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APR 26 2013

DEPARTMENT OF
WATER RESOURCES

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April 23, 2013

Craig Saxton
322 East Front Street
PO Box 83720
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Mr. Saxton,

We are in receipt of your letter dated April 3, 2013. Thank you for the clarification. Nevertheless, we believe a misunderstanding regarding the development of water right 29-07869 continues to exist. We would refer you to our last correspondence in which we establish that Mr. Katsilometes has fully complied with the requirement the Department has set forth in regards to this water right.

You have stated in your latest correspondence that the development period for this right extended from December 20, 1989 to January 1, 1992. In searching the water right back files, we have been unable to find any notification to Mr. Katsilometes of this "development period."

When Mr. Katsilometes did first file a proof of beneficial use in January of 1992, he verified that he was beneficially using .5 cfs. Please see the "Proof of Beneficial Use" form received by the Department on January 14, 1992. This same diversion rate was the amount sought in the permit when he originally filed for the right. The amendment you have provided only allows him the ability to divert .20 cfs. This amount is not enough for the needs of the resort, nor is it the amount which he has developed and is beneficially using. We contend that Mr. Katsilometes is entitled to the full .5 cfs claimed under this right.

Further, we do not understand why the Department insists that this water right was developed in a manner inconsistent with the permit. The point of diversion and place of use are located as claimed in the application for a permit to divert the water. The well drilled in 1995 is a third point of diversion and the resort currently diverts 90 gpm from this well.

As stated above, we believe that Mr. Katsilometes is entitled to this water right as claimed, with the diversion rate set as the full .5 cfs. Please feel free to contact us in regards to this issue. Perhaps a face to face meeting would be in order. Please let us know if this is agreeable and we will coordinate our schedules with yours.

Best Regards,

A handwritten signature in dark ink, appearing to read "Jerry R. Rigby". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jerry R. Rigby
Robert H. Wood