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# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
Division of Water Rights

ROBERT L. MORGAN      JERRY D. OLDS  
Executive Director      State Engineer/Division Director

December 13, 2004

J. Craig Smith  
215 South State Street  
Suite 650  
Salt Lake City, UT 84111

*Re: Letter regarding Cedar Valley Policy and W. Glade Berry*

Dear Mr. Smith:

We are pleased that both you and your client, Mr. W. Glade Berry, have reviewed the Cedar Valley Policy. We also share some of the same concerns about the limited information available regarding the groundwater supply of Cedar Valley. We have reviewed your letter and, although we do not concur with all of the allegations you have cited, there are a couple of issues you have brought to our attention that we will address.

If Mr. Berry, or his son, came away with the impression they could not file a change application on water rights that exist out of Cedar Valley to move those rights to Cedar Valley, they left with the wrong impression. They certainly could have filed any such change application and we would still accept such a filing at this point in time.

We have recently developed the ability for our computer system to help us understand how many filings have been made in certain areas; previously, it has been very difficult to gather such information. With this ability, and as we were looking at Cedar Valley, it came to our attention that we apparently stopped approving change applications into Cedar Valley at about 13,500 acre-feet when it was our intent to allow approximately 15,000 acre-feet to be moved. The only thing we are attempting to do, at this point in time, is allow to be moved the amount of water that we feel can be developed from the groundwater of Cedar Valley.

With regards to the "preference being given to public water supply entities." The intent of this statement is to give a preference to change applications filed by entities that are political subdivisions of the State of Utah. We will consider amending the policy language to clarify this point.

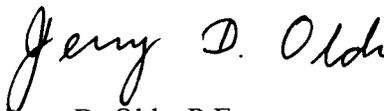
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There is a discrepancy on the change applications you have cited. Change Application Number a26402 was never approved; it has been withdrawn. In the early part of 2000 this office became concerned that the amount of water approved into Cedar Valley was approaching the 15,000 acre-feet limit. No additional approvals were granted until recently in 2004, after the public meeting and after we realized that we had stopped short of the limit.

Sincerely,

A handwritten signature in black ink that reads "Jerry D. Olds". The signature is written in a cursive style with a large initial "J".

Jerry D. Olds, P.E.  
State Engineer

cc: Glade Berry