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Governor
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Executive Director
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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

1636 West North Temple, Suite 220
Salt Lake City, Utah 84116-3156
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March 9, 1992

TO ALL WATER USERS OF THE DEEP CREEK DISTRIBUTION SYSTEM:

Two distribution system meetings were held this year (February 6th and March 2nd) in an effort to set a budget and recommend a commissioner for the 1992 irrigation season. The distribution system business was completed with some difficulty because there was confusion concerning how voting was to be handled. The second meeting was held specifically to discuss voting procedures.

We could find nothing in the minutes of the meetings or in the correspondence files which documented or explained who could vote or how the voting was to be handled. Therefore, we presented two alternative ways that voting could be done on the system and called for a vote of those present at the meeting. There was only partial representation of both the Mosby Irrigation Company and the Deep Creek water right holders at the meeting and the vote essentially ended in a draw. It was decided to mail a ballot to every one who used water from Deep Creek (either Deep Creek water or Mosby Irrigation Co. water) to get a more representative vote concerning the issue.

The two voting alternatives are described on the attached ballot. Please indicate which you prefer by marking an X in the margin next to the description. Please return the ballot to:

Lee H. Sim
Utah Division of Water Rights
1636 West North Temple
Salt Lake City, Utah 84116

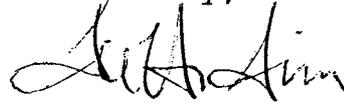
We must have the ballots in our office by March 31. Any ballots received after that date will not be counted in the voting. The results of this ballot will be recorded in the distribution system files and voting in the future will be based on the procedure selected.

Also, at the meeting it was decided that Dean Clerico should ride with Charmin Justice from time to time this year to get to know the system so he could help out if Charmin had to be away during the irrigation season. It was suggested that Dean be compensated for his time. Please indicate on the ballot if you agree; a compensation will be set by the distribution system committee.

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If you have any questions concerning the two alternatives,
please contact either me (538-7380) or Bob Leake (781-0770).

Sincerely,

A handwritten signature in cursive script, appearing to read "Lee H. Sim".

Lee H. Sim, P. E.
Assistant State Engineer
Adjudication/Distribution

cc: Bob Leake
Mark Wangsgard, Attorney

DEEP CREEK DISTRIBUTION SYSTEM BALLOT

WATER USER NAME _____

Alternative No. 1

The Mosby Irrigation Co. would have their meeting before the annual distribution system meeting. At its meeting, the shareholders would vote on the person they would like to recommend as commissioner for the coming year. At the distribution meeting, a representative from the company would present their proposal for commissioner (based on the person who received the most votes) to the Deep Creek water right holders. The water right holders would then vote among themselves whether to accept the company's proposal or not. If they did not accept the proposal they would select by vote the person they would like to recommend as commissioner. This proposal would then be considered by the Mosby Irrigation Company (by those shareholders present at the distribution system meeting) and either accept it or reject it. If it was rejected, the company would make another proposal to the water right holders and the process would continue as outlined above until both groups could agree on the same person. If no agreement could be reached then a decision would be made by the State Engineer. If a person owns both shares in Mosby Irrigation Co. and water rights on Deep Creek, they would be allowed to vote with both groups. It is assumed that proxies would be allowed in the voting in both groups.

Alternative No. 2

The voting would be based on those water users who attend the annual distribution system meeting (again proxies would be allowed). Every water user would be allowed one vote regardless of whether their use was based on Mosby Irrigation Co. shares or Deep Creek water rights. However, only one vote would be allowed per water using entity. For example, if several members of family attended the meeting but their use was based on commonly held water rights or company shares, only one representative from the family could vote; or if several members of a corporation which held rights or shares attended, only one representative could vote. The decision on the commissioner would be based on the majority vote of those present at the meeting (including proxies).

The proxies used in either voting alternative would have to state specifically the meeting at which they are to be used, the person being represented by the proxy, and the person's name who is authorized to use the proxy.

YES NO I agree that Dean Clerico should be compensated for his time and effort this year in riding with Charmin to learn the system and filling in for her if needed.