

WATER SUPPLY BANK LEASE CONTRACT No. 616

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

RECEIVED

APR 05 2017

**DEPARTMENT OF
WATER RESOURCES**

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 February 14, 2017.
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)
35-14040	10/16/1974	GROUND WATER	0.47	190.0	47.5
Combined Lease Totals			0.47	190.0	47.5

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, 2017 to December 31, 2018. 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.

LEASE CONTRACT NO. 616

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.

LEASE CONTRACT NO. 616

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 managing partner
Date April 12, 2017

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 4/14/2017

Lease approved by IDWR 

Date 4-14-2017

**ATTACHMENT A
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE
FOR LEASE CONTRACT NO. 616**

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): 35-14040

GROUND WATER NWSE Sec. 12 Twp 01S Rge 32E BINGHAM County

Water Right	Beneficial Use	Season of Use			Diversion Rate (CFS)	Volume (AF)
		From		To		
35-14040	IRRIGATION	04/01	to	11/01	0.47 cfs	190.0 AF
Totals:					0.47 cfs	190.0 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	
01S	32E	12			0.9			4.0	4.9	0.1	23.0		1.0	13.6					47.5

Total Acres: 47.5

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.
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.

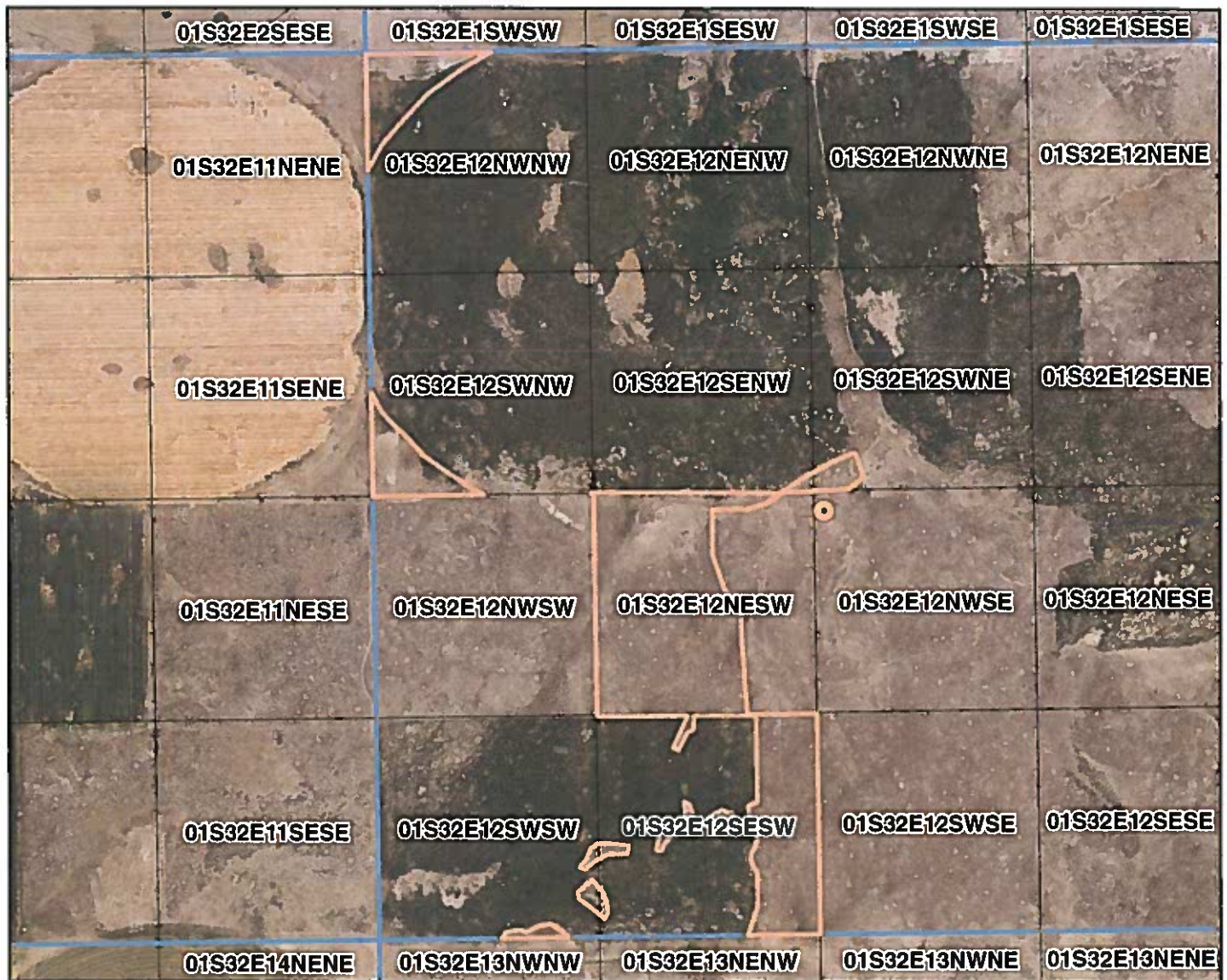
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments 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. 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

35-14040

Effective until December 31, 2018

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

Townships

PLS Sections

Quarter Quarters



0 0.25 0.5 Miles

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

FEB 14 2017

DEPARTMENT OF
WATER RESOURCESWATER 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 KBC Farms LLCWater Right No. 35-14040One water right per applicationAll 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 \$ 500.00Received By: djDate Received: 2-14-17Receipt # C103027W-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 KBC Farms LLC Email Address _____
Mailing Address 3010 McKinley American Falls, Idaho 83211 Phone Number _____

☒ 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)? Completed W-9 Form has been
previously submitted. 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 Greg Sullivan Organization Brockway Engineering
Professional Title Engineer Email Address greg.sullivan@brockwayeng.com
Mailing Address 2016 N Washington Street, Suite 4 Twin Falls, Id 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

Water Right Number 35-14040 ☒ 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.
Existing well, pump, motor and delivery system.

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.
None

C. Will the present place of use continue to receive water from any other source?

Yes ☐ No ☒

If yes, describe. _____

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. _____

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 1/1/2017 to 12/31/2018 (maximum lease period 5 years).
(Month / Day / Year) (Month / Day / 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 provisions are stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any elements of the water right.

Klaren Koopman
Signature of Designated Applicant

Klaren Koopman
Printed Name

Jan 16 - 2017
Date

Signature of Authorized Representative

Printed Name

Date

Mail to:

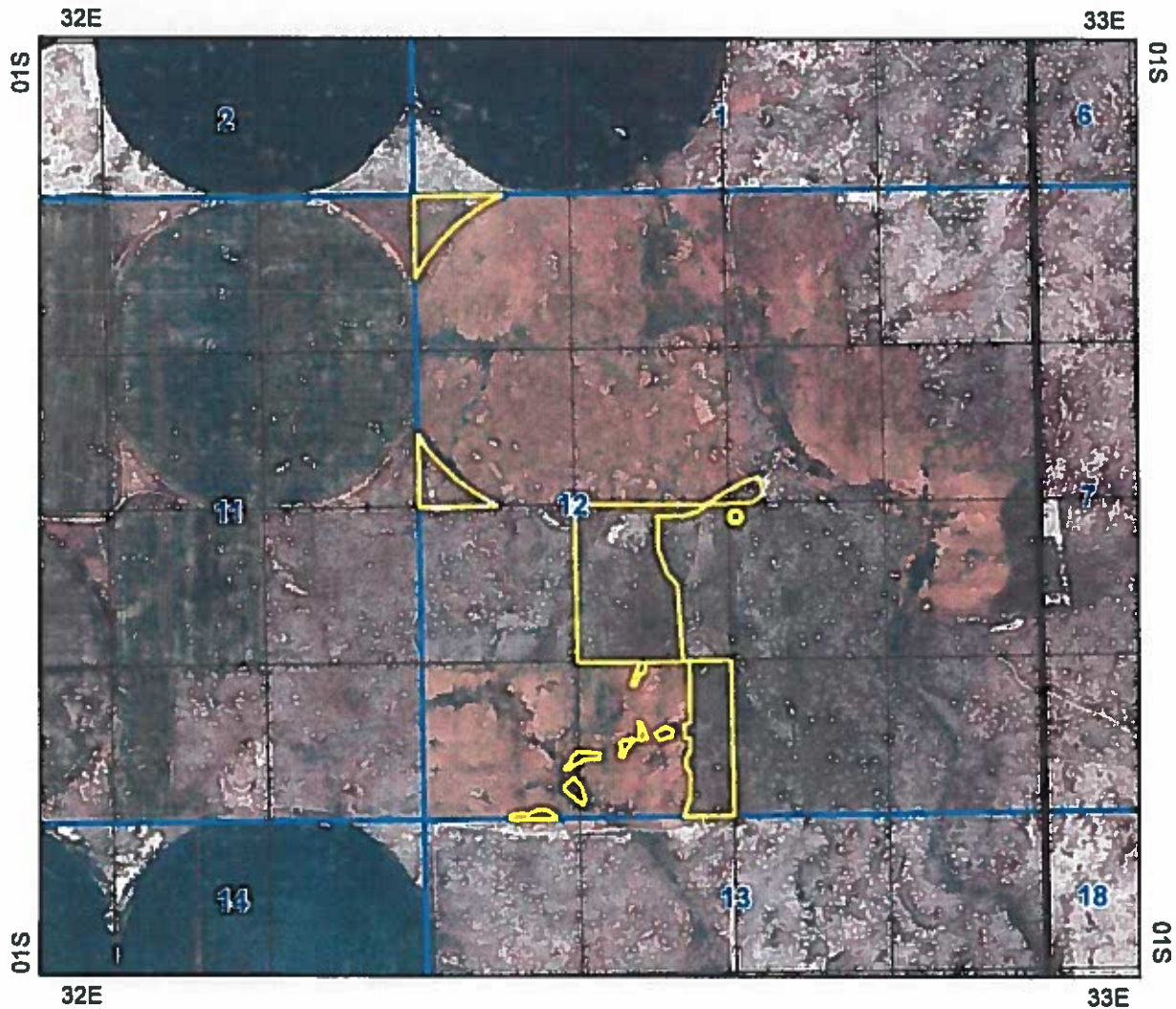
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

State of Idaho
Department of Water Resources

Water Right 35-14040

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.



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

0 0.175 0.35 0.7 Miles





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

April 19, 2017

KBC FARMS LLC
3010 MC KINLEY ST
AMERICAN FALLS ID 83211

RE: WATER SUPPLY BANK LEASE CONTRACT FOR WATER RIGHT 35-14040

Dear Lessor:

Water right 35-14040 was leased into the Water Supply Bank (Bank) as of February 14, 2017, in accordance with the enclosed executed lease contract. **Your water right, as described on the lease contract, is considered leased into the Bank and should remain unused until it is formally released from the Bank.** More information and further restrictions placed on your water right while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The right will automatically be released from the Bank on **December 31, 2018**, unless the right is 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 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. This form is available on our public website at www.idwr.idaho.gov. **Please note your water right may not be available for immediate release if it has been rented or is 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 287-4800.

Sincerely,


808 Water Supply Bank

Enclosure: Executed Lease Contract

c: James Cefalo - IDWR Eastern Region/Water District 120
Greg Sullivan - Brockway Engineering
Bingham GWD

WATER SUPPLY BANK

Agent Lease Review Checklist

Applicant(s) Name: KBC Farms

Memo Date: ~~March 29, 2017~~ April 14, 2017 *gmk*

Water Right Number(s): 35-14040

Reviewers Name: Jean

Quick Tools

Decreed Year	No Forfeiture Concerns Thru:
2010	2016
2011	2017
2012	2018
2013	2019
2014	2020

	Check box		COMMENTS/CONCERNS:
1	☒	Fill out WSB Data Entry Checklist for Leases	
2		Reason for lease of water rights (Brief description of lease proposal in narrative)	
		Portion of right	
	☒	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	
5		Authority to file	
	☒	Current owner or designated applicant	Klaren Koompin, manager
	☒	SOS Web site checked for business entity	
		Other (explain in comments)	
6		Water Right validity	2002
		Decreed/Licensed/Statutory claim date (write in comments section)	
		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?	
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)	%
8		Enlargement concerns	
	☒	Complete a POU comparison overlap analysis	
	☒	Complete a combined limits review	
	☒	Complete POD overlap analysis (if there is an overlap add condition to lease)	
	☒	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?	x
9		Local Public Interest	
		Does the processor know of any problems this action will cause for the local public?	
10	☒	Have you contacted regional office and watermaster for comment/concerns?	
		Send the watermaster comment request form or e-mail request	
11		Area Headgate requirement	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 of February 14, 2017 with a companion rental. Klaren Koompin, manager, signed the application. The entire right is proposed to be leased to the Bank. The parent of this right, 37-7448, was decreed in 2002. Part of 35-7448 was placed in the CREP program and the other portion in the Bank. Transfer 74094 split 35-7448 into 35-13702 and 35-13703. A change of ownership split 35-13702 into 35-14040 and 35-14041. Water right 35-14041 has been in the CREP program as part of 35-7448 and 35-14040 was in the WSB. Forfeiture is not an issue. There are no overlapping rights. This right is currently within WD 120. The watermaster of WD 120 had concerns of renting "rockpiles" under this lease. After further review, it was determined that we allow the entire right in the Bank, 47.5 acres, because the concern with the "rockpiles" being watered by 35-14041 is no longer an issue since this right is involved in the CREP program and the "rockpiles" are protected from forfeiture because they've been in the Bank since 2008.

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State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

April 11, 2017

KBC FARMS LLC
3010 MC KINLEY ST
AMERICAN FALLS ID 83211

RE: APPLICATIONS TO LEASE WATER RIGHT 35-14040 TO THE WATER SUPPLY BANK

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

Dear Applicant:

I have enclosed two originals of the updated Water Supply Bank Lease Contract for your review and signature. Approximately 2.2 acres of the authorized place of use for Right 35-14040 are rock piles or outcroppings in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ and SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 12, Township 1 North, Range 32 East. The rock piles or outcroppings are surrounded by the place of use for Right 35-14041. The sprinkler irrigation system for Right 35-14041 appears to pass across the rock piles or outcroppings and apply water to them. The watermaster of Water District 120 expressed concern that KBC Farms LLC would not be able to comply with the lease requirement that water no longer be applied to those rock piles or outcroppings unless irrigation under Right 35-14041 in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ and SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 12, Township 1 North, Range 32 East, is also discontinued. After reviewing the water right record, the Department shares the watermaster's concerns that enlargement would occur if the rock pile or outcropping acres are watered while the water right for them is leased and possibly rented elsewhere. Consequently, the Department has updated the proposed lease contract to eliminate the 2.2 acres of rock piles or outcroppings. If you think the 2.2 acres should be included in the lease contract, please submit evidence showing how water will not be applied to the rock piles or outcroppings for the duration of the lease. Otherwise, to accept the updated contract, please sign and return all copies **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, 2018**, 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 rights may not be available for immediate release if they have 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 Shelley Keen at 287-4947.

Sincerely,



for Water Supply Bank

Enclosure: Proposed Lease Contracts

c: Brockway Engineering PLLC

Hersley, Jean

From: Greg Sullivan <greg.sullivan@brockwayeng.com>
Sent: Thursday, March 30, 2017 12:06 PM
To: Hersley, Jean; 'Amanda Givens/ Kenneth Koompin'; Cefalo, James
Cc: Webster, Clay; Keen, Shelley
Subject: RE: WSB Lease 35-14040 KBC Farms

Jean,

That is not going to go over well and is a very serious issue in which attorneys would love to get involved with. Water right 35-14040 was decreed in the SRBA 1/31/2002 for the full 47.5 acres at 190.0 afa. The full 47.5 acres was leased into the Water Supply Bank on 6/9/2008. Water right 35-14040 has continued to be leased into the Water Supply Bank every year since 2008. There is absolutely no concern of forfeiture on any of these 47.5 acres. The Department cannot just decide to reduce the number of allowed irrigation acres under a water right. The SRBA court gave IDWR and anyone else the opportunity to protest the location and amount of this water right. The Department cannot just reduce property value of our clients.

Greg Sullivan
Brockway Engineering
2016 North Washington Street, Suite 4
Twin Falls, Idaho 83301
208-736-8543

From: Hersley, Jean [mailto:Jean.Hersley@idwr.idaho.gov]
Sent: Thursday, March 30, 2017 11:04 AM
To: Greg Sullivan <greg.sullivan@brockwayeng.com>
Cc: Webster, Clay <Clay.Webster@idwr.idaho.gov>
Subject: WSB Lease 35-14040 KBC Farms

Please let your client, KBC Farms, know that the Department is sending out a new lease for water right 35-14040 due to concerns from our Eastern Region office about the rock piles not being transferable and therefore should not be rentable in the Bank. A draft contract will be sent to you as soon as one is drawn up. If you have any questions, please contact this office.

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

Hersley, Jean

From: Cefalo, James
Sent: Tuesday, March 28, 2017 2:46 PM
To: Hersley, Jean
Subject: RE: WSB Lease KBC Farms

Jean,

I am concerned about allowing WSB leases for rockpile acres. We would not allow the water user to move those acres in a transfer application (without proof that the ground would no longer be irrigated). The same standards should apply to WSB leases. I think the WSB team should re-evaluate this proposed lease. I don't need to be involved in the discussions.

James

From: Hersley, Jean
Sent: Monday, March 27, 2017 10:51 AM
To: Cefalo, James <James.Cefalo@idwr.idaho.gov>
Subject: WSB Lease KBC Farms

Please let me know if you have any comments or concerns within 7 days. Thank you!

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



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

March 28, 2017

KBC FARMS LLC
3010 MCKINLEY ST
AMERICAN FALLS ID 83211

RE: APPLICATIONS TO LEASE WATER RIGHT 35-14040 and 35-14308 TO THE WATER SUPPLY BANK

******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 of each 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.

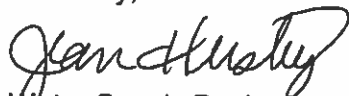
The water right 35-14040 will automatically be released from the Bank on **December 31, 2018** and water right 35-14308 will automatically be released from the Bank on **December 31, 2019**, unless the rights are released earlier by the Board, or upon your request. To release the rights from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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 rights may not be available for immediate release if they have 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 287-4800.

Sincerely,


Water Supply Bank

Enclosure: Proposed Lease Contracts

c: Brockway Engineering PLLC

Hersley, Jean

From: Hersley, Jean
Sent: Monday, March 27, 2017 10:57 AM
To: 'Greg Sullivan'
Subject: WSB Lease Contracts for KBC Farms
Attachments: DOC000

These will go out in tomorrow's mail.

Jean

Hersley, Jean

From: Hersley, Jean
Sent: Monday, March 27, 2017 10:51 AM
To: Cefalo, James
Subject: WSB Lease KBC Farms
Attachments: Idled Acres35-14040.pdf; Lease Application Review Checklist 35-14040.xls; Report - Lease Contract #616 35-14040.docx; Idled Acres 35-14308.pdf; Lease Application Review Checklist 35-14308.xls; Report - Lease Contract #619 35-14308.docx

Please let me know if you have any comments or concerns within 7 days. Thank you!

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

No. W 8416	Due no later than Apr 30, 2017 Annual Report Form		2. Registered Agent and Address (NO PO BOX)			
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	1. Mailing Address: Correct in this box if needed. KBC FARMS, LLC KENNETH K KOOMPIN 3010 MCKINLEY AMERICAN FALLS ID 83211		KENNETH KENT KOOMPIN 3010 MCKINLEY AMERICAN FALLS ID 83211			
			3. New Registered Agent Signature:*			
4. Limited Liability Companies: Enter Names and Addresses of at least one Member or Manager.						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
MEMBER	KENNETH KENT KOOMPIN	3066 S FRONTAGE RD	AMERICAN FALLS	ID		83211
MEMBER	KATHY KOOMPIN	3066 S FRONTAGE RD	AMERICAN FALLS	ID	USA	83211
MEMBER	BERNARDINE W CASENAS BEARUP	3062 S FRONTAGE RD	AMERICAN FALLS	ID	USA	83211
MEMBER	CHARLES BEARUP	3062 S FRONTAGE RD	AMERICAN FALLS	ID	USA	83211
MEMBER	CHERYL A KOOMPIN	300 SNAKE RIVER DR	AMERICAN FALLS	ID	USA	83211
MANAGER	KLAREN KOOMPIN	300 SNAKE RIVER DR	AMERICAN FALLS	ID	USA	83211
5. Organized Under the Laws of: ID W 8416		6. Annual Report must be signed.* Signature: Amanda Givens Name (type or print): Amanda Givens Date: 03/16/2017 Title: Office Manager				
Processed 03/16/2017		* Electronically provided signatures are accepted as original signatures.				



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

February 21, 2017

KBC FARMS LLC
3010 MCKINLEY
AMERICAN FALLS ID 83211

**RE: ADDITIONAL INFORMATION REQUEST FOR PROCESSING APPLICATION TO LEASE
WATER RIGHT NOS. 35-14040 and 35-14308 TO THE WATER SUPPLY BANK**

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

Dear Applicant:

The Idaho Department of Water Resources (Department) acknowledges receipt of the applications to lease the above referenced water rights to the Idaho Water Resource Board's Water Supply Bank (Bank). The Department will review your application as resources allow.

If the rights are determined to be eligible for acceptance into the Bank, the rights will be entered as of the date of receipt of the application. The acceptance date may be adjusted when additional information is required. A preliminary review of your applications has been completed and it has been determined that additional information is required to continue processing.

Please provide the following information or request withdrawal of your applications within 30 days of the date of this letter or the application will be returned unprocessed and your application fee will be refunded:

- Have KBC Farms LLC Sign the W-9 form (attached)

The department will continue processing your applications once you have submitted the requested information. Water right forms are available from the Department's website at www.idwr.idaho.gov. If you have any questions, please contact this office at (208) 287-4800.

Sincerely,


Debbie Budd
Water Supply Bank

Enclosure: W9

C: Greg Sullivan – Brockway Engineering