RED CEDAR CORPORATION
STAR ROUTE 705
TROUT CREEK, UTAH
435-693-3143 84083

RECEIVED
AUG 13 1998
WATER RIGHTS
SALT LAKE

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

Re: Letter and directive issued to Red Cedar Corporation from the State Engineers Office on August 7, 1998 and received on August 10, 1998.

Attention: Lee H. Sim

It appears you made a decision and issued a directive based primarily on a letter of complaint you received from Mr. Douglass. If there was an effort to verify the assertions made in that letter, it was done with the ridiculous assumption that flows have remained constant in Granite Creek from April to present. It appears to me you put forth little or no effort to review past history on these creeks. It appears to me you put forth little or no effort to contact me or compare my records.

Historically, even with 2-years of using an appointed water commissioner, there was not sufficient water to exceed our acre foot limitation of water. It was based on this history that the decision was made to discontinue the use of a water commissioner.

Mr. Douglass asserts in his letter that we have drawn 6-c.f.s. of water from Red Cedar Creek on a continuous basis from the beginning of April. This assertion is totally untrue. We have been monitoring the flows of water in that Creek.

Mr. Douglass asserts we have drawn at least 4-c.f.s. of water on a continuous basis from Granite Creek from the beginning of April and further asserts there is no way of knowing how much water we have used because there is no staff gauge in the weir. These are also false assertions. All water diverted from Granite Creek goes through the hydro-generator. With a fairly constant head level and an accurate record of all the kilowatts of electricity generated, we can convert the amount of kilowatts generated to the amount of water used.

Mr. Douglass further asserts Red Cedar Corporation was depriving them of water while wasting water down Red Cedar Creek. On the **one** occasion Mr. Douglass called me concerning this problem, there had been ample water available to Mr. Douglass the night before his call. During the night the water had dropped off rather suddenly in Granite Creek. We corrected the problem the morning after his call. In fact, for several days after his call, there was far more water available to Mr. Douglass than he was able to take. There had also been more water available to Mr. Douglass than he was able to take

for approximately 3- months prior to his phone call. Also, as an additional point of interest, Mr. Douglass was also wasting water down Cottonwood Creek at the same time he was complaining of insufficient water from Granite Creek.

Now I will make some assertions of my own:

Mr. Douglass has had his head gate intake on Granite Creek full open from at least the beginning of May. There has been excess water flowing past his open head gate from at least the beginning of May until about the end of July. Mr. Douglass has indicated to me in the past that his pipeline from Granite Creek can draw 4-c.f.s. when full open. Therefore, if Mr. Douglass had been drawing 4-c.f.s. of water from the beginning of May, his acre foot limitation of water would have been used up by the end of June. If he can't draw the 4 c.f.s. of water through his pipe as he had indicated, then how much can it carry? If he could only draw 3 c.f.s. through his pipe, his allotment of water would have been used up by the middle to end of July. If he only used 2 c.f.s. of water from the beginning of May, his allotment would still be close to filled.

It is true my assertions are based on what appears to be the case. My question is why was **only** Red Cedar Corporations' acre foot limitation considered. Red Cedar Corporation, as you should know, is entitled to water again after Mr. Douglass' acre foot limitation is reached.

It is my observation and opinion you made a biased decision and issued a biased directive concerning the use of water in Granite Creek. It is also my opinion you put forth little or no effort to obtain any facts or records. You apparently relied solely on the assertions made by Mr. Douglass and a one-time observation made by Mr. Mann.

Perhaps you don't realize the impact of your decision and directive. I can assure you , the State and/or Mr. Douglass will be liable for a considerable amount of hay loss and subsequent loss of revenue if your assertions and/or decisions can't be substantiated.

Therefore, I strongly urge the State Engineers Office to withdraw the directive issued against Red Cedar Corporation concerning Granite Creek water until such time the assertions made can be either proved or disproved.

As mentioned earlier, the State Engineers Office had previously appointed a water commissioner to monitor, record and regulate the water on the above mentioned creeks. Under the direction and recording of the water commissioner at that time, there was not sufficient water to exceed our acre foot limitation. Mr. Douglass did not wish to continue to pay the expense of a water commissioner (as per stipulated agreement) especially when he ultimately received no benefit from the expense. I therefore, out of kindness, agreed to working without a water commissioner.

It is now apparent to me, and should be apparent to the State Engineers Office, the distribution, recording, and regulating of water on Granite Creek, Red Cedar Creek, and Cottonwood Creek can not be done harmoniously without the use of a water commissioner.

The State Engineers Office issued a notice of a meeting to be held on Monday, August 17, 1998. The purpose of the meeting is to discuss the possibility of appointing a water commissioner. I don't think this is any longer a matter open to discussion. I not only agree, but insist a water commissioner be appointed by the State to measure, record, and regulate the use of water on Granite Creek, Red Cedar Creek, and Cottonwood Creek. My primary concern is that the appointed commissioner be intelligent, experienced, and most of all unbiased. This will probably require the appointment of a

commissioner that does not reside in this valley. Furthermore, a water commissioner must check and evaluate the use of water on these Creeks at least once a week during irrigation season in order to better approximate the actual usage of water and be able to consider the fluctuations and usage of water.

Sincerely,

Date; August 11, 1998

Glen A. Allred
Red Cedar Corporation (Treas.)

cc. John Mann
Robert L. Morgan
George Douglass