



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

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Governor

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State Engineer

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June 25, 2002

J. Edwin Ure
800 S Lambert
Kamas, UT 84039

Dear Mr. Ure:

As I am sure you are aware, it was recently announced there will be additional short falls in the projected state revenues. I have been informed the Division of Water Rights may experience additional budget cuts of approximately 4-8 percent for fiscal year 2003, which begins July 1. The size of the budget reduction under consideration, including reductions in the 2002 fiscal year, leave me with little choice. If these cuts are implemented, I will be forced to reduce staff and statutorily mandated services.

One of the areas I have been examining in the current crisis is the Water Resources Cooperative Program with the US Geological Survey (USGS) under which stream gages are operated throughout the state. I consider the information generated from the streamflow gaging stations as critical in distributing water to existing users and as an essential tool in evaluating water supplies. As State Engineer, I want to make informed decisions, which will not cause injury to existing rights but will allow the water resources to be utilized in accordance with the law. However, I cannot escape the fact that stream gages are a large operational expense.

The majority of the gages I am currently funding are within existing water distribution systems. Statutorily, it appears under section 73-5-1 of the State Code that distribution systems are expected to bear the costs associated with the distribution of water. Listed below are stream gages currently operated on the Provo River Distribution System and funded by the Division of Water Rights. I ask that the distribution system consider funding the state cost share for the operation of these gages. I recognize this is a considerable expense, and the timing may not be the best for a shift from state funding to local funding.

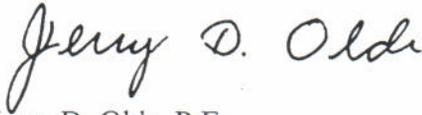
<u>ID Number</u>	<u>Stream Gage</u>	<u>State Cost Share</u>
Provo River		
10155000	Provo River near Hailstone	\$5,600
10159500	Provo River below Deer Creek Dam	\$6,100
10163000	Provo River at Provo	\$6,100

Obviously we will need to look at all viable alternatives, but I want you to understand I am not supportive of compromising data integrity associated with the gages. I believe the USGS operates a sound, albeit expensive program, and I believe we need to continue the practice of operating a reliable data collection program.

We are currently involved in discussions with the USGS concerning the Cooperative Program contract for the upcoming year, so it is important that a decision be made as soon as possible. If I have not heard from you by July 15, 2002, I will assume that your distribution system has no interest in cost sharing for the stream gaging stations listed. In that event, we will move forward with making the necessary adjustments to the contract with the USGS and the gaging stations that we fund.

If you have any questions concerning this matter, please contact me at (801) 538-7240.

Sincerely,

A handwritten signature in cursive script that reads "Jerry D. Olds".

Jerry D. Olds, P.E.
State Engineer

cc: Lee Sim, Assistant State Engineer
Jim Riley, Regional Engineer
Stanley H. Roberts Jr., River Commissioner