STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1571

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

RECEIVED
SEP 02 2022
DEPARTMENT OF
WATER RESOURCES

LESSOR: KBC FARMS LLC
3010 MCKINLEY RD
AMERICAN FLS, ID 83211-5448

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 April 14, 2022.

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, 2022 to December 31, 2022. 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.

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WATER SUPPLY BANK LEASE CONTRACT No. 1571

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.

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1571

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

LESSOR: KBC FARMS LLC
3010 MCKINLEY RD
AMERICAN FLS, ID 83211-5448

By _____
Title managing partner
Date 8-31-22

IDAHO WATER RESOURCE BOARD
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

By _____ Date 9/27/22
Brian Patton, Acting Administrator
Idaho Water Resource Board

Lease approved by IDWR _____ Date 9/27/22

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OCT 2 - 2022

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK LEASE CONTRACT No. 1571

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	NWSENW	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	SENW	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

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.

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WATER SUPPLY BANK LEASE CONTRACT No. 1571

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. Right 35-14308 is limited to the irrigation of a specific 208 acres within the 6154-acre place of use authorized by this right in a single irrigation season. The specific 208 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 208 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.
13. 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.
14. The right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion(s).
15. 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.
16. Diversion of unleased 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 13.13 cfs and 3480.4 af.
        - Well no. 1: NWSESE Sec. 21, T08S, R29E, B.M.
        - Well no. 2: SWSENW Sec. 22, T08S, R29E, B.M.
        - Well no. 3: NWNWSW Sec. 22, T08S, R29E, B.M.
        - Well no. 4: SWSENW Sec. 22, T08S, R29E, B.M.

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- Wells 5 - 9 are limited to 33.63 cfs and 8676.4 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. 8: NWSENW Sec 24, T08S, R29E, B.M.
  - Well no. 9: SWSWNE Sec. 24, T08S, R29E, B.M.

- Wells 10 - 11 are limited to 7.9 cfs and 2043.0 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. 1571, 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.

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. This right does not grant any right-of-way or easement across the land of another.

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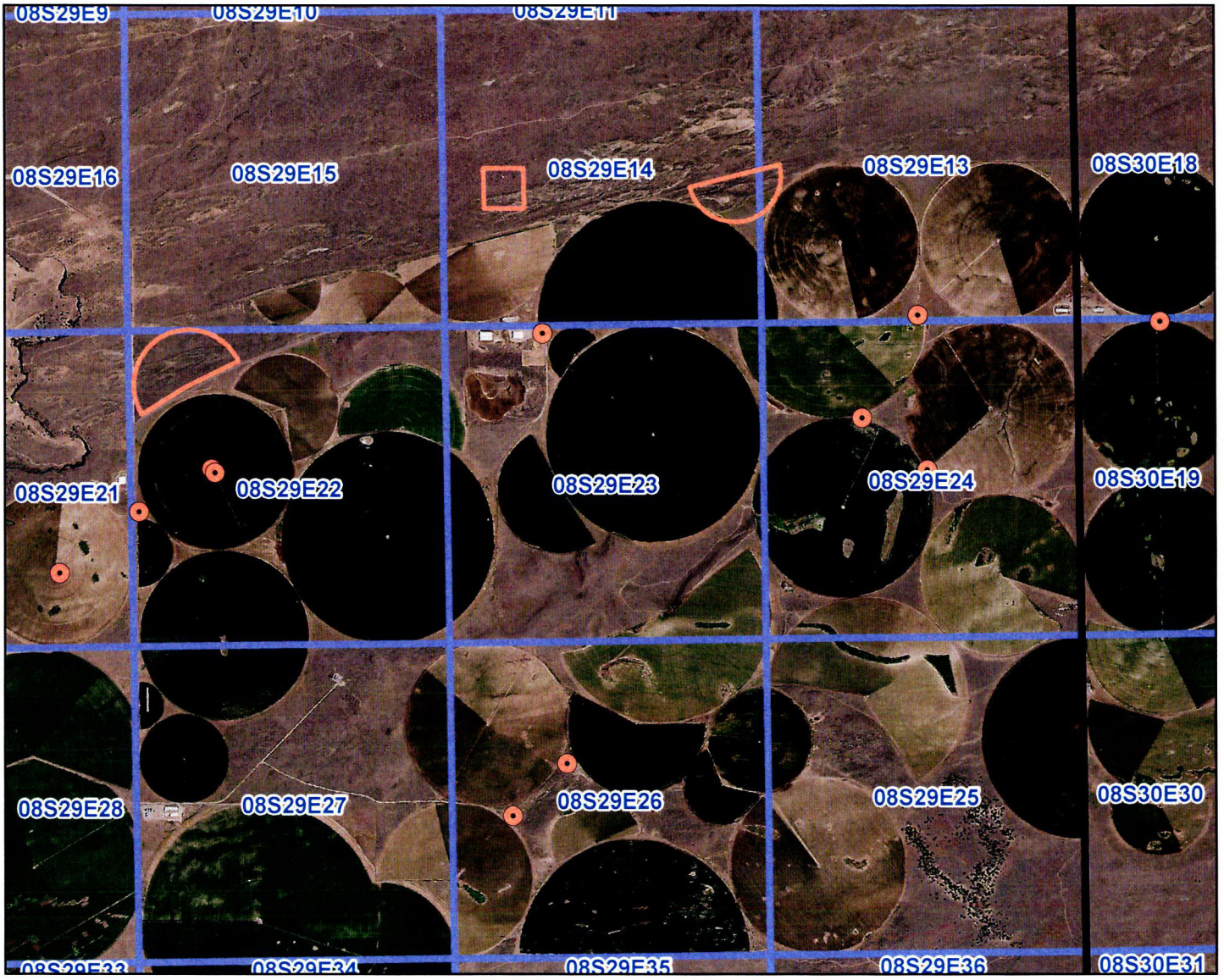
Idaho Water Resource Board

Water Supply Bank Lease Contract No. 1571

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

N

0 — 5,000 Feet

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Form 42-1761-1 10/15

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED
APR 13 2022
DEPARTMENT OF WATER RESOURCES

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

Designated 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.**

MIMUMUM 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	☑	☐	*Notice of Change in Water Right Ownership* 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 $ 250	Received By: JMH	Date Received: 4-13-22	Receipt # C 112462
W-9 received? Yes ☐ No ☑	(Route W-9 to Fiscal)	Name on W-9: KBC Farms LLC	

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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, Idaho 83211
Street City State Zip Code

Email Address _____ 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 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 Greg Sullivan Organization Brockway Engineering

Professional Title Engineer Email Address greg.sullivan@brockwayeng.com

Mailing Address 2016 N Washington St Ste 4 Twin Falls, Idaho 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

☐ 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.**

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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. This 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 ☑

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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: 2022 (Year) to 2022 (Year) (maximum lease period 5 calendar years).

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.

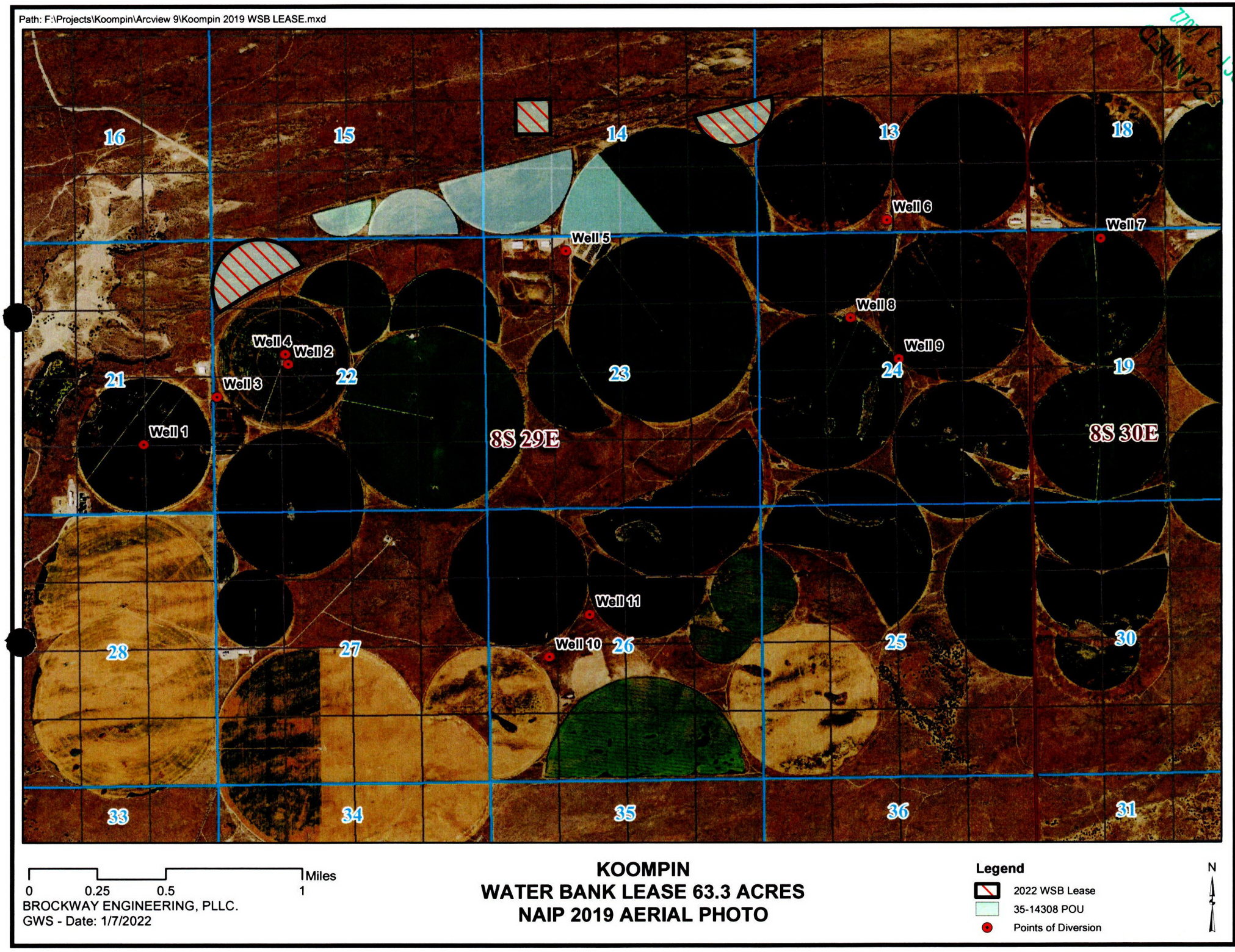
The Designated Applicant acknowledges the following:

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.

Signature of Designated Applicant	Printed Name	Date
Klaren Koomgir	Klaren Koomgir	Jan 10-2022
Signature of Authorized Representative	Printed Name	Date

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

RECEIVED
OCT 21 2022


Path: F:\Projects\Koompin\Arcview 9\Koompin 2019 WSB LEASE.mxd
16
15
14
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18
Well 6
Well 7
Well 5
Well 8
Well 4
Well 2
Well 9
21
22
23
24
19
Well 3
Well 1
8S 29E
8S 30E
Well 11
Well 10
26
28
27
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33
34
35
36
31
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0.25
0.5
1
Miles
BROCKWAY ENGINEERING, PLLC.
GWS - Date: 1/7/2022
KOOMPIN
WATER BANK LEASE 63.3 ACRES
NAIP 2019 AERIAL PHOTO
Legend
2022 WSB Lease
35-14308 POU
Points of Diversion
N

Form 42-1761-1 10/15

STATE OF IDAHO
WATER RESOURCE BOARD

ATTACHMENT 1A

Additional Water Right Holders Party to the Lease Application

For the water right on this application, list all owners (individuals or business entities) of the right or the property to which it is appurtenant. All water right holders must sign a Water Supply Bank Lease Application. However, only the Designated Applicant needs to provide a completed IRS Form W-9 (Attachment 1B). **All correspondence and any financial payment associated with the rental of this water right will be directed to the Designated Applicant.** If additional space is needed to list any other water right holders, attach a second copy of Attachment 1A.

If submitting multiple applications, it is only necessary to complete one Attachment 1A for the group of applications. List each water right below.

Water Right No(s). 35-14308

	Designated Applicant	Applicant #2	Applicant #3
Name	KBC Farms LLC		
Mailing Address	3010 McKinley American Falls, Idaho 83211		
Phone Number			
Email Address			
Applicant Declaration	As Designated Applicant, I submit this lease application on behalf of all other water right holders.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature	Karen Boggs		

	Applicant #4	Applicant #5	Applicant #6
Name			
Mailing Address			
Phone Number			
Email Address			
Applicant Declaration	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.	I authorize the Designated Applicant to submit this application on my behalf.
Signature			

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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.

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

2. Source of water Ground Water tributary to _____

3. Point(s) of diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
See Exhibit A							

SCANNED OCT 2 1 2022

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

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OCT 21 2022

WSB Mailing Checklist for Leases

Instructions: Staple to outside of lowest numbered water right file during processing.

Key: Who Completes What?
CLERICAL STAFF: MK
REVIEWER:

Received Date: 4/13/2022

Desired Lease Duration: 2022

Lease / Rental Package: (Y) N

If yes, Renter Name: AgReserves Inc

Application # 2353 Contract # _____

WR#s	# 35-14308
#	#
#	#
#	#
#	#
#	#
#	#

Stacked Water Rights Need to be Leased? ☐ _____

If checked, list water rights: _____

Applicant Authorized?	(Y) / N
Multiple owners, Attach 1A included?	Y / N (NA)
If portion is offered, Attach 2 included?	(Y) / N NA
Map of POU and POD?	(Y) / N NA
POD Consent (if required)?	Y / N (NA)
Application Complete?	(Y) / N
Minimum checklist in data base?	☑
Request for additional information letter sent:	Y (NA)
WSB Action Request for deficiencies	☐

If the WR owner provided a different address on the application than what's in our database, update address in workflow.

Mailings (per lease application)	CC	Original	
Designated Applicant: KBC Farms	☐	☐	EMAIL:
Attorney:	☐	☐	EMAIL:
Consultants Name: Greg Sullivan (D Rockway)	☐		Comments:
Watermaster: Blake Jorda	☐		
Delivery Entity: N/A	☐		
Water District: 120	☐		
Ground Water District:	☐		
Region: Eastern	☐		
Other:	☐	☐	
Address:			

Call up Date: _____

DO NOT SCAN

IDAHO DEPARTMENT OF
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little **Director Gary Spackman**

October 21, 2022

KBC FARMS LLC
3010 MCKINLEY RD
AMERICAN FALLS, ID 83211-5448

RE: WATER SUPPLY BANK LEASE CONTRACT 1571
FOR WATER RIGHT 35-14308

Dear Lessor:

Water right **35-14308** was leased into the Water Supply Bank (Bank) as of January 1, 2022, 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, 2022.** If you would like the right(s) to remain leased to the Bank, please complete a new Application to Sell or Lease a Water Right to the Water Supply Bank and remit the applicable filing fee. You can find new applications at the Department's website at www.idwr.idaho.gov.

A water right is not protected from forfeiture unless it is accepted into the Bank or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. The five-year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the Bank.

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

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosure: Executed Lease Contract

c: IDWR- Eastern Region
Water District No. 120
Greg Sullivan

SCANNED
OCT 21 2022

MEMORANDUM

To: Water Right(s) 35-14308

From: Michele Edl

Date: September 21, 2022

Re: Review and Analysis of Lease Application #2353 and Contract #1571 to Lease Water to the State Water Supply Bank

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PURPOSE/NARRATIVE: On April 13, 2022, IDWR received an application to lease a portion of water right 35-14308 to the Water Supply Bank (WSB) for the 2022 season. The lease was submitted by consultant Greg Sullivan (engineer, Brockway Engineering, PLLC) on behalf of KBC Farms, LLC.

Water right 35-14308 is owned by KBC Farms, LLC and it is limited to irrigation of a specific 208 acres within a much larger 6154-acre place-of-use (POU). A condition of the right requires that an updated land list and electronic shape be provided prior to changes in the 208 acres of irrigation.

An updated shape for the specific 208 acres was requested and provided as part of the 2020 lease review. The same 63.3 acres of the right that was proposed and accepted for lease in both 2020 and 2021 is proposed to be leased again this year.

No single well is responsible for providing water to the leased acres. The water supply for this right is diverted from a system of 11 interconnected wells/points-of-diversion.

AUTHORITY TO FILE: According to the available Power County parcel data, either KBC Farms, LLC or KBCP, LLC own the properties which contain the leased POU and the wells which are the points-of-diversion for the leased water.

A review of Idaho Secretary of State (IDSOS) business information shows KBC Farms, LLC, is identified as 40924, and is in good standing. KBCP LLC, is identified as 249407, and is also in good standing. Klaren Koompin signed the lease application and is listed as a member of both companies in the 2022 IDSOS Filings.

WATER RIGHT VALIDITY: In preparation for the 2020 lease of this right, a review of the irrigated acres attributable to this right and attributable to the 38 other irrigation rights was completed. Because 35-14308 is tied to a specific 208 acres, a review of the irrigation of those 208 acres was necessary for the lease. The POU for 35-14308 has been deliberately made separable from the 3434-acre POU for the other 38 rights. (See the email discussion dated December 28, 2016, and other support documents for Transfer 81235 in the backfill of WR 35-2172). The other rights are not offered for lease and do not need to be.

Varying portions of right 35-14308 were leased to the WSB for 2015-2016, and for 2017-2019. And in those years, the unleased acres appear to have been irrigated. The same 63.3-acre portion of 35-14308 has been leased on an annual basis 2020, 2021 and is proposed again for 2022.

There are no concerns related to water right validity at this time.

INJURY TO OTHER WATER RIGHTS: No injury is apparent though the lease proposal. The lease provides continued protection against forfeiture of the unused portion of the right.

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OCT 7 1 2022

ENLARGEMENT OF USE: The 38 rights not leased to the WSB are limited to irrigation of 3434 (3642 - 208) acres within the 6154-acre POU. The remaining rate and volume for those rights is spelled out in a condition on the lease contract.

As a result of questions posed in my review of the lease proposal, the consultant provided an updated map of all the POUs based on 2021 aerial photography.

Based on Sentinel satellite imagery from July 2022, I confirmed that 63.3 acres of the 208 acres authorized for irrigation under WR 35-14308 have been idled for the lease. I also confirmed that the updated water right POU shapes covered the total acreage seen irrigated without exceeding the total acre limit of 3642.0. No enlargement was found.

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this lease 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: Most of the 11 wells are identified as WMIS wells and would be subject to oversight by Water District 120.

Comments regarding the lease were requested from the Watermaster for District 120 via email to IDWR's Eastern Regional Office on 8/15/2022. No response has been received as of this date and so the lease proposal is presumed to be acceptable.

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OCT 2 1 2022

Over the last several years, different portions of right #35-14308 had been offered as leases to the WSB. To better illustrate the 2022 lease proposal, and how the leased acres relate to the unleased acres of right 35-14308 and to the overall POU for KBC Farms, I have attached a sequence of screen shots.

The three screen shots were created in an ArcMap MXD using the Select Feature which identifies the features by outlining them in a turquoise color. The background imagery is a layer from the Sentinel satellite: T12TUN_S2B_20220729_CIR.sid.lyr. The red color indicates vegetation.

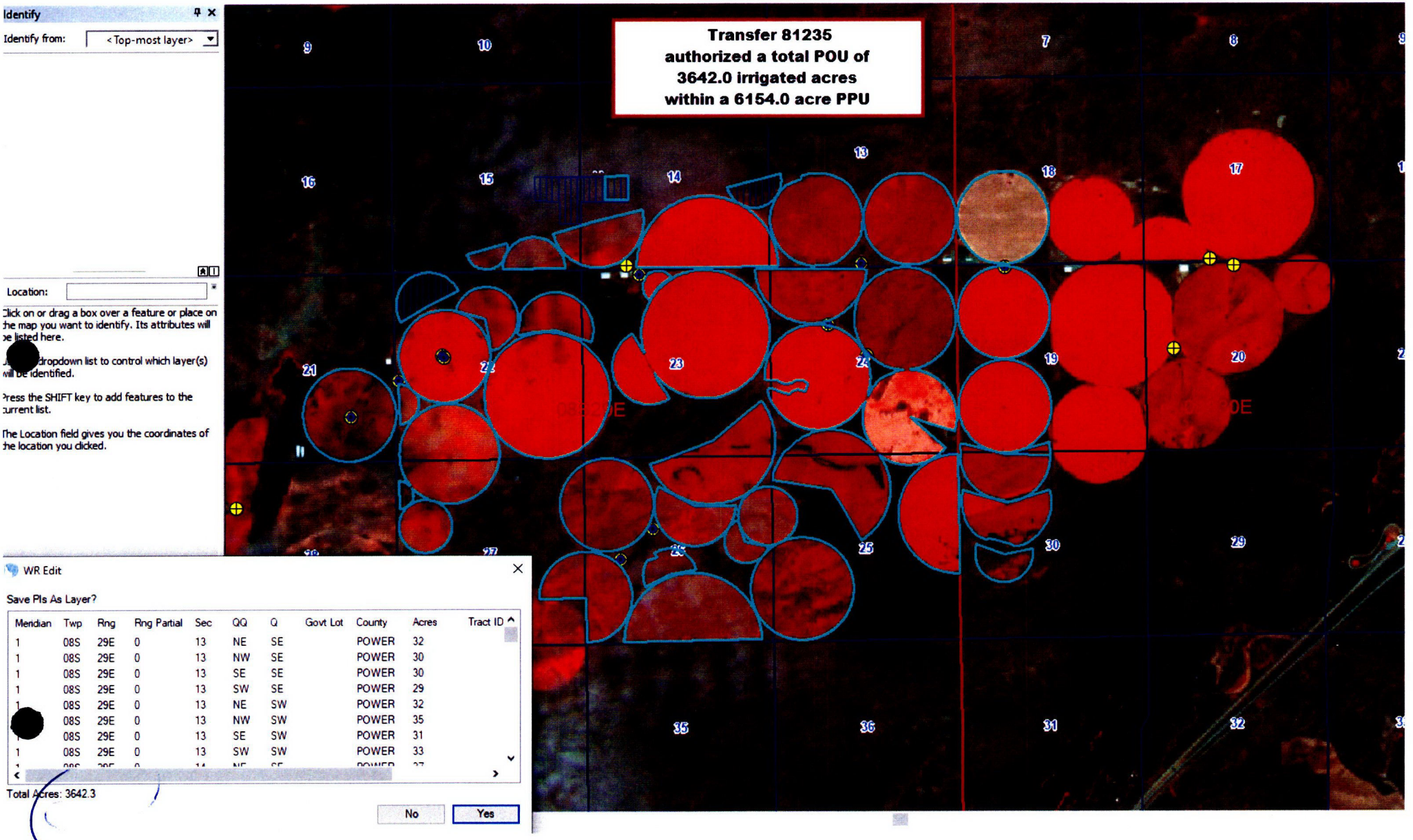
As a result of Transfer 81235, 39 water rights including right #35-14308, are limited to irrigation of 3642 acres. Screenshot 1 shows the 3642 acres of the POU in 2022. Only the pivots outlined in turquoise are owned by the KBC Farms and considered in the acre count.

Right #35-14308 has a particular 208-acre POU that can be considered separately from the other water rights and the other 3434 acres of the 3642 POU. Screenshot 2 shows the 208 acres as lilac-colored shapes.

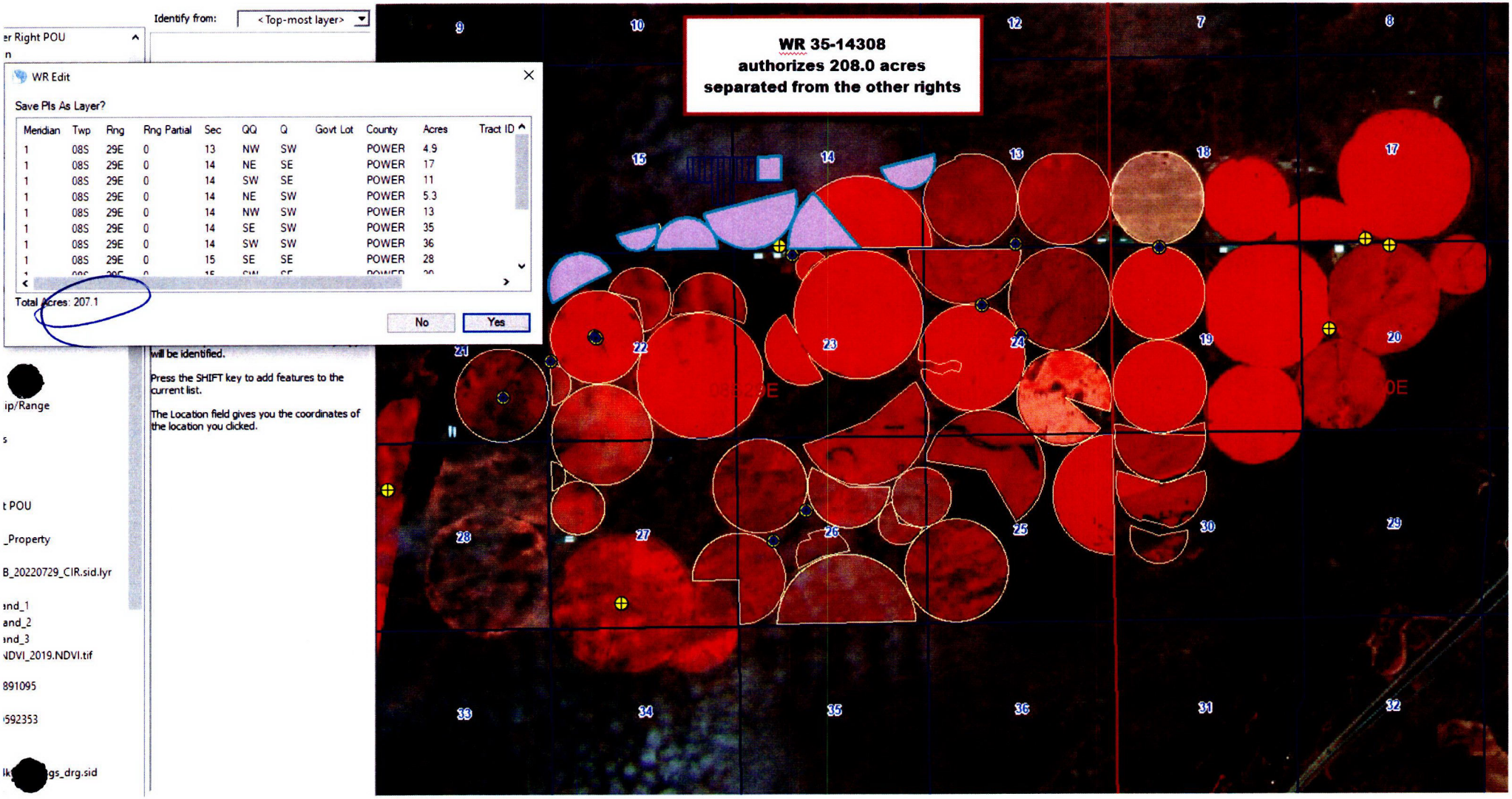
For several of the past years, the owner of right #35-14308 has offered a varying number of acres as lease proposals to the WSB. For 2022, 63.3 acres within the 208 acres are leased to the WSB. Screen shot 3 shows the 63.3 acres as the shapes with vertical blue hash lines and outlined in turquoise.

Those 63.3 acres have been idled as proposed for the lease.

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OCT 21 2022

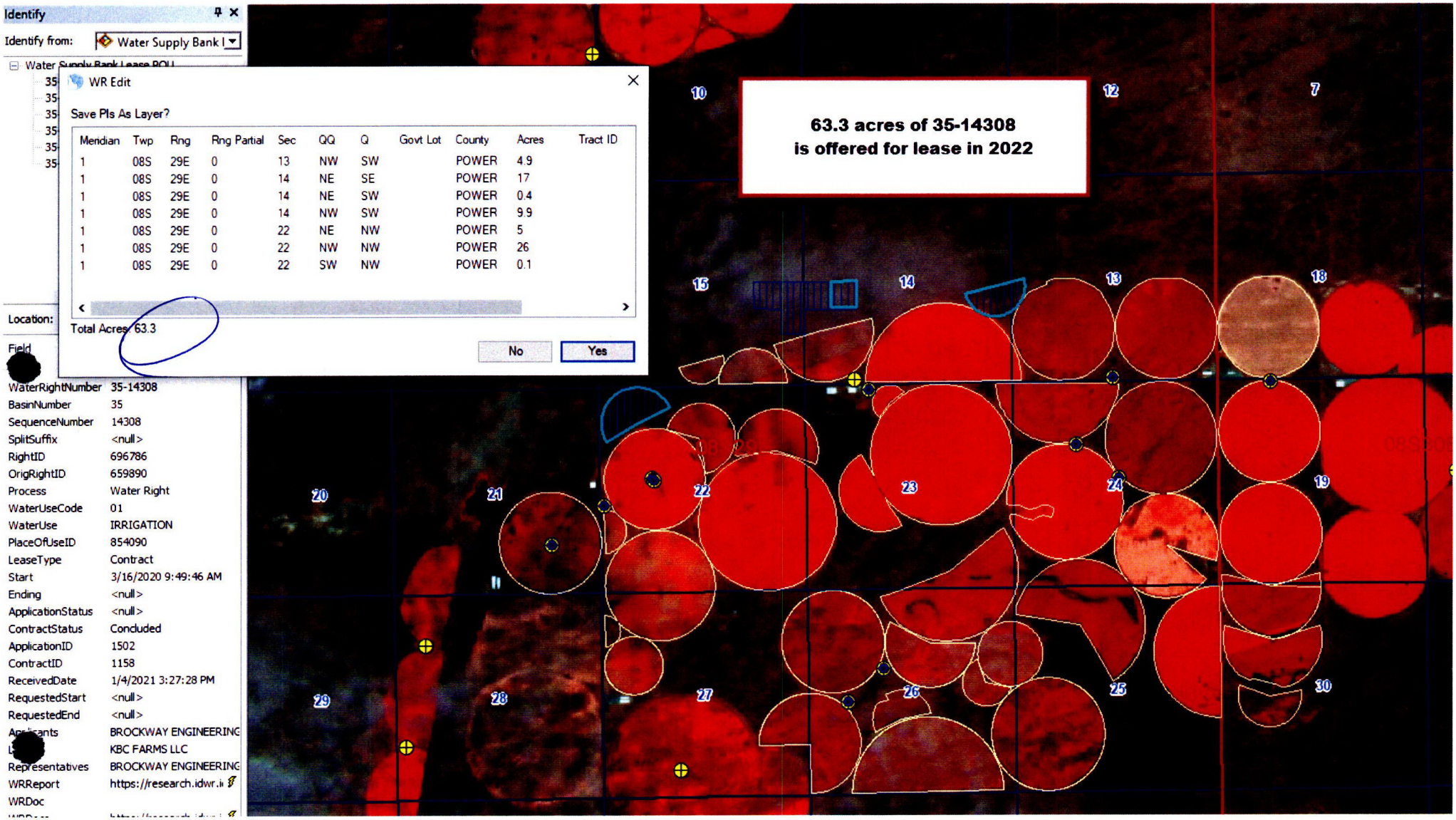


SCANNED
OCT 21 202



SCANNED
OCT 21 2022

(2)



SCANNED
OCT 2 1 2022

(3)

IDAHO DEPARTMENT
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little Director Gary Spackman

August 22, 2022

KBC FARMS LLC
3010 MCKINLEY RD
AMERICAN FALLS, ID 83211

RE: APPLICATION TO LEASE WATER RIGHT 35-14308 TO THE WATER SUPPLY BANK CONTRACT 1571

******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.

Please note, the rental agreement that this lease is associated with is still under review. To expedite processing, the Department is sending the lease separately. When the rental agreement review is complete, the Department will mail the rental agreement for signature.

The right will automatically be released from the Bank on **December 31, 2022,** 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,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosures: Proposed Lease Contracts

C: Greg Sullivan

SCANNED
OCT 21 2022

MEMORANDUM

To: Water Right(s) 35-14308

From: Michele Edl

Date: August 19, 2022

Re: Review and Analysis of Lease Application #2353 and Contract #1571 to Lease Water to the State Water Supply Bank

---

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OCT 2 1 2022

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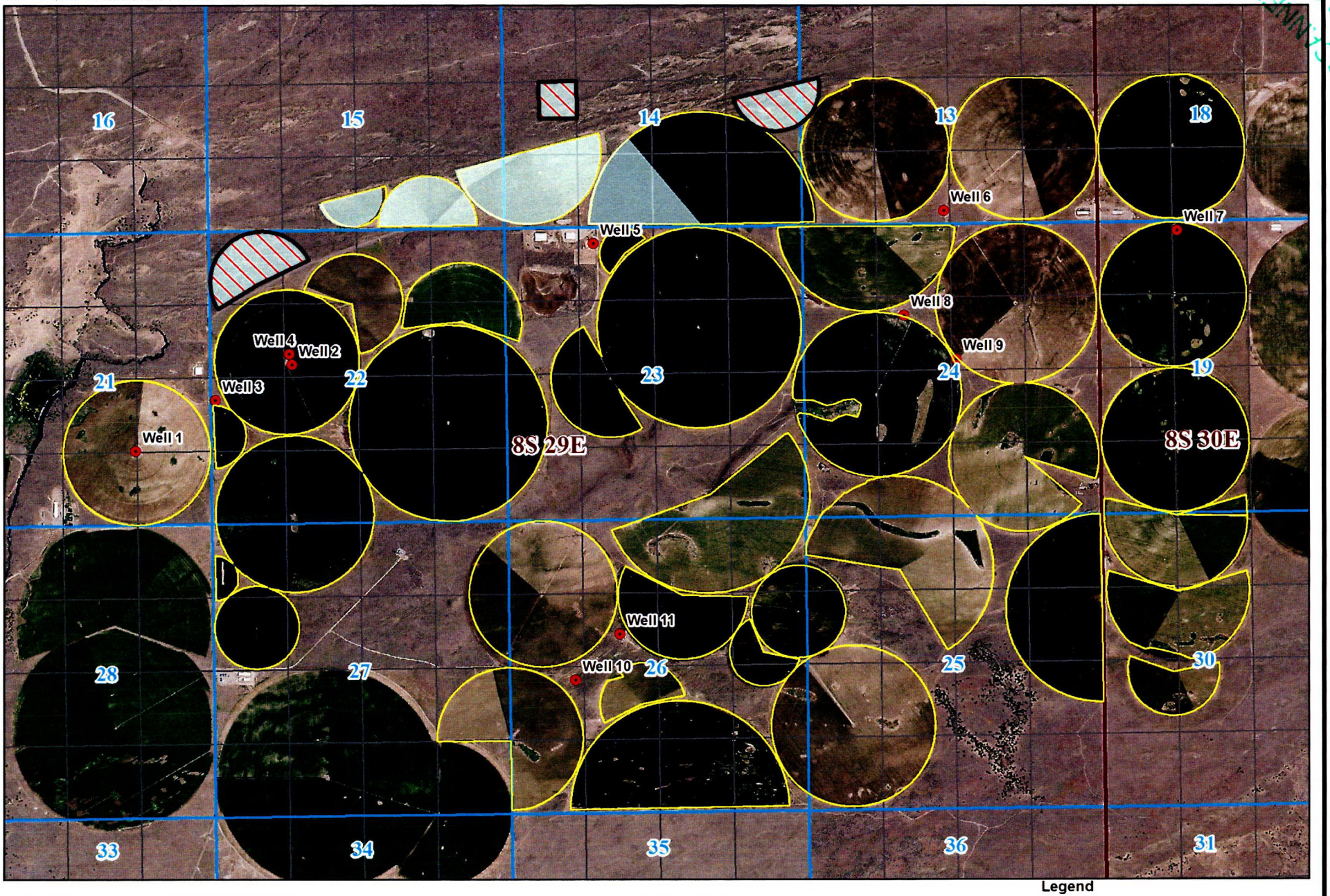
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OCT 2 1 2022

Path: F:\Projects\Koompin\Arcview 9\Koompin 2019 WSB LEASE.mxd



0 0.25 0.5 1 Miles

BROCKWAY ENGINEERING, PLLC.
GWS - Date: 8/18/2022

KOOMPIN
WATER BANK LEASE 63.3 ACRES
NAIP 2021 AERIAL PHOTO

Legend

- 2022 WSB Lease
- 35-14308 POU
- Irrigation_POU_3642.0_Ac
- Points of Diversion

N

OCT 7 2022

Edl, Michele

From: Greg Sullivan <greg.sullivan@brockwayeng.com>
Sent: Thursday, August 18, 2022 1:56 PM
To: Edl, Michele
Subject: [EXTERNAL] RE: Koompin irrigation not covered by a water right
Attachments: Irrigation_POU_3642.0_Ac.cpg; Irrigation_POU_3642.0_Ac.dbf; Irrigation_POU_3642.0_Ac.prj; Irrigation_POU_3642.0_Ac.sbn; Irrigation_POU_3642.0_Ac.sbx; Irrigation_POU_3642.0_Ac.shp; Irrigation_POU_3642.0_Ac.shp.xml; Irrigation_POU_3642.0_Ac.shx; Koompin 2022 WSB LEASE.jpg

CAUTION: This email originated outside the State of Idaho network. Verify links and attachments BEFORE you click or open, even if you recognize and/or trust the sender. Contact your agency service desk with any concerns.

Michele,

I updated the irrigation POU based on the 2021 aerial and identified the allowed 3,642.0 acres. I have attached the updated 3,642.0 acre place of use shape.

Let me know if you need anything else.

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: Edl, Michele [mailto:Michele.Edl@idwr.idaho.gov]
Sent: Wednesday, August 10, 2022 3:59 PM
To: Greg Sullivan <greg.sullivan@brockwayeng.com>
Subject: Koompin irrigation not covered by a water right

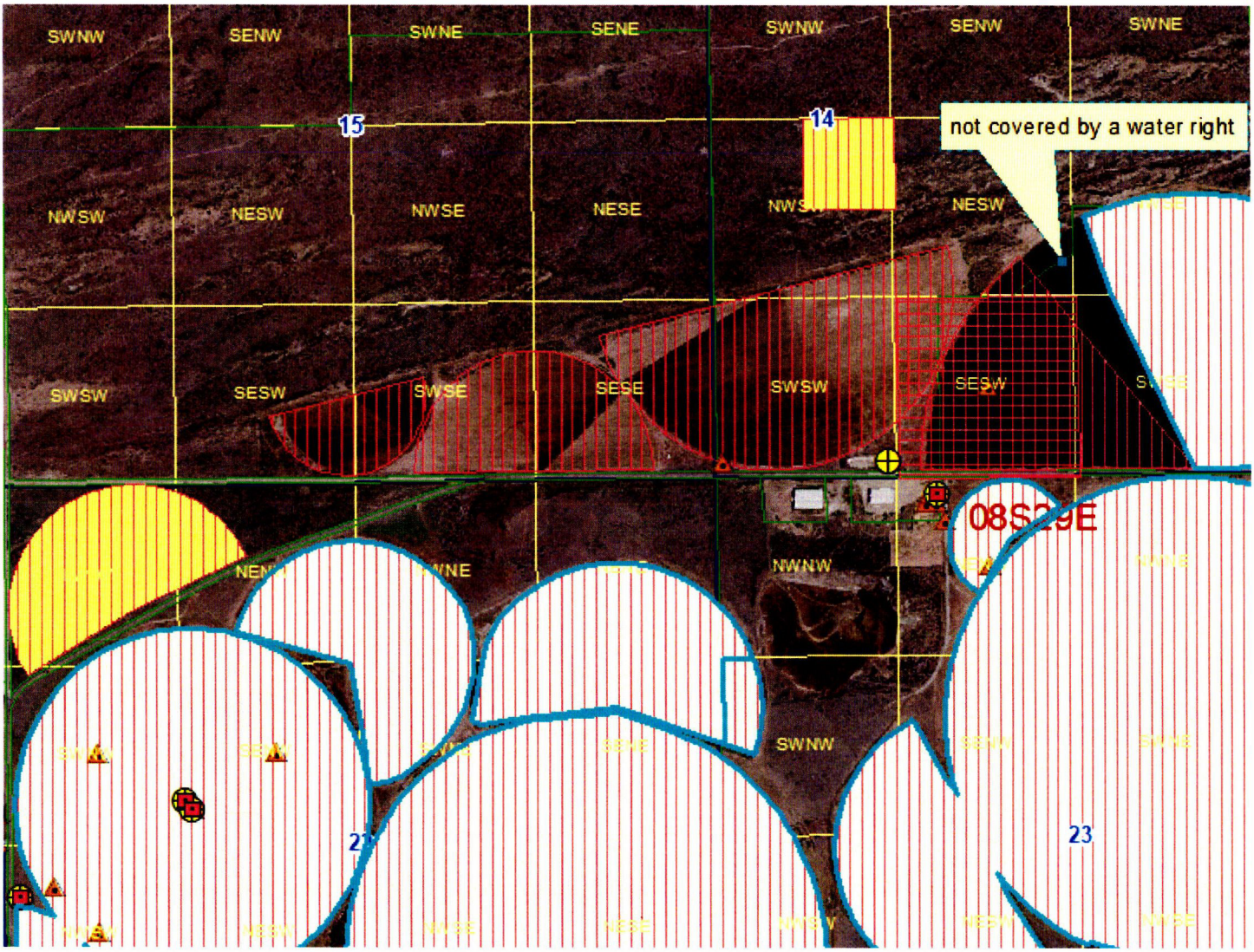
Greg,
I have the reviewed the proposed lease acres for the 2022 KBC Farms LLC lease. I believe that the 63.3 acres that are proposed to be idled for 2022 are the same acres that were not irrigated in 2021. I intend to reuse those 2021 shapes for the 2022 lease.

For my review I brought in the POUshape for the other 38 rights which totaled ~ 3436.6 acres that believe you provided to Scott Storms last year. The total acres for that group should be 3434 acres. The excess acres could easily be attributable to minor drawing errors.

But I found a ~ 13-acre wedge of a 1/2 pivot in sec 14 that is not covered by any water right; not 35-14308 nor any of the other KBC/KBCP water rights.

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OCT 21 2022

I am using 2021 aerial photography and a screen shot from my computer looks like the insert below. The yellow shapes are the 63.3 acres to be idled. The pale green shapes are from the WSB shape-archive that Scott left us.
Please consider a discussion with the farm manager about their current irrigation and provide me with update.
Thanks
Michele



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OCT 21 2022

0004478054

STATE OF IDAHO

Office of the secretary of state, Lawerence 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

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File #: 0004478054

Date Filed: 11/3/2021 10:26:36 AM

Entity Name and Mailing Address:

Entity Name:	KBCP, LLC
The file number of this entity on the records of the Idaho Secretary of State is:	0000249407
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:	W79785

The registered agent on record is:

Registered Agent	KENNETH KOOMPIN Registered Agent Physical Address 3066 S FRONTAGE RD AMERICAN FALLS, ID 83211 Mailing Address

Limited Liability Company Managers and Members

Name	TItle	Business Address
Klaren Koompin	Member	3010 MCKINLEY AMERICAN FALLS, ID 83211

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

Job Title: Office Manager

Amanda Givens — Sign Here

11/03/2021 — Date

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OCT 21 2022

BCC96-2004 11/03/2021 10:26 AM RECEIVED BY THE SECRETARY OF STATE LAWRENCE DENNEY

0004649960

STATE OF IDAHO

Office of the secretary of state, Lawerence 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

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File #: 0004649960

Date Filed: 3/9/2022 9:15:50 AM

Entity Name and Mailing Address:

Entity Name:	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 Koompin	Manager	3066 S FRONTAGE RD AMERICAN FALLS, ID 83211
Klaren Koompin	Member	300 SNAKE RIVER DR AMERICAN FALLS, ID 83211
Charles Bearup, Jr.	Member	3010 MCKINLEY AMERICAN FALLS, ID 83211

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

Job Title: Office Manager

Amanda Givens — Sign Here

03/09/2022 — Date

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OCT 21 2022

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