



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

Michael O. Leavitt
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State Engineer

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DEST ANDERSON
1-435-752-1041

September 10, 2001

DALE L REESE
PO BOX 26616
SALT LAKE CITY, UT 84126-0616

Re: Logan River Distribution System

Account No(s). 25-4b

WATS # 25-5090
Logan Hollow Canal Company

Dear Mr. Reese;

Our records indicate the distribution assessments associated with your water right or water rights on the above distribution system have not been paid for at least two years. **YOUR ACCOUNT OR ACCOUNTS ARE CURRENTLY DELINQUENT IN THE TOTAL AMOUNT OF \$ 58.62**, which includes current and previous years' assessments and delinquent penalties. A current copy of the assessment statement for the account or accounts is attached.

The water user assessments are used to pay the salary of the water commissioner and the operating expenses of the distribution system as required by Sec. 73-5-1 of the Utah Code Annotated, 1953 as amended. The budget for these items is set by the water users at the annual distribution system meeting.

The existence of the distribution system and the presence of a water commissioner assure the orderly distribution of water according to the established water rights and priority schedules. The payment of your distribution assessment is important to the continued operation of the distribution system.

YOU ARE HEREBY REQUESTED TO PAY THE TOTAL AMOUNT DUE WITHIN 14 DAYS OF THE DATE OF THIS LETTER.

Sec. 73-5-1 provides three remedies for non-payment of distribution assessments. Upon failure to pay the assessment, the state engineer may

- Create a lien on the water right
- Issue an Order to Cease and Desist the Use of Water (Cease & Desist Order)
- Bring an action against the water user in the district court for the unpaid assessment

If payment is not received within 14 days from the date of this letter, the state engineer will commence an adjudicative proceeding against you. You will receive a Notice of Agency Action commencing this proceeding. The result of this action will be the imposition of one or more of the remedies listed above. If legal action is necessary, you will be required to pay the legal costs for prosecution and collection of the unpaid assessment. If a Cease & Desist Order is issued, no administrative action will be taken on the

water right as long as the Cease & Desist Order remains in force. Change Applications, Segregation Applications etc. will be accepted by the Division of Water Rights but no action will be taken.

We hope these steps will not be necessary. If you have any questions concerning your assessment or this process, please contact me at (801) 538-7380 or John Larsen at (801) 538-7431.

Sincerely,



Lee H. Sim, P.E.

Assistant State Engineer for Distribution

cc: Bob Fotheringham
Terry L Grehn