

From: Kerry Carpenter
To: Bob Morgan, Lee Sim
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Subject: Santa Clara River Distribution

The battle has begun. I got a call yesterday from Rod Leavitt and he was very upset. As Rod explained "the situation" to me, UP&L (PacifiCorp) owns a couple of shares of stock in Veyo Irrigation Company that were originally acquired for the irrigation of yards/gardens around their plants at Veyo, Sand Cove and Gunlock. No one has used the shares for that purpose for a long time, so the water has just remained in the system for other shareholders. Larry Staheli is the current "manager" of the Sand Cove system for UP&L. Larry lives and works out of Beaver. However, Larry does have a small farm in the Veyo area and he has arranged to "lease" the UP&L shares for use on his land. When Claude Braswell asked Rod about delivering the "extra" water to Larry, Rod's answer was "No!!" (or maybe, "Hell, no!!"). Rod's position - as he explained it to me - is that those shares are to offset the leakage losses from the power canal and he will not permit them to lose the amount of water they are losing from the poorly maintained canal and then turn around and lease these shares to someone else. He also told Claude that UP&L would have to file a change application before Larry could use their water. I quizzed Rod a little (he was in no mood to be questioned) and was able to figure out that Larry's field is within the Veyo Irrigation service area, that it is already watered with Veyo water and the "extra" shares would give Larry an additional hour and a half of water. I told Rod that it didn't sound like a change application would be required, but that I would check into it further and ask Larry what was going on. Rod was pretty insistent that I should go right to Scott Johnson because he believed that this leasing arrangement was just being done locally and that UP&L probably didn't even know it was going on. I don't believe there is any documentation to cover Rod's opinion that the UP&L shares are supposed to offset the canal losses. That's just Rod's idea of Justice.

As I told Rod I would, I attempted to call UP&L at Beaver. However, all I could get was Larry Staheli's voice mail. I left him a message yesterday and he called me back today. Larry confirmed the facts regarding the two shares, one and one half hours of water, etc.. He said that he has an agreement with UP&L that he will pay the assessment on their shares in exchange for using the water. He was surprised that it was such a big deal to anyone. I asked him about the condition of the power canal and he said it was actually in pretty good shape except for the stretch between Upper & Lower Sand Cove (the portion that is not piped). He said the pipe has a few bullet holes in it, but he keeps them plugged as well as he can, and that the open-ditch portion has been vandalized quite badly, but he's working on it as quickly as possible and will have it shaped up within a month or so. I asked him what his losses were and he said a total of about 2 cfs out of about 10 cfs being diverted. Back in 1991, we ordered UP&L to keep their losses below 15% of the diverted amount in each reach of the open-ditch canal. That would allow a total loss in the whole system of around 30%, so it appears that they are losing less than is allowed, although I don't think anyone has confirmed the measurements.

Going tit-for-tat, Larry decided to through a counter punch: He said that UP&L has consistently complied with an order to release 1 cfs past their diversion above Baker Reservoir "for the fish". This flow was supposed to be passed through Baker, but Claude refuses to pass it through and just stores it. Larry said that he has talked Rod about this and he doesn't think Rod has done anything about it. I told Larry that I suspect that Rod & Claude are of the opinion that the dam leaks more than that, so they don't have to actually "release" it. Larry said that's probably true, but he still thinks they are storing water in Baker that they don't really have a right to and Rod doesn't keep an eye on that like he should.

Good grief!! Well, I now have to call Rod back and tell him what I think he should do. In case you don't know, although Rod has typically been very polite to me, I believe he has weighed me in the balance and I have been found wanting. He yearns for the days of "Mr. Stoker" when canals were properly maintained and this office had some spine. Neither my current level of self-esteem nor my hope for eternal salvation rest upon Rod's opinion of me, and I am quite willing to tell him he's out of line if you believe that is what he needs to be told. However, if you have some different ideas or some approach that might soften the blow, I would like to hear them.