

The following is a more detailed version of the letter to the editor that was printed by the Standard Examiner earlier this week.

Water. It's the source of life for the planet, for the American West. It's deeply important to us all, and here in Utah that's no different. Long-time neighbors naturally worry how new neighbors will use water, and if that use will hurt the land. In the Ogden Valley, we understand our neighbors have natural and valid concerns about how Summit Powder Mountain and its development will affect water sources.

We have worked hard and will continue to work hard to be good neighbors. We expect to make this land our home for the long haul, and we know how important our good relations are with the people who have been here before us. We expect and welcome conversation about how we can create our community on the mountain as responsibly as possible.

So we are concerned about some comments that suggest that somehow Summit has done something underhanded or wrong in terms of our water rights. That is simply not the case – we have been meticulous in following the letter and spirit of all of the required steps established by law to perfect our water rights; beyond what is required and we have worked hard to provide a far more transparent and rigorous process of our actions.

We hired the best water experts we could find. We hired them because of their reputation for fairness, honesty and scientific rigor. We hired them to help us develop the right plan. Now, we welcome analysis of the data being reviewed by the State Engineer – that process is well underway and should be allowed to conclude on its own terms.

Summit Approach to Water Exploration

For those who wish to know more, we are happy to provide clarity. At the time we purchased Powder Mountain, it leased 1,400 acre-feet of Weber Basin Conservancy District water rights. Most of that - 1,000 acre-feet - was located in the Pineview Reservoir. An additional 400 acre-feet was spread out across 6,100 acres in Weber County at nineteen diversion points, as part of an exchange application that predated our ownership by a half dozen years. That exchange application was filed and approved in 2006. From what we've been told, only one protest was lodged at the time to this exchange and it was withdrawn before the approval. As we said, this all happened before our time, but it was a factor in allowing us to purchase the mountain, and folks involved in the project naturally relied on that exchange application - it was important for establishing our water rights.

Of course, water rights aren't the only kind of water that matters - we need real water, what many people refer to as "wet" water. As we explored our ability to secure wet water, we were proud to hire Loughlin Water Associates, LLC

("Loughlin"), one of the best hydrogeologic and water resource consulting firms in Utah, to help us explore the most responsible way to bring water to our community.

In January 2013, Loughlin submitted its reports to the Division of Drinking Water for a proposed well - we call it the Summit Well. The well was proposed at a place identified by the 2006 exchange, and referred to as "Point of Diversion #8." After careful review as required by their charter, the Division of Drinking Water approved Loughlin's reports and recommendation for that well on February 21, 2013. Two months later, on April 9, 2013, another agency tasked with oversight, the Division of Water Rights, approved Exploration Well #1 at a location near our proposed Summit Well. On May 24 and May 31, this same Division of Water Rights approved two additional test wells, one on the east side of the Hidden Lake parking lot and one on the west side of the parking lot. This all happened two years ago. The test well on the west side will not be drilled, but the test well on the east side was drilled (Exploration Well #2).

On June 24, 2013, Loughlin contacted Ross Hansen, the District Engineer for the Weber River/Western Region and shared that their investigation thus far showed that the optimal final location for the Summit Well was on the east side of the Hidden Lake parking lot. Loughlin let Mr. Hansen know that the location was about 1,700 feet from the previously approved Point of Diversion #10 - and because it was close to but not exactly at the same spot, Summit Powder Mountain would file a new Exchange Application in the future to align the intended 'point of diversion' #10 with the optimal spot. This of course did not mean that there would be an additional point of diversion - the proposed minor move was intended to keep the well within the existing approved scheme of nineteen potential locations. It is important to emphasize that because these two locations were so close to each other District Engineer ***Hansen allowed the drilling of the Summit Well at the new location under the existing authorization.***

With this approval by Hansen, Loughlin submitted the appropriate reports for the Hidden Lake Well on August 27, 2013; the Division of Drinking Water reviewed and then approved this location on September 11, 2013. Hidden Lake Well was drilled about 25 feet from the existing Exploration Well #2. We completed drilling, development and testing of the Hidden Lake Well on November 11, 2013. On January 15, 2014, the Department of Drinking Water approved equipping the Hidden Lake Well with a pump and approved its safe yield at 120.7 gallons per minute.

All that was left was for Summit to submit a new Exchange application (as Summit had agreed with Mr. Hansen) to reflect the movement of the well to the new nearby location. Again, this is not an additional well, it is simply optimization of the location of the well under the scheme approved many years ago. Summit submitted the new Exchange Application for the modified location over a year ago, on April 8, 2014. This is the current Exchange Application pending before the Division of Water Rights, the one that has recently become controversial.

The Exchange Application Under Review

We have filed this exchange application to replace an already existing approved exchange application that authorized the drilling of numerous wells and diversion from springs on the mountain. Summit could have simply proceeded to develop with the existing approved application. However, Summit preferred to drop some of the approved points of diversion that had the potential to impact other water users if developed. The new application dropped some well sites that may have caused harm to other water users, or that would have been more environmentally damaging. A few of the authorized points of diversion descriptions were clarified and others were moved to points near but in better locations than the prior approved well sites. No additional water will be exchanged to the mountain above that already approved for use on the mountain as a result of this application.

Summit filed the replacement exchange knowing that it would be exposed to protests, but we believed the new application to be more responsible and would have less potential impact on other water users than if we had developed under the existing approved exchange application, which we easily could have done. After all, the State Engineer had already concluded in approving the 2006 exchange application that the exchange of the 400 ac-ft could be accomplished without adversely impacting any other water user.

For that reason, we were surprised by the number as well as the negative tone of the protests that have been filed to the replacement exchange application. We did notice and find it interesting that many of the protestants today share the same lawyer and the same consultant. We are sorry if these protests have undermined the relationship we have sought to build with our neighbors. We'd like to take the opportunity to underscore our commitment to fair dealing and good will with regard to development of our water rights, as we strive to do in all efforts.

Summit Information Sharing

We know how important it is to share information, so we have worked hard to let our neighbors know what we have learned in this process. We are proud that from the beginning, Loughlin and Summit have shared far more information with the public than required under the process. For instance, we were aware that the Utah Geological Survey was (and is) in the process of mapping the area around Powder Mountain and Ogden Valley and, although we weren't required to provide assistance, in August 2013 we provided chip tray drill cutting samples, lithologic logs and geophysical logs for the exploration wells to the UGS. In addition, we began monitoring the water level in Exploration Well #2 and the flow from local springs. We did this because we think this information is important, and we want the best outcome for all of us.

Good neighbor policy

We have sought to understand and resolve any concerns openly as we have become aware of them. Not only is that the right thing to do, but we know water protests can be expensive for all involved. That is why, before we even filed that Exchange Application last year, we sat down with representatives of the Bar B Ranch and the attorneys and consultants who currently represent protestants (Holland & Hart and Cascade Water Resources) and shared the data and reports from drilling and testing the exploration wells and the Hidden Lake Well. As a result of those discussions, we agreed to delete several 'points of diversion' that had been approved years ago under the 2006 Approval, and which we were certainly under no obligation to delete. Our goal was to better understand any concerns and find mutual solution to any problems to promote the best outcome and to avoid the current costly process we have now all been through. This unnecessary fight has been costly for all concerned, but the information generated has been very informative and in our view simply reinforces the correctness of the State Engineer's decision in approving the prior exchange application. The protracted fight has really benefitted no one but the lawyers and consultants who earn the fees in these cases.

Extensive testing

We would like to offer another example of the cooperation and good will we have brought to this process, this time with regard to the Aquifer Pump Test that was performed from December 2 to 14, 2014. The Division of Drinking Water requires a 24-hour pump test for approval, which in some cases can extend longer than one day. To be absolutely sure that there was no interference, Summit performed a *14-day* pump test, far longer than typical tests. And that's not all: we monitored the water level in Exploration Well #2 and the flow in several area springs and creeks before, during, and after the test to be absolutely sure of the results. This is virtually unheard of, we found out - in fact, our attorney, told us that in 40 years practicing Utah water law, he has *never* been involved in another test this long. That's a kind of scrutiny (and cost) we have accepted - because we care about our effect on this land. The test pumped over three million gallons of water (about 9.3 acre-feet) out of the aquifer and the data collected showed *no* interference with existing users. Enough water was pumped (9.3 acre-feet) to supply the indoor demand of more than 20 homes for one year; virtually all of which was returned to the Wolf Creek drainage for use by others.

Summit performed this test at the request of the state engineer and the protestants - after the protestants had previously requested a one-week test. In July 2014, protestants requested a one-week long aquifer test. Summit objected to a test this long based on the fact that typical testing is far shorter. The protestants attorney stated in a September 5, 2014 letter that *"... the one study that would establish that its [Summit's] Hidden Lake Well will not interfere with existing water rights - the aquifer test."* After sending this letter, protestants requested a *two-week* test. Summit agreed to a two week pump test with detailed monitoring of springs and streams before, during and following the pump test to determine if the sustained

pumping of the well would cause any measurable impacts to these local sources. The results of that test show no impacts to the local springs and streams – and this is not just our opinion, as the Standard Examiner reported, the Utah Geological Survey found that “there was no statistically significant impact on the springs and streams during Summit’s test.”

<http://www.standard.net/Environment/2015/02/15/Utah-Geological-Survey-offers-preliminary-interpretation-of-Summit-pump-test-data.html> We are very pleased but not surprised with those results, and trust that the existing users are too. We do note however, that protestants’ consultant has come to the exact opposite conclusion; although we are at a loss as to how he could have done so based on a review of the same set of data reviewed by our consultants and the UGS.

Apparently, some of the protestants are unhappy with the facts, and so they are mounting a campaign. In recent weeks, individuals have distributed stickers at the post office, printed signs, made claims about Summit at public meetings and spread inaccurate suggestions that Summit has done something wrong in the process of perfecting its water rights. As this note describes in some detail, one can see that Summit has done nothing but follow the rules, share data and ask the state for approval.

In summary, the Hidden Lake Well has been properly drilled, reviewed and tested. The well was approved in 2006 at a site near the current well. In the current location the well has undergone and passed a two-week aquifer test and the Utah Geological Survey data has confirmed there is no interference. The Hidden Lake Well has been assessed and measured at a level far beyond anything customary or required. Summit has been and will continue to be a good neighbor.