



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 7, 2014

KBC FARMS LLC
3010 McKINLEY ST
AMERICAN FALLS, ID 83211

RE: WATER SUPPLY BANK LEASE AGREEMENT FOR WATER RIGHT 35-14308

Sir,

A water right appurtenant to property you own is currently leased into the Water Supply Bank (Bank). You cannot divert water under this water right while it is in the Bank. Additionally, a portion of this water right is currently being rented from the Water Supply Bank. You will receive a payment at the end of 2014 for the rental of this water right. Our office would like to take this opportunity to advise you we need an IRS W9 form from you and we would like to ascertain your interest in continuing to lease your water right to the Water Supply Bank.

Water right 35-14308 is a split of water right 29-7122. The full acre, flow and volume limits of 29-7122 were leased into the Water Supply Bank in 2006 and a portion of the fully leased volume has been rented out from the Bank through two rental agreements. The licensed water volume, flow and acre limits of 35-14308 represent 60% of the decreed limits of 29-7122, thus 60% of the currently active rental agreements for 29-7122 will be associated with 35-14308. You will receive a payment for the rental of your water right at the end of 2014 however our office requires a completed IRS W9 in order to issue you a payment. **Please complete and return the enclosed W9 to our office at your earliest convenience.**

Furthermore, the Water Supply Bank seeks to determine your interest in continuing to lease water right 35-14308 to the Water Supply Bank. A licensed or decreed water right cannot be used while it is in the Water Supply Bank. The licensed irrigable acreage authorized under water right 35-14308 is 358 acres, 96 acres of which are ineligible for release due to associated rental agreements. The current standard Water Supply Bank lease period is for one to five years. **Please advise our office on whether you wish to keep the unrented portion of your water right in the Water Supply Bank, and if so, for how long you would like to keep it in the Bank.**

If you have any questions regarding this matter, you can contact me at (208) 287-4918.

Sincerely,

Remington Buyer
Water Supply Bank Coordinator

Enclosures: IRS W9 form