1px solid black; width: 100px; height: 20px; margin: 5px 0;"></div> <div style="border: 1px solid black; width: 100px; height: 20px; margin: 5px 0;"></div>		Employer identification number <div style="border: 1px solid black; width: 150px; height: 20px; margin: 5px 0; text-align: center;"> 8 2 - 0 4 5 2 8 7 2 </div>
Part II Certification Under penalties of perjury, I certify that:		
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and 3. I am a U.S. citizen or other U.S. person (defined below), and 4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.		
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.		
Sign Here	Signature of U.S. person ▶ Date ▶ 12/12/2014	
General Instructions Section references are to the Internal Revenue Code unless otherwise noted. Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at www.irs.gov/w9 . Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.		
Purpose of Form A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:		
1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued). 2. Certify that you are not subject to backup withholding, or 3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the		
withholding tax on foreign partners' share of effectively connected income, and 4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9. Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are: • An individual who is a U.S. citizen or U.S. resident alien, • A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, • An estate (other than a foreign estate), or • A domestic trust (as defined in Regulations section 301.7701-7). Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.		

Exhibit 2

AMENDED

STATE OF IDAHO WATER RESOURCE BOARD

APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK

This application must be prepared in accordance with the minimum requirements listed to be acceptable for processing by the Department. Incomplete applications will be returned.

Name of Renter(s) IGWA, acting for and on behalf of NSGWD, MVGWD, Southwest Irr Dist. (collectively "Districts")

Mailing Address c/o Randall C. Budge, PO Box 1391, Pocatello, ID 83204

Phone 208-232-6101

Email rcb@racinelaw.net

A. DESCRIPTION OF WATER SOUGHT FOR RENT

1. <u>Maximum Flow Rate (cfs)</u>	<u>Maximum Volume (ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
7.81 <u>5.5 cfs</u>		Fish Propagation/Mitigation	1/1 to 12/31
			to
			to
Total: <u>5.5 cfs</u>			

2. Source of water Magic Springs tributary to Snake River

3. Point(s) of Diversion:

TWP	RGE	SEC	GOVT LOT	1/4	1/4	1/4	County
8S	14E	5			SW	SW	Gooding
8S	14E	6			SE	SE	Gooding
8S	14E	8			NW	NW	Gooding

4. Lands to be irrigated or place of use:

TWP	RGE	SEC	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
7S	14E	31									FM								
7S	14E	32										FM							

If the use is for irrigation, show total number of acres proposed through rental.

Total Acres N/A

B. OWNERSHIP

1. Do you own the land at the proposed point of diversion?

Yes ☐ No ☒

If no, list owner, contact information, and attach a copy of the agreement or other written authority to use the proposed point of diversion. SeaPac of Idaho, Inc. Letter of Intent is attached.

2. Do you own the land at the proposed place of use?

Yes ☐ No ☒

If no, list owner, contact information, and attach a copy of the agreement or other written authority to use the proposed place of use. Rangen, Inc., PO Box 706, Buhl, ID : Order Approving IGWA's Fourth Mitigation Plan

C. MAP

Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described by this application in section A. Include legal description labels.

D. GENERAL INFORMATION

1. Please provide a description of the proposed diversion system.

The Districts will pump and pipe water from Magic Springs facility to the Rangen hatchery.

2. Describe any other water rights diverted through the same point(s) of diversion or used for the same purpose(s) as described above.

Rangen water right nos. 36-134B, 36-135A, 36-15501, 36-2551, 36-7694 are also used for fish propagation at the Rangen Fish Hatchery.

3. Will the proposed place of use receive water from any other source?

Yes ☒ No ☐

If yes, describe. Martin-Curren Tunnel

4. If the proposed use is not for irrigation, please provide a detailed description of the proposed use and how you determined the amount of water required. Attach additional sheets if needed. Mitigation for fish propagation pursuant to IGWA's Fourth Mitigation Plan, CM-MP-2014-006.

5. Are there any other applications pending before the Department, such as an application for permit or transfer, for the same use(s) proposed by this rental?

Yes ☒ No ☐

If yes, describe. Transfer Application #79560 and Permit Application for Waste Water.

6. Was this rental application submitted in response to a Notice of Violation or a pending Notice of Violation?

Yes ☐ No ☒

If yes, describe. _____

E. RENTAL TERM

Do you wish to rent water from the Board's bank for more than one (1) year?

Yes ☒ No ☐

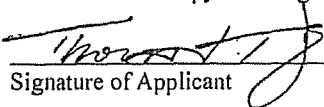
If yes, please specify the number of years desired through proposed rental. 1*

*terminable upon approval of Transfer #79560

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval.

If this application is approved, the applicant agrees to the following:

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Renter shall comply with all applicable state and federal laws while using water under this agreement.
3. Renter shall hold the Board, the Director, and the state of Idaho harmless from all liability on account of negligent acts of the renter.
4. 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.
5. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
6. Renter is not authorized to use water proposed by this application until the rental fees are paid in full and the renter receives an executed copy of the agreement signed by the Director.



Signature of Applicant

Thomas J. Budge, Attorney for Renter

Printed Name and Title*

12/12/14

Date

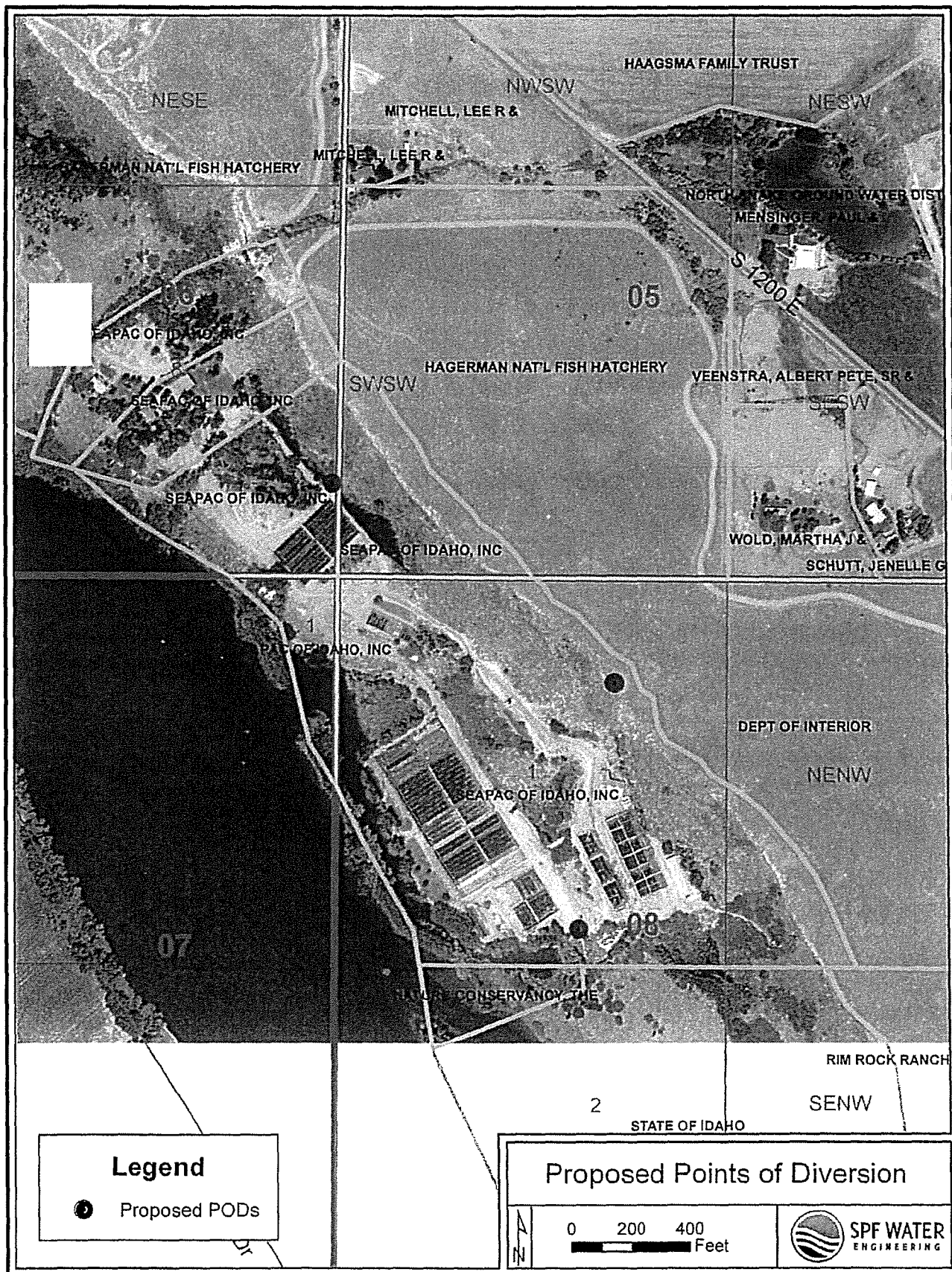
Signature of Applicant

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



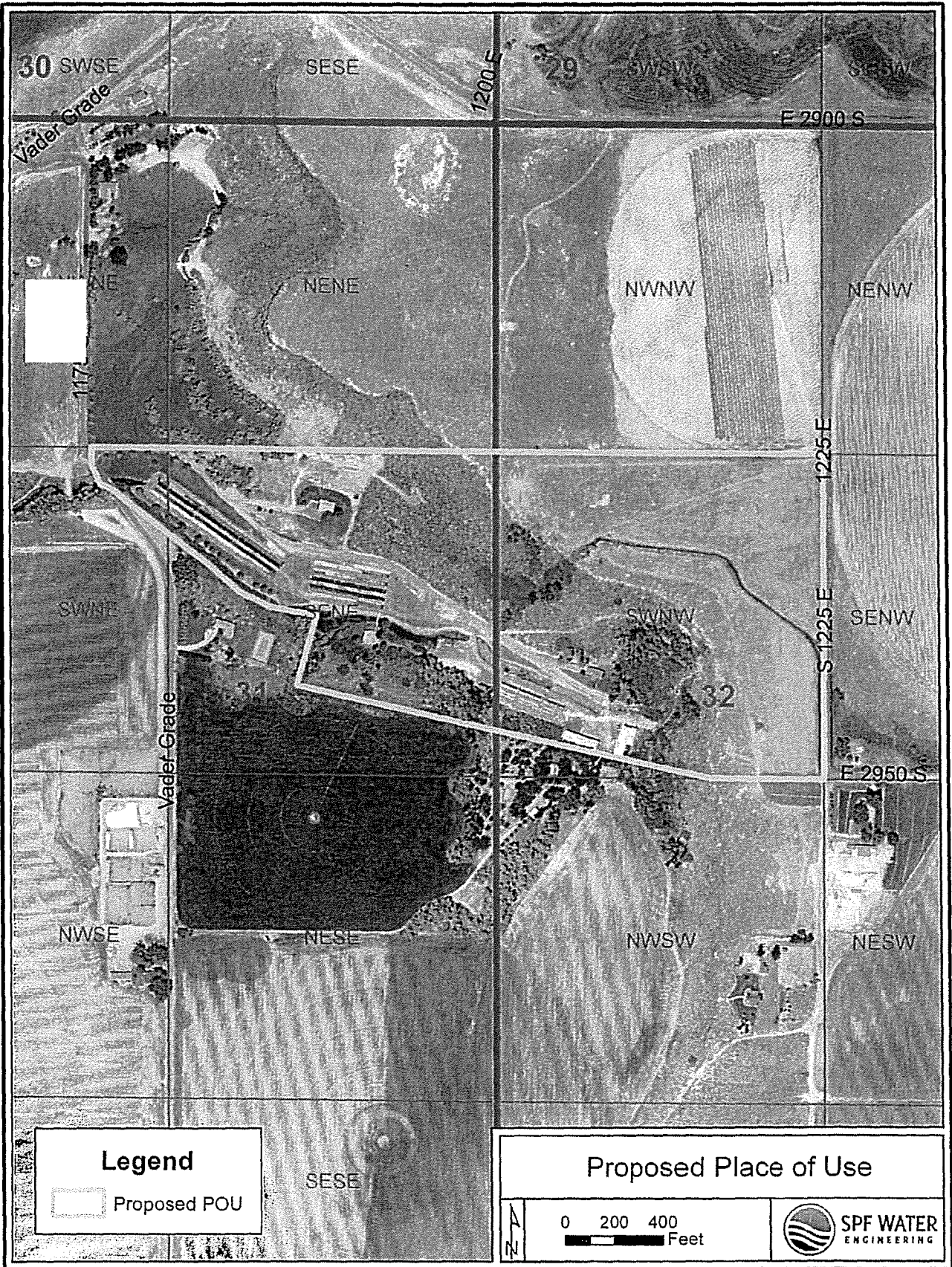


Exhibit 3

MEMORANDUM

To: Water Right No(s). 36-7072
From: Remington Buyer
Date: January 27, 2015
Re: Review of Lease & Rental of Water through the State Water Supply Bank

The Water Supply Bank approved a lease and rental of 5.5 cfs of water right 36-7072 in January 2015 (see previous review memos). On January 15th 2015 a lease contract signed by SeaPac of Idaho, the lessor of the water right, was received by the Water Supply Bank in tandem with a rental agreement for the 5.5 cfs, signed by the Idaho Ground Water Appropriators (IGWA). The lease contract and rental agreement were executed through signature by the Water Supply Bank.

The lease and rental agreement authorized the diversion and transfer of water from SeaPac's place of use, to a place of use owned by Rangen Inc. IGWA was renting the water to provide mitigation water to Rangen in order to avoid an IDWR curtailment of groundwater pumpers who are members of IGWA. IGWA was required to begin providing rental water to Rangen in advance of January 19th, 2015. Due to a violation of a condition of the IDWR Order Approving IGWA's Fourth Mitigation Plan, the January 19th deadline was missed.

IGWA received from the Idaho District Court a two week injunction against the curtailment order however the court ordered an increase in the total water necessary for transfer from SeaPac to Rangen, from 5.5 cfs to 7.81 cfs. This memo addresses the increase in the flow from SeaPac to Rangen, not the original approval of the lease and rental.

AUTHORITY TO FILE: Amended copies of the lease and rental applications have been received from TJ Budge, legal counsel for IGWA. Mr. Budge has the authority to represent both SeaPac on the lease application and IGWA on the rental.

WATER RIGHT VALIDITY: Water right was decreed in 1997 and SeaPac has been and continues to use water authorized under this right. Validity of the right is not a concern.

INJURY TO OTHER WATER RIGHTS: Through adherence to the conditions of the order approving IGWA's fourth mitigation plan, and subject to the right of prior appropriators to demonstrate material injury caused by the lease or rental of this water, the Water Supply Bank can approve the lease and rental of this water without causing injury to other water rights.

ENLARGEMENT OF USE: No enlargement is evident through the lease or rental.

LOCAL PUBLIC INTEREST: The lease and rental of this water is in the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The lease is consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: Water District 130 Watermaster comments were obtained regarding the increased flow to Rangen; no additional concerns were expressed regarding the additional leasing or renting of this water through the Bank.

Exhibit 4



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 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

January 27, 2015

IDAHO GROUND WATER APPROPRIATORS
C/O THOMAS BUDGE
PO BOX 1391
POCATELLO ID 83204

RE: RENTAL OF WATER RIGHT NO. 36-7072 FROM THE WATER SUPPLY BANK

Dear Mr. Budge,

Please find enclosed two lease contracts and a rental agreement for 7.81 cfs of water through the Water Supply Bank. The Water Supply Bank confirms receipt of payment from in you in association with the rental of this water; the lease and rental documents can be executed once we receive signed copies of the lease contracts and the rental agreement.

Please forward the lease contracts to SeaPac of Idaho for signature and please sign the rental agreement on behalf of the Idaho Ground Water Appropriators. Once signed copies of all three of these documents are received in our office, we will sign the documents and they will be considered executed.

If you have any questions, please contact me at (208) 287-4918.

Sincerely,

Remington Buyer
Water Supply Bank Coordinator

Enclosure(s): Lease Contracts (two)
Rental Agreement

Exhibit 5

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("Lease") is effective January 1, 2015, between the Idaho Water Resource Board ("Board"), and

Lessor: SEAPAC OF IDAHO
PO BOX 546
BUHL ID 83316
208-837-6541

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>
36-7072	7.81 CFS	Not Stated	N/A	N/A
Combined Lease Totals: 7.81 CFS Not Stated N/A N/A				

The water rights described herein shall be available for rental from the Bank as follows:

Authorized Period of Use under Lease: 01/01 to 12/31

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.

SEAPAC OF IDAHO
PO BOX 546
BUHL ID 83316

By [Signature]

Printed Name JEN FLETCHER

Date 1/27/2015

Title PRESIDENT

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By [Signature]

Brian Patton, Acting Administrator
Idaho Water Resource Board

Date January 27, 2015

Lease approved by IDWR [Signature]

Date 1/27/2015

ATTACHMENT A
WATER RIGHT NO. 36-7072
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: SEAPAC OF IDAHO
 PO BOX 546
 BUHL ID 83316
 208-837-6541

Priority Date: 09/05/1969

Source: THOUSAND SPRINGS **Tributary to:** SNAKE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
FISH PROPAGATION	01/01	12/31	7.81 CFS	Not Stated
	Total:		7.81 CFS	Not Stated

LOCATION OF POINT(S) OF DIVERSION:

SPRINGS SE¼SE¼SE¼ Sec. 6 Twp 08S Rge 14E GOODING County

TWO POINTS OF DIVERSION LOCATED IN T08S, R14E, S06, LOT 8 SESESE

PLACE OF USE TO BE IDLED UNDER THIS LEASE: FISH PROPAGATION

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	14E	5											H						
08S	14E	6																H L8	
08S	14E	8						H L1											

Total Acres:

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 unleased portion of this right and water right 36-8356 are limited to a combined diversion rate of 140.39 cfs.
13. Fish propagation is for a commercial hatchery.

Exhibit 6

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

This is to certify that: **IDAHO GROUND WATER APPROPRIATORS**
C/O THOMAS J. BUDGE
PO BOX 1391,
POCATELLO, ID 83204
(208) 232-6101

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

Water Right	Priority Date	Source	Tributary	Rented Rate	Annual Rented Volume	Acre Limit	Total Rented Acres
-------------	---------------	--------	-----------	-------------	----------------------	------------	--------------------

36-7072	09/05/1969	Thousand Springs	Snake River	7.8 cfs	5654.2 af	N/A	N/A
---------	------------	------------------	-------------	---------	-----------	-----	-----

Annual Rental Total **7.81 cfs 5654.2 af N/A N/A**

Term of Rental: **January 1, 2015 to December 31, 2016**

Annual Rental Fee: \$9612.48

The fee for rental of the above-described water is \$96,124.80, however you have a private agreement with the lessor of water right 36-7072 where you only need to pay for the administrative fee associated with the rental of that water right. The fee that will be retained by the Department to offset administrative costs is 10% of the total, or \$9,612.48.

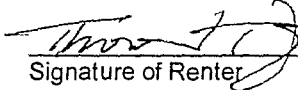
No rental fees will be refunded once the fee is collected and the start date for a Rental Agreement has passed.

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT

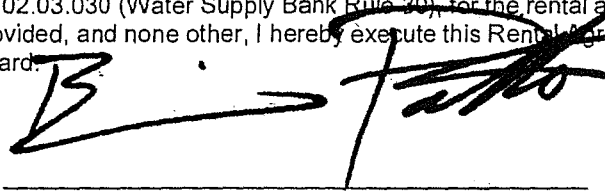
The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

 _____
Signature of Renter

Thomas J. Budge, Attorney for IGWA 1-25-15
Printed Name and Title* Date

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

Having determined that this agreement satisfied 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 condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

 _____
By
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date January 27, 2015

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

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

THOUSAND SPRINGS SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 6 Twp 08S Rge 14E GOODING County
TWO POINTS OF DIVERSION LOCATED IN T08S, R14E, S06, LOT 8 SESESE

BENEFICIAL USE

FISH PROPAGATION

SEASON OF USE

01/01 TO 12/31

RENTER'S PLACE OF USE: FISH PROPAGATION

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07S	14E	31			H	H													
07S	14E	32							H										

Total Acres:

CONDITIONS APPLICABLE TO ALL RENTED WATER RIGHTS

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
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 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. 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.
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 renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
10. The water right(s) referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter. Administrative fees will be paid based on the current rental rate.

11. All conditions specified and ordered by the Director of Water Resources in the Order Approving IGWA's Fourth Mitigation Plan are relevant and apply to this rental agreement.
12. 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. 130.
13. Prior to diversion of water under this right, the right holder shall install and maintain a measuring device and lockable controlling works of a type acceptable to the Department as part of the pipeline delivering water to the Rangen Facility.