

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

MAY 17 2021

DEPARTMENT OF
WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1407

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

LESSOR: KNUDSEN POOR FARMS INC
98 FORT HALL AVE
AMERICAN FALLS, ID 83211

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 and received by the Department on March 22, 2021.
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

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
35-7777	1/24/1978	GROUND WATER	1.77	Not Stated	104.0
Combined Lease Totals			1.77	Not Stated	104.0

Summary of Water Rights Elements Rentable From the Bank

Water Right	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (Limited) (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
35-7777	1.77	416.0	104.0	0.02	4.0
Combined Limit Totals	1.77	416.0	104.0	0.02	4.0

** The water right elements rentable have been reduced from the water right elements leased to account for a field headgate standard of 4.0 af/ac*

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

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3. **TERM OF LEASE:** The term of this lease shall be January 1, 2021 to December 31, 2021. This Lease shall bind the parties and take effect when both parties have signed it.
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. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right is administratively changed due to a water right split and renumbering, this lease may be reduced by an equal amount to reflect the water right elements as legally defined under the water right. If a lease contract cannot be reduced sufficient to reflect the legal definition of a water right as amended through a water right split and/or water right transfer, the Board may release the water right from the Water Supply Bank.
6. **ASSIGNMENT OF CONTRACT:** This lease is between the Board and the Lessor, who is the recognized owner or designated representative of the recognized owners of water rights described herein. Should ownership of any part of a water right herein described change during the term of this lease, either through a water right split, a water right transfer, sale of property to which the water right is appurtenant, or through any other recognized water right reassignment, the lease benefits and obligations to the conditions of acceptance for any such water rights will be assigned to the new owners.
7. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

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IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

LESSOR: KNUDSEN POOR FARMS INC
98 FORT HALL AVE

AMERICAN FALLS, ID 83211

By

Title

Date

IDAHO WATER RESOURCE BOARD

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

By

Brian Patton, Acting Administrator
Idaho Water Resource Board

Date

Lease approved by IDWR

Date

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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**ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE**

The water rights or portions thereof leased to the bank are described as follows:

Source and Location of Point(s) of Diversion for Water Right No(s): 35-7777

GROUND WATER SESENE Sec. 28 Twp 01S Rge 33E BINGHAM County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
35-7777	IRRIGATION	4/01	to	11/01	1.77 cfs	Not Stated
Totals:					1.77 cfs	Not Stated

PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
01S	33E	27							39	40		39							118
01S	33E	28			40	39									39	40			158

Total Acres: 276
Limited To: 104

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, or the lease term expires. A right may be released from the bank upon request, 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 pursuant to Idaho Code § 42-223(5).
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.

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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, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
 - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
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. This right is limited to the irrigation of 104 acres in a single irrigation season. Use of this right with right no. 35-02391 is limited to the irrigation of a combined total of 276 acres in a single irrigation season.
13. Use of this right with right no. 35-02391 is limited to a total combined diversion rate of 5.21 cfs, a total combined annual diversion volume of 1104 af.
14. Use of water under this right may 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. 120
15. Pursuant to Idaho Code § 42-1412(6), this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as determined by the Snake River Basin Adjudication court in the final unified decree entered 08/26/2014.

STATE OF IDAHO
WATER RESOURCE BOARDRECEIVED
MAR 22 2021
DEPARTMENT OF
WATER RESOURCESAPPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANKDesignated Applicant Knudson Poor Farms Inc
(Select one owner – see item 1A on the application)Water Right No. 35-7777
(One water right per application)

Is this application being submitted with a rental application as a lease/rental package?

Yes ☒ No ☐

This application must be prepared in accordance with the minimum requirement checklist below. 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. Applications that do not meet the minimum requirements will not be processed and may be returned or denied.

MINIMUM REQUIREMENT CHECKLIST

All items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*

Yes

- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank*.
- ☒ Application filing fee of \$250.00 per water right. If you are submitting more than one lease application and the water rights have an overlapping, common place of use, or a common diversion rate or volume, the total fee for all water rights is \$500.00. For places of use, multiple water rights must be used to irrigate the same lands in order to qualify for the joint filing fee. Individual filing fees are required for water rights that share a common permissible place of use but which cover separate acres within the permissible place of use.
- ☒ Confirmation this form has been printed **single sided**, per requirement of the Water Supply Bank.

Attachment N/A Yes

- 1A ☐ ☐ Signatures and contact information for *all owners* of the water right to be 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 ☐ ☒ 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.
- 3 ☐ ☒ 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. You have the option of printing a map using the map tool on IDWR's website at: www.idwr.idaho.gov.
- 4A ☒ ☐ Written consent from irrigation district or water delivery company.
- 4G ☐ ☒ Evidence demonstrating the water right has not been forfeited pursuant to [Section 42-222\(2\), Idaho Code](#).

Department Use Only

Fee Amount \$ 250-Received By: KmDate Received: 3.22.21Receipt # C110107W-9 received? Yes ☐ No ☒ (Route W-9 to Fiscal)

Name on W-9:

2034

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

1. CONTACT INFORMATION

- A. This application must be completed by a Designated Applicant who is a current owner of the water right being sold or leased to the Water Supply Bank. If there are additional current owners, 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 Knudsen Poor Farms Inc

Mailing Address 98 Fort Hall Ave American Falls, Idaho 83211

Street

City

State

Zip Code

Email Address _____

Phone Number 208-226-7777

- ☒ 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 submitted an IRS Form W-9 to this Department within the last 2 years? Yes ☐ No ☒
If no, complete the form and attach to this application (Attachment 1B).

- 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 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 1D).

Name of Representative Greg Sullivan

Organization Brockway Engineering

Professional Title Engineer

Email Address greg.sullivan@brockwayeng.com

Mailing Address 2016 N Washington St Ste 4 Twin Falls, Idaho 83301

Phone Number 208-736-8543

- ☐ 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

- ☒ 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 the water right is being offered, complete Attachment 2.

3. MAP

Attach a map of the point(s) of diversion and place(s) of use proposed to be idled by this lease application. Make sure the idled place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to idle. If the water right proposed for lease is located within a permissible place of use (PPU) and portions of the PPU will continue to receive water from non-leased water rights, clearly outline on a map the acres within the PPU that will continue to be irrigated, as well as acres that will be idled during the lease term. Label the map **Attachment 3**.

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APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

4. GENERAL INFORMATION

- A. 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 4A).
If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to [Section 42-108, Idaho Code](#) and [IDAPA WSB Rule 37.02.03.25.02e](#).
- B. Please provide a description of the current water diversion and delivery system.
Existing wells, mainlines and delivery system.

- C. 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. None

- D. Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes ☒ No ☐
Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of \$500.
- E. Will the present place of use continue to receive water from any other source? Yes ☐ No ☒
If yes, explain the relationship between the different water sources and how enlargement of the authorized use will not occur if this water right is leased. _____

- F. Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. Water right 35-2391 and 35-7777 have be previously leased into the Idaho Water Supply Bank. See lease contracts 614 and 615.

- G. Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes ☐ No ☒
If yes, describe the circumstances and attach evidence to demonstrate how the water right has not been lost through forfeiture (Attachment 4G). See [Section 42-223, Idaho Code](#) for exceptions to forfeiture. Your application may be denied if forfeiture concerns are not addressed. _____

- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?
If yes, describe. Yes ☐ No ☒

STATE OF IDAHO
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APPLICATION TO SELL OR LEASE A WATER RIGHT
(Continued)

5. SALE/LEASE AGREEMENT

A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☒.

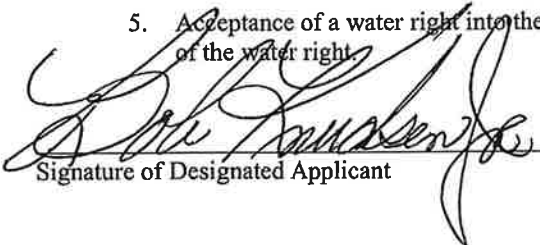
If lease, specify the years when the use of water will be suspended: 2021 to 2021 (maximum lease period 5 calendar years).
(Year) (Year)

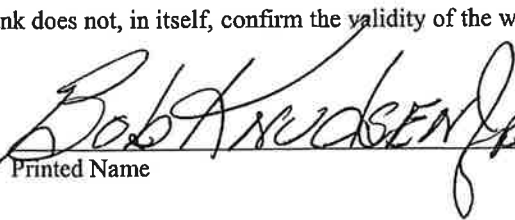
B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.
Current rental rate. _____

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 is stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any element of the water right.


Signature of Designated Applicant


Printed Name

12 March 2021
Date

Signature of Authorized Representative

Printed Name

Date

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



IDWR offices are open to the public and following the CDC guidelines for wearing masks and observing social distancing. For in-person visits, we encourage you to call ahead for an appointment.

[Home](#) / [Water Rights](#) / [Research](#) / [Search Water Rights](#)

WATER RIGHT REPORT

3/5/2021

IDAHO DEPARTMENT OF WATER RESOURCES

Water Right Report

WATER RIGHT NO. 35-7777

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	KNUDSEN POOR FARMS INC 98 FORT HALL AVE AMERICAN FALLS, ID 83211 2082267777
Original Owner	EASTERN IDAHO PRODUCTION CREDIT ASSN PO BOX 992 BLACKFOOT, ID 83221

Priority Date: 01/24/1978

Basis: Decreed

Status: Active

Water Supply Bank Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	4/01	11/01	1.77 CFS	
Total Diversion			1.77 CFS	

Location of Point(s) of Diversion:

GROUND WATER|SESENE|Sec. 20|Township 01S|Range 33E|BINGHAM County

IRRIGATION Use:

Acre Limit: 104

Place(s) of use:

Place of Use Legal Description: IRRIGATION BINGHAM County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
01S	33E	27		SWNW	39		SENW	40						
				NWSW	39									
		28		SWNE	40		SENE	39						
				NESE	39		NWSE	40						

Total Acres: 276

Conditions of Approval:

1. C18 THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. SECTION 42-1412(6), IDAHO CODE.
2. USE OF THIS RIGHT WITH RIGHT NO. 35-02391 IS LIMITED TO A TOTAL COMBINED DIVERSION RATE OF 5.21 CFS, A TOTAL COMBINED ANNUAL DIVERSION VOLUME OF 1104 AF.
3. THIS RIGHT IS LIMITED TO THE IRRIGATION OF 104 ACRES WITHIN THE PLACE OF USE DESCRIBED ABOVE IN A SINGLE IRRIGATION SEASON. USE OF THIS RIGHT WITH RIGHT NO. 35-02391 IS LIMITED TO THE IRRIGATION OF A COMBINED TOTAL OF 276 ACRES IN A SINGLE IRRIGATION SEASON.
4. RIGHT NO. 35-02391 IS ALSO DIVERTED THROUGH THE POINT OF DIVERSION DESCRIBED ABOVE.

Dates:

Licensed Date:

Decreed Date: 01/31/2002

Permit Proof Due Date: 3/1/1983

Permit Proof Made Date: 12/29/1982

Permit Approved Date: 3/21/1978

Permit Moratorium Expiration Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date: 01/24/1978

Protest Deadline Date:

Number of Protests: 0

Other Information:**State or Federal:** S**Owner Name Connector:****Water District Number:** 120**Generic Max Rate per Acre:****Generic Max Volume per Acre:****Combined Acres Limit:****Combined Volume Limit:** 1104**Combined Rate Limit:** 5.21**Civil Case Number:****Old Case Number:****Decree Plaintiff:****Decree Defendant:****Swan Falls Trust or Nontrust:****Swan Falls Dismissed:****DLE Act Number:****Cary Act Number:****Mitigation Plan:** False**Water Supply Bank:****Lessor Name(s):** KNUDSEN POOR FARMS INC**Lease Status:** Active**Lease Amount:** 1.77cfs**Rental Availability:** .80cfs**Date Received:** 2/14/2017**Lease Begin Date:** 1/1/2017**Expiration Date:** 12/31/2020

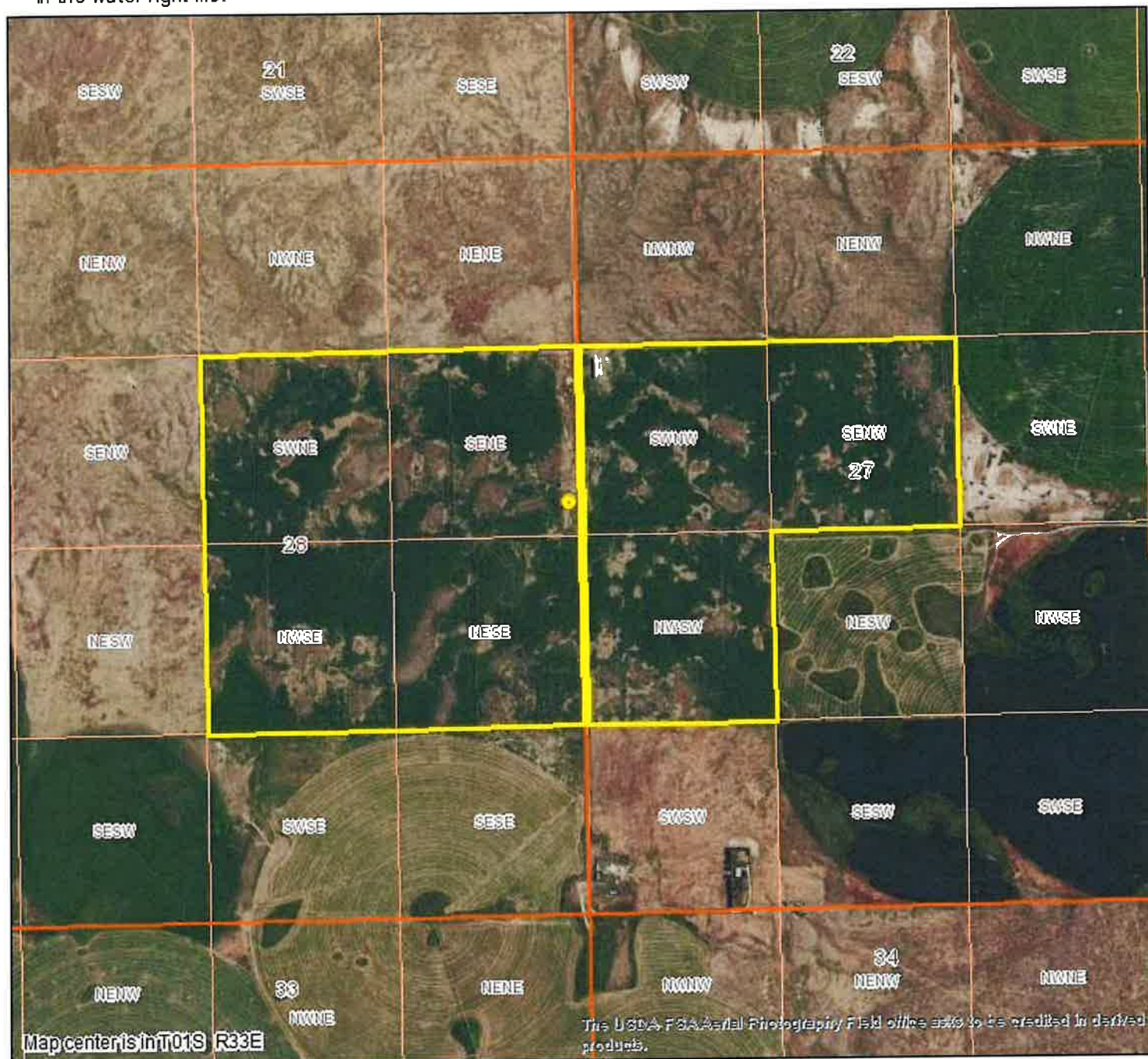
State of Idaho
Department of Water Resources

Water Right

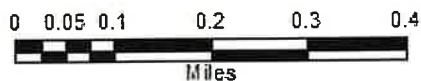
35-2391 and 35-7777

IRRIGATION

The map depicts the place of use for the water use listed above and point(s) of diversion of this right as currently derived from interpretations of the paper records and is used solely for illustrative purposes. Discrepancies between the computer representation and the permanent document file will be resolved in favor of the actual water right documents in the water right file.



Date created: 3/4/2021



Legend

- Point of Diversion
- Place of Use Boundary
- Townships
- PLS Sections
- Quarter Quarters





0003520636

**STATE OF IDAHO***Office of the secretary of state, Lawrence Denney***ANNUAL REPORT**

Idaho Secretary of State

PO Box 83720

Boise, ID 83720-0080

(208) 334-2301

Filing Fee: \$0.00

*For Office Use Only***-FILED-**

File #: 0003520636

Date Filed: 5/22/2019 10:40:00 AM

Entity Name and Mailing Address:

KNUDSEN POOR FARMS, INC.

The file number of this entity on the records of the Idaho Secretary of State is: 0000186494

Address 98 FORT HALL AVE
AMERICAN FALLS, ID 83211-1804

Entity Details:

Entity Status Active-Good Standing

This entity is organized under the laws of: IDAHO

If applicable, the old file number of this entity on the records of the Idaho Secretary of State was: C58385

The registered agent on record is:

Registered Agent BOB KNUDSEN, JR.
Registered Agent
Physical Address
98 FORT HALL AVE
AMERICAN FALLS, ID 83211
Mailing Address

Corporate Officers and Directors:

Name	Title	Address
BOB KNUDSEN, JR	President	2595 HWY 39 AMERICAN FALLS, ID 83211
Charles W Buchta	Vice President	3122 W 2100 S ABERDEEN, ID 83211

The annual report must be signed by an authorized signer of the entity.

Bob Knudsen Jr

Sign Here

05/22/2019

Date

Signer's Title: Member

B0260-6066 05/22/2019 10:40 AM Received by ID Secretary of State Lawrence Denney

**STATE OF IDAHO
WATER RESOURCE BOARD**

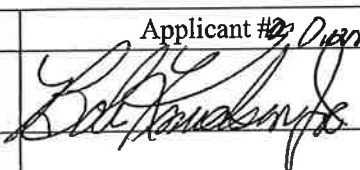
ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

For the water right on this application, list all owners (individuals or business entities) of the right or the property to which it is appurtenant. All water right holders must sign 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.

If submitting multiple applications, it is only necessary to complete one Attachment 1A for the group of applications. List each water right below.

Water Right No(s). 35-2391 and 35-7777

	Designated Applicant	Applicant #2	Applicant #3
Name	Knudsen Poor Farms LLC		
Mailing Address	98 Fort Hall Ave American Falls, ID 83211		
Phone Number	208-226-7777		
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

DEPARTMENT OF WATER RESOURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700

Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

June 9, 2021

KNUDESN POOR FARMS INC
98 FORT HALL AVE
AMERICAN FALLS, ID 83211

**RE: WATER SUPPLY BANK LEASE CONTRACTS 1407 & 1408
FOR WATER RIGHTS 35-7777 & 35-2391**

Dear Lessor:

Water right **35-7777 & 35-2391** were leased into the Water Supply Bank (Bank) as of January 1, 2021, in accordance with the enclosed executed lease contract. **Your water rights, as described on the lease contract, are considered leased into the Bank and should remain unused until they are formally released from the Bank.** More information and further restrictions placed on your water rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The rights will automatically be released from the Bank on **December 31, 2021**, unless the rights are released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water rights from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at www.idwr.idaho.gov. **Please note your water rights may not be available for immediate release if they have been rented or are being considered for a future rental.** Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.

If you have questions regarding this matter, please contact this office at bank@idwr.idaho.gov or 208-287-4800.

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Eastern Region
Greg Sullivan – Brockway Engineering
Water District 12

Memorandum

To: Water Right 35-7777 & 35-2391
From: Justin Ferguson
Date: April 29, 2021
Re: Water Supply Bank Lease Application 2034 & 2035

Purpose/Narrative: Two applications were received March 22, 2021 on behalf of Knudsen Poor Farms offering the entire allocation of both water rights 35-7777 & 35-2391 for lease to the Bank through the end of the year. The applications were received as part of a lease/rental package with rental applications for both Lance Funk Farms and PEP LLC.

Water rights 35-7777 and 35-2391 authorize the collective irrigation of a common 276 acres, from a common point of diversion. However, the water use elements (diversion rate, diversion volumes and acre limits) for these two water rights are additive and not limited. Accordingly, these water rights can be leased into the Bank on separate lease contracts, or, they can be leased into the Bank on a singular, common lease contract. IDWR will approve two separate contracts for these two water rights.

Authority to File: The applications were prepared at Brockway Engineering on behalf for Knudsen Poor Farms and signed by Mr. Bob Knudsen. Review of the Idaho Secretary of State information affirms Mr. Knudsen is in fact an authorized agent for the company and can act on its behalf. No concerns at this time.

Water Right Validity/Forfeiture Evaluation: Prior to the initial Water Supply Bank lease in 2006 until 2008, the two water rights had been decreed in 2002. Upon release from the Bank in 2008 the water rights appear to have been used in full until 2017 at which time they were again offered to the Bank until 2020. The two proposals are seeking to continue the protection afforded by the Bank while making the rights available for rent. No concerns at this time.

Injury Evaluation: No injury is apparent though these proposals as the intent is, effectively, a continuation of the forfeiture protection afforded by the Bank. No concerns at this time.

Enlargement of Use: While the two water rights share a place of use, the limits shared between the two are additive. Because they can irrigate additive portions that would make up the full area, the two can be leased separate from each other. Using satellite imagery it appears that, although the acreage is leased to the Bank, the area is regularly vegetated with a cutting near the end of June. As there is not a second crop grown, it can be inferred that the applicant is dry land farming however, the Watermaster for the area will be asked when comments are requested as verification.

Local Public Interest: Staff are unaware of any local public interests that are averse to the lease.

Beneficial Use/Conservation of Water Resources: The lease appears consistent with the conservation of water resources in Idaho.

Department/Watermaster Comments: Comments regarding the rentals applications associated with these leases were requested from the Watermaster for District 120 and IDWR's Eastern Regional Office on 5/3/21. No concerns were received, it is assumed there is no issue with the leased based on no concerns with the rental of the proposed leased.

Water Supply Bank Evaluation: Based on the information presented by the applicant, staff recommend the proposal be approved.



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MAR 22 2021

DEPARTMENT OF
WATER RESOURCES

March 16, 2021

Remington Buyer
Idaho Water Supply Bank
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Re: Lance Funk 2021 Rental

Dear Mr. Buyer:

Attached to this letter is the 2010 lease applications for water rights 35-2391 and 35-7777. These two water rights were previously leased into the Idaho Water Supply Bank under contract #614 and #615 from 2017 through 2020.

Lance Funk, Chris Pratt and Bob Knudson have entered into a private agreement to lease and rental the entire 276.0 acres of irrigation water under 35-2391 and 35-7777. Attached to this letter is the lease payment agreement that they have all signed.

Lance Funk will rent 190.0 acres to his Winters Road pivots for the 2021 irrigation season. Specifically, the middle pivot and south pivot will be covered by this rental. The POD for these pivots is located in ESPA Model Cell 82 83. This rental of 190.0 acres will supersede the proposed rental applications 1965 and 1966. The ESPA Model analysis for this rental calculated that no mitigation is required. Lance Funk will pay the 10% process fee to the Idaho Water Supply Bank when the rental agreement is finalized.

PEP, LLC (Chris Pratt) will rent 86.0 acres to his property for the 2021 irrigation season. Jason Helms prepared the rental application, maps and ESPA Model analysis for the 86.0 acre rental. The ESPA Model analysis calculated that no mitigation is required for the rental of 86.0 acres of irrigation water to ESPA Model cell 77 105. PEP, LLC will pay the 10% processing fee to the Idaho Water Supply Bank when the rental agreement is finalized.

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2034

2035

2036

2037



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Bob Knudsen is currently out of state and the original signed lease applications will be mailed to TJ Budge. After receiving the original signed lease applications, TJ will mail them directly to the Idaho Water Supply Bank.

Sincerely,

Greg Sullivan, M.S., Engineer

Cc: Lance Funk, TJ Budge, Bob Knudsen, Chris Pratt

Enc: Knudsen Lease Applications, Lance Funk Rental Application, Chris Pratt Rental Application, Aerial Maps, Attachment 1A, Water Lease Agreement, Brockway Engineering Check # 16349 for \$500.00

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