

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

FEB 03 2021

DEPARTMENT OF
WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1312

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

LESSOR: KBC FARMS LLC
3010 MC KINLEY ST
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 December 23, 2020.
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)
35-14308	5/1/1973	GROUND WATER	1.02	253.2	63.3
Lease Totals			1.02	253.2	63.3

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:** 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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1312

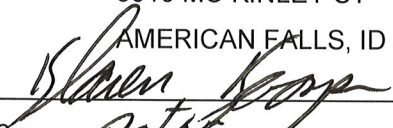
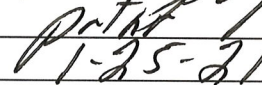
5. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right 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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

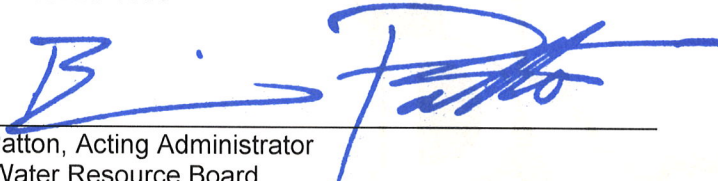
WATER SUPPLY BANK LEASE CONTRACT No. 1312

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

LESSOR: KBC FARMS LLC
3010 MC KINLEY ST
AMERICAN FALLS, ID 83211

By 
Title 
Date 1-25-21

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 02/11/21

Lease approved by IDWR 

Date 02/11/21

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1312

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): 35-14308

GROUND WATER	NWSESE	Sec. 21	Twp 08S	Rge 29E	POWER County
GROUND WATER	NWNWSW	Sec. 22	Twp 08S	Rge 29E	POWER County
GROUND WATER	SWSENW	Sec. 22	Twp 08S	Rge 29E	POWER County
GROUND WATER	NWNENW	Sec. 23	Twp 08S	Rge 29E	POWER County
GROUND WATER	SESESW	Sec. 13	Twp 08S	Rge 29E	POWER County
GROUND WATER	NWNENW	Sec. 19	Twp 08S	Rge 30E	POWER County
GROUND WATER	SWSENW	Sec. 22	Twp 08S	Rge 29E	POWER County
GROUND WATER	NWSESW	Sec. 24	Twp 08S	Rge 29E	POWER County
GROUND WATER	SWSWNE	Sec. 24	Twp 08S	Rge 29E	POWER County
GROUND WATER	NENWSW	Sec. 26	Twp 08S	Rge 29E	POWER County
GROUND WATER	SESW	Sec. 26	Twp 08S	Rge 29E	POWER County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
35-14308	IRRIGATION	4 /01	to	10/31	1.02 cfs	253.2 AF
Totals:					1.02 cfs	253.2 AF

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	
08S	29E	13										4.9							4.9
08S	29E	14									0.4	9.9			17.0				27.3
08S	29E	22					5.0	26.0	0.1										31.1

Total Acres: 63.3

ADDITIONAL CONDITIONS OF ACCEPTANCE

- The water rights referenced above will be rented from the bank at the current rental rate.
- 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.
- 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.
- 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.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1312

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.
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. Upon specific notification of the Department, the right holder shall install and maintain data loggers to record water usage information at the authorized point(s) of diversion in accordance with Department specifications.
13. The unleased portion of this right is limited to the irrigation of 144.7 acres within the authorized place of use in a single irrigation season.
14. This right does not grant any right-of-way or easement across the land of another.
15. Diversion of water from the point(s) of diversion authorized by approved Transfer 81235 shall not exceed the total combined maximum diversion rates and total combined maximum diversion volumes as specified below:
 - Wells 1 – 4 are limited to 13.38 cfs and 3542.5 af.
 - Well no. 1: NWSESE Sec. 21, T08S, R29E, B.M.
 - Well no. 3: NWNWSW Sec. 22, T08S, R29E, B.M.
 - Well no. 2: SWSSENW Sec. 22, T08S, R29E, B.M.
 - Well no. 4: SWSSENW Sec. 22, T08S, R29E, B.M.
 - Wells 5 – 9 are limited to 34.26 cfs and 8831.2 af.
 - Well no. 5: NWNENW Sec. 23, T08S, R29E, B.M.
 - Well no. 6: SESESW Sec. 13, T08S, R29E, B.M.
 - Well no. 7: NWNENW Sec. 19, T08S, R30E, B.M.
 - Well no. 9: SWSWNE Sec. 24, T08S, R29E, B.M.
 - Well no. 8: NWSSENW Sec 24, T08S, R29E, B.M.

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WATER SUPPLY BANK LEASE CONTRACT No. 1312

- Wells 10 - 11 are limited to 8.05 cfs and 2079.4 af.
 - Well no. 10: NENWSW Sec. 26, T08S, R29E, B.M.
 - Well no. 11: SENW Sec. 26, T08S, R29E, B.M.

For the duration of lease contract No. 1312, the diversion of water from the points of diversion authorized by Transfer 81235 shall not exceed the total combined maximum diversion rate of 54.67 cfs and a total combined maximum diversion volume of 14,199.9 af

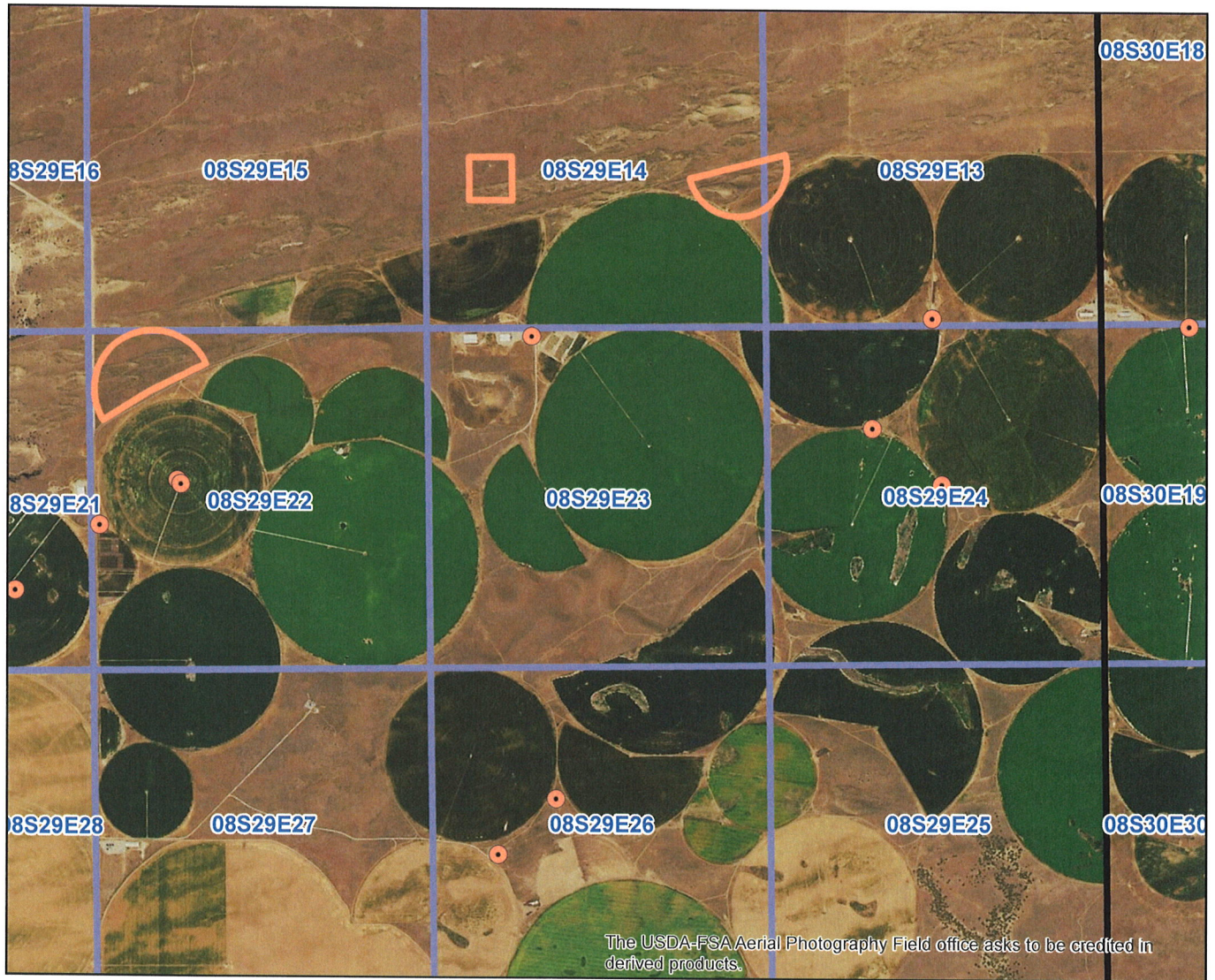
16. The unleased portion of right 35-14308 is limited to the irrigation of a specific 144.7 acres within the 6154 acre place of use authorized by this right in a single irrigation season. The specific 144.7 acres to be irrigated by the right holder are shown in the electronic shape file associated with this right in the geographic information system component of the water rights database maintained by the department. Before changing the 144.7 acres to be irrigated within the 6154 acre place of use, the right holder shall submit a new land list and representative electronic shape file or map to the Department prior to the irrigation season in which the change will occur.
17. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.
18. Prior to the diversion and use of water under Transfer approval 81235, the right holder shall install and maintain acceptable measuring device(s) at the authorized point(s) of diversion in accordance with Department specifications, or shall obtain an approved variance from the Department to determine the amount of water diverted from power records or to maintain an existing measuring device.
19. 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. 120.

Idaho Water Resource Board
Water Supply Bank Lease Contract No. 1312

35-14308

Effective until December 31, 2021

This map depicts the **place of use to be idled** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



● Approved Lease Point of Diversion

□ Approved Lease Place of Use

□ Township/Range

□ Sections



0 0.5 1 Miles

STATE OF IDAHO
WATER RESOURCE BOARD

**APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK**

RECEIVED

DEC 23 2020

DEPARTMENT OF
WATER RESOURCESDesignated Applicant KBC Farms, LLC

(Select one owner – see item 1A on the application)

Water Right No. 35-14308

(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 | ☒ | ☐ | <i>Notice of Change in Water Right Ownership</i> 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 \$ <u>500 -</u>	Received By: <u>KM</u>	Date Received: <u>12.23.2020</u>	Receipt # <u>C109718</u>
W-9 received? Yes ☒ No ☐	(Route W-9 to Fiscal)	Name on W-9: <u>KBC Farms, LLC</u>	

1868

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 KBC Farms, LLC

Mailing Address 3010 McKinley, American Falls, ID 83211

Street

City

State

Zip Code

Email Address koompinfarms@gmail.com

Phone Number 208-226-9940

☒ 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 _____ Organization _____

Professional Title _____ Email Address _____

Mailing Address _____ Phone Number _____

☐ 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.**

STATE OF IDAHO
WATER RESOURCE BOARD

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 well, 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. 35-7275 et al.
- 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. The water right has been under lease contract for several years with the Idaho Water Supply Bank.
- 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. This water right has been under lease contract for several years with the Idaho Water Supply Bank.
- 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
WATER RESOURCE BOARD

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.

KBC Farms LLC by
Karen Koompin
Signature of Designated Applicant

Karen Koompin
Printed Name

12-18-20
Date

Signature of Authorized Representative

Printed Name

Date

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

STATE OF IDAHO
WATER RESOURCE BOARD

Complete Attachment 2 if only a portion of the water right is offered to the Bank.

ATTACHMENT 2

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

1. <u>Water Right Number</u>	<u>Nature of Use</u>	<u>Leased Rate</u> (cfs)	<u>Leased Volume</u> (af)	<u>Leased Acres</u> (ac)
<u>35-14308</u>	<u>Irrigation</u>	<u>1.02</u>	<u>253.2</u>	<u>63.3</u>
	Total Amounts:	<u>1.02</u>	<u>253.2</u>	<u>63.3</u>

2. Source of water Ground Water tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
							See Exhibit A

Exhibit A
KBCP LLC and KBC Farms LLC
Points of Diversion

New	Lot	1/4	1/4	1/4	Sec.	Twp	Range	County	Source	Local name or tag#
		NW	SE	SE	21	08S	29E	Power	Ground Water	Well #1
		NW	NW	SW	22	08S	29E	Power	Ground Water	Well #3
		SW	SE	NW	22	08S	29E	Power	Ground Water	Well #2
		SW	SE	NW	22	08S	29E	Power	Ground Water	Well #4
		NW	NE	NW	23	08S	29E	Power	Ground Water	Well #5
		SE	SE	SW	13	08S	29E	Power	Ground Water	Well #6
		NW	NE	NW	19	08S	30E	Power	Ground Water	Well #7
		NW	SE	NW	24	08S	29E	Power	Ground Water	Well #8
		SW	SW	NE	24	08S	29E	Power	Ground Water	Well #9
		NE	NW	SW	26	08S	29E	Power	Ground Water	Well #10
			SE	NW	26	08S	29E	Power	Ground Water	Well #11

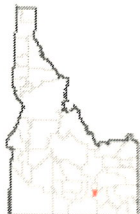
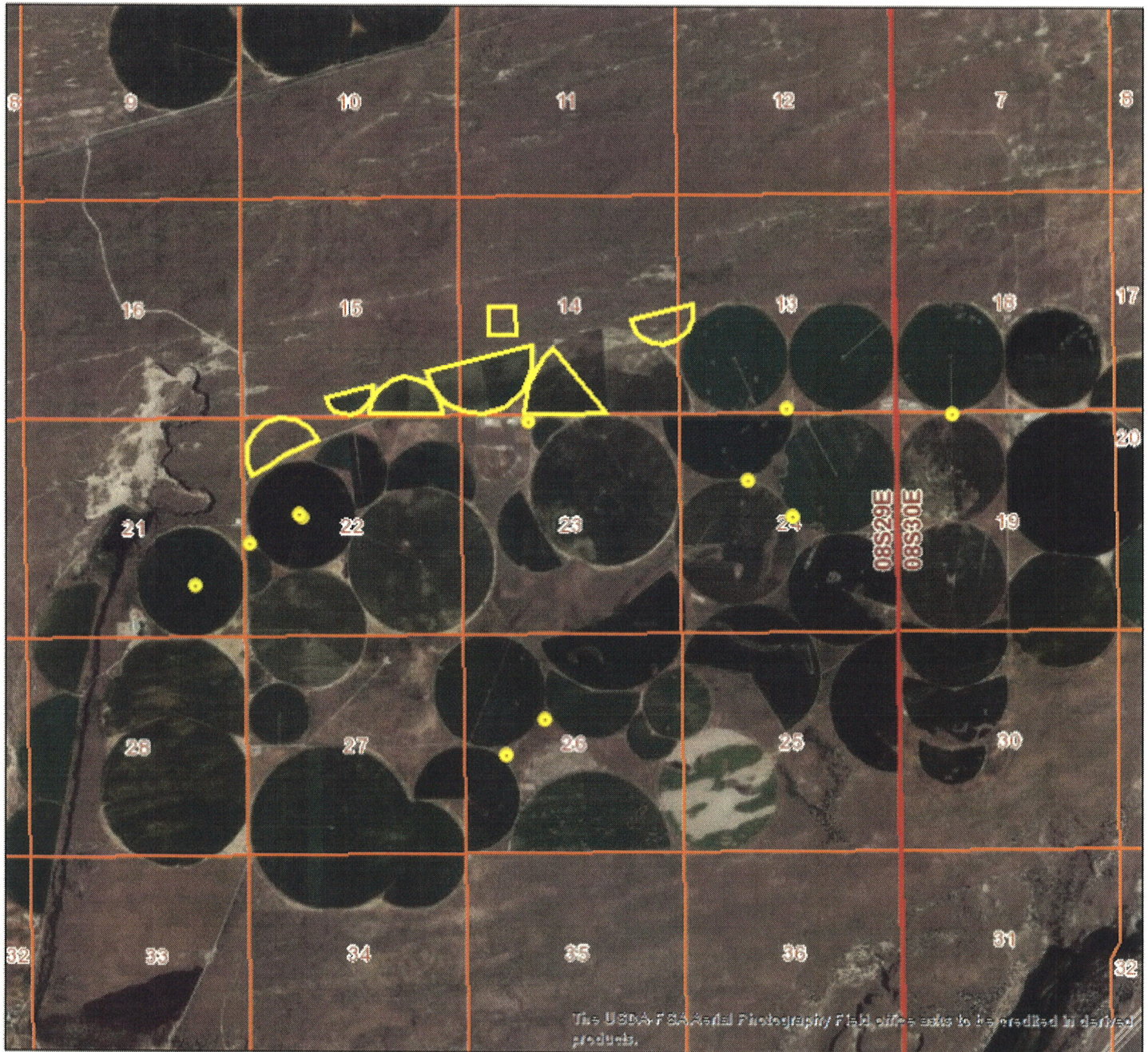
State of Idaho
Department of Water Resources

Water Right

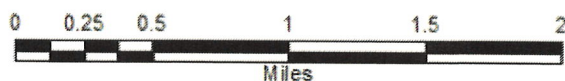
35-14308

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: 12/14/2020



Legend

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





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

February 17, 2021

KBC FARMS LLC
3010 MC KINLEY ST
AMERICAN FALLS ID 83211

**RE: WATER SUPPLY BANK LEASE CONTRACTS 1312
FOR WATER RIGHT 35-14308**

Dear Lessor:

Water right **35-14308** was 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.**

As per your request, contract 1309 for water right 35-14040 has been cancelled.

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

Sincerely,

Jean Hersley

for

Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Eastern Region
Blake Jordan- Water District 120
Brockway Engineering PLLC- Greg Sullivan

Hersley, Jean

From: Buyer, Remington
Sent: Monday, February 1, 2021 10:09 AM
To: Hersley, Jean; Veibell, Amanda
Subject: FW: Water Supply Bank lease of water rights 35-14040 and 35-14308
Attachments: Cancellation of Contract 1309 (1).pdf

Ladies,

KBC Farms is requesting to cancel contract 1309. I've uploaded the attached PDF to the WSB software system documents section for Contract 1309.

When we receive back from KBC Farms Contract 1312, please proceed to have Contract 1309 cancelled.

Thanks.

From: Amanda Givens/ Kenneth Koopin [mailto:koopinfarms@gmail.com]
Sent: Monday, February 1, 2021 10:00 AM
To: Buyer, Remington <Remington.Buyer@idwr.idaho.gov>
Cc: Greg Sullivan <greg.sullivan@brockwayeng.com>; Bank <Bank@idwr.idaho.gov>
Subject: Re: Water Supply Bank lease of water rights 35-14040 and 35-14308

Remington,

We would like to cancel contract 1309 for this year.

Thank you!
Amanda Givens
Koopin Farms
KBC Farms, LLC

On Mon, Feb 1, 2021 at 9:57 AM Buyer, Remington <Remington.Buyer@idwr.idaho.gov> wrote:

Morning Greg,

If KBC Farms replies to this email chain to request cancellation of contract 1309, that will suffice for us to document that the lease contract is no longer desired. We can include the reply in our records and cancel contract 1309 when we execute contract 1312.

Remington

From: Greg Sullivan [mailto:greg.sullivan@brockwayeng.com]
Sent: Monday, February 1, 2021 9:50 AM
To: Buyer, Remington <Remington.Buyer@idwr.idaho.gov>
Cc: Bank <Bank@idwr.idaho.gov>; 'Amanda Givens/ Kenneth Koopin' <koopinfarms@gmail.com>
Subject: RE: Water Supply Bank lease of water rights 35-14040 and 35-14308

Remington,

Thank you for the information.

I have the signed lease contract for 35-14040 in my office. However, the intent is to move 35-14040 to a new location this spring and irrigate with it this year. I do not intend to submit the signed contract to IDWR.

What do you need from KBC Farms or me to cancel the lease application and contract for 35-14040?

Greg Sullivan

Brockway Engineering

2016 North Washington Street, Suite 4

Twin Falls, Idaho 83301

208-736-8543

All information, calculations, maps, drawings, or other documents transmitted via e-mail are preliminary unless explicitly stated in the e-mail text or in the documents themselves.

From: Buyer, Remington [mailto:Remington.Buyer@idwr.idaho.gov]
Sent: Monday, February 01, 2021 9:31 AM
To: Greg Sullivan <greg.sullivan@brockwayeng.com>

Cc: Bank <Bank@idwr.idaho.gov>, Amanda Givens/ Kenneth Koopin <koopin@kbcfarms.com>
Subject: RE: Water Supply Bank lease of water rights 35-14040 and 35-14308

Hi Greg,

We have not yet received back from KBC farms the signed approval pages for contracts 1309 and 1312. I don't know why KBC farms sent them to you. Please forward the documents to our office, or forward them back to KBC Farms, so that they might return them to our office.

If a transfer will be filed this year for water right 35-14040, and a lease of this water right is not desired for 2021, then when contract 1312 is returned to our office, KBC Farms can request the cancellation of contract 1309, to accommodate the transfer.

Regarding Lance Funk's request to rent water right 35-14308, in conjunction with water right 29-8126, that you emailed last week, please know it cannot be processed as proposed. Water right 29 -8126 is considered to be a non-consumptive use industrial water right which can only be rented for non-consumptive uses.

For your consideration, attached to this email is a list of ESPA water rights presently under lease, or proposed for lease to the Bank. Please know, this list is changing daily and I would strongly encourage you to inquire with our office to make certain that the water rights you might choose from this list are still available, prior to submitting your rental applications.

-Remington

From: Greg Sullivan [<mailto:greg.sullivan@brockwayeng.com>]
Sent: Friday, January 29, 2021 2:58 PM
To: Buyer, Remington <Remington.Buyer@idwr.idaho.gov>
Cc: Bank <Bank@idwr.idaho.gov>
Subject: RE: Water Supply Bank lease of water rights 35-14040 and 35-14308

Remington,

I am really confused right now. I just received in the mail two original signed copies of Contract 1309 for 47.5 acres of 35-14040 and two original signed copies of Contract 1312 for 63.3 acres of 35-14308 from KBC Farms. If I have the original lease contracts sitting on my desk, what documents do you have for water rights 35-14308 and 35-14040?

Greg Sullivan

Brockway Engineering

2016 North Washington Street, Suite 4

Twin Falls, Idaho 83301

208-736-8543

All information, calculations, maps, drawings, or other documents transmitted via e-mail are preliminary unless explicitly stated in the e-mail text or in the documents themselves.

From: Greg Sullivan [<mailto:greg.sullivan@brockwayeng.com>]
Sent: Thursday, January 28, 2021 4:01 PM
To: 'Buyer, Remington' <Remington.Buyer@idwr.idaho.gov>
Cc: 'Bank' <Bank@idwr.idaho.gov>
Subject: RE: Water Supply Bank lease of water rights 35-14040 and 35-14308

Remington,

See the attached rental applications and lease application. The attached documents will go out in tomorrow's mail.

I have been waiting for the original KBC Farm lease application to come in the mail so that I could submit it with the rental applications. Sorry for the mix up. Did they submit a \$250 check with it?

The lease application for 35-7489 will have a \$250 check attached to it tomorrow.

Please do not process the lease application or renewal for 35-14040. The lease application or renewal should not have been signed or submitted to you. The entire water right 35-14040 is being transferred to a new POD and POU location and hopefully will be irrigated this summer. I am waiting for the original signature pages to return to me so I can submit the transfer to the Eastern IDWR office.

Thank you for reaching out to me of the lease applications.

Let me know if you have any questions.

Greg Sullivan

Brockway Engineering

2016 North Washington Street, Suite 4

Twin Falls, Idaho 83301

208-736-8543

All information, calculations, maps, drawings, or other documents transmitted via e-mail are preliminary unless explicitly stated in the e-mail text or in the documents themselves.

From: Buyer, Remington [<mailto:Remington.Buyer@idwr.idaho.gov>]

Sent: Thursday, January 28, 2021 11:58 AM

To: Greg Sullivan <greg.sullivan@brockwayeng.com>

Cc: Bank <Bank@idwr.idaho.gov>

Subject: RE: Water Supply Bank lease of water rights 35-14040 and 35-14308

OK, in that case, we will look forward to receiving the rental applications on behalf of your clients. Please send them in ASAP. You can email the rental applications to Bank@idwr.idaho.gov to expedite the process.

From: Greg Sullivan [<mailto:greg.sullivan@brockwayeng.com>]
Sent: Thursday, January 28, 2021 11:51 AM
To: Buyer, Remington <Remington.Buyer@idwr.idaho.gov>
Subject: RE: Water Supply Bank lease of water rights 35-14040 and 35-14308

Remington,

Yes I am trying to rent them for another client. They were supposed to mail the lease applications to me. I have been checking the mail everyday looking for them and waiting to submit the rentals together.

Greg Sullivan

Brockway Engineering

2016 North Washington Street, Suite 4

Twin Falls, Idaho 83301

208-736-8543

All information, calculations, maps, drawings, or other documents transmitted via e-mail are preliminary unless explicitly stated in the e-mail text or in the documents themselves.

From: Buyer, Remington [<mailto:Remington.Buyer@idwr.idaho.gov>]
Sent: Thursday, January 28, 2021 10:25 AM
To: Greg Sullivan <greg.sullivan@brockwayeng.com>
Cc: Bank <Bank@idwr.idaho.gov>
Subject: FW: Water Supply Bank lease of water rights 35-14040 and 35-14308

Hi Greg,

Are you working on a rental application of water rights 35-14040 and 35-14300 for Lance Funk, or someone else?

The Water Supply Bank is contemplating renting these water rights to a third party.

We haven't yet finalized the lease of the Koompin Farms water rights, so there is still time for you to submit a rental application for your clients. If you would like to submit an application to rent these water rights for your client, we can temporarily hold them for your client.

However, I would ask that you submit your rental application immediately. Once we execute lease contracts for these water rights, we will proceed to make these water rights available for rental on a first-come, first-served basis.

Regards,

Remington

From: Buyer, Remington
Sent: Thursday, January 28, 2021 10:18 AM
To: 'Amanda Givens/ Kenneth Koompin' <koopinfarms@gmail.com>
Subject: RE: Water Supply Bank lease of water rights 35-14040 and 35-14308

Thanks for this confirmation Amanda.

From: Amanda Givens/ Kenneth Koompin [<mailto:koopinfarms@gmail.com>]
Sent: Thursday, January 28, 2021 9:59 AM
To: Buyer, Remington <Remington.Buyer@idwr.idaho.gov>
Subject: Re: Water Supply Bank lease of water rights 35-14040 and 35-14308

Remington,

I just talked to Greg Sullivan at Brockway Engineering in Twin Falls about this, I believe he is going to fill out the info to lease them to Lance Funk Farms like he has done in the past. We just sent Greg everything the other day so you guys should be seeing all the needed paperwork anytime.

Thanks!

Amanda

On Thu, Jan 28, 2021 at 9:41 AM Buyer, Remington <Remington.Buyer@idwr.idaho.gov> wrote:

Hello Klaren,

The Water Supply Bank recently approved applications to lease into the Bank water rights 35-14040 and 35-14308 and contracts have been sent out by mail for signature.

On page one of the lease applications, a check box was checked, indicating that the leases were being submitted to the Bank as part of a lease/rental package. However, I can't find any information in the lease application to indicate who the intended renter of these water rights should be.

Is there an intended renter of these water rights? Or, does Koompin Farms not have a preference as to whom these water rights might be rented? The Bank is contemplating a rental of these water rights for 2021, but prior to allocating them to a rental agreement, we wanted to confirm that there wasn't already an intended renter.

Thank you for your response to this inquiry,

Remington Buyer

Water Supply Bank Coordinator

Idaho Department of Water Resources

322 East Front Street, Boise, ID, 83720

T: (208) 287-4918 | **F:** (208) 287-6700



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

January 19, 2021

KBC FARMS LLC
3010 MC KINLEY
AMERICAN FALLS ID 83211

RE: APPLICATION TO LEASE WATER RIGHT 35-14040 & 35-14308 TO THE WATER SUPPLY BANK CONTRACT 1309 & 1312

****TIME SENSITIVE RESPONSE REQUIRED****

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The right will automatically be released from the Bank on **December 31, 2021**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your right may not be available for immediate release if it has been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"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."

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

Sincerely,

Jean Hersley

for

Water Supply Bank

Enclosures: Proposed Lease Contracts
Receipt # C109718

Hersley, Jean

From: Cefalo, James
Sent: Friday, January 15, 2021 11:26 AM
To: Hersley, Jean
Subject: RE: WSB Leases for KBC Farms

Jean,

I don't have any comments or concerns with the proposed WSB leases.

James

From: Hersley, Jean
Sent: Friday, January 15, 2021 11:07 AM
To: Cefalo, James <James.Cefalo@idwr.idaho.gov>; Jordan, Blake <Blake.Jordan@idwr.idaho.gov>
Subject: WSB Leases for KBC Farms

Please let me know if you have any comments or concerns with the attached leases. Thank you.

*Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942*

Hersley, Jean

From: Hersley, Jean
Sent: Friday, January 15, 2021 11:07 AM
To: Cefalo, James; Jordan, Blake
Subject: WSB Leases for KBC Farms
Attachments: Idled Acres 35-14040.pdf; Lease Application Review 35-14040.xls; Lease Contract -1309.docx; Idled Acres 35-14308.pdf; Lease Application Review 35-14308.xls; Lease Contract_1312.docx

Please let me know if you have any comments or concerns with the attached leases. Thank you.

*Jean Hersley
Technical Records Specialist II
Idaho Dept Water Resources
(208) 287-4942*

WATER SUPPLY BANK		Quick Tools	
Lease Review Checklist		Decreed	No Forfeiture Concerns Thru:
Applicant(s) Name: KBC Farms LLC		Year	
Memo Date: January 15, 2021		2011	2017
Water Right Number(s): 35-14308		2012	2018
Reviewers Name: Jean		2013	2019
		2014	2020
		2015	2021

		Check box		COMMENTS/CONCERNS:
1	Fill out WSB Data Entry Checklist for Leases (Front of File)	x		
2	Reason for lease of water rights (Brief description of lease proposal in narrative)			
	Portion of right	x		
	All of right			
3	Check GWMA/CGWA/ADC and basin 63 areas of concern (note area in comments)			
		Yes	No	
4	Rentable? (If no explain in comments or narrative)	x		
5	Authority to file			
	Current owner or designated applicant	x		
	SOS Web site checked for business entity	x		
	Other (explain in comments)			
6	Water Right validity			
	Decreed/Licensed/Statutory claim date (write in comments section)			2004
	Past irrigation to ensure forfeiture is not an issue if decreed or licensed over 7 years ago (consider transfers that changed the POU, rentals to the POU etc.)			
	Has this right previously been leased to the bank or in CREP?	x		
7	Injury to other water rights			
	If the POD is through a delivery entity, was consent provided?		na	
	If the POD is through a delivery entity, was holdback required? (percentage in comments)			%
	Any other concerns			
8	Enlargement concerns	Check box		
	Complete a POU comparison overlap analysis	x		
	Complete a combined limits review	x		
	Complete POD overlap analysis (if there is an overlap add condition to lease)	x		
		Yes	No	
	Are there overlapping rights that need to be placed in the bank also?		x	
	Will the place of use continue to receive water? (if yes explain in comments)		x	
9	Local Public Interest			
	Does the processor know of any problems this action will cause for the local public?		x	
10	Have you contacted regional office and watermaster for comment/concerns?	x		
	Send the watermaster comment request form or e-mail request	x		
11	Area Headgate requirement (write in Comments)			4
12	Is water right involved in any other department action? Pull file and check database () Ownership Change () Transfer () Mitigation () Other - Explain in comments		x	

Narrative: The Department received this application on December 23, 2020. The applicant wishes to place 63.3 acres in the Bank. Klaren Kooppin, manager, signed the application. The parent of this right, 29-7122, was decreed in 2004 but was in the Bank when it was decreed. The lease was renewed in 2006 indefinitely. This water right was the result of a transfer and split in 2013. This right remained under the original lease until 2014. In 2015, 48.1 acres of 35-14308 were leased into the Bank through December of 2016, and in 2017, 51.4 acres were leased to the bank through 2019. A review of satellite imagery of the leased and unleased portions of this water right, from 2017 to 2019, showed there was no irrigation in the leased portions, and there was irrigation in the unleased portions. No concerns of water right validity. The right includes 11 wells as points of diversion (POD) and those 11 wells are also shared PODs with 38 other rights. A condition on all these rights groups these 11 wells into three separate groups, and each group has a rate and annual volume limit associated with it. The total rate and volume restriction for all these wells was the same as is authorized by all 39 rights. It was indeterminable to decipher which specific well or wells supplied WR 35-14308, so the lease will include language which restrict the total flow rate and annual volume diverted from this well to the total of all the wells, minus the rate and volume associated with this lease. The total allowable diversion rate and volume from these wells is 55.69 cfs and 14453.1 afa. This is also the total rate and volume that is authorized for diversion under all 39 of these rights. There was no information available documenting which well/wells WR 35-14308 has historically been diverted from. As such, conditioning will be added to the final contract which restricts the allowable diversion from all wells to the total minus the leased rate and volume associated with the contract. This will restrict the flow to $55.69 - 1.02 = 54.67$ cfs and volume to $14453.1 - 253.2 = 14199.9$ afa. Proper rental review should ensure no other enlargement issues occurs. This right is currently within WD 120.



0003794860

**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 #: 0003794860

Date Filed: 3/3/2020 11:17:06 AM

Entity Name and Mailing Address:

KBC FARMS, LLC

The file number of this entity on the records of the Idaho Secretary of State is: 0000040924

Address

3010 MCKINLEY RD
AMERICAN FALLS, ID 83211-5448

Entity Details:

Entity Status

Active-Existing

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: W8416

The registered agent on record is:

Registered Agent

KENNETH KENT KOOMPIN
Registered Agent

Physical Address

3010 MCKINLEY
AMERICAN FALLS, ID 83211

Mailing Address

Limited Liability Company Managers and Members

Name	Title	Business Address
KENNETH KENT KOOMPIN	Member	3066 S FRONTAGE RD AMERICAN FALLS, ID 83211
KATHY KOOMPIN	Member	3066 S FRONTAGE RD AMERICAN FALLS, ID 83211
BERNARDINE W CASENAS BEARUP	Member	3062 S FRONTAGE RD AMERICAN FALLS, ID 83211
CHARLES BEARUP	Member	3062 S FRONTAGE RD AMERICAN FALLS, ID 83211
CHERYL A KOOMPIN	Member	300 SNAKE RIVER DR AMERICAN FALLS, ID 83211
KLAREN KOOMPIN	Manager	300 SNAKE RIVER DR AMERICAN FALLS, ID 83211

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

Amanda Givens

Sign Here

03/03/2020

Date

Job Title: Office Manager

BU490-1908 03/03/2020 11:17 AM RECEIVED BY ID SECRETARY OF STATE LAWRENCE DENNEY

Hersley, Jean

From: Amanda Givens/ Kenneth Koompin <koopinfarms@gmail.com>
Sent: Friday, January 15, 2021 9:33 AM
To: Hersley, Jean
Subject: Re: WSB Lease for 35-14308

Jean,

That is correct, we want to do the same as last season.

Thank you!
Amanda Givens

On Thu, Jan 14, 2021 at 2:31 PM Hersley, Jean <Jean.Hersley@idwr.idaho.gov> wrote:

The Department of Water Resources is in the process of reviewing your Water Supply Bank (WSB) Lease application for water right 35-14308. Before we can continue reviewing this application, the Department will need a map of which 63.3 acres you will be idling for this lease. I have attached a map of the acres leased in 2020. Please let me know if these are the same acres to be leased this season. Thank you.

Jean Hersley

Technical Records Specialist II

Idaho Dept Water Resources

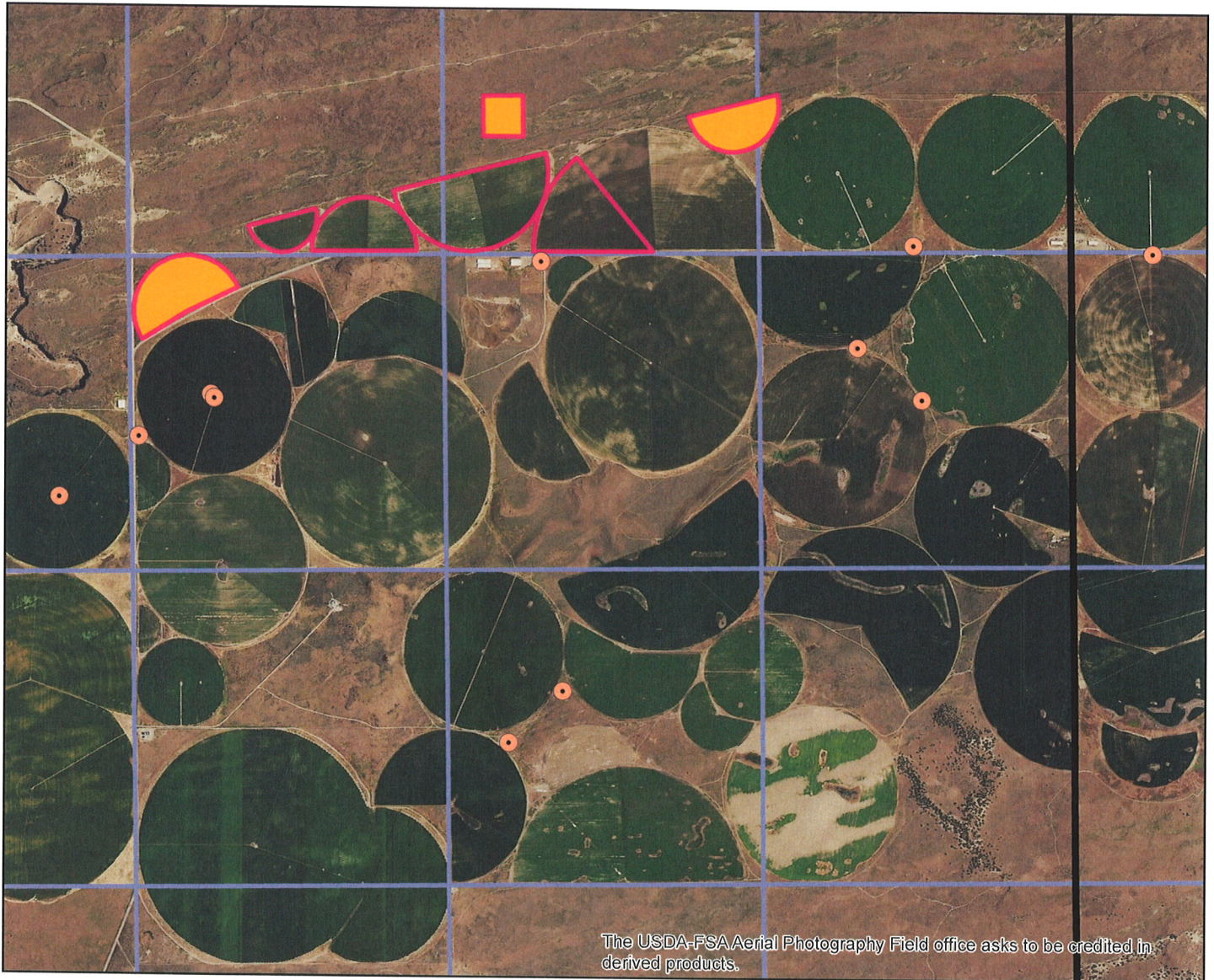
(208) 287-4942

Idaho Water Resource Board
Water Supply Bank Lease Application No. 1502

35-14308

Effective until December 31, 2020

This map depicts the **place of use to be idled** pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



○ Approved Lease Points of Diversion

Orange shape Lease Place of Use

Pink outline 35-14308 POU

Black outline Township/Range

Blue line Sections

