

M E M O R A N D U M

Date: February 25, 2008
To: Dave Tuthill
From: Aaron Marshall
Re: Water Supply Bank Applications Review, Status Update
Eagle Sports Legends Investments LLC, lease applications
City of Eagle, rental application

Timeline

Sept. 12, 2007: Rental Agreement completed for City of Eagle, 0.80 cfs and 130 acre-feet
Rental fee paid for 2007

Jan. 28, 2008: Lease Applications submitted by Eagle Sports Legends Investments LLC, represented by attorney Scott Campbell, offering water right nos. 63-5094 and 63-7847 to the Bank

Rental Application submitted by City of Eagle, represented by Bruce Smith, for an additional 2.00 cfs and 320 acre-feet for municipal use for five years

Jan. 29, 2008: Ownership change completed splitting 63-7847 into 63-32959 and 63-32960
63-32960 now portion owned by Eagle Sports Legends Investments LLC

Feb. 19, 2008: Rental fee paid for 2008, 0.80 cfs and 130 acre-feet

Feb. 21, 2008: Additional information requested (see attached email) from lease applicant as necessary to evaluate; quantity of water available for rent, potential impacts to existing right holders, use of overlapping surface water rights, and authority to sign on behalf of lease applicant

Lease Application, Water Right No. 63-5094

All of this right is offered to the Bank; 1.0 cfs and 360 acre-feet for irrigation and 0.22 cfs for stockwater use from ground water. Total diversion allowed under the right for all uses is 1.0 cfs and 360 acre-feet.

Lease Application, Water Right No. 63-32960

All of this right is offered to the Bank; 3.70 cfs and 1,796.4 acre-feet for irrigation and 0.43 cfs and 26.2 acre-feet for stockwater use from ground water. Total diversion allowed under the right for all uses is 3.70 cfs and 1,822.6 acre-feet.

Overlap and Combined Use Limits

Water right nos. 63-5094, 63-32958 (source: waste water), and 63-32960, when combined, are limited to the following: irrigation of 444 acres, diversion rate of 8.88 cfs, annual diversion volume of 1998 acre-feet.

Lands irrigated under the above rights are located within the boundaries of Drainage District No. 2, New Dry Creek Ditch Co., and Middleton Irrigation Assn Inc./Middleton Mill Ditch Co.

Rental Application

The City is seeking 2.0 cfs and 320.0 acre-feet of ground water for municipal use for five years. The City identified six points of diversion on the application two of which, Eaglefield and Legacy wells, are included in the City of Eagle 7-Day Aquifer Test Report, June 2006, prepared by Holladay Engineering.

A rental agreement is already in effect for the City providing 0.80 cfs and 130 acre-feet of ground water for municipal use through "December 31, 2008 or the date of final resolution of contested matters associated with water permit nos. 63-32089 and 63-32090, whichever occurs first."