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268 East 500 North
Centerville, Utah 84014

August 10, 2007

Mr. Jerry D. Olds
State Engineer
Utah Division of Water Rights
1594 W North Temple, Suite 200
PO Box 146300
Salt Lake City, Utah 84114-6300

RECEIVED

AUG 14 2007

WATER RIGHTS
SALT LAKE

RE: Beryl Enterprise "Groundwater Management Plan".

Dear Mr. Olds,

In reference to the meeting held on August 6, 2007, at the Enterprise High School, you did an excellent job of presenting the technical data for the Beryl-Enterprise area. James Greer also did a very credible presentation on the available data showing the recharge, the diversion and depletion that is currently taking place.

The domestic users appeared to be very concerned when you informed them that they would be reduced on their diversion based on priority. I believe that they were under the impression that they would not be affected in any reduction to the extent that they may be the ones who have been complaining about the decline in the water table. I believe that their attitude will change as they become fully informed as to the potential impact with the reduction to safe yield and will be more supportive of a cooperative arrangement that the majority of the users would be in agreement with.

I have been reviewing the data that James has placed on your web site and find that there are several entries where multiple users are listed on one water right. I feel that an investigation of those rights may show that there could be potential partial forfeiture.

I fully support maintaining the priority system and the safe yield concept when you have not already exceeded the safe yield. In the case of Beryl-Enterprise Ground Water Basin there is a condition that is not generally found in other areas of the State, and that is the interference is not to any surface source but to the local users themselves. That is why we worked so hard to provide some latitude in the law for the State Engineer to consider in the development of a Ground Water Management Plan that can be a win-win for everyone. The critical ground water basin language that is part of the legislation certainly applies to the Beryl-Enterprise area. It is my belief that in this case it is not necessary to make a strict interpretation of the safe yield concept but consider economic impact to the local area (Beryl-Enterprise). The economics will eventually drive the Beryl Enterprise Ground Water Basin to a safe yield condition where agriculture will not be able to afford the cost of pumping. This of course is sometime in the future and depends on the cost of energy to drive the pumps and the cost of the agriculture

products sold. We are not at this time able to forecast either of these costs for the future. This will, in my opinion, occur gradually over time with the less efficient users becoming marginal in their ability to make a profit, at which point they will either sell the rights they have to the more efficient users or go out of business. I also believe that the plan presented by the majority of the users deserves additional discussion as it applies to the purchase of water rights that would then be retired.

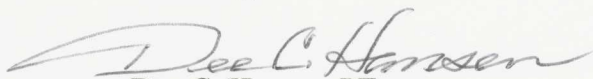
In response to a question about the priority system, you mentioned that surface water sources are reduced each year based on priority. I fully agree with that statement, however as you know the surface sources return during the next runoff season which permits the farmer to plan the crops that he plants based on the projected runoff. In the case of Beryl-Enterprise once the priority right is cut it will never return and takes away any economic return to the farmer from his substantial investment.

There have been many discussions with both the local legislators as well as many from other parts of the state. From those discussions I feel that the Legislature fully intended that you interpret the new law as liberally as possible to the benefit of the Beryl-Enterprise water users.

It is my hope that we can work together to find a solution that is not in conflict with the law and yet gives the water users the ability to continue with their farming operation.

If I can be of any assistance please contact me at your convenience and I will do whatever I can.

Sincerely,



Dee C. Hansen, PE
Consultant

cc: Escalante Valley Water Users Association
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