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September 22, 2009

Snake Valley Agreement  
c/o Utah Department of Natural Resources  
Division of Water Rights  
1594 West North Temple, Suite 220  
Salt Lake City, Utah 84114

RE: Comments on Proposed Snake Valley Agreement

Western AgCredit has a material interest in the management of water resources in the Snake Valley and throughout Utah and other areas in the Intermountain West. Western AgCredit is the largest agricultural lender in Utah and we have several customers whose operations are located in Snake Valley and who depend on the water resources in that area. We also finance some agricultural operations located in Eastern Nevada.

We are opposed to any plans to transfer material amounts of water out of the Snake Valley. We realize that this is a complicated issue because of the conflicting interests between Utah and Nevada and the unanswered questions regarding the rights of each state to control the water in Snake Valley. However, extreme care must be taken to avoid actions that could potentially 1) threaten the viability of existing water users with established water rights, 2) cause serious environmental damage to Snake Valley, and 3) impair air quality throughout the rural and urban areas east of Snake Valley. Based on the discussions and presentations in recent meetings, it seems that – with the exception of the Southern Nevada Water Authority – most interested parties are united in their opposition to piping water out of Snake Valley to the detriment of the valley and its residents.

We are supportive of the wise use of available water for agriculture and for sustainable development in the area where the water is located. These uses should be properly managed based on science and reliable data to determine the amount of water available in the groundwater basin. However, a much higher standard of reliability should be required of data and studies used to support any claim of “excess water” before it is appropriated for use outside of the groundwater basin.

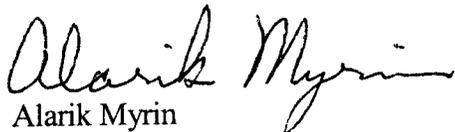
We recognize that there is a significant difference of opinion as to how to best protect Snake Valley, its residents and the citizens of Utah east of Snake Valley from the potentially devastating impact of excess allocation and withdrawal of groundwater in the valley. Utah’s negotiators who have worked over the past several years drafting the proposed Agreement for Management of the Snake Valley Groundwater System are of the opinion that the Agreement will be the best tool to assure appropriate allocations of the water and to protect existing water users. Other parties are

suggesting that the proposed Agreement be renegotiated and modified to better protect Snake Valley and Utah's interests. Others have the opinion that an acceptable negotiated agreement is almost impossible and that a lawsuit against Nevada, and ultimately a resolution by the courts, is the best strategy to accomplish the objectives.

We recognize that Western AgCredit does not have sufficient information to definitively conclude which of the strategies will bring the best results for Utah. It appears that all of the alternatives have some merit, but that each of them also has significant risk and uncertainty. However, we hope that each alternative will be carefully evaluated and the risks fully considered before a final decision is made. We also hope that there will not be a rush to select a course of action until many of the answered questions can be resolved. Throughout this process, we encourage you to focus on the objectives of 1) wise management of these important water resources and 2) avoiding actions that would result in seriously adverse, long-term consequences.

Thank you for the opportunity to comment on the proposed Agreement.

Sincerely,



Alarik Myrin  
Board Chairman



Richard Weathered  
President & CEO

cc: Mr. Michael R. Styler, Executive Director ✓  
Department of Natural Resources  
PO Box 145610  
Salt Lake City, Utah 84114-5610