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WATER RIGHTS
SALT LAKE

Mt. Carmel Irrigation Company
Mt. Carmel, Utah
April 20, 1994

DeMoin Sorensen
Bryant Sorensen
895 West 690 South
Richfield, Utah 84701-2913

Dear DeMoin and Bryant,

This letter is in response to the letter written by Bryant Sorenson dated March 27, 1994.

Your request to move ~~the~~ all of your water to the East Ditch is denied for the reasons outlined as follows:

1. Your share of the system is 4 days, not 4 1/2 as you claim.

The sign-up and payment with the A.S.C.S. office in Kanab, for the pipeline, was made for you on 4 days of water, not 4 1/2 as you requested. You signed a settlement agreement on January 20, 1990, which acknowledges that fact. You were at the A.S.C.S. limit of \$10,000 per individual payment at paying for 4 days rights in the system.

After that agreement was signed another document was signed which said: "Should DeMoin Sorensen be allowed to move additional water from the West Ditch to the East Ditch, (by vote of the Board or Judge decree), said water use in the system is paid in full." The intent of this document was that if the Judge or court says your water has to be moved you will not have to pay more. But the fact is you have not already paid for something you are not getting. You paid for 4 days in the system, not 4 1/2. The settlement document shows that fact. The document was signed by Arthur Tait, B. Al Tait, Sharon Lamb, and DeMoin Sorensen, with John D. Reese as a witness.

2. The Burton-Cox Decree awarded water rights by ditch, East and West.

In the Burton-Cox Decree water was awarded to Mt. Carmel Irrigation Company by ditches, East side and West side. This was based on land watered under each ditch. The duty was 60 acres for each cubic foot of water. *Per Sec.*

Each ditch has operated almost as a separate company, but with the same board of directors. They have each assessed what it cost to build and maintain their systems.

Water is identified on the company records as East Ditch or West Ditch, lot or field stream. You have definite water rights under each ditch.

In the new proposed determination of water rights the State Engineer has both ditches' rights listed together, 6.58 cfs total. The State Engineer has said it is the ditch company Board of Directors' responsibility to deliver the water to its stockholders based on the rights they own. This we do by the water rights on each ditch. The West Ditch has cement dividers to divide lot and field stream. All of these plus the cement divider that divides water between the East and West ditches would have to be changed if water was to be moved from one ditch to the other.

3. You are not being denied your water.

If your request were granted you would still use your water on the same land between the Muddy and the creek on the West side. You just want it delivered by a different ditch. Other water users would like to put their water in the East Ditch too. If one is allowed to do it, everyone should be. All users should be treated the same. We are not denying you the use of your water. We are saying that you cannot be given rights that are not given to all stockholders in the company.

4. The Company by-laws declare where water is to be delivered.

Section X on the by-laws states: "The Corporation shall provide and maintain one headgate for each person at the expense of the corporation for each tract of land owned by the stockholder. No stockholder shall place any obstructions of any kind in any corporation ditch except head gates or other devices approved by the board of directors and installed by it or under its supervision. The Irrigation Company will assume responsibility for delivering water to the edge of the property of the last property owner with the exception of the West canal which shall extend to the flume across the Muddy. Parties owning property below the Muddy shall maintain said flume and ditch thereon and shall be allowed three-fourths of the assessment for said maintenance."

This section gives the board the ability to see that all stockholders get their fair measured portion of water that they own. You are the last property owner on that section of the West ditch and we will deliver the West Ditch water there, unless you choose to use it somewhere else on the West Ditch. We will not deliver it to the East Ditch reservoir. You do not own the property at the East Ditch reservoir. The East Ditch reservoir is not a company reservoir. You have rights to use it for 3 days; Al Tait and Doran Lamb, 2 days; Sharon Lamb 2 1/2 days; and Tait Land and Livestock 2 1/2 days. That is the amount of ownership each one paid for.

5. Rights of water being used through the group reservoir are already determined.

Before more water could be used through the reservoir the owners would have to agree to it. You are now using ~~2~~ hours more water through the reservoir than you have an ownership right for.

DeMoin agreed in a meeting at the rock church in Mt Carmel on 4-27-91 to place a permanent measuring tape in the pond to measure water which belongs to each shareholder. DeMoin put the measuring tape in, but you still shut Sharon Lamb's mover sprinkler line off 2 times last summer. Present at the meeting were: Sharon Lamb, Dell Tait, Doran Lamb, DeMoin Sorensen, John Reese, and Al Tait. Al wrote the minutes of the meeting because he was secretary of the group sprinkler line project. We have the minutes of the meeting. The board would like a written response from you on the letter sent to you on June 16, 1993, concerning the rights of the reservoir and your shutting the water off Sharon Lamb's mover line, denying him the use of his water.

6. Stockholders voted against moving the water from one ditch to another.

On April 1, 1988 the stockholders of the Mt Carmel Irrigation Company voted 295.25 shares- No, and 73.73 shares- Yes, on the motion to allow DeMoin to move 5 shares of irrigation stock from the West Ditch to the East Ditch. This vote was done because it would affect all water users. There are 408 3/4 shares of stock in the company. We have this vote by stock in Company files.

7. The Utah Department of Commerce gave the decision that we were following the company bylaws and articles of incorporation and were fully within our rights as a Board of Directors.

On July 24, 1991, the Board of Directors answered the false accusations DeMoin made against us to the Utah Department of Commerce Division of Corporations. The response is in the corporation file for public access, should anyone want to review it. After answering the nine questions from the Utah Department of Commerce and talking to Mr. Van Alstyne on the phone he was satisfied that their questions were answered and they would not need to come and meet with the board. I requested that Mr. Van Alstyne come and meet with us as he offered to do so in his first letter in the hope that he would help resolve the matter. He said one stockholder should not be permitted to move water unless they all can. All should be treated the same. I also sent him a copy of the reservoir agreement passed by a vote of the stockholders and it is on file in the Utah Department of Commerce, Division of Corporations and is available for public access.

We are not denying you the use of your water. The corporation ditch, has in the past and will in the future be maintained to your property. You are now watering more acres than you have an individual water right for, and you are using the group sprinkler line for all of the rights you paid for in it.

We disagree with your interpretation of the by-laws. Your request is not in accordance with the Mt Carmel Irrigation Company's Articles and by-laws and is therefore denied.

**Board of Directors
Mt. Carmel Irrigation Company**

Sharon C. Lamb

Sharon C. Lamb

Dell Tait

Dell Tait

John D. Reese

John D. Reese

Rex Crofts

Rex Crofts

Cleve Esplin

Cleve Esplin

cc Robert L. Morgan, State Engineer

cc State Engineer, Cedar City