



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

October 18, 2010

KBC FARMS INC
3062 S FRONTAGE RD
AMERICAN FALLS ID 83211

RE: APPLICATION TO LEASE WATER RIGHT 35-7448 AND APPLICATION TO RENT WATER FROM THE BANK

Dear Applicant:

On June 9, 2008, the Department received your application to lease water rights 35-7448 to the Water Supply Bank. 35-7448 was split by Transfer 74094 into 35-13702 et al. 35-13702 was then split into 35-14040 and 35-14041 by change of ownership. In conversation with your consultant, Greg Sullivan of Brockway Engineering, today, you only need to lease water right 35-14040 to the Bank.

The Department has completed its review of your lease application. The offered water right is accepted into the Bank in accordance with the attached Water Supply Bank Lease Acceptance. If you do not agree with the conditions of the Lease Acceptance and would like to withdraw your water right from the Bank, you must contact the Department within thirty (30) days of receipt of this notification.

The right will automatically be released from the bank on **November 1, 2013**, unless the right is released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the right(s) from the Bank, you must submit a request in writing to the Department prior to the release date.

Also on June 9, 2008, the Department received an application to rent water from the Bank. In conversation with Mr. Sullivan at Brockway Engineering, it appears you no longer need to rent water because of the approval of Transfer 74094. Should you need to rent in the future, please apply at that time.

Please review the conditions of acceptance listed on the Lease Acceptance and contact me if you have any questions at (208) 287-4907.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

C: Greg Sullivan, Brockway Engineering