MEMORANDUM

BBA water consultants

BISHOP-BROGDEN ASSOCIATES, INC.

To: Lisa Johnson

From: Chris Sanchez

Subject: Comments on Proposal from Box Elder Creek Properties to Include Greatrock North Water and Sanitation District as an augmentation source in their SWSP Request

Job: 0908.00

Date: December 2, 2012

This memo provides my comments on the request from Walraven Ketellapper of Box Elder Creek Properties to include the Greatrock North Water and Sanitation District as an augmentation source in their planned water rights application and Substitute Water Supply Plan request. I am specifically commenting on Walraven's letter dated November 29 and his e-mail dated November 12. For the purposes of both of his applications, Walraven must include all of the augmentation sources that may be used in his plan. Adding augmentation sources later in the water rights processes will be much more involved than including them in the original application. For example, for the water rights application, adding a new augmentation source may require submitting an amendment to the water court and republishing the application if a new augmentation source is added after the application is submitted.

Walraven states in his letter that by agreeing to be listed as an augmentation source there would be no obligation to the District. I agree that there would be no obligation to the District. Any negotiations or terms of a future agreement can be addressed at a later date if the District chooses to make water available to Walraven's project.

For clarification, from a water resource perspective, the water supplies that the District currently has available for the project includes Laramie-Fox Hills water pumped from the LFH wells, with the possible exception of small quantities of excess return flows. The District operates the augmentation plan to fully claim return flows from septic systems and lawn irrigation return flows, and covers any short fall in augmentation requirements by pumping the LFH wells to the stream. As a result, there are currently no excess return flows available. There are times when the District may have excess well capacity and water rights capacity to pump LFH water to Walraven's project, which would generally occur outside of the irrigation season. Also, the District already has the lease for LFH water to Box Elder Creek Ranch Water Co., which I assume would take first priority for any water deliveries of LFH water. With this in mind, if the District decides to allow Walraven to specify it's water resources as an augmentation source in his applications, then I suggest proactively letting Dave Rye know about it so that he is not surprised to see the District's water specified for that use.

In conclusion, I do not see any problems with Walraven including the District's water resources as an augmentation source in his applications. Walraven should understand based on my communications with him that water resources available from the District will be limited. Details regarding the terms of any agreement, obligations and compensation can be worked out at a later date.