

From: Lee Sim
To: Gertrudys Adkins; John Larsen; John Mann
Date: 5/23/02 9:35AM
Subject: LETTER TO GRANITE CREEK

Attached is the letter that I am sending to Glenn and to George based on the conversation that I had with Jim White yesterday. The letter also addresses the assessment that we will now be making to the Douglasses. Jim said that one of Glenn's gripes was that the Douglasses were not having to pay anything even though the court stipulation said they would bear the costs of the distribution system. Perhaps if we assess Douglasses, Glenn might have a little more feeling that things are equitable. John, would you please work with Debbie to get this assessment out. I think that there should already be an account set up for them.

Lee

May 23, 2002

Glen Allred
Red Cedar Corporation
Star Route 705
Trout Creek, UT 84083

George Douglass
Deep Creek Mountains Ranch
Callao Star Route, Box 380
Wendover, UT 84083

Gentlemen:

Yesterday I had a conversation with Jim White. Jim told me that he would be able to continue as the commissioner for the Granite Creek Distribution System and that he would take water measurement readings each time that he was in the area. The readings will be taken at the following locations:

Staff gage in hydro-power plant on Granite Creek
Staff gage at the discharge on Red Cedar Creek pipeline into Allred's pond.
Douglass' water meters

Jim also agreed to send me those readings by e-mail each time that he took them.

There are a couple of items that need to be taken care of so that the commissioner can make the measurements. Jim said that he does not have a key to the hydro-power plant. Glenn, would you please make certain that he gets a key to the power plant and that staff gages are in place both at the power plant and on the Red Cedar Creek pipeline. George, would you please make certain that your water meters are operating correctly and that Jim has the proper factors for reading the meters correctly. Would you both please notify me when you have completed these items. This information can be e-mailed to me if that would be more convenient for you. My e-mail address is LEESIM@UTAH.GOV

There is another issue that we failed to discuss at the meeting at Allred's Reservoir on April 18th. I am sure that you are aware of the revenue shortfalls that have been reported by the State of Utah. As a result, the Division of Water Rights budget has been cut considerably this past year and it appears the cuts will continue for the next few years at least. The Division of Water Rights has no program funds that can be cut, our budget is almost entirely devoted to staff salaries. So far, we have been able to handle the budget cuts by attrition and by not filling some open positions. However, at some point it may be necessary to reduce staff which would seriously affect our ability to carry out the responsibilities that have been mandated to us by statute. There are several efforts that the division is making to avoid this possibility and one of those involves the state's distribution systems.

We have decided that we will have to start assessing the distribution systems for some of the administrative services performed by division staff which have been provided in the past at no

cost. Section 73-5-1 Utah Code Annotated provides that the state engineer shall assess the water users for the salary and expenses of the commissioner and any other expenses that the state engineer feels are necessary.

There is no commissioner salary or expenses associated with the Granite Creek Distribution System and as a result no assessments have been levied. However, our staff does the calculations and prepares the flow report based on the data collected from the aquapods, so there will now be an assessment for that work. The assessment for this work for this year will be \$250.00; this amount may be adjusted in the future. According to the court stipulation, these costs are to be paid by the Douglasses, so the assessment will be sent to them in the next week or so. *Act 69-2*

I hope this information will be helpful. If you have any questions please contact me at the e-mail address listed above or at (801)538-7380.

Sincerely,

Lee H. Sim, P.E.
Assistant State Engineer for Distribution

cc (by e-mail): Jim White, Commissioner
John Mann, Regional Engineer