

MEMORANDUM

TO: Transfer # 72208 File

FROM: Corey Skinner

DATE: May 1, 2006

SUBJECT: Amending Draft Approval

On April 24th, Allen Merritt and I met with Chuck Brockway Sr. and Daren Nelson of Brockway Engineering and Pat Brown (applicant's attorney) to discuss water right transfer # 72208, filed in the name of Rick and Sharon Hawker. The application has been advertised and was not protested and is pending submittal to the State Office for final action. The discussion centered primarily on the draft approval, in particular the recommended amounts and a particular recommended condition, as outlined in the January 30, 2006 Sufficiency Memo.

The transfer application included an analysis of the extent of historical use of the supplemental right(s) being transferred. The application and analysis indicated that 29.5 acre-feet per annum would be available to be transferred. As outlined in the January 30, 2006 Sufficiency Memo, I recommended that the transfer be approved with an allowable annual diversion volume of 11.2 acre-feet. As outlined in the January 30, 2006 Sufficiency Memo, this reduction in proposed volume was based on three major points...

- Increasing the PCC value used to estimate pumped volumes from the power records to reflect a diversion rate based on the water right limit (0.60 cfs), rather than the theoretical diversion rate for the well (1.05 cfs).
- Basing the period of use used to estimate the historical use from a six-year average (1995 –2000) to a five-year average (1995-1999).
- Decreasing the calculated pumping estimate by an assumed irrigation efficiency (75%) to reflect basing the change in nature of use (irrigation to stock water) on consumptive volume rather than diversion volume.

The discussion addressed each of the three points listed above. The applicant's representatives presented their case against each of the three points listed above. After discussing the items it was mutually agreed that the applicant's representatives still disagreed with the PCC issue, Allen would approach the State Office recommending using the six-year average (1995 –2000) rather than the five-year average (1995-1999), and the reduction due to using consumptive volume rather than diversion volume was warranted.

Another item discussed at the meeting related to the proposed condition requiring the applicant retain ownership of eight shares of Oakley Canal Company water at the feedlot site. The applicant's representatives indicated that they were under the

impression that Pickett Ranch & Sheep Company had apparently moved additional Oakley Canal Company water shares to the portion of the original place of use they purchased in February of 2000. They proposed that if it could be shown that if Pickett Ranch & Sheep Company had moved at least eight additional Oakley Canal Company water shares to their portion of the original place of use, then the requirement to give up some of the primary water in exchange for transferring the supplemental water source would have been met. I indicated that the number of shares (eight shares) required to have been retained was based on the recommended 11.2 ac-ft and the exact quantity of shares would be based on the allowable volume resulting from the approved transfer. During the review of the transfer, I had discussed the quantification of shares with the secretary of the Oakley Canal Company and David Pickett (Oakley Canal Company board member). Allotments per share are adjusted from year to year depending on runoff and carryover storage in Oakley Reservoir. A full allotment per share consists of 37.8 inches (18" x 2.1) for a 24-hour period, or one share provides 1.5 ac-feet of water. If we allow 11.2 ac-ft to be diverted at the feedlot, then 8 shares would cover the 11.2 ac-ft assuming a full share allotment ($11.2 / 1.5 = 7.5$ shares rounded to 8 shares). Therefore, the allowable diversion volume from the transfer approval would have to be divided by 1.5 ac-ft to determine the number of shares that would have to be retained, or shown that had been moved in from somewhere else by Pickett Ranch & Sheep Company, if that approach is used. It was agreed upon that Allen would approach the State Office to discuss the option of accounting for the need to retain canal shares (primary source) being met if it could be demonstrated that Pickett Ranch & Sheep Company had moved at least the number or required shares to their portion of the original place of use after purchasing the property in February of 2000.

Since the April 24th meeting, Allen had an opportunity to discuss these items with Jeff Peppersack of the State Office. Allen and Jeff agreed upon using the six year average, rather than the five year average to estimate the historical use, and that if it could be shown that Pickett Ranch & Sheep Company had moved at least the number of required shares to be retained to their portion of the original place of use after purchasing the property in February of 2000 then the condition requiring the applicant to retain shares at the feedlot site could be removed. Based on this agreement, the recommended annual volume of 11.2 acre-feet would be increased to 14.6 acre-feet (starting with proposed 29.5 ac-ft, reducing it due to the PCC issue and reducing it by assumed irrigation efficiency of 75% to account for consumptive use). This day I changed the draft approval document to reflect 14.6 acre-feet, rather than the previous 11.2 acre-feet to reflect the six-year average rather than the five-year average. If it can be demonstrated that Pickett Ranch & Sheep Company had moved at least 10 shares ($14.6 / 1.5 = 9.7$ rounded to 10 shares) to their portion of the original place of use after purchasing the property in February of 2000, then the condition requiring the applicant to retain shares at the feedlot site could be removed.