

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 232

RECEIVED

APR 10 2018

DEPARTMENT 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)	Acres (AC)
17-7007	8/24/1970	GROUND WATER	0.81	223.2	84.2
17-2028	7/30/1953	GROUND WATER	0.30	109.4	40.0
17-2045	7/24/1959	GROUND WATER	0.41	63.6	39.1
17-2030	3/4/1954	GROUND WATER	0.21	41.0	11.7
Combined Rental Totals			1.68	437.2	125.0

Term of Rental: This rental shall take effect when all parties have signed it and shall continue in effect until December 31, 2018

Annual Rental Fee:

2018: \$874.40

The full fee for the rental of the above-described right(s) is \$8,744.00 for 2018. The rental fee includes an administrative fee of \$874.40 for 2018. 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.

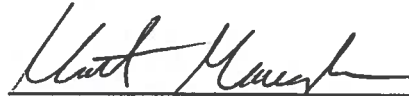
Detailed water right conditions are attached.

SUPPORT DATA

IN FILE # 17-2028

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT

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:

 4/2/18
Signature of Renter Date

Matt Maughan Team Manager
Printed Name 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  Date 4/10/2018
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Rental approved by IDWR  Date 4-10-2018

WATER SUPPLY BANK RENTAL AGREEMENT No. 232

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER	NWNW	Sec. 18, Twp 15S, Rge 33e,	ONEIDA County
GROUND WATER	SWSE	Sec. 7, Twp 15S, Rge 33E,	ONEIDA County
GROUND WATER	NWNE	Sec. 8, Twp 15S, Rge 33E,	ONEIDA County
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
1.68 CFS

Volume
437.2 AF

SEASON OF USE

Water Right No.	From	To
17-2028	4/1	10/31
17-2045	4/1	10/31
17-2030	4/1	10/31
17-7007	4/1	10/31

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									32.0	31.0	31.0	31.0					125.0

Total Acres: 125.0

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

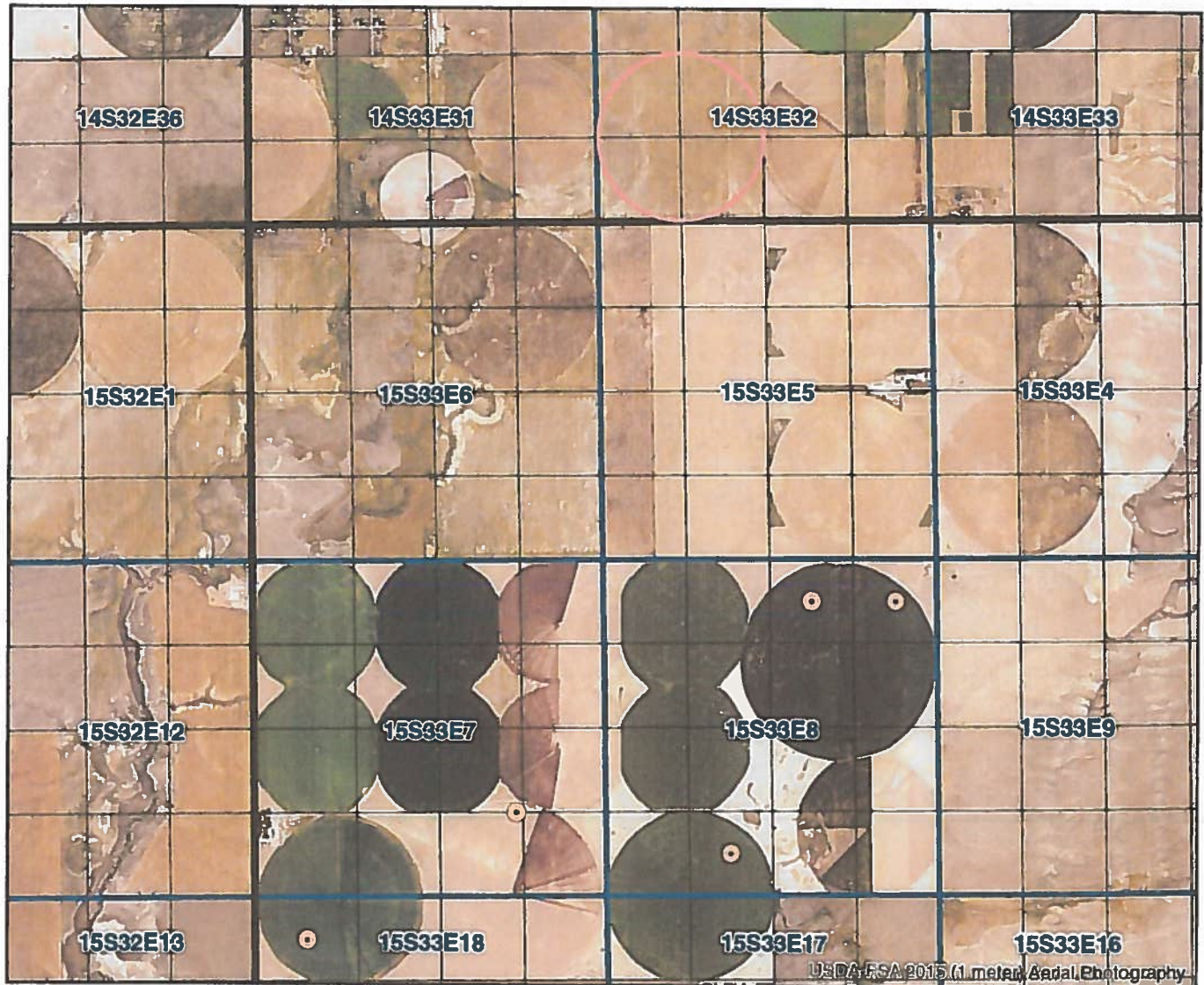
1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption 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 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.
4. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
5. 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.
6. 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. This rental for mitigation by non use may be ineffective if the mitigating water right is not in priority.
7. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
8. 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.

9. 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.
10. This rented portion of rights 17-2028, 17-2045 and 17-7007 when combined shall not exceed the irrigation of 113.2 acres.
11. This rented portion of rights 17-2028 and 17-7007 when combined shall not exceed the irrigation of 103.8 acres.
12. This rented portion of rights 17-2028, 17-2030, 17-2045 and 17-7007 when combined shall not exceed a total diversion rate of 1.68 cfs and the irrigation of 125.0 acres.
13. This rented portion of rights 17-2045 and 17-7007 when combined shall not exceed a total diversion rate of 1.17 cfs.
14. This rented portion of rights 17-2028 and 17-2045 when combined shall not exceed the irrigation of 49.5 acres.
15. This rental agreement does not authorize the construction of a well.
16. This rental does not grant any right-of-way or easement on the property of another party.

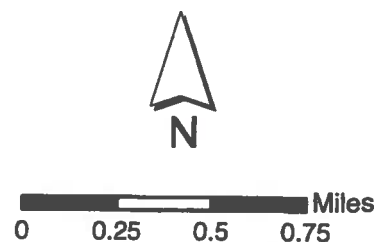
Idaho Water Resource Board
Attachment to Water Supply Bank Rental Agreement No. 232

Effective until December 31, 2018

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
-  Townships
-  PLS Sections
-  Quarter Quarters



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

FEB 13 2018

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANKApplicant 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

1021

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)
1.67 CFS	437.5 AF	1.67 CFS	437.5 AF	125.0 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?	
5/1/2018	7/1/2018	☒ 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
15S33ESec8 NENE	Ground Water	17-7007, 17-2028, 17-2045, 17-2030
15S33ESec8 NENE	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 125.0 (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	0.81	223.4	84.2		0.81	223.4	84.2
17-2028	Irrigation	0.30	109.6	40		0.30	109.6	40
17-2045	Irrigation	0.41	63.7	39.1		0.41	63.7	39.1
17-2030	Irrigation	0.21	40.9	11.7		0.21	40.9	11.7
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	1.68	437.5	125.0
						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

REAGAN GRABNER
Printed Name of Applicant

12/18/17
Date

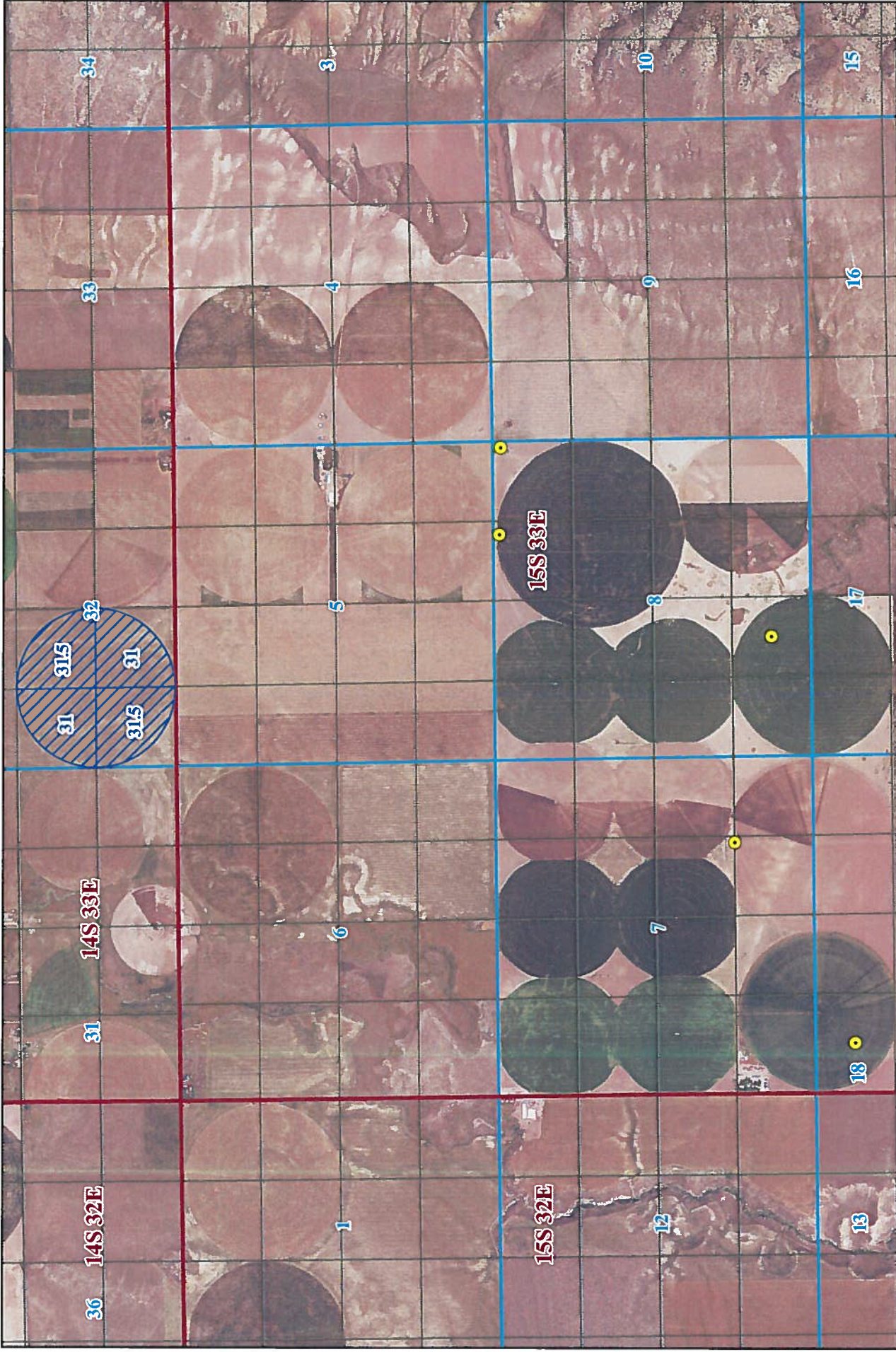
Signature of Representative

Printed Name of Representative

Date

Mail to:

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



CSS POTATO FARMS, LLC

WATER BANK 2018
NAIP 2015 AERIAL

0 0.25 0.5 1 Miles

Legend
Brad_4

No. W 148512		Due no later than Feb 28, 2017		2. Registered Agent and Address (NO PO BOX)	
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE		Annual Report Form		C T CORPORATION SYSTEM 921 S ORCHARD ST STE G BOISE ID 83705	
		1. Mailing Address: Correct in this box if needed. CSS POTATO FARMS, L.L.C. 76944 TOWER RD BOARDMAN OR 97818 USA			
				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 Nelsonpo Name (type or print): Ryan Nelsonpo Date: 01/10/2017 Title: POA			
Processed 01/10/2017		* Electronically provided signatures are accepted as original signatures.			

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 2018. No additional fees are required by Holbrook Farm, LLC of CSS Potato Farms, LLC for 2018 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 2018 have been paid in full.

Holbrook Farm, LLC:



Date: 1/2/18

CSS Potatoe Farms, LLC



Date: Dec. 28, 2017



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

April 11, 2018

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**

Dear Renter:

Please find enclosed a receipt in the amount of **\$874.40** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 437.2 acre-feet of water for irrigation of 125.0 acres during 2018. 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,

 Water Supply Bank

Enclosures: Receipt No. C104937
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 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

April 2, 2018

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**

*****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 **\$8,744.00** was calculated based on the current rental rate of \$20.00 per acre-foot times a diversion volume of 437.2 acre-feet. Since you have a private agreement with the lessor, **you are only obligated to pay the 10% administrative fee or \$874.40.**

Please send a check for \$874.40 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 # 778 and Rental Agreement #232

To: Water Rights 17-2028, 17-2030, 17-2045 and 17-7007

From: Sandra Thiel

Date: March 6, 2018

Re: Water Supply Bank Lease Applications for Holbrook Farm LLC

Purpose/Narrative:

Lease: On February 13, 2018, Greg Sullivan of Brockway Engineering submitted a lease/rental package on behalf of lessor Holbrook Farm LLC and renter CSS Potato Farms. Both applications included rights 17-2028, 17-2030, 17-2045 and 17-7007. The application proposes to lease 125 acres of ground water in T15S R33E portions of Sections 7, 8, 17 and 18. The acres include end gun irrigation. A portion of these acres were leased into the bank in 2017.

Rental: CSS Potato Farms LLC submitted a companion rental for the 125 acres. CSS intends to irrigate new acres under a pivot in T14S R33E Section 32, approximately one mile north of the lease place of use. According to the application, the rental points of diversion will remain the same as the leased water right. CSS plans to use the existing wells and install a new main line and pivot system. The applications included a Contract of Agreement between Holbrook and CSS indicating a private agreement between the lessor and renter. Both the lease and the rental are limited to one year.

Authority to File: The lease documentation for 2017 included a *Designation of Agent and Grant of Authority* from Holbrook Farm, LLC designating Brian Ukne the authority to execute documents on behalf of Holbrook. The designation appears to be ongoing. Mr. Ukne signed all of the lease applications.

Reagan Grabner signed the rental application on behalf of CSS Potato Farms. The application included the Secretary of State's annual report for CSS identifying Reagan Grabner as a manager.

Water Right Validity: Each of the four rights included on the lease application are licensed rights, 17-2028 (1953), 17-2030 (1954), 17-2045(1959) and 17-7007(1970). There is clear evidence of irrigation for some of the pivots on the 2015 NAIP imagery. The 2016 Landsat provides evidence for the remaining pivots.

Injury to Other Water Rights: No injury is anticipated. There will be no change to the points of diversion. Both the lease and rental fall within the Curlew Valley Critical Ground Water Area.

Enlargement of Use: Combined limits apply to the four water rights. There is no existing right appurtenant to the proposed pivot place of use. The rental amount is sufficient to run the pivot. No enlargement is anticipated.

Local Public Interest: Staff has no information to suggest the rental is contrary to local public interests.

Beneficial Use/Conservation of Water Resources: The lease and rental appear consistent with the conservation of water resources in Idaho.

Department/Watermaster Comments: These water rights are not subject to a water district. James Cefalo responded with no concerns.

Thiel, Sandra

From: Cefalo, James
Sent: Tuesday, March 06, 2018 8:30 AM
To: Thiel, Sandra
Subject: RE: Water Supply Bank Holbrook Lease and CSS Potato Farm Rental

Sandra,

I don't have any concerns with the proposed WSB rental/lease package.

James

From: Thiel, Sandra
Sent: Monday, March 05, 2018 9:10 AM
To: Cefalo, James <James.Cefalo@idwr.idaho.gov>
Subject: Water Supply Bank Holbrook Lease and CSS Potato Farm Rental

Good Morning, the attached documents provide information about a water supply bank lease and rental. Please let me know if you have any questions or concerns.

Sandra Beer Thiel
Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098
(208)287-4881
sandra.thiel@idwr.idaho.gov



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DEPARTMENT OF
WATER RESOURCES

January 2, 2018

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 125.0 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 125.0 from water rights 17-7007, 17-2028, 17-2030 and 17-2045 for the 2018 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 125.0 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 of \$875.00 (10% x \$20.00/acre-foot x 437.5 acre-foot) will be paid to the Idaho Water Supply Bank when the final rental agreement is signed for 2018.

Please copy our office on all correspondence regarding this application.

Sincerely,

Greg Sullivan, M.S., Engineer

Cc: Reagan Grabner
Enc: Aerial Maps, Rental Application, Payment Agreement

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

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