

WATER SUPPLY BANK LEASE CONTRACT

RECEIVED
FEB 19 2014
DEPARTMENT OF
WATER RESOURCES

This Lease Contract ("**Lease**") is effective January 1, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: KDB LLC
13 N SEABISCUIT AVE
NAMPA ID 83687
(208) 870-1306

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

<u>Water Right</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
65-23371	0.39 CFS	NA	NA	21.0 AC
65-23373	0.39 CFS	NA	NA	21.0 AC
Combined Lease Totals:	0.42 CFS	63.0 AF	NA	21.0 AC

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

Authorized Period of Use under Lease: April 15 to October 15- 65-23371
May 01 to September 15- 65-23373

2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31, 2018.
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.

SUPPORT DATA

IN FILE # 65-23371

5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

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

KDB

13 N SEABISCUIT AVE
NAMPA ID 83687

By 

Date 2/18/2014

Printed Name DeMar Burnett

Title President

IDAHO WATER RESOURCE BOARD

322 East Front Street
P.O. Box 83720
Boise, ID 83720-9098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 02-20-2014

Lease approved by IDWR 

Date 02-20-2014

ATTACHMENT A
WATER RIGHT NO. 65-23371
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: KDB
13 N SEABISCUIT AVE
NAMPA ID 83687
(208) 870-1306

Priority Date: 09/09/1936

Source: MUD CREEK

Tributary to: NORTH FORK PAYETTE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	to 10/15	0.39 CFS	NA
	Total:		0.39 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

MUD CREEK NW¼SE¼ Sec. 32 Twp 17N Rge 03E VALLEY County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
16N	03E	17				21.0													21.0

Total Acres: 21.0

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
65-23371 and 65-23373	0.42 CFS	63.0 AF	NA	21.0 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Use of this right with right No. 65-23373 is limited to a total combined diversion rate of 0.42 cfs.
13. The following rights are also diverted through the point of diversion described above: 65-2389, 65-2398A, 65-2577 and 65-8053.



ATTACHMENT A
WATER RIGHT NO. 65-23373
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

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

Lessor: KDB
13 N SEABISCUIT AVE
NAMPA ID 83687
(208) 870-1306

Priority Date: 08/18/1919

Source: LAKE FORK

Tributary to: NORTH FORK PAYETTE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	05/01	to 09/15	0.39 CFS	NA
	Total:		0.39 CFS	NA

LOCATION OF POINT(S) OF DIVERSION:

LAKE FORK	NW ¼ SE ¼	Sec. 32, Twp 17N, Rge 03E	VALLEY County (Rediversion)
LAKE FORK	NW ¼ NE ¼	Sec. 32, Twp 17N, Rge 03E	VALLEY County (Injection)
LAKE FORK	SE ¼ NE ¼	Sec. 3, Twp 17N, Rge 03E	VALLEY County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
16N	03E	17				21.0													21.0

Total Acres: 21.0

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
65-23371 and 65-23373	0.42 CFS	63.0 AF	NA	21.0 AC

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.

6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Use of this right with right No. 65-23371 is limited to a total combined diversion rate of 0.42 cfs.
13. The following rights are also diverted through the point of diversion described above: 65-2389, 65-2398A, 65-2577 and 65-8053.

STATE OF IDAHO
WATER RESOURCE BOARD

WATER SUPPLY BANK
REQUEST TO EXTEND LEASE TERM

ONE FORM PER WATER RIGHT

RECEIVED

DEC 30 2013

WATER RESOURCES
WESTERN REGION

This form is a statement that the lessor requests an extension of a Water Supply Bank ("Bank") lease for the water right identified below. A water right remains in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. However, if a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

If requesting a change in lease amounts (reducing or increasing acreage, etc.), you must file an Application to Sell or Lease a Water Right to the Water Supply Bank. This form can be found on IDWR's website at: www.idwr.idaho.gov

Water Right No: 65-23373
65-23371 Telephone No: 208-861-8340
Name(s) of Lessor(s): Demar Burnett KDB LLC
Mailing Address: 6718 Bridle Point Drive
City: Wampa State: Idaho Zip: 83687
Current Expiration Date: Dec 31, 2013
Requested Expiration Date: 5 years
Lease term not to exceed 5 years.

All lease extension request forms must be signed and submitted with the following REQUIRED items:

1. Plat map, survey map or aerial photograph clearly showing the specific acres proposed to be idled for the duration of this lease.
2. Filing fee of \$250.00. If you are submitting more than one lease application and the rights have a common place of use or common diversion rate or common diversion volume, the combined maximum fee is \$500.00.
3. A completed Internal Revenue Service (IRS) Form W-9 (attached). If your water right is rented, we will be unable to issue payment to you without a current W-9 form.

The lessor requests that the above water right remain in the Bank through the date referenced above.

Demar Burnett Demar Burnett 30/10/2013
Signature of Lessor Printed Name and Title* Date
Vice-President
Signature of Lessor Printed Name and Title* Date

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

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

FOR OFFICE USE ONLY

Filing fee received by: JA Date: 12-30-13 Receipt No: W041735

IDAHO DEPARTMENT OF WATER RESOURCES
Proof Report

12/30/2013

Water Right 65-23373

<u>Owner Type</u>	<u>Name</u>
Current Owner	KDB LLC
Original Owner	LARRY A ELD
Original Owner	ARLENE B ELD
Previous Owner	TIMBERLINE DEVELOPMENT LLC

Priority Date: 8/18/1919

Basis: Decreed

Status: Active

Water Supply Bank Status: Active

<u>Source</u>	<u>Tributary</u>
LAKE FORK	NORTH FORK PAYETTE RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	05/01	09/15	0.390 CFS	
MITIGATION	01/01	12/31	0.080 CFS	10.0 AF
	<u>Total Diversion</u>		0.470 CFS	

Source and Point(s) of Diversion

LAKE FORK	NWSE	Sec. 32, Twp 17N, Rge 03E, VALLEY County(R)
LAKE FORK	NWNE	Sec. 32, Twp 17N, Rge 03E, VALLEY County(I)
LAKE FORK	SENE	Sec. 3, Twp 17N, Rge 03E, VALLEY County

Place Of Use

MITIGATION within VALLEY County

T16N R03E S17 SENE

IRRIGATION within VALLEY County

T16N R03E S17	SENE	21.0
POU Total Acres:		21.0

Conditions of Approval:

1. POINT OF INJECTION INTO AND POINT OF REDIVERSION FROM MUD CREEK.
2. C20 Basin 65 General Provisions No. 3, the Separate Streams General Provision, does not apply to appropriations of water after October 18, 1977.
This water right shall be administered as being from a separate source pursuant to Basin 65 General Provision No. 3. If the holder of this right seeks to change the right pursuant to Idaho Code § 42-222 or successor statute, nothing in this general provision shall preclude any other person or entity from demonstrating that such change in use would cause injury to its water right or from receiving any relief provided by law in the event of injury.
3. 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.

IDAHO DEPARTMENT OF WATER RESOURCES
Proof Report

12/30/2013

Water Right 65-23371

<u>Owner Type</u>	<u>Name</u>
Current Owner	KDB LLC
Original Owner	ARLENE B ELD
Original Owner	LARRY A ELD
Previous Owner	TIMBERLINE DEVELOPMENT LLC

Priority Date: 9/9/1936

Basis: Decreed

Status: Active

Water Supply Bank Status: Active

<u>Source</u>	<u>Tributary</u>
MUD CREEK	NORTH FORK PAYETTE RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/15	10/15	0.390 CFS	
MITIGATION	01/01	12/31	0.080 CFS	10.0 AF
	Total Diversion		0.470 CFS	

Source and Point(s) of Diversion

MUD CREEK	NWSE	Sec. 32, Twp 17N, Rge 03E, VALLEY County
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Place Of Use

MITIGATION within VALLEY County

T16N R03E S17 SENE

IRRIGATION within VALLEY County

T16N R03E S17	SENE	21.0
POU Total Acres:		21.0

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. THE FOLLOWING RIGHTS ARE ALSO DIVERTED THROUGH POINT OF DIVERSION DESCRIBED ABOVE: 65-02359, 65-02398A, 65-02577, 65-08053.
3. USE OF THIS RIGHT WITH RIGHT NO. 65-23373 IS LIMITED TO A TOTAL COMBINED DIVERSION RATE OF 0.50 CFS.

Combined Use Limits

<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
0.500		21.0
65-23371 ,65-23373		

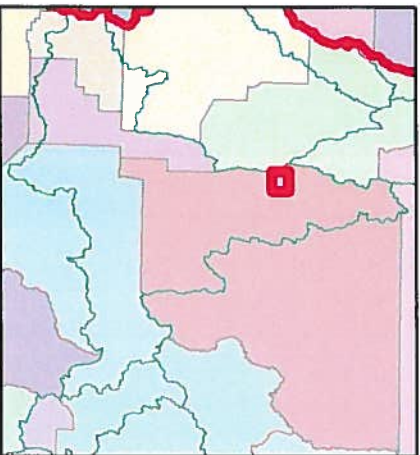
SubCase:



Idaho Department of Water Resources

Water Right
65-23371
(IRRIGATION)

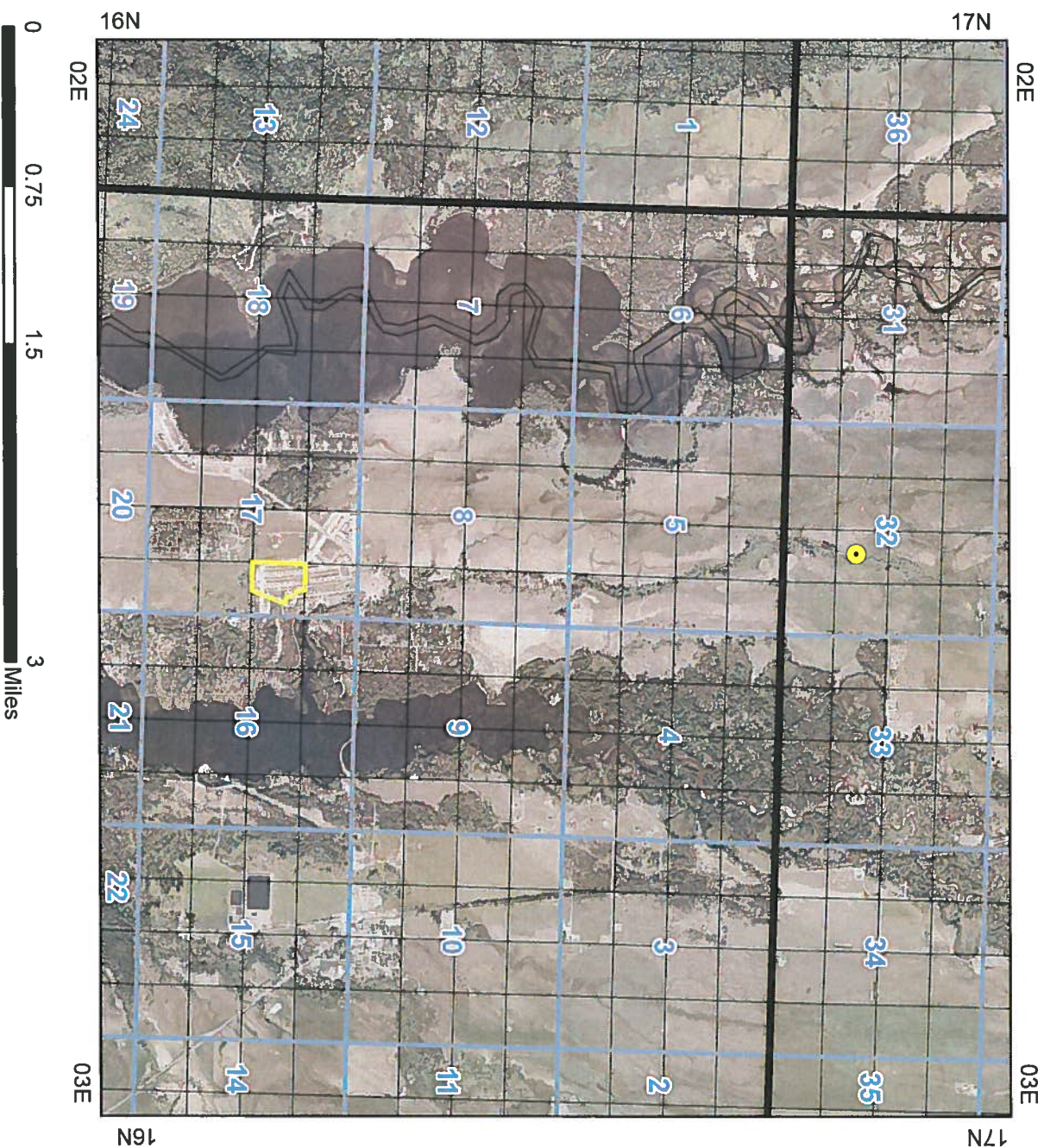
- Point of Diversion
- Place of Use
- State Outline
- Townships
- PLS Sections
- Quarter Quarters



Valley County
IDWR Basin 65

Prepared by Westra, John

2009 Aerial Photography



STATE OF IDAHO
WATER RESOURCE BOARD
WATER SUPPLY BANK
REQUEST TO EXTEND LEASE TERM
ONE FORM PER WATER RIGHT

RECEIVED

DEC 30 2013

WATER RESOURCES
WESTERN REGION

This form is a statement that the lessor requests an extension of a Water Supply Bank ("Bank") lease for the water right identified below. A water right remains in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. However, if a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

If requesting a change in lease amounts (reducing or increasing acreage, etc.), you must file an Application to Sell or Lease a Water Right to the Water Supply Bank. This form can be found on IDWR's website at: www.idwr.idaho.gov.

Water Right No: 65-23373
65-23371 Telephone No: 208-861-8340
Name(s) of Lessor(s): Demar Burnett KDB LLC
Mailing Address: 6718 Bridle Point Drive
City: Wampa State: Idaho Zip: 83687
Current Expiration Date: Dec 31, 2013
Requested Expiration Date: 5 years
Lease term not to exceed 5 years.

All lease extension request forms must be signed and submitted with the following REQUIRED items:

1. Plat map, survey map or aerial photograph clearly showing the specific acres proposed to be idled for the duration of this lease.
2. Filing fee of \$250.00. If you are submitting more than one lease application and the rights have a common place of use or common diversion rate or common diversion volume, the combined maximum fee is \$500.00.
3. A completed Internal Revenue Service (IRS) Form W-9 (attached). If your water right is rented, we will be unable to issue payment to you without a current W-9 form.

The lessor requests that the above water right remain in the Bank through the date referenced above.

Demar Burnett
Signature of Lessor

Demar Burnett
Printed Name and Title*

30/10/2013
Date

Vice-President
Signature of Lessor

Printed Name and Title*

Date

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

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

FOR OFFICE USE ONLY

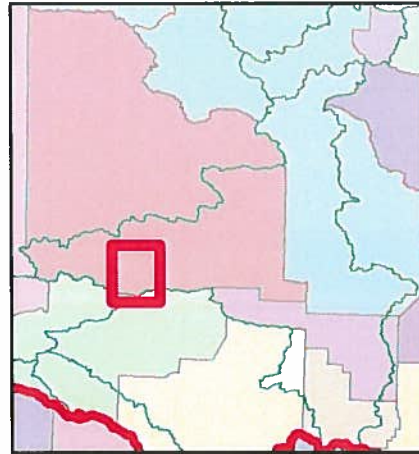
Filing fee received by: JA Date: 12-30-13 Receipt No: W041735



Idaho Department of Water Resources

Water Right
65-23373
(IRRIGATION)

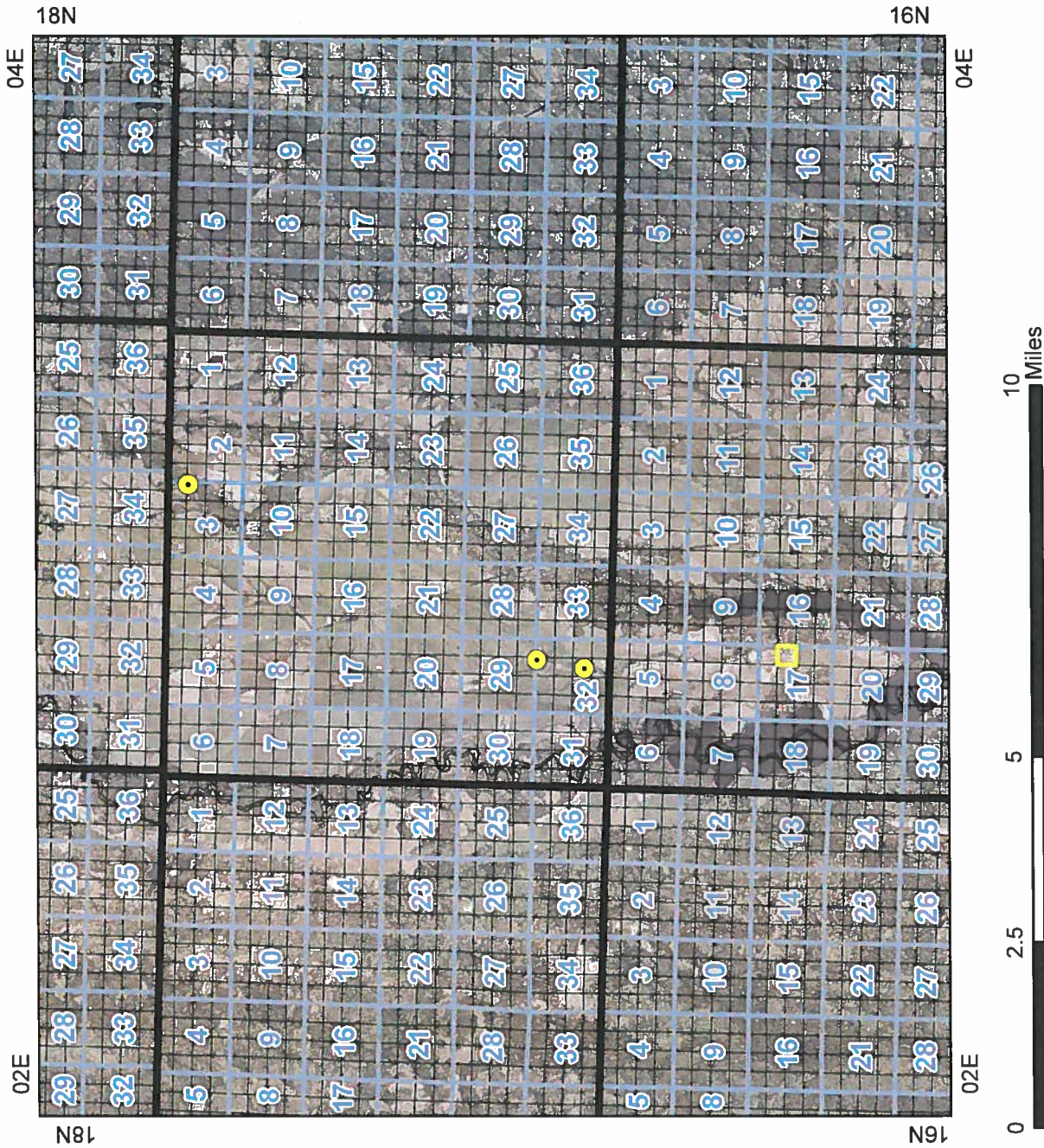
- Point of Diversion
- Place of Use
- State Outline
- Townships
- PLS Sections
- Quarter Quarters



Valley County
IDWR Basin 65

Prepared by Westra, John

2009 Aerial Photography





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

February 20, 2014

KDB LLC
13 N SEABISCUIT AVE
NAMPA ID 83687

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 65-23371 and 65-23373

Dear Lessor:

Water Rights 65-23371 and 65-23373 were leased into the Water Supply Bank on January 1, 2014 in accordance with the executed original Lease Contract enclosed. **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.**

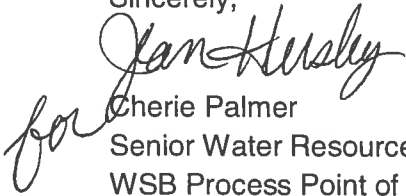
The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. **Please note your rights may not be available for immediate release if they have been rented.** To release the right from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available from our public website at www.idwr.idaho.gov.

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 me at 287-4944.

Sincerely,


for Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: John Westra- IDWR Western Regional Manager
Ron Shurtleff- Water District No. 65



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

February 10, 2014

KDB LLC
13 N SEABISCUIT AVE
NAMPA ID 83687

RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 65-23371 and 63-23373 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 original Water Supply Bank Lease Contracts for your review and signature. Please sign and return BOTH 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.

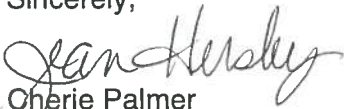
The rights will automatically be released from the Bank on **December 31, 2018**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. 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 me at 287-4944.

Sincerely,


for Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts



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

January 17, 2014

RON SHURTLEFF
102 N MAIN
PAYETTE ID 83661

RE: Water Supply Bank Lease Applications Water Right No(s). 65-23371 and 65-23373

Dear Watermaster:

The Idaho Department of Water Resources received a Water Supply Bank Request to Extend Lease Term from KDB LLC. Enclosed are copies of the water right proof reports for each water right and the watermaster recommendation form. The irrigation portion is the use is question.

Please let us know if you have any objections or concerns regarding this application within 15 days. Regional review can be completed as soon as your response is received. Prompt response to this request is appreciated so your recommendation can be considered during the review process.

If after 15 days from the date of this letter the department has not received your written recommendation, IDWR will presume you do not oppose approval of the application and you have no comments for the department to consider.

If you have any questions about this application, please contact this office or the applicant.

Sincerely,

A handwritten signature in cursive script that reads "Jean Hersley". The signature is written in dark ink and is positioned above the printed name and title.

Jean Hersley
Technical Records Specialist II

Enclosure

MEMORANDUM

To: Water Right No(s). 65-23371 and 65-23373
From: Jean Hersley
Date: January 17, 2014
Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: On December 30, 2013, the Department received Request to Extend Lease Term on these water rights. The irrigation portion of each right has been in the Bank since 2008.

AUTHORITY TO FILE: The applications were signed by De Mar Burnett, Vice President of KDB LLC. Verified by the Idaho Secretary of State.

WATER RIGHT VALIDITY: These water rights have been in the Bank since 2008. Original application states the place of use is being provided water under Water Right Permit 65-22888 source is ground water.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: No enlargement is evident through the lease alone. Proper rental review should protect against enlargement.

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The leased right(s) are subject to Water District #65. No response from water master. 2/3/2014

No. W 34025	Due no later than Oct 31, 2013 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. KDB, LLC KRISTY DICKERSON 13 N. SEABISCUIT AVE NAMPA ID 83687		KRISTY L BURNETT 13 N SEABISCUIT AVE NAMPA ID 83687			
			3. <u>New</u> 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	DEMAR C BURNETT	6817 BRINDLE POINT DR	NAMPA	ID	USA	83687
MEMBER	SHARON J BURNETT	6817 BRINDLE POINT DR	NAMPA	ID	USA	83687
MEMBER	KRISTY L BURNETT	13 N SEABISCUIT	NAMPA	ID	USA	83687
5. Organized Under the Laws of: ID W 34025		6. Annual Report must be signed.* Signature: Kristy Burnett Name (type or print): Kristy Burnett Date: 09/10/2013 Title: Member				
Processed 09/10/2013		* Electronically provided signatures are accepted as original signatures.				