

Conversation Memorandum

Date: June 13, 2011

To: File 22-7814

From: Craig L. Saxton

Re: Licensing of permit 22-7814

I spoke with Keith Wilson and Roger Warner of Rocky of Rocky Mountain Environmental(RME). The focus of our discussion was licensing municipal permit 22-07814.

On June 3, 2011, via e-mail, I sent Keith Wilson a draft license for 22-7814. The license included a diversion volume and a diversion rate limited by beneficial use rather than by capacity. RME disagreed with the draft license.

The main argument was that RME felt that at the time the permit was issued (October 10, 2000), in general, it was the Departments policy to issue municipal licenses based on capacity and without an overall diversion volume, and because of this, the license should be issued under the practice used at the time the permit was issued.

My draft license was prepared based on guidance from Licensing Memo #1, issued October 19, 2009.

We discussed historic practices for licensing municipal rights for municipalities as well as municipal rights for non-municipalities. We also discussed the conflict with issuing a license based on 2009 guidance when the permit was issued under an understood different set of policies.

At the end of the conversation, RME was going to try to find evidence that the full diversion rate capacity was put to beneficial use within the authorized development period and to try to find exactly how much was developed by the end of the authorized development period to support the diversion volume.

In our conversation, I discussed how on the draft license I calculated the volume for the irrigation portion of the right based on 0.6 af per domestic dwelling. However, after speaking with RME, and reviewing the development during the authorized development period, I feel it is appropriate to calculate the diversion volume for the irrigation portion of the municipal use based on the standard field headgate requirement for irrigation use in that area which is 3.5 AFA, rather than 0.6 AF per domestic structure.