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October 2, 1997

Joseph Novak, Esq.
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10 Exchange Place, 11th Floor
P.O. Box 45000
Salt Lake City, UT 84145

Re: Alta Ski Lifts Company

**HEARING SUBMITTAL TO
DIVISION OF WATER RIGHTS**

Right No.: 28548 & a 28545
Date: 7/13/2011
Submitter: Applicant
Kevin Tolton
21 Pages

Dear Joe:

We appreciated you and the other representatives of Salt Lake City, Sandy City and the Metropolitan Water District meeting with Russ Harmer, Robert Hill and me several weeks ago to discuss the possibility of Alta Ski Lifts Company ("Alta") filing a protective application to appropriate water in Little Cottonwood Canyon. As we indicated, we feel that it is probably in Alta's best interest to file an application to appropriate enough water to cover its present and anticipated needs even though it does not appear that there is any unappropriated water in the Canyon. We stated that we felt that such an application would protect Alta in the event that the Division of Water Rights determined that there is unappropriated water (especially if the Division rejects the Crawford and Snowbird Applications as being filed for speculative and monopolistic purposes). If the application were approved, it would give Alta much more secure rights than the terminable surplus contracts it has with Salt Lake City. We do not believe that filing the application should seriously affect the position of Salt Lake City and Sandy - that the water in Little Cottonwood Canyon is fully appropriated - because the application would state that it is only being filed to protect Alta's priority in the event the Division of Water Rights determines that there is unappropriated water.

~~You and the other representatives of Salt Lake City, Sandy City and the Metropolitan Water District indicated that you felt that Alta's filing an application would be detrimental to your position that all of the water in Little Cottonwood Canyon has been appropriated. You indicated that Alta's application would be viewed differently than Mr. Crawford's application and maybe even differently than Snowbird's application. You indicated that both cities felt that it was imperative that they do all that they can to prevent any further appropriation in Big and Little Cottonwood Canyons and that if Alta filed an application it would create serious difficulties.~~

We indicated that one reason that such an application is of interest to Alta is the uncertainty inherent in the terminable surplus contracts with Salt Lake City that Alta now must rely on for its water needs. While we understand that this is only kind of contract that Salt

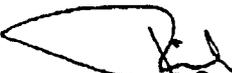
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Lake City can enter into, we were concerned that the water covered by the contract represented water that the City would need for future expansion so that Alta would eventually be without any right to the water it needs. ~~Alta was assured at the meeting that the water now under contract to Alta was not water that Salt Lake City would need in the future.~~ Representatives of Salt Lake City indicated that the City's planning for future needs includes water for its surplus contracts in addition to the needs of the City. ~~They also said that the City has the right to more than enough water for both the City and its surplus contract customers as far into the future as it can reasonably plan.~~ There was also an indication that the surplus contracts may be changed to a more permanent arrangement through the auspices of the Metropolitan Water District if the surplus contracts become a problem.

~~Based on the very strong urging of Salt Lake City, Sandy City and the Metropolitan Water District and their assurances that Alta can rely on its surplus contracts as a permanent water supply, Alta has decided that it will not file a protective application to appropriate water at this time. Of course circumstances may change and Alta reserves the right to continue to evaluate its water right position. However, Alta is willing not to file an application at this time as an accommodation to Salt Lake City and its allies.~~

Very truly yours,



Richard G. Allen

cc: Bryce McEuen
Russ Harner
Robert Hill

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