

MEMORANDUM

To: Files 57-7034E, 2-2357B and 2-7046E

From: Jeff Peppersack and Cynthia Bridge Clark

Date: July 26, 2004

Re: Lease of Water Rights to the State Water Supply Bank

<u>Water Right</u>	<u>SRBA Claims</u>	<u>Lease: Rate</u>	<u>Volume</u>	<u>Acres</u>
57-7034A	Decreed	4.46 cfs	1000 af	223
2-7046A(part)	2-7046E	2.82 cfs	729 af	162
2-2357 (part)	2-2357B	1.80 cfs	450 af	90
Combined Total		4.46 cfs	1000 af	223

Arthur (Joe) Merrick filed an application to lease his portions of water rights 2-2357 and 2-7046A to the Water Supply Bank. Mr. Merrick's portions are claimed in the SRBA under 2-2357B and 2-7046E respectively. Water right 57-7034A is a right decreed in the SRBA as a permit; the permit overlaps the claimed acres with an alternate source from Castle Creek. A draft license is prepared limiting the right to 0.02 cfs and 1000 af with other rights. In a telephone conversation on July 5, 2004, Joe Merrick stated that he would like to lease the B57 right to the bank as well. He indicated that the right has not been used for some time, as the creek has not been flowing.

Comments on SRBA claim 2-7046E indicate the claimed diversion rate (14.26 cfs for 162 acres) represents the full diversion rate from right 2-7046B (14.26 cfs for 713 acres) rather than a portion of part A (32 cfs for 1836.5 acres). Therefore, the diversion rate leased to the bank was based on the rate per acre of part A (2.82 cfs rather than the claimed 14.26 cfs).

These rights should be accepted into the bank with limiting conditions. Permit 57-7034A should be accepted as prepared in the draft license.