

**Testimony of Snowbasin Resort to the
State Water Development Commission, Utah Legislature**

John Loomis, General Manager

July 15, 2014

Thank you for the opportunity to comment today on behalf of the Snowbasin Resort Company regarding the Forest Service Directive on Groundwater Resource Management. Snowbasin Resort is a major Utah ski resort that hosted the 2002 Olympic downhill races, is currently generating record skier visits and has significantly contributed to the successful growth of the Northern Utah/Ogden area as a recognized leader in the Outdoor Action Sports industry.

This directive will have a significant impact on Snowbasin's ability to operate our business in a cost effective and successful manner. We have already spent several million dollars to develop our current water facilities for both culinary use and snowmaking. Additionally we continue to pursue additional water rights to support the future growth of the Snowbasin Resort as proposed in our current Resort Master Plan. This directive puts an undue burden on a private business that has already invested significant resources in securing and developing these water rights that are essential for the current operation of our business and our future growth. We believe that these water rights are a form of property just like the underlying real estate, the snowcats, snowmaking equipment and lifts that are all necessary to successfully operate the Resort. Not having control of the assets necessary to operate the Resort as we need is an unnecessary burden to put on any private business. Additionally, this Directive could impact the overall value of the Resort as any decrease in our ability to utilize our current water rights is nothing short of a taking of private property.

The Forest Service should have no right to groundwater except for ground water it has appropriated under State law. The language in the Special Use Permit under which Snowbasin is allowed to operate on National Forest Land, states "This authorization confers no rights to the use of water by the holder. Such rights must be acquired under State law." The Forest Service should go through the same well established procedures to procure water rights from the State. The Forest Service should not be able to use its permitting authority to circumvent State water law.

The uncertainty created by the Directive has a direct impact on the future development potential for the Resort base area facilities. It creates compromised and uncertain value of the water rights as collateral for our company. Depending on the size of the decrease in value it could affect our ability to borrow capital for future development. By diminishing the quantity of our existing or future water rights it will have a direct effect on what water rights are needed for future development. It is very possible that this Directive could complicate, delay or potentially hinder the development of the water supply necessary for our future growth.

This Directive would duplicate requirements that are already being successfully carried out by a variety of State Agencies that have current oversight authority. I am unaware of any shortcomings in the current system of oversight and feel that this is nothing more than another layer of bureaucracy that is not needed. Examples of current regulatory oversight include:

- The State Engineer with regards to water rights, well drilling and abandonment
- Drinking Water Division of the DEQ with regards to Public Water Supplies and other Safe Drinking Water Act requirements
- Water Quality Division of DEQ regarding Ground Water Protection and Wastewater discharge
- Environmental Response and Remediation Division of the DEQ regarding Underground Storage Tank regulations

The Directive proposes duplicative requirements for submitting water use monitoring data to the Forest Service in a format specific to their current system. This is expensive, unnecessary duplication of already existing oversight authority.

While there are many more comments that could be addressed, I believe they have been adequately covered by the other presenters here today and in the comments that have been submitted by The Eagle River Regional Water Authority and the Eagle Park Reservoir Company, Vail Resorts and the National Ski Area Association. In closing I would like to reiterate that we feel this Directive is an additional, unnecessary level of oversight that is based on assumptions that are incorrect regarding control of the groundwater under National Forest Lands. We hope that the Forest Service will take our comments and the comments of others under consideration in the development of any Directive regarding groundwater.

Thank you for the opportunity to speak today.