

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 312

This is to certify that:

CSS POTATO FARMS LLC
3747 S 21000 W
HOLBROOK, ID 83243

RECEIVED
APR 26 2019
DEPARTMENT OF
WATER RESOURCES

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)	Acres (AC)	Rate Per Acre (CFS/AC)	Volume Per Acre (AF/AC)
17-2052	4/15/1966	GROUND WATER	0.18	77.8	54.2	0.003	1.4
17-7063	9/12/1975	GROUND WATER	0.61	165.7	118.1	0.005	1.4
Combined Rental Totals			0.79	243.5	118.1	0.007	2.1

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: \$486.88

The full fee for the rental of the above-described right(s) is \$486.88 for 2019. The rental fee includes an administrative fee of \$486.88 for 2019. Note that the renter is obligated to pay only the administrative fees associated with the water right(s): 17-2052, 17-7063.

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.

Total Water Use Authorized Under Rental Agreement

Beneficial Use	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)	Rate/Acre (CFS/AC)	Volume/Acre (AF/AC)
IRRIGATION	0.79	210.0	60.0	0.013	3.5
Combined Total	0.79	210.0	60.0	0.013	3.5

*** The authorized water usage reflects a reduction from the water right elements rented, to account for combined limits and Headgate Standard Requirement.**

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 312

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

Date 4/22/19

Trent Menden

Printed Name

Farm Manager

Title

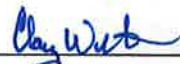
*Title required if signing on behalf of a company or organization or with power of attorney

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 4/28/2019

Rental approved by IDWR 

Date 4-28-2019

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 312

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER SENW Sec. 25, Twp 14S, Rge 32E, ONEIDA County

BENEFICIAL USE
IRRIGATION

DIVERSION RATE
0.79 CFS

VOLUME
210.0 AF

SEASON OF USE

Water Right No.	From	To
17-2052	4/1	10/31
17-7063	5/1	9/15

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	32E	25							30.0										30.0
14S	32E	26				30.0													30.0

Total Acres: 60.0

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.
9. These rights are limited to the irrigation of 60.0 acres within the authorized place of use in a single irrigation season.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

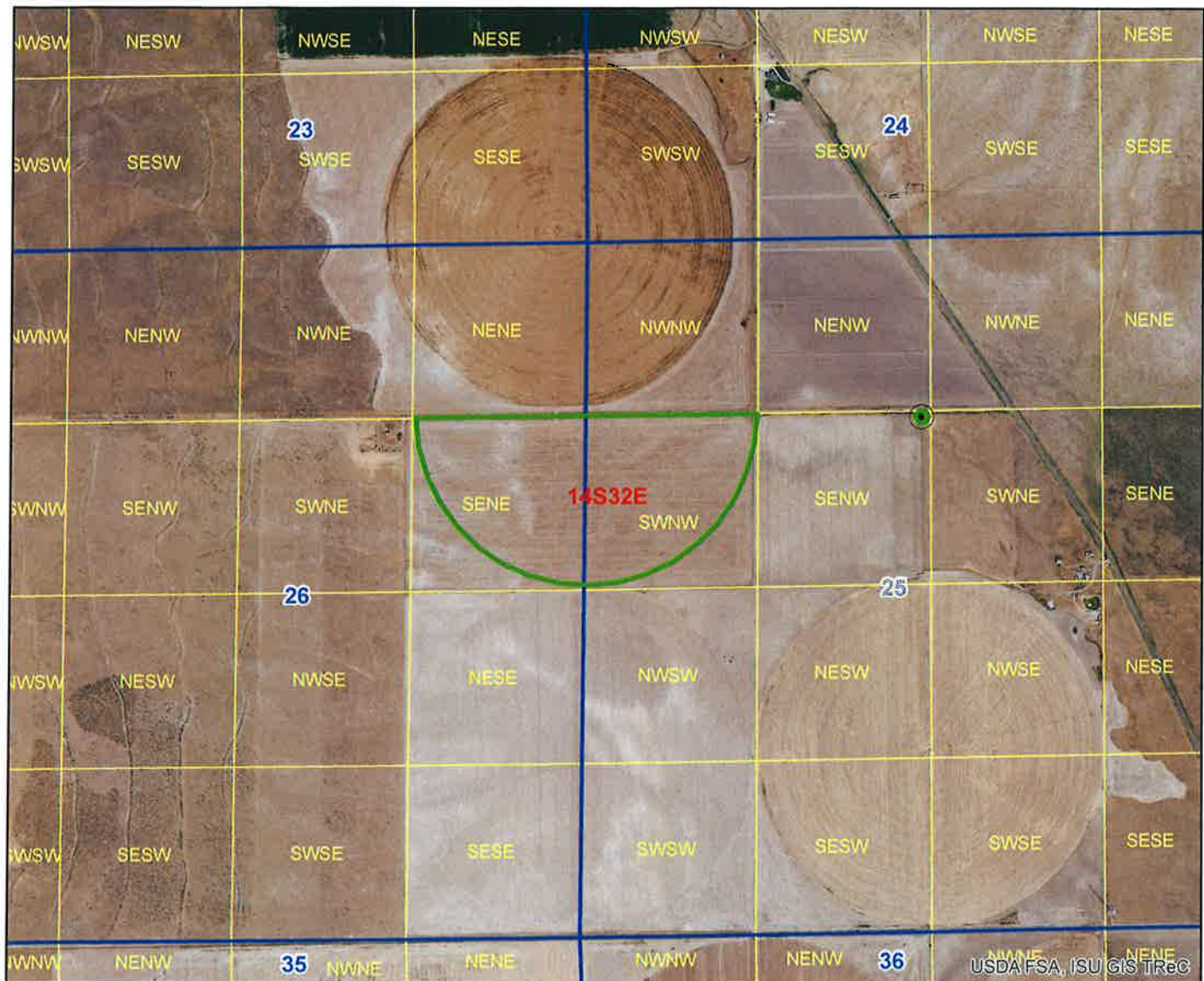
WATER SUPPLY BANK RENTAL AGREEMENT No. 312

10. 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.
11. The period of use under right 17-2052 for the irrigation described in this approval may be extended to a beginning date of 4/1 and an ending date of 10/31 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 5/1 and after 9/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than December 7, 2012.
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.

Idaho Water Resource Board
Attachment to Water Supply Bank Rental Agreement No. 312

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.



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



0 1,000 2,000 Feet

RECEIVED
Form 42-1761-2-10/13

JAN 04 2019

DEPARTMENT OF
WATER RESOURCES

STATE OF IDAHO
WATER RESOURCE BOARD

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

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)

17-2052

17-2063

177063

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)
0.81 CFS	210.0 AF	0.81 CFS	210.0 AF	60.0 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	☒ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 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
14S32ESec25 SENW	Ground Water	17-2052, 17-7063

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 60.0 (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)
17-2052	Irrigation	0.19	82.3	57.4		0.19	67.1	27.5
17-2063	Irrigatioin	0.64	175.4	67.6		0.64	142.9	32.5
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	0.83	210.0	60.0
						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**:

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

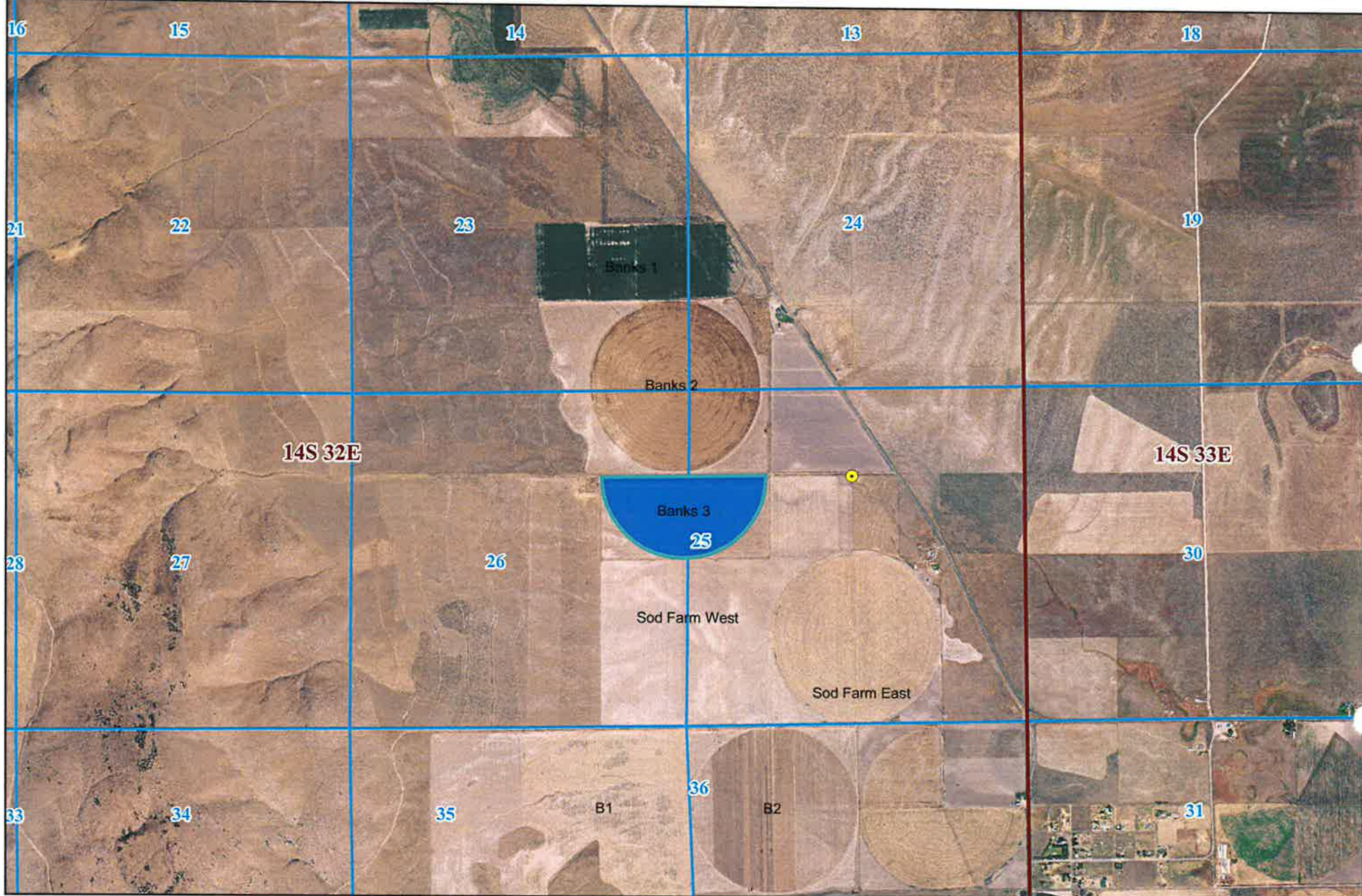

Signature of Representative

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



0 0.15 0.3 0.6 Miles

CSS POTATO FARMS, LLC

WATER BANK 2019
NAIP 2017 AERIAL

BROCKWAY ENGINEERING, PLLC.
GWS - Date: 11/7/2018

Legend

■ 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,

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

Reagan Grabner
Managing Partner

CONTRACT OF AGREEMENT

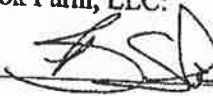
To Whom It May Concern,

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.

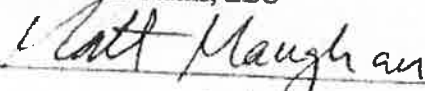
Therefore, the rental payment of the 90% of the rental fees for water rights 17-7007, 17-2028, 17-2045, 17-2030, 17-2052 and 17-7063 for the year 2019 have been paid in full.

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

April 29, 2019

CSS POTATO FARMS LLC
3747 S 21000 W
HOLBROOK ID 83243

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 17-2052 and 17-7063, AGREEMENT 312**

Dear Renter:

Please find enclosed a receipt in the amount of **\$486.88** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 243.5acre-feet of water for irrigation of 60.0 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.

The full fee for the rental of the above-described rights is \$486.88 for 2019. The rental fee includes an administrative fee of \$486.88 for 2019. Note that the renter is obligated to pay only the administrative fees associated with water rights 17-2052 and 17-7063.

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

Sincerely,


for Water Supply Bank

Enclosures: Receipt No. C106690
Rental Agreement (copy)

c: Sascha Marston – Fiscal
Corey Skinner – IDWR Southern 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 16, 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. 17-2052 and 17-7063, AGREEMENT 312**

*****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.

The full fee for the rental of the above-described rights is \$486.88 for 2019. The rental fee includes an administrative fee of \$486.88 for 2019. Note that the renter is obligated to pay only the administrative fees associated with the water rights 17-2052 and 17-7073.

Please send a check for \$486.88 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

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**

MEMORANDUM FOR LEASE CONTRACT #951 AND RENTAL AGREEMENT #310

To: Water Right(S) 17-2052 & 17-7063

From: Mary Condon

Date: March 1, 2019 (March 6, 2019)

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

PURPOSE/NARRATIVE: Companion lease rental applications received on January 4, 2019 for an additional year, similar to 2018, 2017 and 2016. Lease application seeks to lease an entire pivot, which is equal to 118.1 acres, while the rental application for these rights requests the entire leased portion condensed onto 60 acres of new land for increased rate and volume. The values given for the leased portions are not proportionate, but the lease contract and rental agreement will be proportionate and limited to avoid enlargement. An overpayment of \$50.00 for the two lease applications was refunded.

Private agreement for the owner payment, admin fee only applies to rental.

AUTHORITY TO FILE: Application for lease of stacked rights 17-2052 & 17-7063 in the name of Holbrook Farm, signed by Brian Uken as Agent for Holbrook Farm. Designation of Agent granting authority through US Farming Realty Trust II, LP, by International Farming Corp GP2, LLC, signed by Charlie McNairy, manager. A google search for US Farming Realty Trust lists Charlie McNairy as a key member. Land parcel taxlot data for the lease place of use and diversion are in the name of Holbrook Farm as well. Representative for both lessor and renter is Greg Sullivan, for Brockway Engineering.

Rental application for rights 17-2052 & 17-7063 in the name of CSS Potato Farms, LLC, signed by Matthew Maughen, as farm manager. Designation of Agent granting authority for CSS Potato Farms, LLC, signed by Reagan Grabner, as Managing Partner. Idaho Secretary of State has the business listed as CSS Farms, LLC, with Reagan Grabner as an agent, with the same principal address as the mailing address.

No concerns with authority to file lease and rental applications.

WATER RIGHT VALIDITY: Water right 17-2052 was licensed in 1973 and water right 17-7063 was licensed in 1982. Transfer 78181 in 2012 stacked/consolidated these two rights together and limited them to 316 acres in order to increase the diversion rate and volume. The rates and volume are additive for 0.007 cfs per acre and 2.1 af per acre combined. A portion of these rights for a pivot were then brought into the bank in 2016, 2017 and 2018. No concerns with validity of the water rights offered to the bank.

INJURY TO OTHER WATER RIGHTS: Review for compliance in idling the 2017 and 2018 leased pivot showed heavy vegetation in excess of the remaining unleased 197.9 acres. Request for additional information was sent to Holbrook Farm, and cc'd to their consultant, on March 4, 2019. Reply from Trent Munden, manager for the Holbrook Farm, was forwarded to me on March 5, 2019 from Greg Sullivan, and states the pivot for the leased field was moved to off the property in spring 2017 and onto the rental pivot and has not been placed back on the leased field. In addition, Mr. Munden stated in 2018 there was dryland wheat planted on the unirrigated fields, and sufficient rainfall produced heavy vegetation. Continued lease of this water right should not cause injury to other water rights.

Rental will be from the same POD as the leased rights, but used on a different POU just above the leased POU. Injury to other water rights is not expected through the lease and rental.

ENLARGEMENT OF USE: The cover letter is to lease 125 acres of these two rights combined. Application for lease is for 57.4 acres of 17-2052 and 67.6 acres of 17-7063, which is not proportionate. The pivot for lease is equal to the limit of 118.1 acres, per the licensed amounts on the QQ's. Proportionate values based off of the 118.1 acres would be 54.2 acres of 17-2052 and 118.1 acres of 17-7063. Their rates and volumes are additive. Unleased portion of these rights are limited to 197.9 acres. No enlargement is expected through the lease of these rights portions.

The rental place of use requests to irrigate 60 acres at a rate of 0.014 cfs per acre, by condensing the acres and keeping the rate and limiting the volume to the HG standard of 3.5. The rental for the full amount of leased rate equal to 0.007 cfs per acre, but condensed onto 60 acres would be closer to 0.013 cfs per acre.

The two pivots, one for the unleased acres and the other for the rental are not expected to be operating at the same time, and enlargement of the unleased and rented acres is not expected. Measurement devices are not yet required on wells in this area, so no measurement data is available through WMIS.

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 location for the lease and rental PD is not subject to a Water District, but is within the Curlew Valley CGWMA.

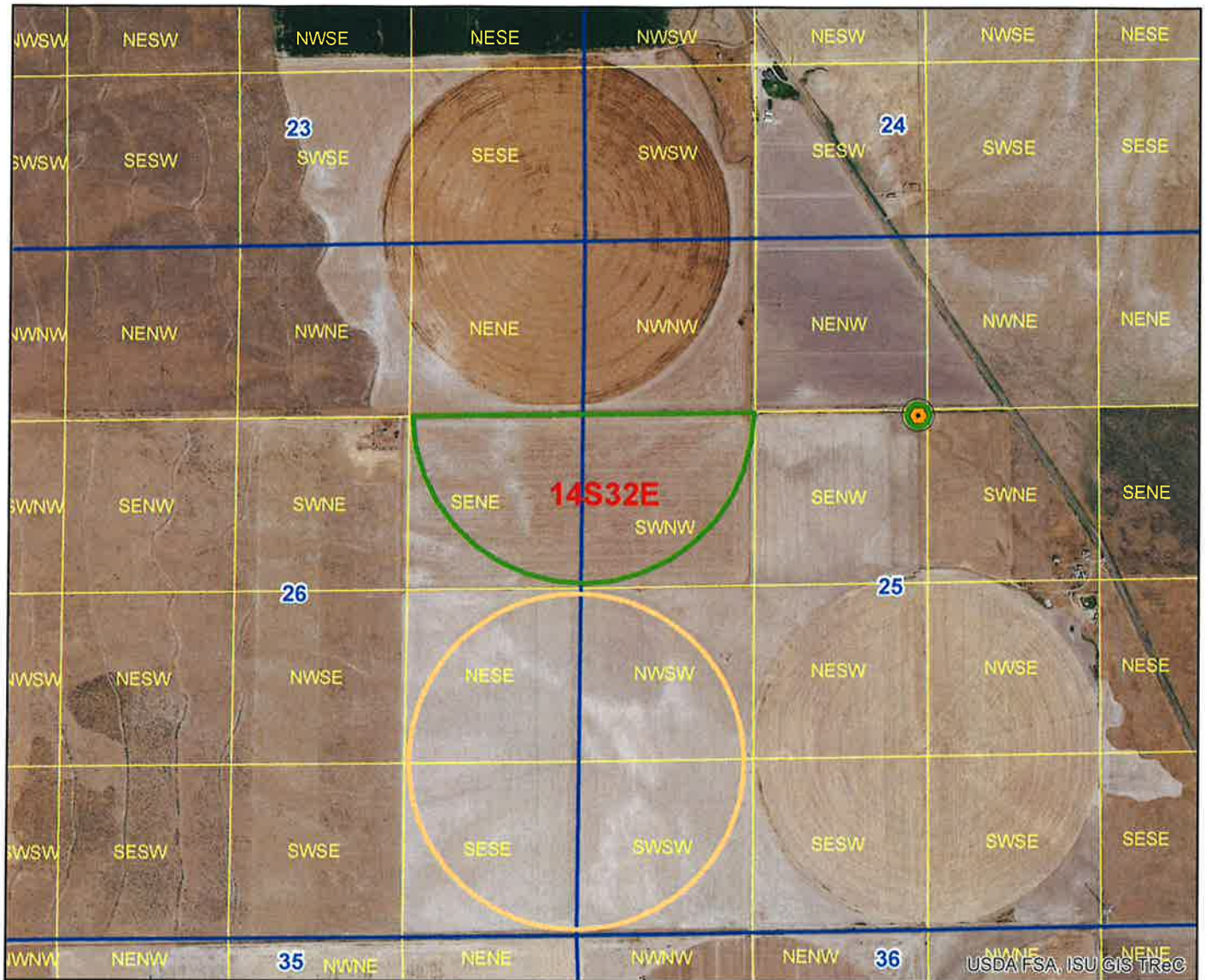
SOU – 05/01-09/15 with shoulder season for right 17-7063, 4/1-10/31 for right 17-2052; HG – 3.5, Eastern Region

Request for comment sent to Eastern Region manager on March 7, 2019.

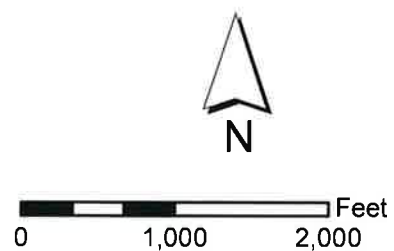
Idaho Water Resource Board

Move Map - 2019

17-2052 & 17-7063



-  Active Water Supply Bank Lease POD
-  Active Water Supply Bank Lease POU
-  Authorized Rental Point of Diversion
-  Authorized Rental Place of Use
-  Township/Range
-  Sections
-  QQ



Basin	Sequence	Suffix	Version Number	Process	Application Type	Basis	Status	Draft	RightID	Priority Date	Diversion Rate	Volume	Total Acres	Acre Limit	cfs per acre	af per acre	Water District
17	2052			Water Right		License	Active	N	658431	4/15/1966	0.490	208.0	316.0	145.0	0.003	1.4	NWD - No Water District
17	7063			Water Right		License	Active	N	658433	9/12/1975	1.620	443.4	316.0	316.0	0.005	1.4	NWD - No Water District
											2.110	651.4	316.0	316.0	0.007	2.1	

needed for lease of pivot per licensed acres per qq

17	2052			Water Right		License	Active	N	658431	4/15/1966	0.183	77.7	54.2	54.2	0.003	1.4	
17	7063			Water Right		License	Active	N	658433	9/12/1975	0.605	165.714	118.1	118.1	0.005	1.4	
											0.789	243.5	118.1	118.1	0.007	2.1	
											0.789	243.5	118.1	60.0	0.013	4.1	



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

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

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



BROCKWAY
ENGINEERING
P.L.L.C.

Hydraulics

Hydrology

Water Resources

January 2, 2019

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

RECEIVED

JAN 04 2019

**DEPARTMENT OF
WATER RESOURCES**

Re: CSS Potato Farms, LLC Rental

Dear Mr. Buyer:

Holbrook Farm, LLC has applied to lease 125.0 acres of ground water rights 17-2052 and 17-7063 into the Idaho Water Supply Bank for the 2019 irrigation season.

CSS Potato Farms, LLC has entered into a farm lease contract for the property. CSS Potato Farms, LLC desires to rent 60.0 from water rights 17-2052 and 17-7063 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 2018 rental of the 60.0 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