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DRAPER IRRIGATION CO.

JUL 01 1991

P.O. BOX 908 DRAPER, UTAH 84020 (801) 571-2232

June 28, 1991

WATER RIGHTS
SALT LAKE

State Engineer's Office
1636 West North Temple
Salt Lake City, Utah 84116

Re: Comments by July 1, 1991, on Distribution of Water
Within the Utah Lake Drainage Basin.

Gentlemen:

Draper Irrigation Co. Inc. has been in business as a Utah corporation since 1888. Ditches to collect mountain water from Bells Canyon in the north to Big Willow in the south were being developed 20 to 30 years before incorporation was officially put into place. Those pioneers did a wonderful job of utilizing water for irrigation and drinking purposes.

The board of directors of Draper Irrigation Co. are delighted with the work your office is doing to bring all the Utah Lake Drainage Basin entities and upstream tributaries under one system. We like the control centered with the State Engineer. Many problems will arise as time passes and the State Engineer should consider the following:

1. Bring a board, if one is not already in existence, that is representative of all water users. The board's responsibility would be to feed information to the State Engineer on how to solve distribution and other problems that may arise.
2. Set up a free market system where water not needed by an owner can be sold, without losing the water right, to another water user within the system. The seller would receive cash on an acre foot basis from the buyer for water sold that year. Some of the benefits of such a system are:
 - A. Water would be used at the highest beneficial use.
 - B. Water rights would generally not need to be bought and sold.
 - C. Owners of water rights would cease to feel a need to protect their rights.
 - D. The market would set the price based on needs or demand.
 - E. Water would not be wasted.
 - F. Such a plan, well thought out and tested, could be exported for use in other systems.

Continue, State Engineer's letter of June 28, 1991.

G. On draught years crops may not be planted as the water would go to culinary systems.

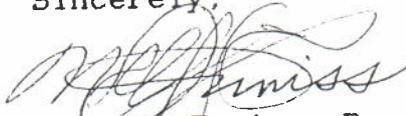
H. Water allowed to flow into Utah Lake would only be enough to meet the demands of water users there.

I. Evaporation of water held at higher elevations may be less than that of water stored in Utah Lake.

J. Systems used in diverting water before it flows into Utah Lake could be made available to all water users, if capacity is available.

Many other benefits would come from a free market system. There may also be many deterrents to such a system. One I can think of would be getting legislation in place to allow such a free market to work.

Sincerely,



Noel H. Enniss, President
Draper Irrigation Co. Inc.