

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

MAY 08 2019

WATER SUPPLY BANK RENTAL AGREEMENT No. 324

DEPT OF WATER RESOURCES

This is to certify that:

CSS POTATO FARMS LLC

3747 S 21000 W

HOLBROOK, ID 83243

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acre (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
17-2028	7/30/1953	GROUND WATER	0.46	166.5	60.9	0.008	2.73
17-2030	3/4/1954	GROUND WATER	0.32	62.2	12.7	0.025	4.90
17-2045	7/24/1959	GROUND WATER	0.62	96.8	42.5	0.015	2.28
17-7007	8/24/1970	GROUND WATER	1.24	339.5	91.4	0.014	3.71
Combined Limit Totals			2.55	665.0	190.0	0.013	3.50
Combined Rental Totals			2.55	665.0	190.0	0.013	3.50

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2019. Use of rental water shall be authorized as of either the date this rental agreement takes effect or the first day of the rental season of use, in 2019, whichever occurs last.

Annual Rental Fee:

2019: \$1,330.00

The full fee for the rental of the above-described right(s) is \$1,330.00 for 2019. The rental fee includes an administrative fee of \$1,330.00 for 2019. Note that the renter is obligated to pay only the administrative fees associated with the water right(s): 17-2028, 17-2030, 17-2045, and 17-7007.

An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 324

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:


Signature of Renter

5/2/19
Date

Trent Munder
Printed Name

Farm Manager
Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By 
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date 5/17/2019

Rental approved by IDWR 

Date 5-17-2019

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 324

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER	NWNE	Sec. 8, Twp 15S, Rge 33E,	ONEIDA County
GROUND WATER	NENE	Sec. 8, Twp 15S, Rge 33E,	ONEIDA County

BENEFICIAL USE
IRRIGATION

DIVERSION RATE
2.55 CFS

VOLUME
665.00 AF

SEASON OF USE

Water Right No.	From	To
17-2028	4/15	10/15
17-2045	4/15	10/15
17-2030	4/15	10/15
17-7007	4/15	10/15

RENTERS PLACE OF USE: 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	
14S	33E	32					30.0	30.0	32.0	32.0	0.2	0.2							124.4
15S	33E	8	0.3			0.3													0.6
15S	33E	9						32.5	32.5										65.0

Total Acres: 190.0

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from 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.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
7. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.
8. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

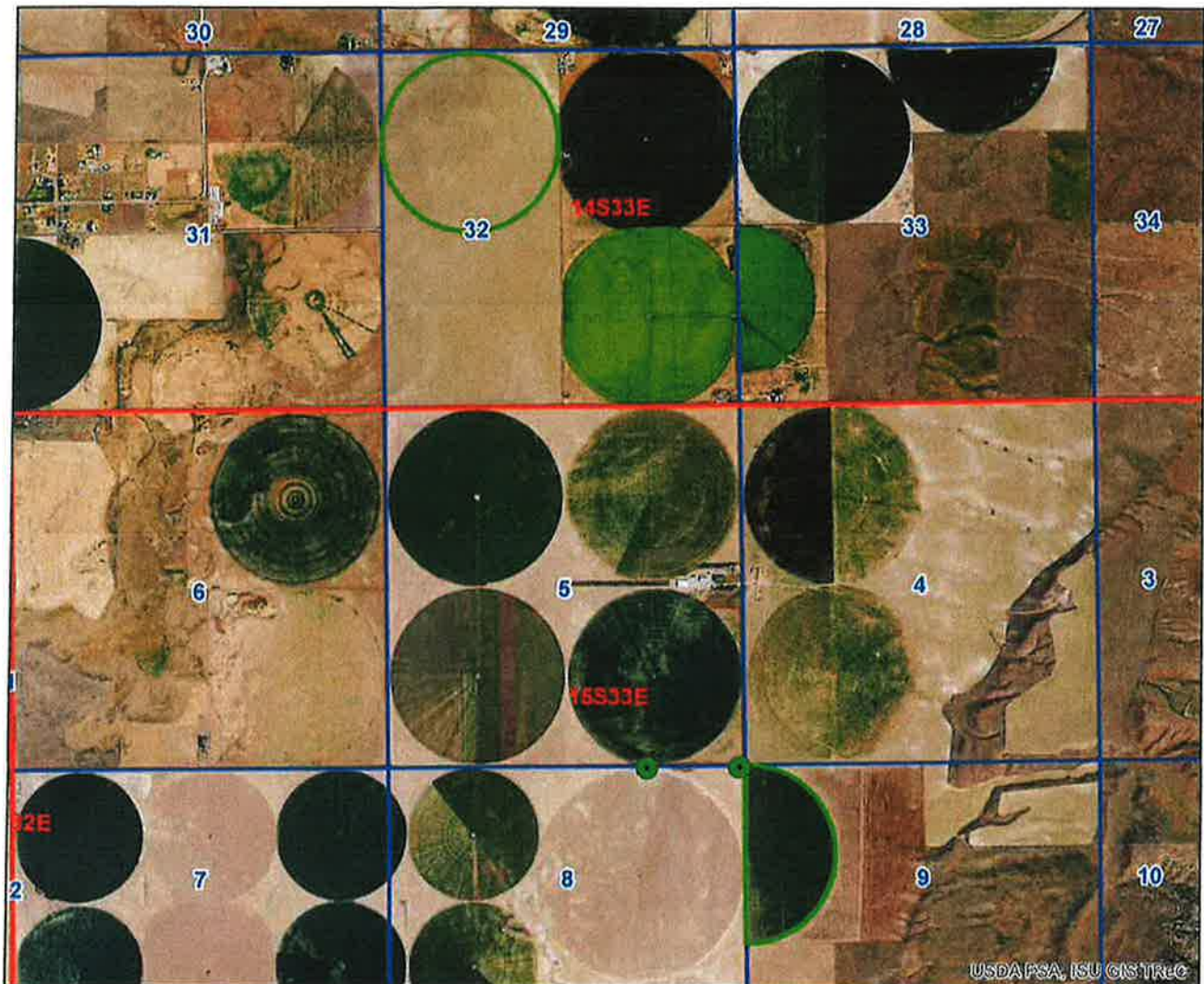
WATER SUPPLY BANK RENTAL AGREEMENT No. 324

9. This rental agreement does not authorize the construction of a well.
10. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
11. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the place of use.
12. After specific notification by the Department, the right holder shall install a suitable measuring device or shall enter into an agreement with the Department to use power records to determine the amount of water diverted and shall annually report the information to the Department.
13. Rental of portions of rights 17-2028, 17-2030, 17-2045 and 17-7007 when combined shall not exceed a total diversion rate of 2.55 cfs, a total annual maximum diversion volume of 665.0 af and the irrigation of 190.0 acres.

Idaho Water Resource Board
Attachment to Water Supply Bank Rental Agreement No. 324

Effective until December 31, 2019

This map depicts the **rental place of use** pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



0 1 Miles

- Authorized Rental Point of Diversion
- Authorized Rental Place of Use
- Township/Range
- Sections

STATE OF IDAHO
WATER RESOURCE BOARD

**APPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANK**

RECEIVED
JAN 04 2019
**DEPARTMENT OF
WATER RESOURCES**

Applicant Name: CSS Potato Farms, LLC

Is this application being submitted with a lease application as a lease/rental package?

Yes ☒ No ☐

If yes, specify companion water rights in Section 4

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. **Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.**

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

Yes

- ☒ Completed *Application to Rent Water from the Board's Water Supply Bank*
- ☒ Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank

Attachment N/A Yes

- | | | |
|----|-------------------------------------|--|
| 2 | ☒ | A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request |
| 3A | ☐ | ☒ Detailed information on a proposed use of rental water |
| 3F | ☒ | ☐ Authorization from the owner/operator of the rental point(s) of diversion |
| 3H | ☒ | ☐ Water modeling to account for the impacts of the rental request |
| 3J | ☒ | ☐ Documents justifying a rate of flow greater than 0.02 cfs/acre |
| 3K | ☐ | ☒ Authorization from the owner/operator of the property at the proposed rental place(s) of use |
| 4B | ☐ | ☒ Explanation of how the rental water will sufficiently accomplish your rental purposes |
| 4C | ☒ | ☐ Explanation of consumptive use amounts for water rights experiencing a change in nature of use |

Department Use Only – Proposed Water Right(s)

	17-2028	17-2030
17-7007	17-2045	

1300

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant CSS Potato Farms, LLC

Mailing Address 76944 Tower Road Boardman, OR 97818

Street

City

State

Zip Code

Email Address _____

Phone Number _____

- B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☒ No ☐
If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative Greg Sullivan

Professional Title Engineer

Organization Brockway Engineering

Relationship to Applicant Consultant

Mailing Address 2016 N. Washington St Ste. 4 Twin Falls, Idaho 83301

Email Address greg.sullivan@brockwayeng.com

Phone Number 208-736-8543

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental 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 irrigate. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

- A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:

This rental will provide the necessary water to irrigate a new pivot.

- B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
2.64 CFS	665.0 AF	2.64 CFS	665.0 AF	190.0 AC

* Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.

- C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
5/1/2019	7/1/2019	☒	☐	☐	☐	☐	☐ Process application as soon as possible	☒ Return application to applicant

* The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.

** Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):

Existing wells, pumps and motors. New main line and pivot system will be installed.

- E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
15S33ESec8 NENE	Ground Water	17-7007, 17-2028, 17-2045, 17-2030
15S33ESec8 NWNE	Ground Water	17-7007, 17-2028, 17-2045, 17-2030

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

- F. Has documented consent from all relevant water delivery entities been obtained? Yes ☐ N/A ☒
If yes, include documented consent as **Attachment 3F**.

- G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☐ No ☒
Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

- H. Has water modeling been provided with your rental request? Yes ☐ N/A ☒
If yes, label modeling Attachment 3 H.
Rental applications that require modeling will be returned if modeling is not provided.

- I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

- ☒ Irrigation 190.0 (number of acres) Duration: Subject to IDWR standard seasons of use
- ☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Other: _____ from: _____ (mm/dd) to: _____ (mm/dd)

- J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☐ Yes ☐ No ☒
If yes, justify the rate of flow and attach any supporting documents as **Attachment 3J**. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

- K. Do you own the land at the proposed rental place of use (POU)? Yes ☐ No ☒
If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it **Attachment 3K**.

- L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

None

**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights?

Yes ☒ No ☐

If yes, specify below the elements of the water rights you are requesting to rent. If no, continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via [IDWR's website](#).

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request.** For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
17-7007	Irrigation	1.24	339.5	128.1		1.24	339.5	128.1
17-2028	Irrigation	0.46	166.5	60.9		0.46	166.5	60.9
17-2045	Irrigation	0.62	96.8	59.5		0.62	96.8	59.5
17-2030	Irrigation	0.32	62.2	17.8		0.32	62.2	17.8
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL	2.64	665.0	190.0
						CFS	AF	AC

**Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.*

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

N/A

C. Does your rental request propose to change the nature of use for any water right(s) being rented?

Yes ☐ No ☒

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

- A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☒ No ☐
If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

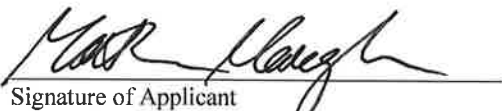
- B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes ☐ No ☒
If yes, describe:

- C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☐ No ☒
If yes, describe the date and location of the NOV.

- D. Additional Information
N/A

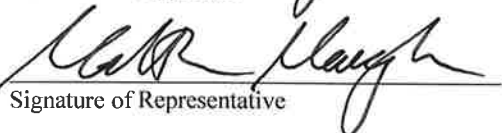
DECLARATION

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.


Signature of Applicant

CSS Potato Farms, LLC
Printed Name of Applicant

12-21-18
Date

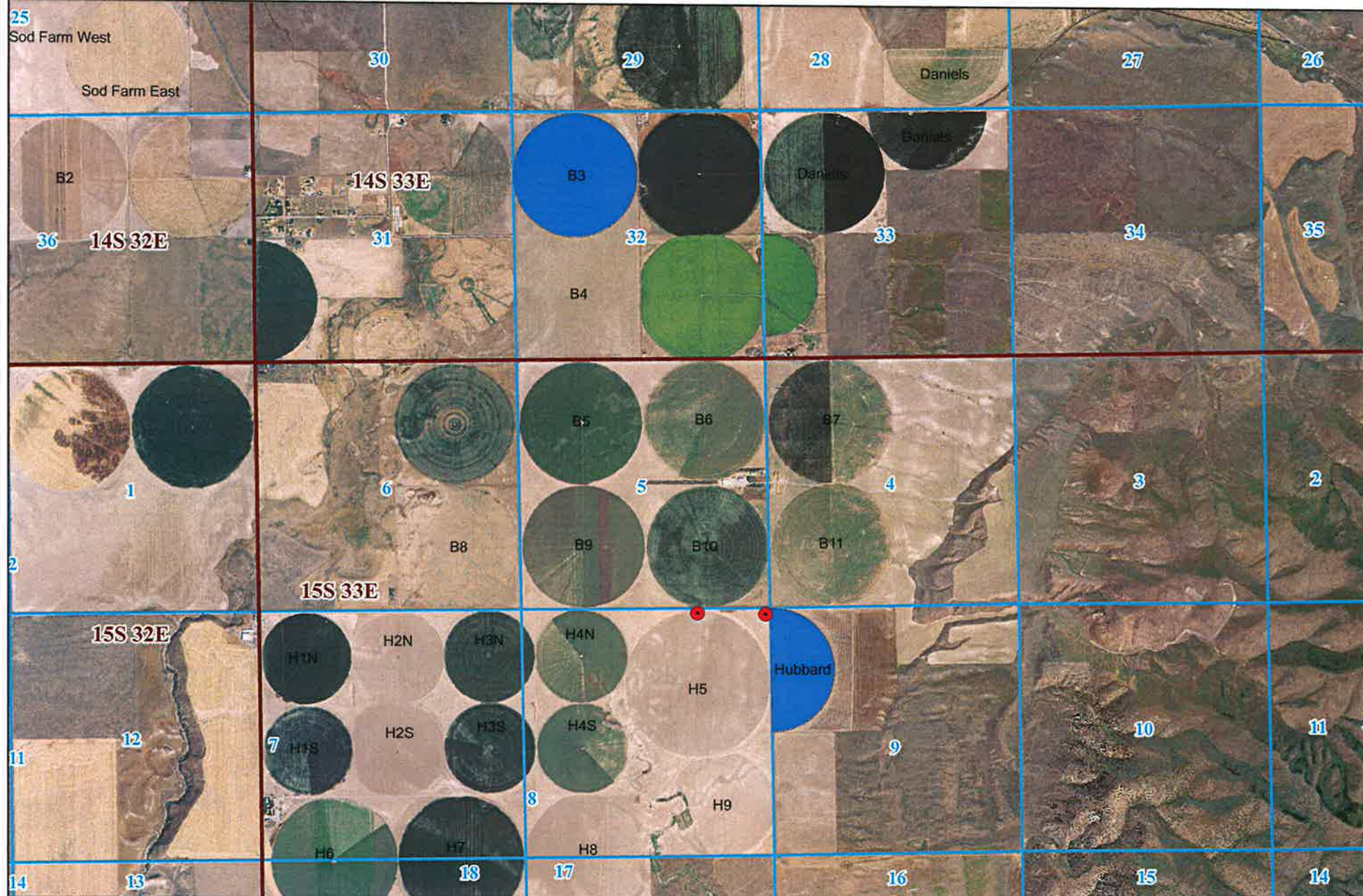

Signature of Representative

Matthew Maughan
Printed Name of Representative

12-21-18
Date

Mail to:

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



CSS POTATO FARMS, LLC

WATER BANK 2019
NAIP 2017 AERIAL

Legend

- Rental_PODs
- 2019_Rental_Acres

CSS Potato Farms, LLC

1200 33 St SE
Watertown, SD 57201

Office: (605) 886-2577
Fax: (605) 886-2586

January 5, 2018

Idaho Department of Water Resources
PO Box 83720
Boise, ID 83720-0098

To Whom It May Concern:

CSS Potato Farms, LLC authorizes Matthew Maughan, farm manager, to sign on its behalf all documents relating to water right applications, transactions and management.

If you have any questions, please contact me at 206-898-3945.

Sincerely,



Reagan Grabner
Managing Partner

CONTRACT OF AGREEMENT

To Whom It May Concern,

Holbrook Farm LLC, and CSS Potato Farms, LLC have in place a long term farm lease agreement or contract for property owned by Holbrook Farm LLC. The contract includes the property, water rights and water distribution systems pertaining to water rights 17-7007, 17-2028, 17-2045, 17-2030, 17-2052 and 17-7063.

CSS Potato Farms, LLC has agreed to pay the annual farm contract payment for 2019. No additional fees are required by Holbrook Farm, LLC of CSS Potato Farms, LLC for 2019 from the Idaho Water Supply Bank.

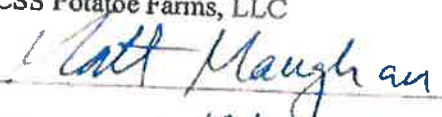
Therefore, the rental payment of the 90% of the rental fees for water rights 17-7007, 17-2028, 17-2045, 17-2030, 17-2052 and 17-7063 for the year 2019 have been paid in full.

Holbrook Farm, LLC:



Date: 12/3/18

CSS Potatoe Farms, LLC



Date: 11/8/2018



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700

Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

May 20, 2019

CSS POTATO FARMS LLC
3747 S 21000 W
HOLBROOK ID 83243

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 17-2028, 17-2030, 17-2045, and 17-7007, AGREEMENT 324**

Dear Renter:

Please find enclosed a receipt in the amount of **\$1,330.00** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 665.0 acre-feet of water for irrigation of 190.0 acres during 2019. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, the rental fee will be retained by the Department to offset administrative costs since you have a private agreement with the lessor of the rights.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,


for Water Supply Bank

Enclosures: Receipt No. C106764
Rental Agreement (copy)

c: Sascha Marston – Fiscal
James Cefalo – IDWR Eastern Regional Office
Greg Sullivan – Brockway Engineering



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700

Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

April 30, 2019

CSS POTATO FARMS LLC
3747 S 21000 W
HOLBROOK ID 83243

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 17-2028, 17-2030, 17-2045, and 17-7007, AGREEMENT 324**

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

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of **\$13,300.00** was calculated based on the current rental rate of \$20.00 per acre-foot times a diversion volume of 665.0 acre-feet. Since you have a private agreement with the lessor, **you are only obligated to pay the 10% administrative fee or \$1,330.00.** An annual payment shall be received by the Department prior to the execution of this agreement and prior to January 1 in all subsequent years for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check for \$1,330.00 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,

Water Supply Bank

Enclosure

c: IDWR Front Desk
Greg Sullivan – Brockway Engineering

MEMORANDUM FOR LEASE CONTRACT 956 AND RENTAL AGREEMENT 324

To: Water Right(S) 17-2028, 17-2030, 17-2045 and 17-7007

From: Michele Edl

Date: April 16, 2019

Re: Review & Analysis of Companion Applications to Lease and Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: Companion lease-rental applications were received on January 4, 2019. The package was submitted by Greg Sullivan (engineer, Brockway Engineering) on behalf of Holbrook Farm, lessor and CSS Potatoes, renter. The renter intends to plant potatoes in fields that have never had potatoes before and thus avoid having to deal with some potato pests.

Lease application seeks to lease 190 acres worth of water largely appurtenant to ground under end-guns and under a 60-acre pivot. The specified pivot and the end-guns will be idled for 2019. The rental application for these rights requests the entire leased portion to be applied to lands which don't have water rights. The lease contract and rental agreement will be made proportionate and limited to avoid enlargement.

An overpayment of \$50.00 for the two lease applications was refunded. A private agreement is in place for the payment to water right owner. Only the admin fee will apply to the rental.

AUTHORITY TO FILE: Rights 17-2028, 17-2030, 17-2045 and 17-7007 are in the name of Holbrook Farm, LLC. The applications to lease of portions of rights were signed by Brian Uken as Agent for Holbrook Farm. Brian Uken is granted authority and designated as agent through US Farming Realty Trust II, LP, and International Farming Corporation GP2, LLC, by Charlie McNairy, manager. An internet search on International Farming Corporation GP2, LLC shows Charles McNairy as executive director. Oneida County parcel data shows that the lease places-of-use are owned by Holbrook Farm LLC.

The application to rent portions of rights 17-2028, 17-2030, 17-2045 and 17-7007 is in the name of CSS Potato Farms, LLC. The application was signed by Matthew Maughen, farm manager. Matthew Maughen is granted authority and designated as agent through Reagan Grabner, Managing Partner of CSS Farms, LLC (formerly CSS Potato Farms LLC)

Idaho Secretary of State shows that CSS Potato Farms, LLC amended its name in 2018 and is now listed as CSS Farms, LLC. Reagan Grabner is still listed as managing partner and has the same address as the principal mailing address.

The full pivot POU for the rental water in section 32 is located on property owned by Brad Wolstenhulme not property owned by CSS Farms. I requested and received the copy of a farm lease agreement. The document indicates that WSB rental water is expected to be applied as irrigation in 2019.

No concerns with authority to file lease and rental applications.

WATER RIGHT VALIDITY: Transfer 78281 acted on 17-2028, 17-2030, 17-2045 and 17-7007 and was approved in 2013. The transfer stacked the rights in a 1230 acre PPU. Together

rights 17-2028, 17-2030, 17-2045 and 17-7007 are limited to 16.53 cfs and 4305.0 af or 0.013 cfs per acre and 3.5 afa per acre combined. Portions of these rights were brought into the bank in 2017 and 2018. A sufficient portion has been offered to the bank for 2019 season for use by the specific companion rental.

No concerns with validity of the water rights offered to the bank.

INJURY TO OTHER WATER RIGHTS: A review for compliance in idling the leased acres for 2017 and 2018 was recently completed. Vegetation visible in aerial photography has been adequately justified. Lease and rental of these water rights should not cause injury to other water rights.

The rental water will be diverted from 2 of the 5 existing well/PODs authorized for the leased water rights. A pipeline already exists to convey the rental water most of the distance from designated wells in section 8 to the full pivot rental POU in section 32. Injury to other water rights is not expected through the lease and rental.

ENLARGEMENT OF USE: The package proposes to lease and rent 190 acres worth of water from these 4 rights. The rental is for the full amount of the lease. Existing combined limits on the rights will be carried through the lease and rental. The unleased portion of these rights will be limited to 1040 acres and 13.89 cfs.

The rental requests to irrigate 190 acres total at a rate of 0.013 cfs per acre and at the standard headgate volume of 3.5 afa. Other native rights in the area appear to be managed to the same reduced rate.

Measurement devices are not yet required on wells in this area, so no measurement data is available.

No enlargement is expected through the lease and rental of these rights portions.

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 and rental appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The lease and rental PODs are located within the Curlew Valley CGWMA but are not subject to a Water District or watermaster. Authorized SOU for these 4 rights is 4/15-10/15 which is less than the current SOU for the area (04/01-10/31).

Request for comment was sent to Eastern Region manager on March 20, 2019. As of this date, no concerns have been returned.

CSS Potato Farms, LLC

1200 33 St SE
Watertown, SD 57201

Office: (605) 886-2577
Fax: (605) 886-2586

April 1, 2019

Idaho Department of Water Resources
PO Box 83720
Boise, ID 83720-0098

To Whom It May Concern:

CSS Potato Farms, LLC authorizes Trent Munden, Farm Manager, to sign on its behalf all documents relating to water right applications, transactions and management.

If you have any questions, please contact me at 206-898-3945.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Reagan Grabner', with a long horizontal flourish extending to the right.

Reagan Grabner
Managing Partner

Edl, Michele

From: Greg Sullivan <greg.sullivan@brockwayeng.com>
Sent: Wednesday, March 20, 2019 8:49 AM
To: Edl, Michele
Subject: CSS Potato Rental
Attachments: B3 Property Agreement.pdf

Michele,

See the attached signed agreement for the CSS Potato Rental for 2019.

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.

FARM LEASE (B3 Pivot)

RECEIVED

MAR 20 2019

DEPARTMENT OF
WATER RESOURCES

1. **PARTIES:** The parties of this lease are:

Landlord: Brad Wolstenhulme
Address: 101 Valleyview Drive
Montpelier, Idaho 83254

Social Security or Federal I.D. Number: [REDACTED]

Tenant: CSS Potato Farms, LLC
1200 33rd St. SE
Watertown, SD 57201

2. **PROPERTY:** The Landlord leases to the Tenant the following described real property located in Oneida County, Idaho:

Approx'y 125 acres in the NW ¼ of Section 32 T-14S, R-33E. (B3 Pivot)

3. **TERM:** The term of this Lease shall be for one (1) year, commencing January 1, 2019 and ending on December 31, 2019.

4. **RENTAL AMOUNT:** The total rental amount will be [REDACTED] be paid by April 15, 2019.

Tenant plans to install a center pivot irrigation system and ancillary equipment on this property in 2018. All removable personal property that Tenant places on the property shall remain the property of the Tenant, both during and after the expiration of this lease.

5. **INSURANCE:** The Tenant shall provide liability insurance for injuries or damages occurring on the premises due to its negligence, acts or failure to act, and those of its employees, agents, and invitees.

The Tenant shall obtain and pay for insurance covering the irrigation system, and the Landlord will have no financial obligations relative to the center pivot irrigation system and ancillary equipment.

6. **IRRIGATION SYSTEM:** Tenant will be responsible for the day-to-day operation of the irrigation system that Tenant places on the property. Tenant will

be responsible for all repairs as well as all recommended preventative maintenance to the center pivot, irrigation well, pump, motor, pipeline, and associated electrical equipment.

Tenant will provide the water and will pay all power costs incurred in operating the irrigator on the land rented by the Tenant during the term of this lease.

Landlord will not be liable for any damages to the crop due to lack of water.

Tenant will provide all the water needed by the Landlord in the fall (at no cost to the Landlord) to establish a wheat (or other cover crop) on the acres planted to potatoes each year.

7. FARMING PRACTICE: Tenant agrees to farm the land according to the farming practices that are proper, standard, and accepted in the locality.

Tenant agrees to use only such seeds, fertilizers, herbicides, and other chemicals in such quantities and qualities as are proper, standard, federally labeled according to FIFRA, and accepted in the locality.

8. REAL ESTATE TAXES: Landlord shall be responsible for payment of all real estate and personal property taxes and special assessments due on the property for the full term of this agreement and any extensions thereof.

9. HERBICIDE DISCLOSURES: Landlord represents and warrants that all herbicides used on the Leased Premises during the prior three production seasons are set forth on attached Schedule A, and further represents and warrants that the rates, methods of application, and other information provided on Schedule A are truthful and accurate in all respects.

10. ENTIRE CONTRACT and AMENDMENT: This agreement shall constitute the entire contract between the parties, and this agreement shall not be changed, nor any provision waived unless in writing signed by both parties. All of the agreements contained in this lease shall extend to and be obligatory upon the heirs, executors, administrators and assigns of the respective parties.

Dated this 19 day of MARCH, 2019.

LANDLORD

BRAD WOOLSTENHUME

By: BE Woolstehume

Title: OWNER.

Witness: _____

TENANT

Trent Munden

By: ZDO

Title: Farm Manager

Witness: _____

Edl, Michele

From: Edl, Michele
Sent: Wednesday, March 20, 2019 11:18 AM
To: Cefalo, James
Subject: request for comment B17 lease rental package
Attachments: Lease Rental Review Memo.docx; WM comment map.jpg

James,

I have completed my review of a 2019 water supply bank lease-rental package submitted by Greg Sullivan on behalf of CSS Potato Farms (the renter) and Holbrook Farm (the lessor).

The POUs and PODs are located in the Curlew Valley Critical Ground Water Area.

I have attached my review memo and a map which shows the proposed lease and rental shapes. The lease POUs and PODs in lime green color. The rental POUs and PODs in light purple.

Please let me know if you have any questions or concerns about this lease-rental.

Thank you again.

Michele Edl

287-4946



No. W 148512 Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE		Due no later than Feb 28, 2018 Annual Report Form 1. Mailing Address: Correct in this box if needed. CSS POTATO FARMS, L.L.C. 76944 TOWER RD BOARDMAN OR 97818 USA		2. Registered Agent and Address (NO PO BOX) C T CORPORATION SYSTEM 921 S ORCHARD ST STE G BOISE ID 83705 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
MANAGER	ROBIN STAMP	76944 TOWER RD	BOARDMAN	OR	USA 97818
MANAGER	REAGAN GRABNER	76944 TOWER RD	BOARDMAN	OR	USA 97818
MANAGER	STEVEN GANGWISH	76944 TOWER RD	BOARDMAN	OR	USA 97818
MANAGER	MILTON CARTER	76944 TOWER RD	BOARDMAN	OR	USA 97818
5. Organized Under the Laws of: SD W 148512		6. Annual Report must be signed.* Signature: Ryan Nelson Name (type or print): Ryan Nelson Date: 01/12/2018 Title: POA			
Processed 01/12/2018		* Electronically provided signatures are accepted as original signatures.			

Company Overview of International Farming Corp GP2, LLC

March 12, 2019 6:53 PM ET

Snapshot

People

Overview Board Members Committees

Executive Profile

Charles Felix Harvey McNairy

Executive Director, International Farming Corp GP2, LLC

Age	Total Calculated Compensation	
--	--	This person is connected to 1 Board Member in 1 organization across 0 different industries.

[See Board Relationships](#)

Background

Mr. Charles Felix Harvey McNairy serves as a Director of International Farming Corp GP2, LLC.

Corporate Headquarters

1291 US Highway 258 North
Kinston, North Carolina 28504

United States

Phone: 252-523-0800

Fax: --

Annual Compensation

There is no Annual Compensation data available.

Stocks Options

There is no Stock Options data available.

Total Compensation

There is no Total Compensation data available.

Board Members Memberships

Executive Director

International Farming Corp GP2, LLC

Education

There is no Education data available.

Other Affiliations

There is no Company Affiliations data available.

Request Profile Update



0003439589

**STATE OF IDAHO***Office of the secretary of state, Lawrence 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

-FILED-

File #: 0003439589

Date Filed: 3/1/2019 1:29:49 PM

Entity Name and Mailing Address:

CSS FARMS, LLC

The file number of this entity on the records of the Idaho Secretary of State is: 0000451975

Address

3747 S 21000 W
HOLBROOK, ID 83243-5104

Entity Details:

Entity Status

Active-Existing

This entity is organized under the laws of:

DELAWARE

If applicable, the old file number of this entity on the records of the Idaho Secretary of State was: W148512

The registered agent on record is:

Registered Agent

C T CORPORATION SYSTEM
Commercial Registered Agent
Physical Address
921 S ORCHARD ST STE G
BOISE, ID 83705
Mailing Address
921 S ORCHARD ST STE G
BOISE, ID 83705

Agent or Address Change

☐ Select if you are appointing a new agent.

Limited Liability Company Managers and Members

Name	Title	Address
ROBIN STAMP	Manager	3747 S 21000W HOLBROOK, ID 83243
REAGAN GRABNER	Manager	3747 S 21000W HOLBROOK, ID 83243
STEVEN GANGWISH	Manager	3747 S 21000W HOLBROOK, ID 83243
MILTON CARTER	Manager	3747 S 21000W HOLBROOK, ID 83243

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

Ryan Nelson

Sign Here

03/01/2019

Date

Signer's Title: POA

B0187-4245 03/01/2019 1:29 PM Received by ID Secretary of State Lawrence Denney

State of Idaho

Office of the Secretary of State

AMENDED CERTIFICATE OF REGISTRATION
OF
CSS POTATO FARMS, L.L.C.
File Number W 148512

I, LAWERENCE DENNEY, Secretary of the State, hereby certify that an Application for Amended Foreign Registration has been received in this office and is found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Amended Certificate of Foreign Registration to reflect the name change from **CSS POTATO FARMS, L.L.C.** to **CSS FARMS, LLC** and attach hereto a duplicate of the application for such amended certificate.

Dated: January 19, 2018



Lawrence Denney
SECRETARY OF STATE

By *[Signature]*

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "CSS FARMS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SEVENTEENTH DAY OF JANUARY, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "CSS FARMS, LLC" WAS FORMED ON THE SIXTEENTH DAY OF JANUARY, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN ASSESSED TO DATE.



6712399 8300

SR# 20180292073

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature of Jeffrey W. Bullock in black ink, written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Jeffrey W. Bullock, Secretary of State

Authentication: 201979718

Date: 01-17-18



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED

JAN 04 2019

DEPARTMENT OF
WATER RESOURCES

January 3, 2019

Remington Buyer
Idaho Water Supply Bank
Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Re: CSS Potato Farms, LLC

Dear Mr. Buyer:

Holbrook Farm, LLC has applied to lease 190.0 acres of ground water rights 17-7007, 17-2028, 17-2030 and 17-2045 into the Idaho Water Supply Bank for the 2018 irrigation season.

CSS Potato Farms, LLC has entered into a farm lease contract for the property. CSS Potato Farms, LLC desires to rent 190.0 from water rights 17-7007, 17-2028, 17-2030 and 17-2045 for the 2019 irrigation season.

Holbrook Farm, LLC and CSS Potato Farms, LLC have entered into an agreement that states that Holbrook Farm, LLC has already been paid by CSS Potato Farms, LLC for the 2019 rental of the 190.0 acres. No rental payment will be made to the Idaho Water Supply Bank for the 90% of the rental amount that would normally go to the water right owner. A 10% rental processing fee will be paid to the Idaho Water Supply Bank when the final rental agreement is signed for 2019.

Please copy our office on all correspondence regarding this application.

Sincerely,

Greg Sullivan, M.S., Engineer

Cc: Trent Munden, Mark Grassel
Enc: Aerial Maps, Rental Application, Payment Agreement

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506