GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Water Rights

KENT L. JONES
State Engineer/Division Director

May 5, 2016

SUMMIT MOUNTAIN HOLDING GROUP LLC
3632 NORTH WOLF CREEK DRIVE
EDEN UT 84310

RE: Application Number 35-12848 (E5382)

Dear Applicant(s):

Please find enclosed supplemental document(s) relating to the above numbered application.

All documents concerning your application will become a permanent part of your file and used in the decision making process.

Sincerely,

Kent L. Jones, P.E.,
State Engineer

KLJ:ja

Enclosure:

cc: Regional Office

1594 West North Temple, Suite 220, PO Box 146300, Salt Lake City, UT 84114-6300
telephone (801) 538-7240 • facsimile (801) 538-7467 • TTY (801) 538-7458 • *www.waterrights.utah.gov*

UTAH DNR WATER RIGHTS

April 29, 2016

Kent L. Jones, P.E., State Engineer
Utah Division of Water Rights
1594 W. North Temple, Suite 220
P.O. Box 146300
Salt Lake City, Utah 84114-6300

Subject: HIDDEN LAKE WELL (POE #6) MITIGATION PLAN FOR CACHE VALLEY TRIBUTARY DRAINAGE EXCHANGE APPLICATION NUMBER 35-12848 (E5382)

Dear Mr. Jones:

This letter requests your concurrence with the Powder Mountain Water & Sewer Improvement District (PMWSID) mitigation plan to satisfy the mitigation requirements for pumping the Hidden Lake Well with regard to the Bear River hydrologic system. PMWSID wishes to begin utilizing the Hidden Lake Well for the Powder Mountain development under water right 35-12848 (E5382). Note that the Hidden Lake Well is point of exchange (POE) #6 under water right 35-12848 (E5382). This letter is jointly submitted by Summit Mountain Holding Group, L.L.C. and PMWSID.

The purpose of this plan is to satisfy the mitigation requirements for pumping the Hidden Lake Well with regard to the Cache Valley drainage system, as directed in the State Engineer's Reissued Order approving Exchange Application 35-12848 (E5282) dated August 19, 2015.

This plan involves releasing a volume of water to the Cache Valley drainage equal to 30% of the volume of water pumped from the Hidden Lake Well in a manner that will not deteriorate in quality or diminish in quantity the water that would have otherwise flowed to the Bear River drainage. The plan recognizes the impracticality of discharging water during winter months and the benefits of deferring the discharge to lower flow periods, including the flexibility of discharging the 30% volume in advance of production pumping.

In the future PMWSID may propose to amend this plan to provide additional or alternative compensating mechanisms. For example, PMWSID/Summit Mountain Holding Group plan to release water for mitigation from Porcupine Reservoir under a future approved exchange application. PMWSID will submit any amended plan to the State Engineer for concurrence prior to implementation.

Mitigation Plan for Cache Valley Drainage

Volume to be Released

PMWSID will release a volume of water to the Cache Valley drainage equal to 30% of the volume of water pumped from the Hidden Lake Well.

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PMWSID will measure the volume of water released from the Hidden Lake Well during each release period using totalizing meters. The date, time and totalizing meter reading (in gallons) at each discharge location will be read and recorded at the beginning of the release period and at the end of the release period.

Timing of Release

Water will be released periodically and not necessarily simultaneously with pumping from the Hidden Lake Well. The 30% volume will be released at varying times and frequencies depending upon the season in accordance with the following schedule:

Season		Minimum Frequency of Release	Latest Time of Release
Winter	Nov 15 – Mar 31	No release during winter	During the Early Irrigation Season
Early Irrigation Season	Apr 1 – Jun 30	Monthly	During the following months (May, June, and July)
Late Irrigation Season	July 1 – Sep 30	Every two weeks	During the following two-week period
Autumn	Oct 1 – Nov 15	Every two weeks	During the following two-week period

In addition, a portion of the 30% volume of water may be discharged prior to production pumping. For example, in anticipation of production during winter, a portion of the 30% volume could be released during the prior autumn.

Location of Water Release

Water will be released to the Cache Valley drainage from hydrants at one or more locations (Points A through F on Figures 1 and 2).

Water will be discharged from one or more hydrants through a hose to the ground in a manner that will prevent soil erosion. The released water will flow northward into Cache County along existing drainage channels of the Bear River drainage system. The mitigation water will enter a perennial stream within about one mile from the discharge point. Evaporative loss will be minimal because the discharge stream will be narrow and the evaporation rate will be very small at this north-facing slope and elevation. Any water that infiltrates will return to the Bear River groundwater system from which it originated. Therefore there should be minimal diminishment of the quantity of water returned to the Bear River hydrologic system.

Water Quality Considerations

The mitigation water will be discharged in a manner which will prevent soil erosion. The water discharged from the Hidden Lake Well for mitigation is natural groundwater which would have otherwise flowed northward in the Bear River hydrologic system to discharge as diffuse seeps and springs or through evapotranspiration. Therefore, there should be no diminishment in the quality of the water.

The discharge will comply with applicable rules of the Utah Division of Water Quality.

Reporting to State Engineer

PMWSID will submit a report to the State Engineer semi-annually. The report will summarize pumping and mitigation activities of the previous six months (January-June and July-December). PMWSID will submit the report not later than one month after the end of the six month period (not later than January 31 and July 31). The report will tabulate information including date, time and totalizing meter readings (in gallons) at the beginning of the release period and at the end of the release period. The report will tabulate the volume of water pumped from the Hidden Lake Well each month (information will include date, time and totalizing meter reading (in gallons) at the end of each month). The report will summarize the volume of water pumped from the Hidden Lake Well during each season and the volume of water discharged to the Bear River drainage. The report will state that mitigation activities during the reporting period met the requirements of the mitigation plan or, if they did not, what was not in accordance with the mitigation plan and the reasons why.

Responsibilities

The following entities and individuals will be responsible for operation of the Hidden Lake Well and compliance with this Hidden Lake Well Mitigation Plan for the Cache Valley Tributary Drainage:

Entity	Role / Responsibility
PMWSID	1. Operate Hidden Lake Well.
	2. Record date, time, and totalizer reading (gallons) of Hidden Lake Well at the end of every month.
	3. Operate and conduct mitigation water release.
	4. Record locations, date, time, and totalizer readings (gallons) of mitigation release at beginning and end of each release period.
	5. Prepare and submit reports to the State Engineer in accordance with this plan.

Request for Concurrence

The foregoing constitutes the mitigation plan to satisfy the mitigation requirements for pumping the Hidden Lake Well with regard to the Bear River hydrologic system. PMWSID requests that the State Engineer provide his concurrence with this plan by signing the statement on the following page. PMWSID may propose additional or alternative compensating mechanisms to the State Engineer for concurrence in the future.

Kent L. Jones, P.E., State Engineer
April 29, 2016

Very truly yours,
Powder Mountain Water & Sewer District

Matthew R. Bell, Chairman

Summit Mountain Holding Group, L.L.C.

Jeff Werbelow, COO

Attachments:

Figure 1 – Topographic Map
Figure 2 – Air Photo Map

cc: Jeff Werbelow – Summit Group
Paul Strange – Summit Group
Tom Jolley – Summit Group
Don Barnett – Barnett Intermountain Water Consulting

File: *11-16-08-Mitigation Cache Valley-SMHG.docx*

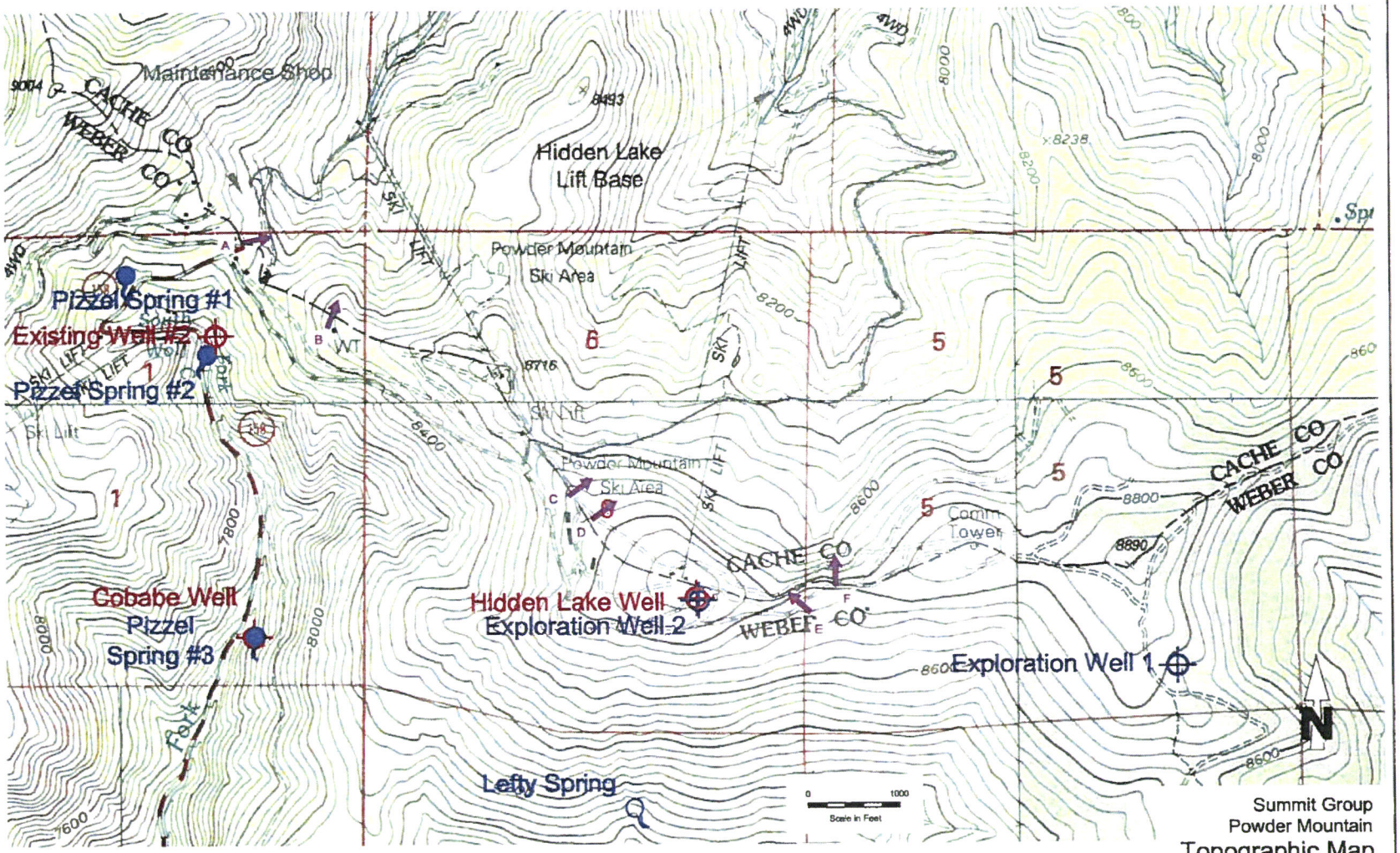
Kent L. Jones, P.E., State Engineer
April 29, 2016

STATE ENGINEER'S STATEMENT IN CONCURRENCE WITH
HIDDEN LAKE WELL MITIGATION PLAN FOR CACHE VALLEY TRIBUTARY DRAINAGE

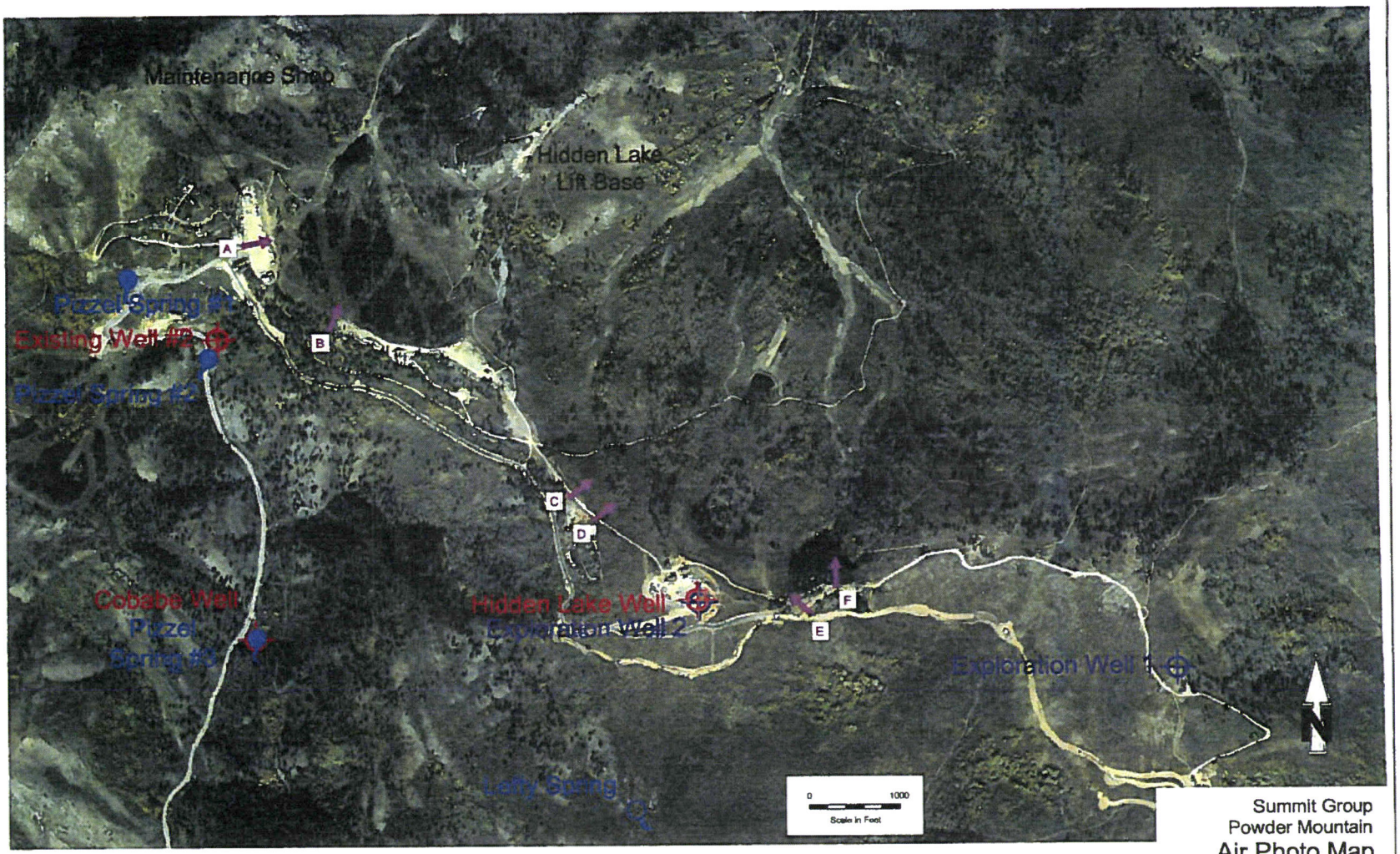
I, Kent L. Jones, the State Engineer for the State of Utah, hereby acknowledge that implementation of the compensating mechanisms described in the foregoing plan satisfies the mitigation requirements for pumping the Hidden Lake Well with regard to the Bear River hydrologic system, as directed in the Reissued Order approving Exchange Application 35-12848 (E5282) dated August 19, 2015.

Kent L. Jones, P.E., State Engineer

Dated: 5-5-16



Summit Group
Powder Mountain
Topographic Map
Figure 1



Discharge Location (Hydrant)

Summit Group
Powder Mountain
Air Photo Map
Figure 2