

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

## WATER SUPPLY BANK LEASE CONTRACT No. 1675

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

**LESSOR:** HOLBROOK FARM LLC  
1291 US HIGHWAY 258 NORTH  
KINSTON, NC 28504

RECEIVED  
APR 13 2023

Department of Water Resources

### RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources and received by the Department on January 27, 2023.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

#### Summary of Water Rights or Portions Leased to the Bank

| Water Right No.              | Priority Date | Source       | Diversion Rate (CFS) | Diversion Volume (AF) | Acres (AC) |
|------------------------------|---------------|--------------|----------------------|-----------------------|------------|
| 17-2052                      | 4/15/1966     | GROUND WATER | 0.23                 | 98.0                  | 68         |
| 17-7063                      | 9/12/1975     | GROUND WATER | 0.76                 | 208.9                 | 149        |
| <b>Combined Lease Totals</b> |               |              | <b>0.99</b>          | <b>306.9</b>          | <b>149</b> |

2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

**Minimum Payment Acceptable:** Current Rental Rate

3. **TERM OF LEASE:** The term of this lease shall be January 1, 2023 to December 31, 2023. This Lease shall bind the parties and take effect when both parties have signed it.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.

SUPPORT DATA  
IN FILE # 17-2052

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

**WATER SUPPLY BANK LEASE CONTRACT No. 1675**

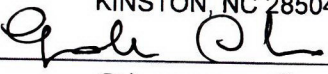
5. **CHANGE OF WATER RIGHT:** This lease specifies water right elements including but not limited to: diversion rates; diversion volumes; number of acres authorized to be irrigated; places of use; points of diversion; beneficial uses; and seasons of use. During the term of this lease, if a water right is administratively changed due to a water right split and renumbering, this lease may be reduced by an equal amount to reflect the water right elements as legally defined under the water right. If a lease contract cannot be reduced sufficient to reflect the legal definition of a water right as amended through a water right split and/or water right transfer, the Board may release the water right from the Water Supply Bank.
6. **ASSIGNMENT OF CONTRACT:** This lease is between the Board and the Lessor, who is the recognized owner or designated representative of the recognized owners of water rights described herein. Should ownership of any part of a water right herein described change during the term of this lease, either through a water right split, a water right transfer, sale of property to which the water right is appurtenant, or through any other recognized water right reassignment, the lease benefits and obligations to the conditions of acceptance for any such water rights will be assigned to the new owners.
7. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

**WATER SUPPLY BANK LEASE CONTRACT No. 1675**

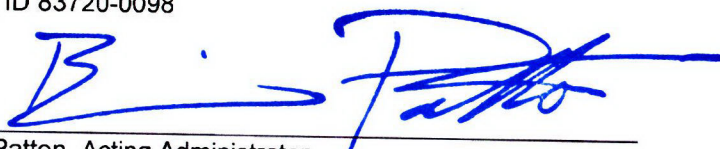
IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

**LESSOR:** HOLBROOK FARM LLC  
1291 US HIGHWAY 258 NORTH  
KINSTON, NC 28504

By   
Title PARTNER  
Date 4/11/2023

**IDAHO WATER RESOURCE BOARD**

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

By   
Brian Patton, Acting Administrator  
Idaho Water Resource Board

Date 4/14/23

Lease approved by IDWR 

Date 4/14/23

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

## WATER SUPPLY BANK LEASE CONTRACT No. 1675

### ATTACHMENT A WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water rights or portions thereof leased to the bank are described as follows:

**Source and Location of Point(s) of Diversion for Water Right No(s): 17-2052, 17-7063**

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

| Water Right    | Beneficial Use | Season of Use |    |       | Diversion Rate (CFS) | Volume (AF) |
|----------------|----------------|---------------|----|-------|----------------------|-------------|
|                |                | From          |    | To    |                      |             |
| 17-2052        | IRRIGATION     | 04/01         | to | 10/31 | 0.23 cfs             | 98.0 AF     |
| 17-7063        | IRRIGATION     | 05/01         | to | 09/15 | 0.76 cfs             | 208.9 AF    |
| <b>Totals:</b> |                |               |    |       | 0.99 cfs             | 306.9 AF    |

#### PLACES OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

| Twp | Rng | Sec | NE |    |    |    | NW |    |    |      | SW |      |      |    | SE   |    |    |      | Totals |
|-----|-----|-----|----|----|----|----|----|----|----|------|----|------|------|----|------|----|----|------|--------|
|     |     |     | NE | NW | SW | SE | NE | NW | SW | SE   | NE | NW   | SW   | SE | NE   | NW | SW | SE   |        |
| 14S | 32E | 25  |    |    |    |    |    |    |    | 31.5 |    | 28.8 | 29.5 |    |      |    |    |      | 89.8   |
| 14S | 32E | 26  |    |    |    |    |    |    |    |      |    |      |      |    | 29.6 |    |    | 29.5 | 59.1   |

Total Acres: 148.9

#### ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, or the lease term expires. A right may be released from the bank upon request, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed pursuant to Idaho Code § 42-223(5).
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.

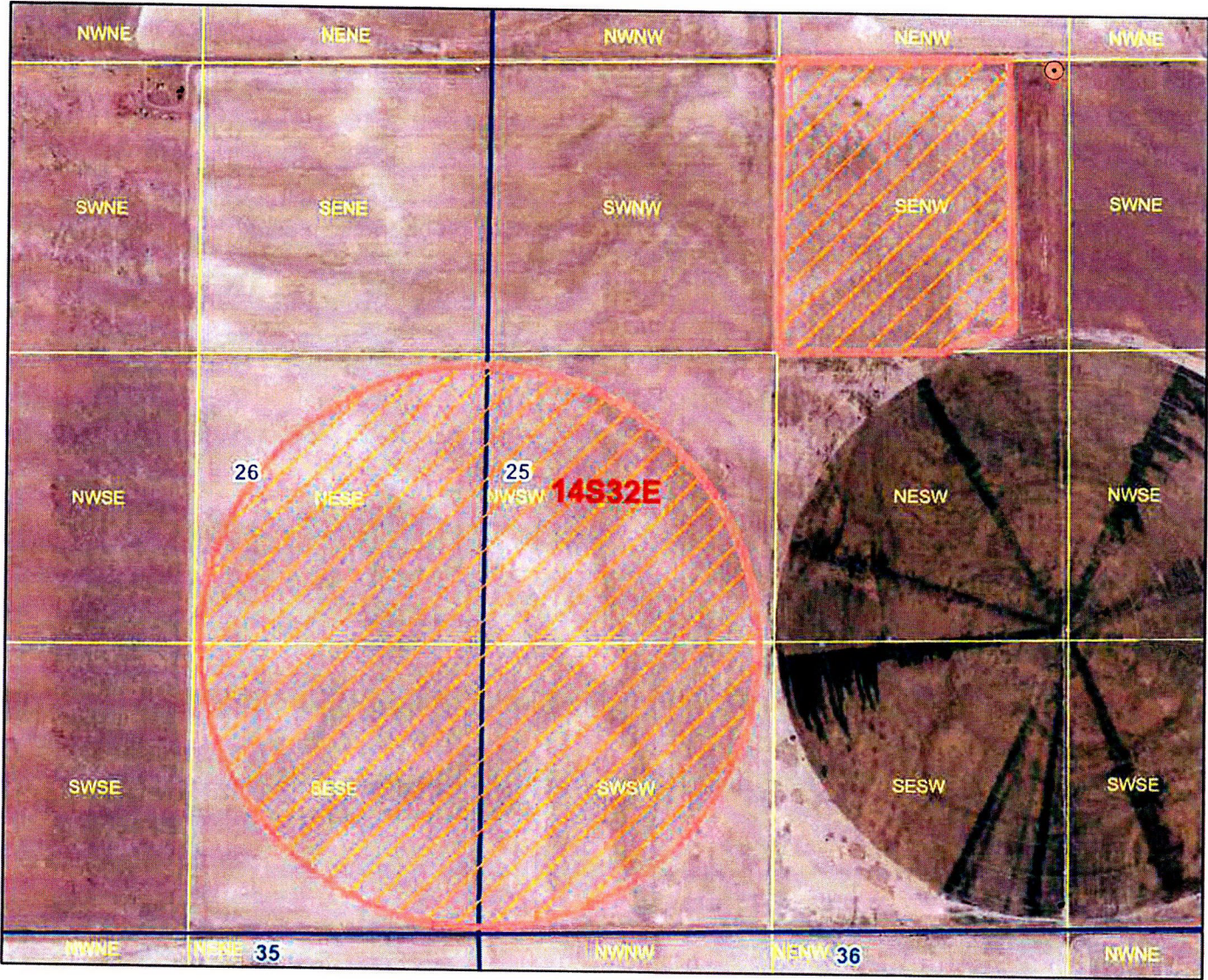
STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

**WATER SUPPLY BANK LEASE CONTRACT No. 1675**

9. In accordance with Idaho Code § 42-248 and § 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
  - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season, even if the Department processes a Notice of Change in Water Right Ownership during the rental season.
  - b. New lessor(s) of record will receive payment for any subsequent rental seasons.
11. The water right(s) are leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. 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.
13. The unleased portion of right 17-2052 shall not exceed a total diversion rate of 0.26cfs, a total annual maximum diversion volume of 110af at the field headgate, and the irrigation of 76.7 acres.
14. The unleased portion of right 17-7063 shall not exceed a total diversion rate of 0.86cfs, a total annual maximum diversion volume of 234.5af at the field headgate, and the irrigation of 167.1 acres.
15. The unleased portions of water rights 17-2052 and 17-7063 when combined shall not exceed a total diversion rate of 1.12cfs, a total annual maximum diversion volume of 344.5af at the field headgate, and the irrigation of 167.1 acres.
16. 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.
17. The period of use of right 17-2052 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.

Idaho Water Resource Board  
**Water Supply Bank Lease Contract No. 1675**  
17-2052 & 17-7063  
Effective until December 31, 2023

This map depicts the **place of use** to be idled pursuant to the lease contract and is attached to the contract solely for illustrative purposes.



- Approved Lease Point of Diversion
- Approved Lease Place of Use
- Township/Range
- Sections
- QQ



STATE OF IDAHO  
WATER RESOURCE BOARD

RECEIVED

JAN 27 2020

DEPARTMENT OF  
WATER RESOURCES

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

Designated Applicant Holbrook Farm, LLC

(Select one owner – see item 1A on the application)

Water Right No. 17-2052

(One water right per application)

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

Yes ☒ No ☐

This application must be prepared in accordance with the minimum requirement checklist below. Use this checklist to ensure all necessary documentation has been provided. This checklist is part of the lease application and must be included with the lease application. **Applications that do not meet the minimum requirements will not be processed and may be returned or denied.**

### MINIMUM REQUIREMENT CHECKLIST

All items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*

Yes

☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank*.

☐ Application filing fee of \$250.00 per water right. If you are submitting more than one lease application and the water rights have an overlapping, common place of use, or a common diversion rate or volume, the total fee for all water rights is \$500.00. For places of use, multiple water rights must be used to irrigate the same lands in order to qualify for the joint filing fee. Individual filing fees are required for water rights that share a common permissible place of use but which cover separate acres within the permissible place of use.

☒ Confirmation this form has been printed **single sided**, per requirement of the Water Supply Bank.

Attachment N/A Yes

1A ☐ ☐ Signatures and contact information for **all owners** of the water right to be leased or sold on this application.

1B ☒ ☐ An [Internal Revenue Service \(IRS\) Form W-9](#) for the Designated Applicant.

1C ☒ ☐ *Notice of Change in Water Right Ownership* form (accessible from [www.idwr.idaho.gov](http://www.idwr.idaho.gov)).

1D ☐ ☒ Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.

2 ☐ ☒ Description of a water right portion offered to the Water Supply Bank.

3 ☐ ☒ A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. You have the option of printing a map using the map tool on IDWR's website at: [www.idwr.idaho.gov](http://www.idwr.idaho.gov).

4A ☒ ☐ Written consent from irrigation district or water delivery company.

4G ☐ ☒ Evidence demonstrating the water right has not been forfeited pursuant to [Section 42-222\(2\), Idaho Code](#).

#### Department Use Only

|                                                                                   |                        |                                                |                          |
|-----------------------------------------------------------------------------------|------------------------|------------------------------------------------|--------------------------|
| Fee Amount \$ <u>1000</u>                                                         | Received By: <u>LM</u> | Date Received: <u>1.27.23</u>                  | Receipt # <u>C115182</u> |
| W-9 received? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | (Route W-9 to Fiscal)  | Name on W-9: <u>Farming Realty Trust II LP</u> |                          |

2578

STATE OF IDAHO  
WATER RESOURCE BOARD

**APPLICATION TO SELL OR LEASE A WATER RIGHT**  
(Continued)

**1. CONTACT INFORMATION**

- A. This application must be completed by a Designated Applicant who is a current owner of the water right being sold or leased to the Water Supply Bank. If there are additional current owners, those individuals must authorize the Designated Applicant to represent them on this application by completing and signing Attachment 1A of this application package.

Designated Applicant Holbrook Farm, LLC

Mailing Address 1291 US Highway 258 North Kinston, NC 28504

Street

City

State

Zip Code

Email Address \_\_\_\_\_

Phone Number \_\_\_\_\_

- ☒ The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

- ☐ The Designated Applicant is representing additional water right holders who have completed Attachment 1A.

- B. Has the Designated Applicant submitted an IRS Form W-9 to this Department within the last 2 years? Yes ☐ No ☒  
If no, complete the form and attach to this application (Attachment 1B).

- C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐  
If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

- D. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☒ No ☐  
If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1D).

Name of Representative Greg Sullivan

Organization Brockway Engineering

Professional Title Engineer

Email Address greg.sullivan@brockwayeng.com

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

Phone Number 208-736-8543

- ☐ Send all correspondence for this application to the representative and not to the Designated Applicant.

OR

- ☒ Send original correspondence to the Designated Applicant and copies to the representative.

**2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK**

- ☐ The full water right is being offered to the Bank.

OR

- ☒ A part of the water right is being offered to the Bank.

If a portion of the water right is being offered, **complete Attachment 2.**

**3. MAP**

Attach a map of the point(s) of diversion and place(s) of use proposed to be idled by this lease application. Make sure the idled place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to idle. If the water right proposed for lease is located within a permissible place of use (PPU) and portions of the PPU will continue to receive water from non-leased water rights, clearly outline on a map the acres within the PPU that will continue to be irrigated, as well as acres that will be idled during the lease term. Label the map **Attachment 3.**

STATE OF IDAHO  
WATER RESOURCE BOARD

**APPLICATION TO SELL OR LEASE A WATER RIGHT**  
(Continued)

**4. GENERAL INFORMATION**

- A. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☒  
**If yes**, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 4A).  
*If your water right is delivered through a canal, lateral or ditch operated by a canal company, irrigation district, or similar delivery entity, your lease request must include written consent from the company, district, or similar entity for your removal of water from its system pursuant to [Section 42-108, Idaho Code](#) and [IDAPA WSB Rule 37.02.03.25.02e](#).*
- B. Please provide a description of the current water diversion and delivery system.  
Existing well, motor, pump and delivery system.  
\_\_\_\_\_  
\_\_\_\_\_
- C. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank. 17-2052 and 17-7063  
\_\_\_\_\_  
\_\_\_\_\_
- D. Are any of the water rights identified in Section 4C stacked with the water right proposed for lease? Yes ☒ No ☐  
*Stacked water rights are used together to achieve a common beneficial use, such as irrigation of the same lands. Stacked water rights cannot be separated and must be jointly leased to the Water Supply Bank. Stacked water rights qualify for the multiple fee payment of \$500.*
- E. Will the present place of use continue to receive water from any other source? Yes ☐ No ☒  
**If yes**, explain the relationship between the different water sources and how enlargement of the authorized use will not occur if this water right is leased. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- F. Identify annual volumes and/or rates of water diverted in the last 5 years to accomplish the beneficial use authorized by this water right. No annual volumes or rates are available at this time. This water right has been leased into the Water Supply Bank for the last several years.  
\_\_\_\_\_  
\_\_\_\_\_
- G. Has any portion of this water right undergone a period of five or more consecutive years of non-use? Yes ☐ No ☒  
**If yes**, describe the circumstances and attach evidence to demonstrate how the water right has not been lost through forfeiture (Attachment 4G). See [Section 42-223, Idaho Code](#) for exceptions to forfeiture. Your application may be denied if forfeiture concerns are not addressed. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- H. Is this water right involved in any other IDWR process, such as an application for transfer or a mitigation plan?  
**If yes**, describe. Yes ☐ No ☒  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF IDAHO  
WATER RESOURCE BOARD

**APPLICATION TO SELL OR LEASE A WATER RIGHT**  
(Continued)

**5. SALE/LEASE AGREEMENT**

A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☒?

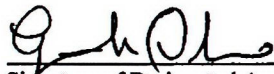
If lease, specify the years when the use of water will be suspended: 2023 to 2023 (maximum lease period 5 calendar years).  
(Year) (Year)

B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.  
Current rental rate. \_\_\_\_\_

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right, even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture is stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any element of the water right.

  
\_\_\_\_\_  
Signature of Designated Applicant

GABRIELE ONORATO  
\_\_\_\_\_  
Printed Name

1/25/2023  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

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

**STATE OF IDAHO  
WATER RESOURCE BOARD**

Complete Attachment 2 if only a portion of the water right is offered to the Bank.

**ATTACHMENT 2**

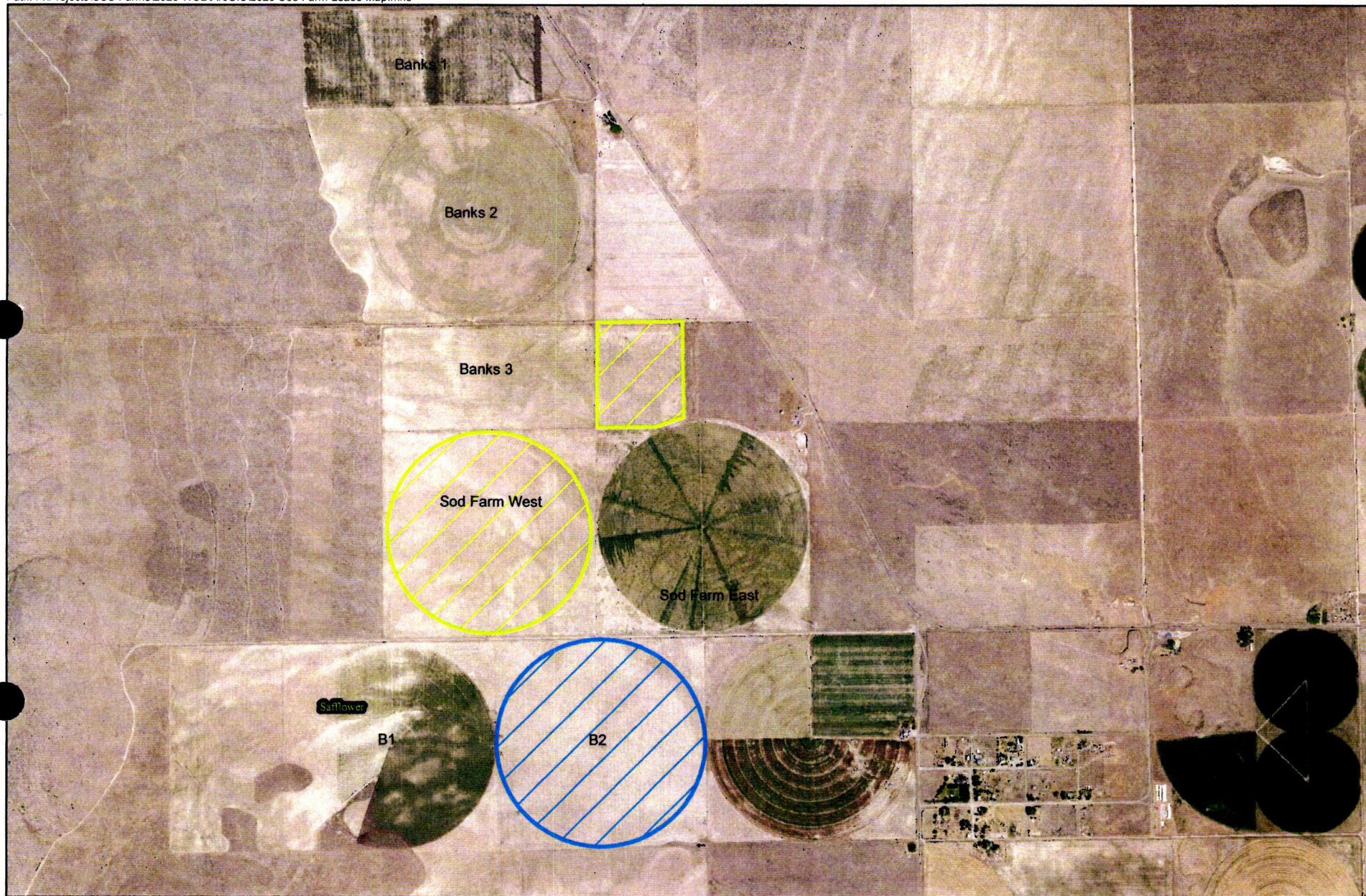
**DESCRIPTION OF A WATER RIGHT PORTION OFFERED TO THE WATER SUPPLY BANK**

| <u>1. Water Right Number</u> | <u>Nature of Use</u> | <u>Leased Rate</u><br>(cfs) | <u>Leased Volume</u><br>(af) | <u>Leased Acres</u><br>(ac) |
|------------------------------|----------------------|-----------------------------|------------------------------|-----------------------------|
| <u>17-7052</u>               | <u>Irrigation</u>    | <u>0.23</u>                 | <u>98.0</u>                  | <u>68.3</u>                 |
|                              |                      |                             |                              |                             |
|                              |                      |                             |                              |                             |
|                              |                      |                             |                              |                             |
|                              | Total Amounts:       | <u>0.23</u>                 | <u>98.0</u>                  | <u>68.3</u>                 |

2. Source of water Ground Water tributary to \_\_\_\_\_

3. Point(s) of diversion:

| <b>Twp</b> | <b>Rge</b> | <b>Sec</b> | <b>Lot</b> | <b>¼</b> | <b>¼</b> | <b>¼</b> | <b>County</b> |
|------------|------------|------------|------------|----------|----------|----------|---------------|
| 14S        | 32E        | 25         |            |          | SE       | NW       | Oneida        |
|            |            |            |            |          |          |          |               |
|            |            |            |            |          |          |          |               |
|            |            |            |            |          |          |          |               |
|            |            |            |            |          |          |          |               |
|            |            |            |            |          |          |          |               |
|            |            |            |            |          |          |          |               |



0 0.225 0.45 Miles

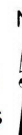
BROCKWAY ENGINEERING, PLLC.  
JJJ - Date: 11/7/2022

**CSS POTATO FARMS, LLC**

SOD FARM  
WATER BANK 2023  
NAIP 2021 AERIAL

**Legend**

-  2023 Lease Acres- 148.9 Acres
-  2023 Rental Acres- 122.6 Acres



CSS Farm 2023

Main Farm Lease

Total Acres **1230**  
 CFS **16.53**  
 AFA **4305** 3.50 AFA/acre  
 Acres sold/ Transferring **598.7**  
 0.486748 %

| Water Right     | Amount      |               |            | Acre Limit |
|-----------------|-------------|---------------|------------|------------|
|                 | cfs         | AFA           | Acres      |            |
| 17-7007         | <b>8</b>    | <b>2198</b>   | <b>829</b> | 1230       |
| 17-2028         | <b>2.97</b> | <b>1078.1</b> | <b>394</b> |            |
| 17-2045         | <b>4.03</b> | <b>626.4</b>  | <b>385</b> |            |
| 17-2030         | <b>2.08</b> | <b>402.5</b>  | <b>115</b> |            |
| Additive Totals | 17.08       | 4305.0        | 1723.0     |            |

| Lease Amount |               |              |
|--------------|---------------|--------------|
| cfs          | AFA           | Acres        |
| <b>3.89</b>  | <b>1069.9</b> | <b>403.5</b> |
| <b>1.45</b>  | <b>524.8</b>  | <b>191.8</b> |
| <b>1.96</b>  | <b>304.9</b>  | <b>187.4</b> |
| <b>1.01</b>  | <b>195.9</b>  | <b>56.0</b>  |

Leasing Amount

|               |       |
|---------------|-------|
| <b>8.05</b>   | CFS   |
| <b>2095.5</b> | AFA   |
| <b>598.7</b>  | Acres |

Sod Farm Lease

Total Acres **316**  
 CFS **2.11** 0.007 CFS/acre  
 AFA **651.4** 2.06 AFA/acre  
 Acres sold/ Transferring **148.9**  
 0.471203 %

| Water Right | Amount      |              |            | Acre Limit |
|-------------|-------------|--------------|------------|------------|
|             | cfs         | AFA          | Acres      |            |
| 17-2052     | <b>0.49</b> | <b>208</b>   | <b>145</b> | 316        |
| 17-7063     | <b>1.62</b> | <b>443.4</b> | <b>171</b> |            |
| Total       | 2.11        | 651.4        | 316        |            |

| Lease Amount |              |             |
|--------------|--------------|-------------|
| cfs          | AFA          | Acres       |
| <b>0.23</b>  | <b>98.0</b>  | <b>68.3</b> |
| <b>0.76</b>  | <b>208.9</b> | <b>80.6</b> |

Leasing Amount

|              |       |
|--------------|-------|
| <b>0.99</b>  | CFS   |
| <b>306.9</b> | AFA   |
| <b>148.9</b> | Acres |

Main Farm Rental

Acres Rented **413.1**  
 0.335854 %

| Water Right | Rental Amount |              |              |
|-------------|---------------|--------------|--------------|
|             | cfs           | AFA          | Acres        |
| 17-7007     | <b>2.69</b>   | <b>738.2</b> | <b>278.4</b> |
| 17-2028     | <b>1.00</b>   | <b>362.1</b> | <b>132.3</b> |
| 17-2045     | <b>1.35</b>   | <b>210.4</b> | <b>129.3</b> |
| 17-2030     | <b>0.70</b>   | <b>135.2</b> | <b>38.6</b>  |

Rental Amounts

|               |       |
|---------------|-------|
| <b>5.55</b>   | CFS   |
| <b>1445.9</b> | AFA   |
| <b>413.1</b>  | Acres |

Sod Farm Rental

Acres Rented **122.6**  
 0.387975 %

| Water Right | Rental Amount |              |             |
|-------------|---------------|--------------|-------------|
|             | cfs           | AFA          | Acres       |
| 17-2052     | <b>0.19</b>   | <b>80.7</b>  | <b>56.3</b> |
| 17-7063     | <b>0.63</b>   | <b>172.0</b> | <b>66.3</b> |

Rental Amounts

|              |       |
|--------------|-------|
| <b>0.82</b>  | CFS   |
| <b>252.7</b> | AFA   |
| <b>122.6</b> | Acres |

## WSB Mailing Checklist for Leases

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

**Key:** Who Completes What?

CLERICAL STAFF: MK

REVIEWER:

Received Date

1/27/2023

Desired Lease Duration

2023

Lease / Rental Package

(Y)

N

If yes, Renter Name:

CSS Farms LLC

Application # 2578

Contract # 1675

| WR#s |                | # |
|------|----------------|---|
| #    | <u>17-7063</u> | # |
| #    |                | # |
| #    |                | # |
| #    |                | # |
| #    |                | # |
| #    |                | # |
| #    |                | # |

Applicant Authorized?

(Y) / N

Multiple owners, Attach 1A included?

Y / N NA

If portion is offered, Attach 2 included?

(Y) / N NA

Map of POU and POD?

(Y) / N NA

POD Consent (if required)?

(Y) / N (NA)

Application Complete?

(Y) / N

Minimum checklist in data base?

☒

Request for additional information letter sent:

Y NA

Stacked Water Rights Need to be Leased?

☐

WSB Action Request for deficiencies

☐

If checked, list water rights:

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

### Mailings (per lease application)

CC

Original

Designated

Applicant: Holbrook Farm LLC

☐

☐

EMAIL:

Attorney:

☐

☐

EMAIL:

Consultants

Name: Greg Sullivan - Brockway Engineering

☐

Comments:

prev LC # 1543

Watermaster:

☐

Delivery Entity:

☐

Water District:

☐

Ground Water District:

☐

Region:

☐

Other:

☐

☐

Address:

Call up Date: \_\_\_\_\_

DO NOT SCAN

B2  
Payment in  
PM Software  
-upload Docs



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

Governor Brad Little

Director Gary Spackman

July 7, 2023

HOLBROOK FARM LLC  
1291 US HIGHWAY 258 NORTH  
KINSTON NC 28504

**RE: WATER SUPPLY BANK LEASE CONTRACT 1675, FOR WATER RIGHTS 17-2052 & 17-7063**

Dear Lessor:

Water right(s) **17-2052 & 17-7063** are leased into the Water Supply Bank (Bank) as of January 1, 2023, in accordance with the enclosed executed lease contract. **Your water rights, as described on the lease contract, are considered leased into the Bank and should remain unused until they are formally released from the Bank.** More information and further restrictions placed on your water rights while leased can be found in conditions of acceptance of the lease contract. Read the conditions of acceptance carefully.

The right(s) will automatically be released from the Bank on **December 31, 2023**, unless the rights are released earlier by the Water Resource Board (Board). On behalf of the Board, the Department of Water Resources (Department) can evaluate an early release of the lease contract upon your request. To release the water rights from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available on our public website at [www.idwr.idaho.gov](http://www.idwr.idaho.gov). **Please note your water rights may not be available for immediate release if they have been rented or are being considered for a future rental. Furthermore, it is at the discretion of the Department whether or not a water right can be released early from a lease contract.**

If you have questions regarding this matter, please contact me at 287-4936.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Condon", is written over a light blue horizontal line.

Mary Condon  
Water Supply Bank Coordinator

Enclosure: Executed Lease Contract

c: IDWR – Eastern Regional Office  
Greg Sullivan – Brockway Engineering PLLC



IDAHO DEPARTMENT OF  
**WATER RESOURCES**

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

Governor Brad Little

March 29, 2023

Director Gary Spackman

RECEIVED

APR 13 2023

DEPARTMENT OF  
WATER RESOURCES

HOLBROOK FARM LLC  
1291 US HIGHWAY 258 NORTH  
KINSTON NC 28504

**RE: APPLICATION TO LEASE WATER RIGHTS 17-2052 & 17-7063 TO THE WATER SUPPLY  
BANK CONTRACT 1675**

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

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return ALL Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The right will automatically be released from the Bank on **December 31, 2023**, unless the right is released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your right may not be available for immediate release if it has been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:  
"While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

If you have questions regarding this matter, please contact this office at [bank@idwr.idaho.gov](mailto:bank@idwr.idaho.gov) or 208-287-4800.

Sincerely,

*Amanda Johnson-Veibell*

for  
Water Supply Bank

Enclosures: Proposed Lease Contracts

C: Greg Sullivan

## MEMORANDUM FOR APPLICATION # 2578

**To:** Water Rights 17-2052 & 17-7063

**From:** Bob Howe

**Date:** 02/01/2023

**Re:** Review & Analysis of Application to Lease Water to the State Water Supply Bank

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### **PURPOSE/NARRATIVE:**

Companion lease-rental applications were received on January 27<sup>th</sup>, 2023. The completed applications were submitted by Greg Sullivan (Brockway Engineering) on behalf of Holbrook Farm LLC, lessor and CSS Farms, LLC, renter.

The lease application is for portions of water rights 17-2052 and 17-7063 for a combined 0.99cfs and 306.9 AF for the irrigation of 148.9 acres for the duration of the 2023 season. The rental application is for 0.82cfs and 252.7 AF for the irrigation of 122.6 acres, a portion of the full leased amounts. The rental rates of diversion and volumes requested for rental from the two rights will be made proportionate to the leased elements of those rights to avoid enlargement.

Documentation for a private agreement for payment to the water right owner was received with the companion applications. Only the administrative fee will apply to the rental.

### **AUTHORITY TO FILE:**

Concerns with authority to file the lease and rental applications have been resolved. A business search through the Idaho Secretary of State's office shows that both CSS Farms, LLC and Holbrook Farm, LLC are currently registered to do business in Idaho.

### **Lease:**

The application for lease was signed by Gabriele Onorato, on behalf of Holbrook Farm, LLC. Parcel data lists Holbrook Farm, LLC as the owners of the POUs appurtenant to the leased water rights. The Idaho Secretary of State (ISOS) website business search for Holbrook Farm, LLC, lists U.S. Farming Realty Trust II, LP as registered agent. A search of the registered agent's website confirmed that Gabriele Onorato is an executive officer.

### **RENTAL:**

The application to rent portions of rights 17-2052 and 17-7063 was signed by Cody Seamons, farm manager, on behalf of CSS Farms, LLC. In the 2022 rental correspondence Cody Seamons was granted authority for water right applications, transactions and management through Steven Gangwish, Chief Executive Officer of CSS Farms, LLC. Parcel data lists Brad Woolstenhulme as the owner of the parcel which rental POUs is located within. The applications were received with a copy of the farm lease between Mr. Woolstenhulme and CSS Farms, LLC.

There are no concerns regarding the authority to file the applications for lease or rental.

### **WATER RIGHT VALIDITY:**

In 2012 transfer 78181 was approved, stacking water rights 17-2052 and 17-7063 and limiting them to a combined 316-acre POU. The rights have been leased into the WSB on an annual basis 2016-2022 in varying quantities. A different portion of the rights have been offered to the bank for again in 2023 for the companion rental.

There are no concerns with validity of the water right and portion offered to the bank.

**INJURY TO OTHER WATER RIGHTS:**

The current lease-rental package submitted in 2023 is similar to previous ones accepted by the Water Supply Bank since 2016. The two rights being leased to provide for the rental are appurtenant to the parcel neighboring the rental POU. The leased POD will be used as the rental POD for irrigation at the rental POU.

The leased/rented POD is located within the Curlew Valley Critical Ground Water Management Area (CGWMA). Although the area is designated a CGWMA area, there has been no advisory committee formed, or plan developed. As it was worth mention in previous reviews, I briefly reviewed the neighboring water level monitoring wells and levels have been trending downwards since 1999, recent years do not seem to be an exception in the lease/rental area. Although the water right owner is entitled by Idaho code to a reasonable pumping level, the lease-rental package is a reduction in usage from the amount authorized. There are currently no complaints or any active enforcement regarding the leased POU or POD. In the future the related water rights could be reviewed in the Bear River Basin Adjudication, which is just getting started at the time of this review.

**ENLARGEMENT OF USE:**

The rental is to provide water for 1 pivot. More acres are to be idled for the lease than are to be irrigated through the rental. The rental rates and volumes requested from the two rights have been made proportionate to the leased elements of those rights. Conditions will be in place on the lease contract and rental agreement to ensure unleased portions of the water rights are clearly stated.

The season of use for 17-2052 is standard for the area, but the season of use for water right 17-7063 is considerably shorter (05/01-09/15), which has been a factor historically effecting what crops can be grown. This is made evident on the purposed rental agreement. There are no enlargement concerns regarding the purposed lease-rental.

**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 appears consistent with the conservation of water resources in Idaho.

**DEPARTMENT STAFF OR WATERMASTER COMMENTS:**

The lease/rental POD is no subject to a water district, however, it is located within the Curlew Valley CGWMA. A comment request was emailed to the Eastern Regional Manager, with an attached copy of the purposed lease contract and rental agreement for review.



**BROCKWAY**  
ENGINEERING  
P.L.L.C.

Hydraulics

Hydrology

Water Resources

RECEIVED

JAN 27 2023

DEPARTMENT OF  
WATER RESOURCES

January 25, 2023

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

Re: Holbrook Farm Lease and CSS Potato Rental Applications

Dear Ms. Condon:

Holbrook Farm, LLC desires to lease 148.9 acres of 17-2052 and 17-7063 into the Idaho Water Supply Bank. The 148.9 acres to be leased are comprised of acres that were previously irrigated but will not be irrigated in 2022. Portions of water rights 17-2052 and 17-7063 have been under lease contract for the Idaho Water Supply Bank for several years. These lease applications propose to lease water for only the 2023 irrigation season.

CSS Potato Farms, LLC has entered into a farm lease contract for the property. CSS Potato Farms, LLC desires to rent 122.6 from water rights 17-2052 and 17-7063 for the 2023 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 rental of the 122.6 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 2023.

Please copy our office on all correspondence regarding this applications.

Sincerely,

Greg Sullivan, M.S., Engineer

Cc: Toby McKay, Cody Seamons

Enc: Aerial Maps, Lease Application, Rental Application, Designation of Agent, Contract of Agreement, CSS Farms Letter, Action of Managers and of Directors, Brockway Engineering Check # 17896 for \$1,000.00

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

2578 - 2579