

SAN JUAN SPANISH VALLEY SPECIAL SERVICE DISTRICT
4775 SUNNY ACRES LANE
MOAB, UTAH 84532

March 7, 2011

The Nature Conservancy
820 Kane Creek Blvd.
Moab, Utah 84532

Subject: San Juan Spanish Valley Special Service District Water Right Change Application

Dear Nature Conservancy:

The San Juan Spanish Valley Special Service District (Special Service District) was recently organized to assist with providing water and sanitary sewer service to the areas in and within close proximity to the Spanish Valley area situated in San Juan County. This was done in anticipation of a collaborative effort between all stakeholders to provide the best water and sewer services possible through the appropriate development and protection of the ground water resources together with the beneficial use of certain water rights to be transferred by San Juan County Water Conservancy District. We believe that the successful implementation of such a plan will provide a long term benefit for all who now reside or who may choose to reside in the upper Spanish Valley area.

The initial step to providing these basic services is to assess and evaluate the potential for developing the ground water resources throughout the area. A few studies have already examined the potential in the Spanish Valley, including an analysis of the existing water rights and proposed well locations. The studies preliminarily determined that there is additional ground water available for development. The Special Service District is planning to file a significant water right change application to facilitate the eventual development of this additional water.

The Special Service District is fully aware of the ground water resource limitations in Spanish Valley and the need for cooperative and collaborative management to maximize the availability of this resource for the benefit of existing and future residents. We also understand that prior water right holders have the right to utilize their water rights prior to when later water right holders will have access to using the water. We recognize and support the obligation to protect prior water right holder's access to this most valuable resource.

In an effort to "jump start" this most important process, we propose the following course of action:

1. Placement of Wells - The recent well location study took into account the major water supply wells and other water sources in the Spanish Valley. It then proposed locations for new wells that are located as far as possible from existing water supplies to minimize interference and potential impairment of prior water rights.
2. We propose that the water rights change application be filed and if approved, have development based on an adaptive management approach similar to previous approved area change applications.
3. Once the change application is approved, we will develop smaller blocks of water while the ground water system is monitored to determine the affects of the development.
4. Additional blocks of water would only be developed so long as the safe yield is not exceeded, the physical integrity of the ground-water flow system is protected and prior water rights are not impaired from earlier water resource development.
5. We propose that all ground water monitoring be accomplished through a combined effort of all the significant stake holders.
6. The proposed change application includes the ability to develop water resources in different areas. The first priority would be most likely to develop within the Spanish Valley. If the ground water capacity there is not enough to supply all of the demand then development will occur in the Kane Springs area. If both of these areas will not meet the need then we would have the option of diverting water from the Colorado River.

We hope this information will help you understand our interest and commitment to appropriately develop local water and sewer infrastructure to supply basic needs to people who want to live in the Spanish Valley while protecting the resources and the rights of the existing residents. We welcome any questions or comments you might have. We look forward to working together with you on the long term water resource needs of the area and the protection of the quality and sustainability of our water sources.

Sincerely,

William A. Johnston, Chairman
San Juan Spanish Valley Special Service District