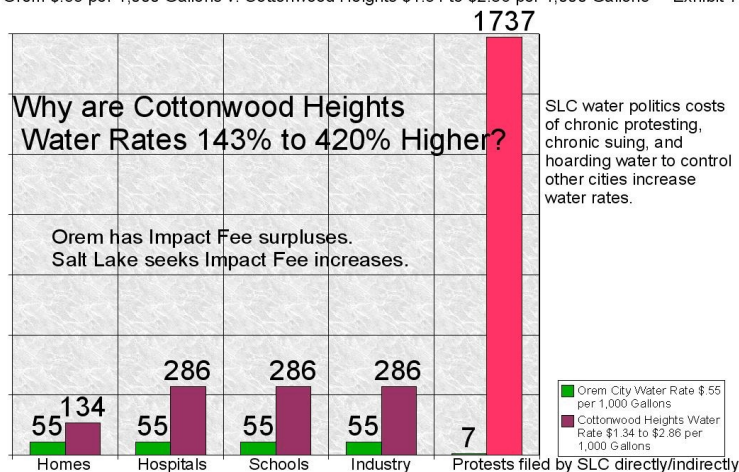


June 18, 2007
 Utah State Engineer
 Division of Water Rights
 1594 West North Temple, Suite 220
 Box 146300
 Salt Lake City, Utah 84114-6300
 Tel.538-7400/F.538-7467

Protest on 57-8671 (A58566) 20 CFS



Dear Utah State Engineer:

Salt Lake City water department is a general “surplus” water sales business for profit with 31,231 outside city connections in Salt Lake County. It’s disenfranchised “customer” base with no elected voice in SLC is located in Cottonwood Heights, Murray, Holiday, Salt Lake County, with additional SLC water being sold in Heber, Park City, Summit County, and Wasatch County. Are there expansion plans into Tooele County, Davis, and Utah County with more “surplus” state water? That depends on state water officials. Salt Lake City water department is using a city’s public trust rights to gain an unfair advantage in Utah’s water markets for profits and influence, and is disrupting the state’s economy in the process.

Salt Lake City collected \$3,045,611.28 from the public served by the Jordanelle Special Service District with its “surplus” Ontario Drain water. Why then would its water subsidiary, MWD Salt Lake and Sandy, need a state handout in the form of a \$500,000 public grant authorized at the Crystal Inn? Payson City could of used the grant to pay legals fees associated with Salt Lake City’s lawsuits.

The water represented by A58566 has not been beneficially used for hydro-electric power for 24 years. Salt Lake City water department is not in the power generation business. Is there any documentation for any power produced by Salt Lake City water department?

Memorandum Decision dated July 8th, 2003 states: “. . . GRANTED on condition that any further extensions of time shall include documentation of the need for the water to meet reasonable future requirements.” Where is the documentation to meet this term and condition? Where is the equal application of policies to every water user including Salt Lake City?

Where is the design for this power plant after 24 years? Does the Salt Lake City water department really have a “future need” for power generation? Isn’t Rocky Mountain Power making representations to the PSC of “future need” in its rates claims which includes the entire Salt Lake City area? With Rocky Mountain Power, there is no SLC “future need” is there?

Which “future need” are we dealing with here? The need to control as many points of diversion as possible for market position or the need for continued of city status for unfair market advantage?

Where is the \$25,000 of stuff “on power feasibility projects” cited in the June 11, 1997 Request for Reinstatement and Extension of Time? Obviously, the engineers indicated the project was not feasible otherwise a zooming hydro-power plant would be operating. If a project is not feasible, isn't it speculative to claim it might happen, so we need to bank this water. The applications don't meet state standards for appropriation or extension, because the records indicate the project is not economically feasible.

If a private party applied for a water right for hydro-power based on the possibility of future economic feasibility when it could not demonstrate it at the time of application, the application would be rejected.

Salt Lake City is not a typical “city water department trying to meet the future needs of its residents,” but a bonafide for profit water company using the public trust for advantage in the market place to unfairly compete. It holds water for the future needs of other cities like Cottonwood Heights, Holiday, Murray, Park City, and unincorporated Salt Lake County, Heber, Park City, Summit County, and Wasatch County. Are there no limits for a city's water department empire selling “surplus” state resources?

Can a city usurp the future needs of the public outside city limits to trap future customers for profit? Is this a proper application of the “future need” statute?

If a city sells indirectly 25,000 acre-feet of its water supply, enters into a business relationship with another city granting them a preferred right to purchase 7940 acre-feet of water annually, enters into a long term lease to sell 3385.53 acre-feet of water to another district outside Salt Lake County totalling \$3,045,611.28 to date, sells 23,700 acre-feet of water outside its city limits every year for 15.7 Million Dollars, has its MWD petition the CUP for an additional 8,600 acre-feet of ULS water in addition to Bonneville Unit water for 20,000 acre-feet, made representations by written filings for its need for about 1 million acre-feet of water over the years, and its need for 1 million acre-feet of water for Hydro-electric power, then how does one balance the filings, sales, and representations against the reality reported by Salt Lake City's water dept of actual 2005 use of about 47,574.05 acre-feet of water in tandem with the 25% Federal & State conservation reduction objectives by 2050?

Is Salt Lake City really going to use 1,187,636.04 acre-feet of Utah's water to produce hydro-electric power?

The State Engineer must reject this application and the other 184,365 acre-feet of pending applications. Hoarding water to trap water customers outside city limits with water rates 35% higher than your own rates which are 80% to 273% higher than Orem City rates is not a water policy Utah can afford. State water officials have encouraged Salt Lake City's water hoarding and wasting of Utah's water by granting applications which do not meet state codes or wise water policy.

Thank you for your attention to this matter,

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cc: Mike Styler