

MEMO

TO: 65-22912 Jug Mtn. Ranch LLC

FROM: Sandy Hemenway

DATE: 10/19/2010

REF: Measuring & Lockable Controlling Device, and Priority Date

I spoke with John Westra, IDWR Western Manager today in reference to a signed waiver from Jerry Greenland, Water Master for Water District 65D, for a Measuring & Lockable Controlling Device. John stated that if the measuring devices were waived, that down the road there could be problems, especially since this involves surface water. He stated that the waiver from the water master is typically a recommendation, but that the Department still makes the final decision and the decision should be NOT to waive this condition.

In reference to the priority date, SPF Water Engineering is the representative who submitted the proof of beneficial use form, with a copy of the 3/6/2006 letter SPF sent to Jerry Greenland. The letter contained a summary of a phone conversation between Scott King and Jerry Greenland, and stated "at this time you do not see a need for installation of measuring devices above and below the reservoir. If there comes a time when devices are needed for measuring and delivering water, then appropriate devices will need to be installed. If I have misunderstood our conversation, or if you have any additions or corrections, please let me know. Sincerely, Scott N. King, P.E." SPF stated that they did not receive any response from Jerry Greenland, but the Department has no way of confirming whether or not Jerry Greenland notified SPF. John Westra does not feel that Jug Mtn. Ranch should be penalized on the priority date, but rather be allowed to keep their date as is, since it was of no fault of their own, and a letter should be sent to Jug Mtn. Ranch stating the Departments decision to not waive the Measuring & Lockable Controlling Device condition, and giving Jug Mtn. Ranch a deadline for completing installation.