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WATER RIGHTS
SALT LAKE

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Via Facsimile

Mr. Jerry D. Olds, State Engineer
Utah Division of Water Rights
PO Box 146300
Salt Lake City UT 84114-6300

April 30, 2008

Dear Mr. Olds:

Thank you for considering comments from the Enterprise/Beryl community related to the January 10, 2008, public meeting in Enterprise, Utah.

In the public meeting, a "reduction of depletion" was proposed in three phases that has the effect of reducing 45% of water use over a 90-year period. Economic projections were made that put the direct economic impact in this valley at a reduction of 10 jobs. Robert Holt Farms, Inc. ("RHF") has two concerns related to the proposal. The first is the economic impact, and the second is the time period of the reduction, if any.

Concerning the economic impact, the primary economic activity in the Enterprise/Beryl community is agriculture. RHF believes that if an assumption is made that there are 2,500 residents in this area, a loss of only 10 jobs is far below the actual impact. (RHF is unsure if the economic study presented suggests that there are only about 22 agricultural jobs (10/.45) in the valley.) If 45% of the water is no longer available for the production of crops (assuming an agreement with nonagricultural users), the primary economic activity (i.e., agriculture) in the area will likewise be reduced by 45%. RHF believes that the loss of jobs will be far greater than 10. Further, when agricultural jobs are reduced, it will have a ripple effect, eliminating other jobs offered in the Enterprise/Beryl area. It will affect commercial carriers of crops, equipment dealers, and stores. Fewer students (for example) will attend schools, meaning fewer teaching positions are needed. The effect will be felt throughout the entire community. Therefore, RHF believes that further economic analysis is necessary.

Concerning the time period of the reduction, RHF believes that any guidelines for a "reduction of depletion" need further study. Are drops in the water table measured accurately, throughout the whole area? Have the measurements been made over a sufficient period of time to ensure accuracy? Will voluntary reductions in water use in the area solve part of the problem over a period of years? Will technological advances reduce water use? Will weather patterns change? These and other questions, like the economic analysis, need further review.

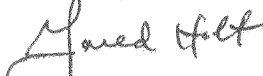
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Further related to the time period of reduction, this area should be considered differently from any other area because of the unique underground aquifer. It is a deep aquifer and largely self contained. As related to the aquifer as a whole, and respectfully assuming your water table calculations are correct, a much longer period seems appropriate. RHF agrees with the latest plan of the Escalante Valley Water Users, which takes the reductions, as necessary, over a longer period. In this particular situation, a 90-year plan unnecessarily burdens the local economy without enough data and information, which can and should be gathered over a period of time.

RHF would appreciate an opportunity to supplement its comments concerning the two points above, and other related points. Thank you for considering these comments.

Sincerely,



R. Jared Holt
General Counsel

RJH: