EXHIBIT "C"

State of Utah
JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

Department of
Environmental Quality

Richard W. Sprott
Executive Director

DIVISION OF DRINKING WATER
Kenneth H. Bousfield, P.E.
Director

October 29, 2008

Sean Brown
Deepwater Distribution Company
P.O. Box 2443
Park City, Utah 84060

Dear Mr. Brown:

Subject: PER Concurrence and Additional Comments on Converting the Existing Deepwater Well to Public Water Supply Source, System #26099, File #07578

We have had a continuing dialogue with John Files of Cascade Water Resources regarding the conversion of Deepwater's existing well (presently serving two or three residences) to a public drinking water supply well. In our letter to you dated May 7, 2008, we expressed our concern that this well may not be adequately sealed to the surrounding soil formations. We also listed the additional information needed for our review of the well as a public drinking water source.

We have also reviewed the Preliminary Evaluation Report (PER) submitted for Deepwater Well #1. The Division of Drinking Water **concurs** with this report. **This PER must be refined and a complete Drinking Water Source Protection Plan submitted within one year of the date of this letter.** Refer to R309-600-13(6) and R309-600-7(1).

John Files indicated that Deepwater may be willing to accept a classification of Under the Direct Influence of Surface Water (UDI) for the well given the cost of performing remedial procedures on the well's grout seal. Classification as UDI will require the immediate installation of a disinfection process designed to provide a 3-log removal for Giardia as outlined in Utah's Drinking Water Rules followed by the installation of a complete treatment process or its equivalent within 18 months.

As an example, assuming the well water has a pH of 7.5 and its temperature is about 5° Celsius, the water would need at least 179 minutes detention time to meet the 3-log removal requirement using chlorine as the disinfecting agent. If the connected residences had a peak water use of 100 gpm and a 100% baffled tank (providing an estimated detention efficiency of 50%), the tank would need to have a capacity of at least 36,000 gallons to provide the needed detention time. The pH and temperature of water from the Deepwater Well will need to be tested on site to determine a more exact requirement.

If we were to allow this process it would be necessary to have plans for the complete treatment facilities, submitted together with all the items listed in our May 7, 2008 letter before we would approve the plans to proceed with using the well as a source of drinking water.

We trust the above evaluation will meet your need. Should you have further questions, please contact Mark Jensen or Michael Georgeson at (801) 536-4200.

Sincerely,

Kenneth H. Bousfield, P.E.
Director

mej

cc: John Files, Cascade Water Resources, 472 East Wasatch Way, Park City, UT 84098
Phil Wright, Wasatch County Health Department
Mark Jensen, Division of Drinking Water
Ying-Ying Macauley, Division of Drinking Water

P:\wp\Plan review\Deepwater\26099-07578 Deepwater Response 2.doc

August 4, 2008

Department of Environmental Quality
Drinking Water Source Protection
P.O. Box 144830
Salt Lake City, Utah 84114-4830

To Whom It May Concern:

On behalf of Deepwater Distribution, we acknowledge the Preliminary Evaluation Report for our Well 1 culinary well, located in the Southeast ¼ of Section 32, Township 2 South, Range 1 East is hereby acknowledged. We hereby agree not to locate or allow the location of any uncontrolled potential contamination sources as defined in R309-113-6(1)(u) of the Utah Administrative Code, within zone 1 (100 ft. radius from well head). We also agree not to locate or allow the location of any pollution sources as defined in R309-113-6(1)(t) of the Utah Administrative Code, within zone 2 (see attached map for location of zones) unless design standards are implemented to prevent contaminated discharges.

Blythewood Partnership (Zone 1 &2)

By:_____
Its:

Charles Saltzman and Ingrid Nygaard (Zone 1 & 2)

By: Charles Saltzman + Ingrid Nygaard
Its:

Robert and Tanya Powel (Zone 1 & 2)

By:_____
Its:

August 4, 2008

Department of Environmental Quality
Drinking Water Source Protection
P.O. Box 144830
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Blythewood Partnership (Zone 1 &2)

By: Tanya Powel
Its:

Charles Saltzman and Ingrid Nygaard (Zone 1 & 2)

By:_____
Its:

Robert and Tanya Powel (Zone 1 & 2)

By: Tanya Powel
Its:

WELL DRILLER'S REPORT

State of Utah
Division of Water Rights
For additional space, use "Additional Well Data Form" and attach

Well Identification CHANGE APPLICATION: a21033 (55-4292)

Owner *Note any changes* [redacted]
Deepwater Distribution, Co. Inc
P.O. Box 2443
Park City, UT 84060
Contact Person/Engineer: Rob Powell

Well Location *Note any changes*

COUNTY: Wasatch
NORTH 1000 feet WEST 600 feet from the SE Corner of
SECTION 32, TOWNSHIP 2S, RANGE 4E, SLB&M.

Location Description: (address, proximity to buildings, landmarks, ground elevation, local well #) Brighton Estates

Drillers Activity Start Date: 9/20/01 Completion Date: 10/31/01
Check all that apply: ☑ New ☐ Repair ☐ Deepen ☐ Clean ☐ Replace ☐ Public Nature of Use:
If a replacement well, provide the location of the new well. ____ feet north/south and ____ feet east/west of the existing well.

DEPTH (feet) FROM	TO	BOREHOLE DIAMETER (in)	DRILLING METHOD	DRILLING FLUID
0	80	14.75	air-foam Roller-Bit	air foam
80	586	10"	DHH	air-foam
586	890	7.5	DHH	air-foam

Well Log

DEPTH (feet) FROM	TO	WATER	PERMEABLE high	PERMEABLE low	UNCONSOLIDATED CLAY	SILT	SAND	GRAVEL	COBBLES	BOULDER	OTHER	CONSOLIDATED ROCK TYPE	COLOR	DESCRIPTIONS AND REMARKS (e.g., relative %, grain size, sorting, angularity, bedding, grain composition, density, plasticity, shape, cementation, consistancy, water bearing, odor, fracturing, mineralogy, texture, degree of weathering, hardness, water quality, etc.)
0	38					✓	✓		✓	✓			Brown	Sandy Silty, Cobles, Boulders
38	45									✓			Blk+wh.	Boulder
45	47				✓				✓				Brn	Gravel, Cobles
47	49				✓								Red	Clay
49	67								✓	✓				Gravels Cobles
67	70											Quartzite	Brown	weathered
70	77											Quartzite	white	
77	85											Quartzite	Yellow	
85	96											" "	white	
96	105											" "	Gray	

Static Water Level
Date 10/[illegible]/0 Water Level 730 feet Flowing? ☐ Yes ☑ No
Method of Water Level Measurement tape If Flowing, Capped Pressure ____ PSI
Point to Which Water Level Measurement was Referenced ____ Ground Elevation (If known) 8960
Height of Water Level reference point above ground surface 0 feet Temperature 58 ☐ °C ☑ °F

Construction Information

DEPTH (feet) FROM	TO	CASING: CASING TYPE AND MATERIAL/GRADE	WALL THICK (in)	NOMINAL DIAM. (in)	DEPTH (feet) FROM	TO	☐ SCREEN ☑ PERFORATIONS ☑ OPEN BOTTOM: SCREEN SLOT SIZE OR PERF SIZE (in)	SCREEN DIAM. OR PERF LENGTH (in)	SCREEN TYPE OR NUMBER PERF (per round/interval)
0	80	steel	.250	10	790	890	1/8	5 3	500
7	586	steel	250	8					
2	790	Steel	.250	5					
790	890	Steel Perf	.250	5					

Well Head Configuration: 6" Pipe with Bell to 5½ pipe welded to 10" from 5½ well cap, pitless. Access Port Provided? ☐ Yes ☐ No

Casing Joint Type: welded Perforator Used:

Was a Surface Seal installed? ☑ Yes ☐ No Depth of Surface Seal: 80 feet Drive Shoe? ☑ Yes ☐ No

Surface Seal Material Placement Method: free fall Provide Seal Material description below:

SURFACE SEAL / INTERVAL SEAL / FILTER PACK / PACKER INFORMATION

DEPTH (feet) FROM	TO	SEAL MATERIAL, FILTER PACK and PACKER TYPE and DESCRIPTION	Quantity of Material Used (if applicable)	GROUT DENSITY (lbs./gal.,# bag mix, gal./sack etc.)
			15 Bags	
0	60	Bentonite Chips	64 * 50#	
710	890	1/4" Silt Gravel		

Well Development and Well Yield Test Information

Date	Method	Yield	Units Check One GPM	Units Check One CFS	DRAWDOWN (ft)	TIME PUMPED (hrs & min)
10/31/01	air Lift	16	~~X~~			1 hr

Pump (Permanent)

Pump Description: Sta-rite L10P4J 11-04 Horsepower: 5 Pump Intake Depth: 840 feet

Approximate maximum pumping rate: 10 Gpm Well disinfected upon completion? ☑ Yes ☐ No

Comments: Description of construction activity, additional materials used, problems encountered, extraordinary circumstances, abandonment procedures. *Use additional well data form for more space.*

Void at 548, had to Set 8" Pipe in to Void and Broken Rock and Clean out then Drive to 586 with DHH

Well Driller Statement: This well was drilled and constructed under my supervision, according to applicable rules and regulations, and this report is complete and correct to the best of my knowledge and belief.

License No. 747

Name Mike Zimmerman Well Service, LLC (Person, Firm, or Corporation - Print or Type)

Date 11/14/01

Signature Steve C Zimmerman (Licensed Well Driller)

ADDITIONAL WELL DATA FORM

Water Right #_____

OWNER NAME

Page_____of_____

Well Log

DEPTH (feet) FROM	TO	WATER	PERMEABILITY high	PERMEABILITY low	UNCONSOLIDATED CLAY	UNCONSOLIDATED SILT	UNCONSOLIDATED SAND	UNCONSOLIDATED GRAVEL	UNCONSOLIDATED COBBLES	UNCONSOLIDATED BOULDER	UNCONSOLIDATED OTHER	CONSOLIDATED ROCK TYPE	COLOR	DESCRIPTIONS AND REMARKS (e.g. relative %, grain size, sorting, angularity, bedding, grain composistion, density, plasticity, shape, cementation, consistancy, water bearing, odor, fracturing, mineralogy, texture, degree of weathering, hardness, water quality, etc.)
105	137											Quartzite	Pink	
137	168											" "	Light Pink	Softer
168	192											" "	Yellow	
192	214											" "	Light Brown	harder zone
214	232											" "	yellow w/ Brown	
232	249											" "	Gray	
249	259											" "	Light Gray pink to yel	
259	275											" "	yellow + Gray	
275	278											" "	Yellow to Brown	
278	281											" "	Gray	
281	300											" "	Brown to Yellow	
300	380											" "	Light Gray to Brown	med hard
380	451											" "	Gray Brown	med hard
451	452											" "	Reddish	
452	457											" "	White + Gray	Softer
457	548											" "	White + Brown	harder
548	555											Void	—	hit void
555	580													Lost circulation, Broken Rock
580	600											Quartzite	white, Brown Rust color	fractured
600	649											Quartzite	white	harder
649	764	✓										" "	Brown + white/gray	med hard water at 730'
764	789	✓										" "	Light Gray	med hard water
789	804	✓										" "	Light Gray white # Core 4	
804	807	✓												Softer water
807	811												White and Gray	med hard
811	890												White to Gray	Softer

Drinking Water Source Protection Plan

Deepwater Distribution Co., Inc. Well 1,

PWS # UTAH26099

Wasatch County, Utah

November 2008

Prepared for:
Deepwater Distribution Co. Inc.

Prepared By:

CASCADE WATER RESOURCES
472 EAST WASATCH WAY
PARK CITY, UT 84098

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EXECUTIVE SUMMARY

This document will serve as the Drinking Water Source Protection Plan (DWSP) for Deepwater Distribution Co., Inc. Well 1. The well was drilled in 2001 by Deepwater Distribution.

Well Location and Design

The well is located in north 1,000 feet, west 600 feet from the southeast corner of Section 32, Township 2 South, Range 4 East, Salt Lake Base and Meridian (SLB&M), and was drilled by Zimmeramn Well Service. The targeted production rate for this well is 60 to 75 gallons per minute.

Source Protection Zone Delineation

The Preferred Delineation Procedure using a WHPA groundwater model was used to establish the groundwater time-of-travel zones. The 15-year groundwater time-of-travel zone (Protection Zone 4) for the Well #1 is approximately 800 feet long by 500 feet wide. The well will be screened in an aquifer that is considered a "Protected Aquifer".

Potential Contamination Source (PCS) Inventory and Assessment

Two PCS was identified within protection Zone 3. The PCSs are a residence and a private septic system; both pose a low, but uncontrolled threat of groundwater contamination.

Land Protection

The land protection method of Zoning Ordinances is in place via Wasatch County Code 16.28.06.

1.0 INTRODUCTION

In the fall of 2001, Mike Zimmerman drilled, constructed, developed and pump tested Deepwater Distribution Co. Inc. Well #1 (DDW #1) for Deepwater Distribution. Since completion the well has served as a source for three homes in the area. Due to current and projected growth in the area, and excess depth to water; is more feasible to form a Public Water System and use existing sources than drill individual wells. The planned short term connections DDW #1 is demand based, with a possible long term projection of up to 100 connections.

A PER and Engineering Plans and Specifications for DDW #1 have been turned into the Division of Drinking Water and been concurred with. The well does not currently have a sanitary seal installed, but does have an 80' bentonite seal.

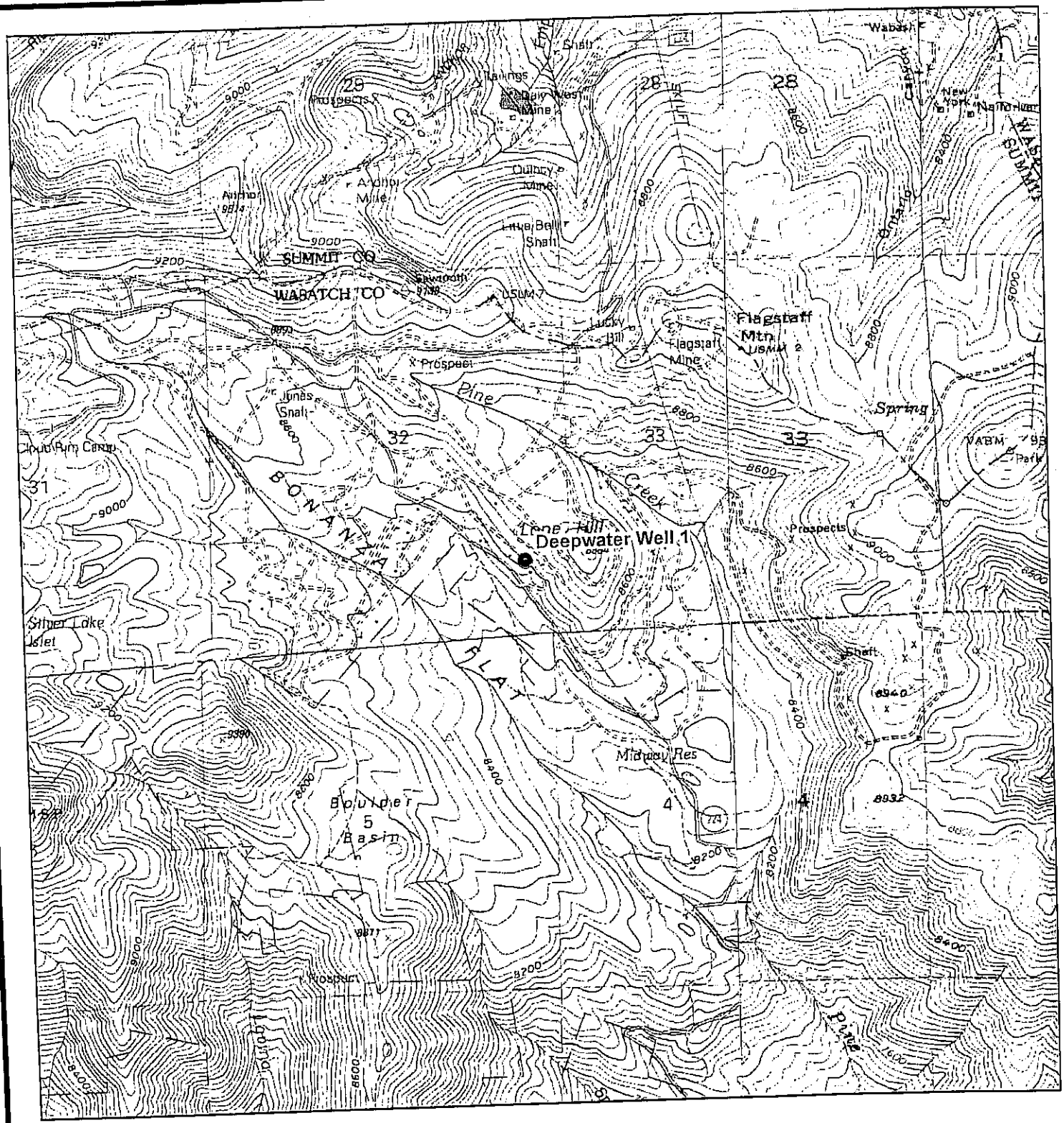
This document is presented to the State of Utah Department of Environmental Quality, Division of Drinking Water (DDW) as a Drinking Water Source Protection Plan (DWSP) for Deepwater Distribution Well #1. This document is intended to meet the requirements of a DWSP as set forth in Utah Administrative Code R309-600 (UDEQ-DDW, 2000).

1.1 System Information

The PWS number is UTAH 26099, the source is listed as WS001 Deepwater Well #1.

1.2 Source Information

The existing drinking water source will be a single groundwater well identified as the Deepwater Distribution Well #1(DDW Well #1). The well was drilled in the fall of 2001 by Mike Zimmerman Well Service, license # 747. The well is located approximately, north 1,000 feet, west 600 feet from the southeast corner of Section 32, Township 2 South, Range 4 East, Salt Lake Base and Meridian. Figure 1 shows the location of DDW Well #1.



● DEEPWATER WELL 1

CASCADE WATER RESOURCES	DEEPWATER DISTRIBUTION WELL 1 DWSP	**FIGURE 1 LOCATION MAP**
	Drawn By: JI / Date: 10/24/2008	
	Project Mgr: JF / Scale: 1"=2000'	

1.3 Designated Person

The designated person responsible for this DWSP is:

Sean Brown, President
Deepwater Distribution Company
PO Box 2443
Park City, UT 84060
Phone Number: (435) 640-7111

2.0 DELINEATION REPORT

The delineation report contains the following information: geologic data, aquifer data, proposed well construction data, summary of the data and methods used to establish the groundwater protection zones, and appropriate maps of the protection zones.

The Preferred Delineation Procedure was used to define protection zones for Well #1.

2.1 Geologic Data

2.1.1 Regional Geology

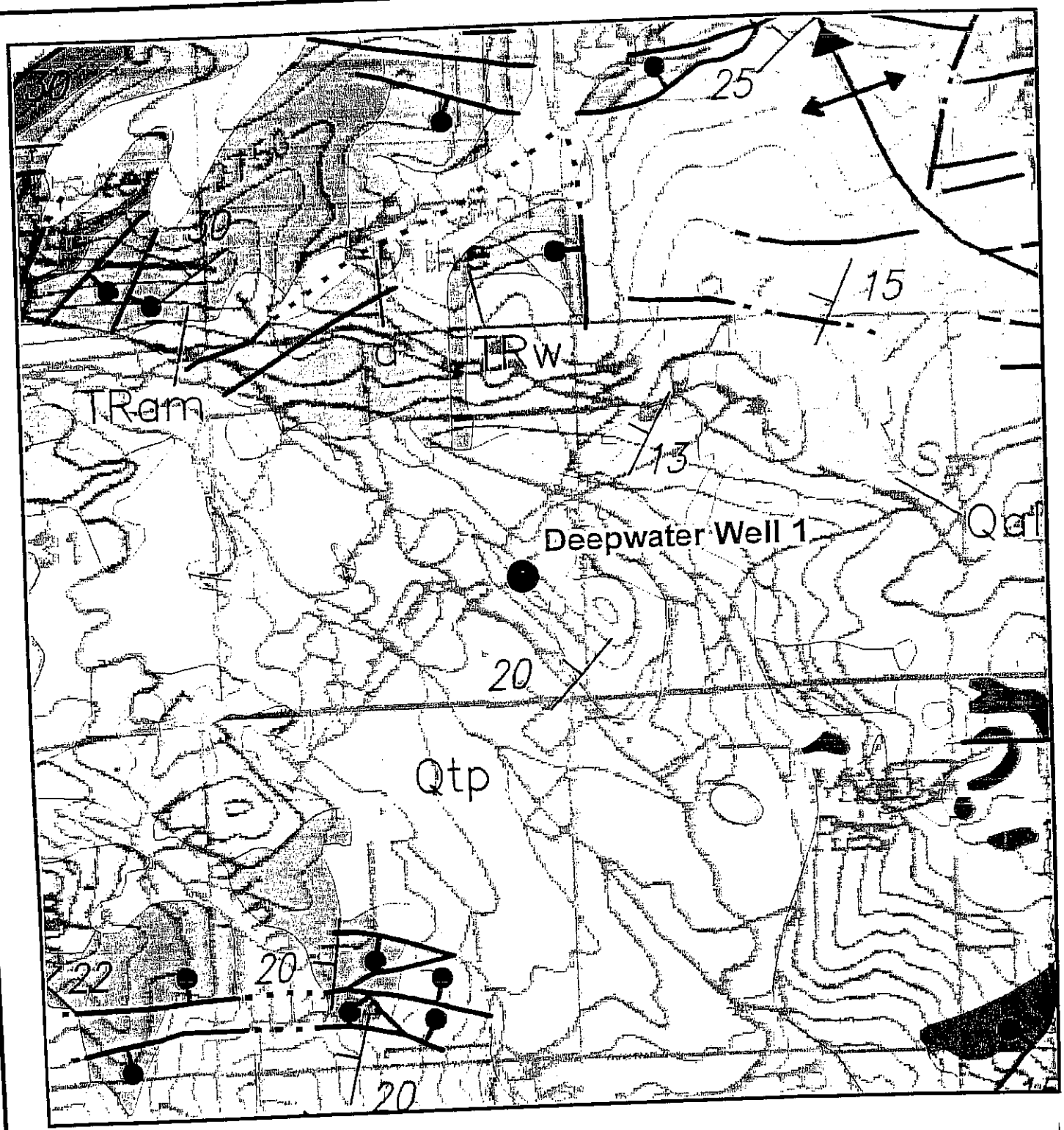
The well is screened in the fractured quartzite's of the Weber Formation. The formation is locally highly fractured in the Park City Mining District due to faulting and folding. Locally there are several previously unmapped faults that intersect and crosscut the area of Well 1. Due both to the regional highly fractured nature of this formation and also to the performance of the well during the 48 hour pump test in which the well responded like a homogeneous unconfined aquifer, the well will be modeled for now as a homogeneous aquifer.
The Legend for the geologic map is attached in Appendix B

2.1.2 Local Geology

Figure 2 depicts the local geology of the Well #1 area: Below is a summary of the geology encountered in Well # 1 from the drillers log which is included in Appendix A.

0-38'	Sandy, Silty, Cobbles, Boulders
38'-45'	Boulder
45'-47'	Clay
47'-67'	Clay, Cobbles
67'-70'	Weathered Quartzite
70'-548'	Various colors of Quartzite
548'-555'	Void
555'-890'	Locally fractured Quartzite

The clay layer that was encountered in the well appears to be a locally continuous as it was also encountered in Brighton Estates Well No. 3, located approximately 4000 feet to the southeast of Deepwater Well #1. This clay layer was characterized by Weston Engineering (1999).



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DEEPWATER DISTRIBUTION WELL 1 DWSP	
Drawn By: JI	Date: 10/24/2008
Project Mgr: JF	Scale: 1"=2000'

CASCADE WATER RESOURCES

FIGURE 2
LOCAL GEOLOGY

The primary target of the well is the fractured quartzite of the Weber Formation. It is thought the well is completed in this formation.

2.2 Well Materials, Design, and Construction Data

2.2.1 *Casing and Seal*

Well 1 was drilled using rotary reverse method to 890 feet below ground surface (bgs). Figure 3 is the well construction diagram for the well.

2.2.2 *Pumps*

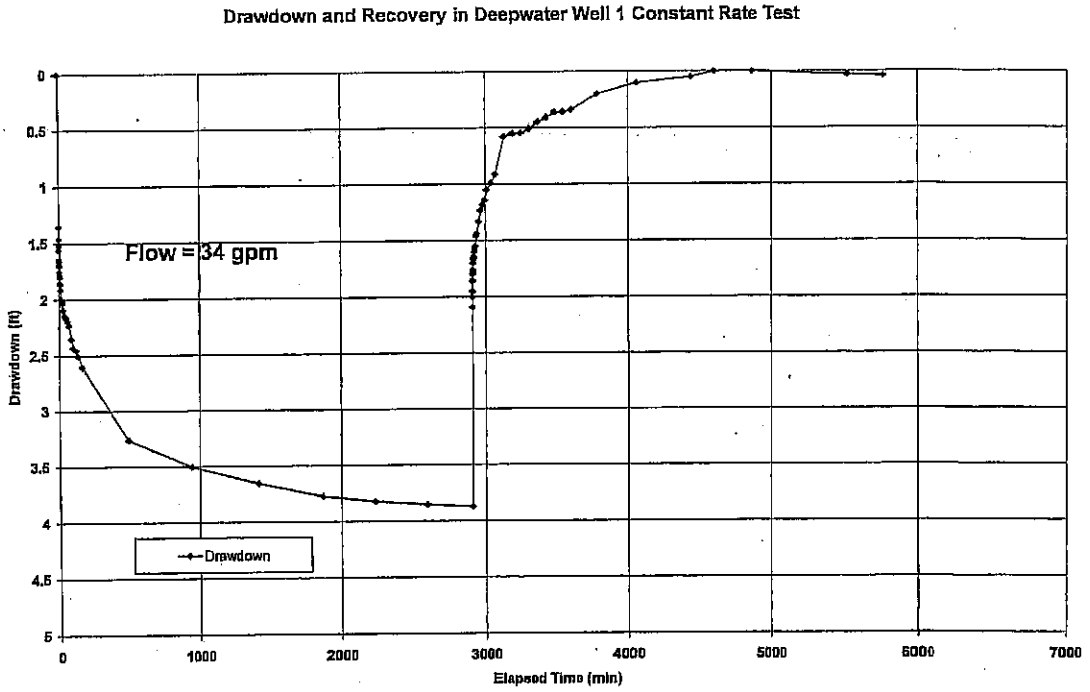
The current pump in is a STA-RITE 7.5 HP 4" submersible pump. The pump curve for this pump is included in Appendix A.

2.3 Aquifer Data

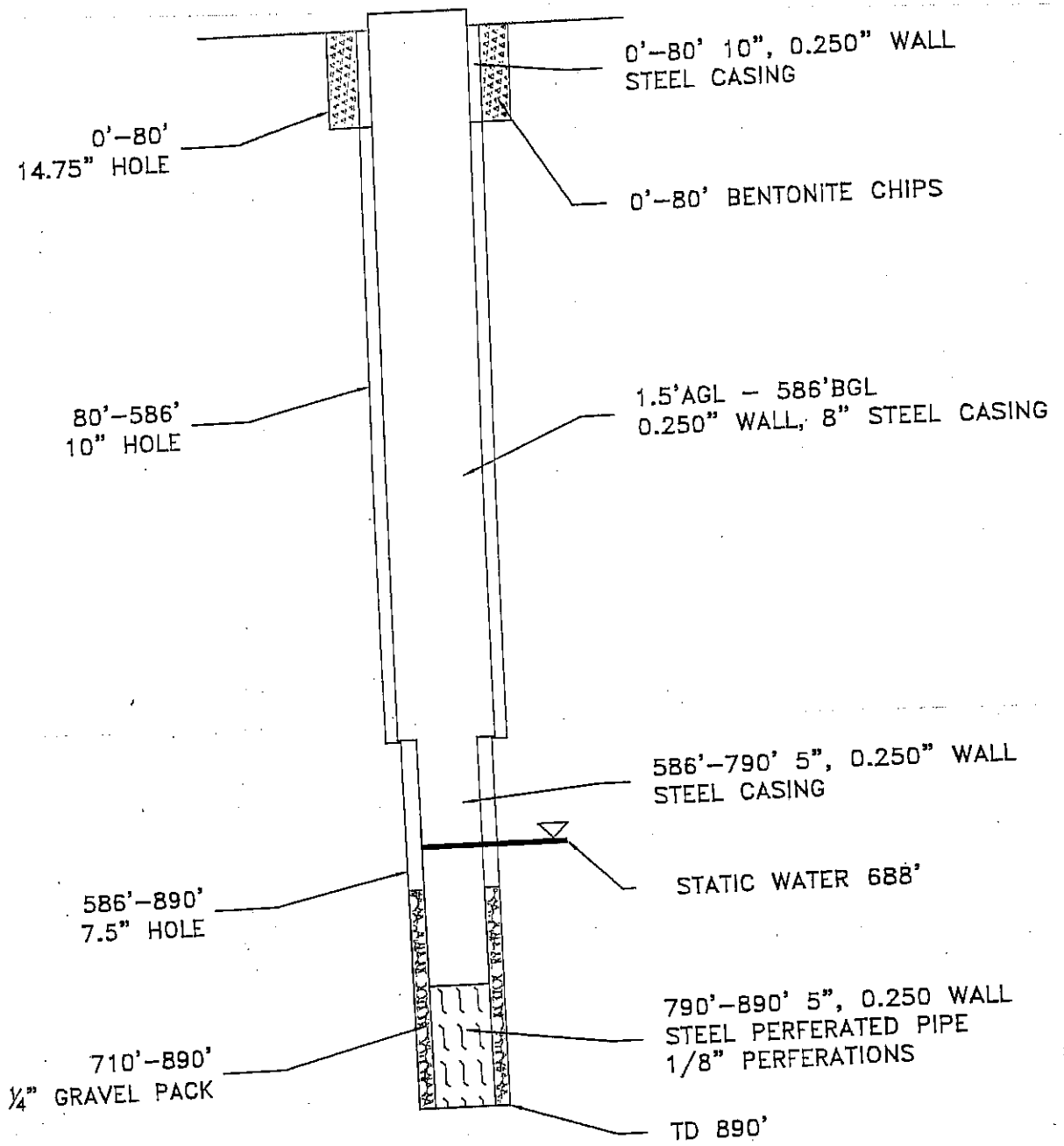
2.3.1 Constant Rate Pump Test

After a new pump and sounding tube was installed in the well in September 2008, a 48-hour constant rate test aquifer test was performed on the well at a flow rate that averaged 34 gallons per minute.

Over the period of 48 hours the well had 3.87 feet of drawdown. Below are the drawdown and recovery plots for the aquifer test.



DEEPWATER DISTRIBUTION
WELL 1



CASCADE WATER RESOURCES

DEEPWATER DISTRIBUTION WELL 1 DWSP.		WELL CONSTRUCTION DIAGRAM
Drawn By: JI	Date: September 2008	
Project Manager: JF	Scale: No Scale	

2.3.2 *Hydraulic Conductivity*

AQTESOLV Version 2.5 aquifer test analysis software was used to analyze the drawdown and recovery data from the test well. The AQTESOLV plots are included in the well report in Appendix A. Due to the small drawdown in Well 1, AQTESOLV produced a wide range of transmissive results. Both drawdown and recovery data from Well 1 were analyzed using both fractured and homogeneous aquifer methods.

The aquifer is a fractured bedrock aquifer. The quartzite and fractures were encountered throughout the depth of the producing zone in Well 1.. For this reason, an unconfined homogeneous analytical solution was applied to the time-drawdown data.

Type curve matching produced an aquifer transmissivity estimate produced a range of results from 1,358 ft^2/day to 3,510 ft^2/day, the plots are included in Appendix A.

This is very similar to the results that were submitted in the PER of 1,504 ft^2/day with a hydraulic conductivity of 9.4 ft/day. The original transmissivity will be used for the calculation of protection zones as it appears to be a very conservative estimate of the aquifer.

2.3.3 *Hydraulic Gradient and Flow Direction*

A potentiometric map (Figure 4) was constructed using water-level data obtained from the Utah Division of Water Right well-information database, and water levels measured in accessible wells. The groundwater flow direction determined from this map is generally south-southeast with a horizontal gradient of 0.11.

2.3.4 *Effective Porosity*

There is no site-specific porosity information available. Kenecott Utah Copper Corporation (KUCC, 2002) estimated the porosity of fractured quartzite bedrock in the Bingham Mine Formation in the Oquirrh Group at 20 percent, this is thought to be similar to that of the quartzite encountered in Deepwater Well #1.

2.3.5 *Saturated Thickness*

Saturated thickness used is the water table to the bottom of the well. With a water table of 690 feet and a well depth of 890 feet the saturated thickness used was 200 feet.

2.3.6 *Discharge Rate*

Though the well was pump tested at 34 gallons per minute (gpm) a more conservative flow of 60 gpm was used in delineation of source protection zones. This aquifer could likely produce over 800 gpm; however this well is limited by the casing diameter.

2.4 Hydrogeologic Methods and Calculations

Drinking Water Source Protection Zones were delineated using the Preferred Delineation Procedure, which uses measured or estimated aquifer parameters, groundwater flow direction, and hydraulic gradient information to determine the size and shape of protection zones. WHPA the EPA's digital computer groundwater flow model was selected over other commonly used groundwater models to provide flexibility in simulating the complex hydrology found near Well #1.

2.5 Boundaries of DWSP Zones

The 250-day (Zone 2), 3-year (Zone 3), and the 15-year (Zone 4) groundwater travel time protection zones for the Well #1 are shown on Figure 5. The protection zones of the well are located in the southeast quadrant of Section 32, Township 2 South, Range 4 East, SLB&M. The generalized dimensions of the protection zones are summarized in Table 1.

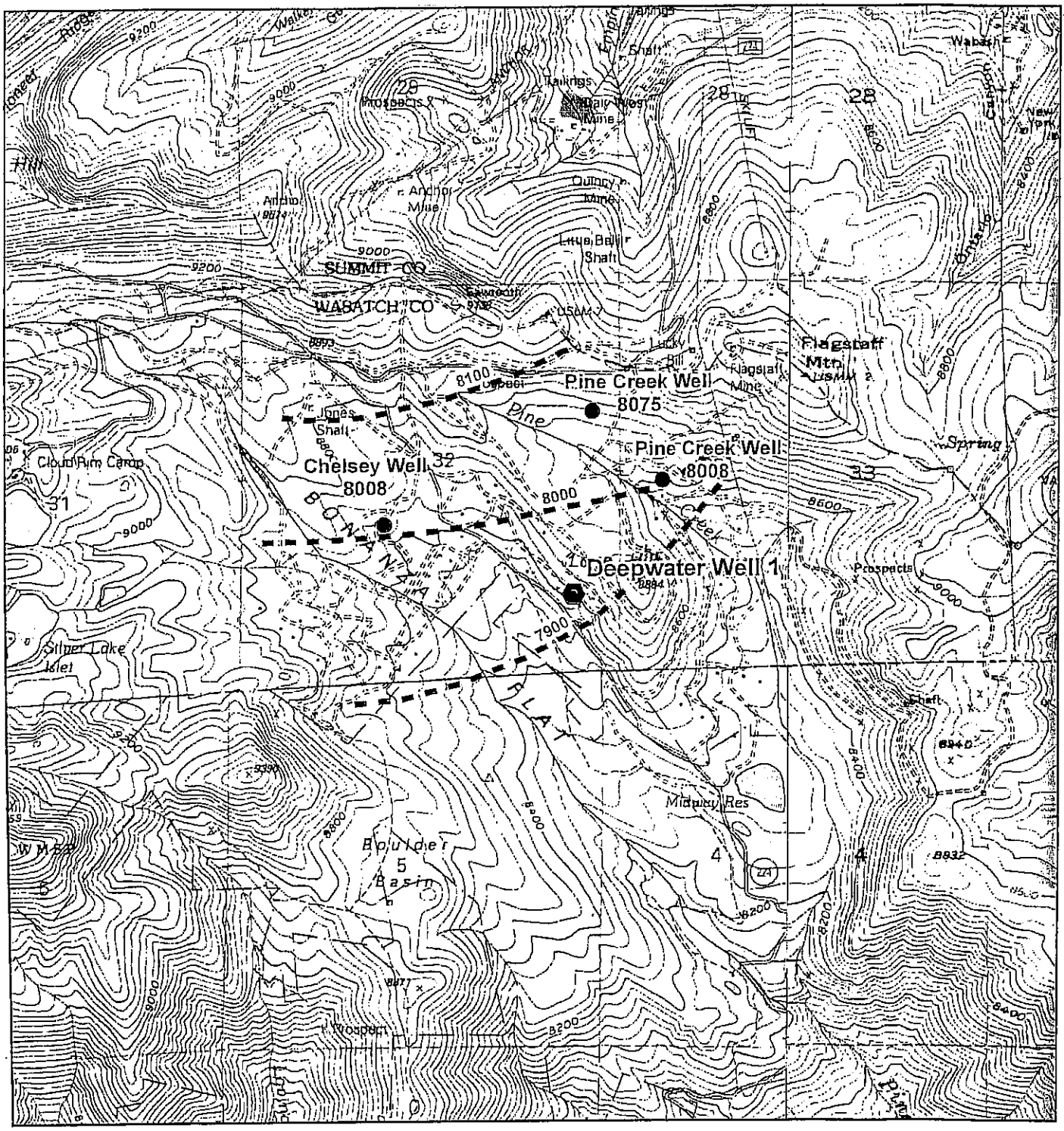
Table 1: Well #1 Protection Zone Dimensions

Protection Zone	Length of Protection Zone[a]	Width of Protection Zone[b]	Distance Upgradient of Well	Distance Downgradient of Well
Zone 2	390 ft.	200 ft.	360 ft.	30 ft.
Zone 3	500 ft.	220 ft.	460 ft.	40 ft.
Zone 4	800 ft.	500 ft.	700 ft.	100 ft.

[a] - Total length measured parallel to the direction of groundwater flow
[b] - Total width measured perpendicular to the direction of groundwater flow

2.6 Status of the Aquifer

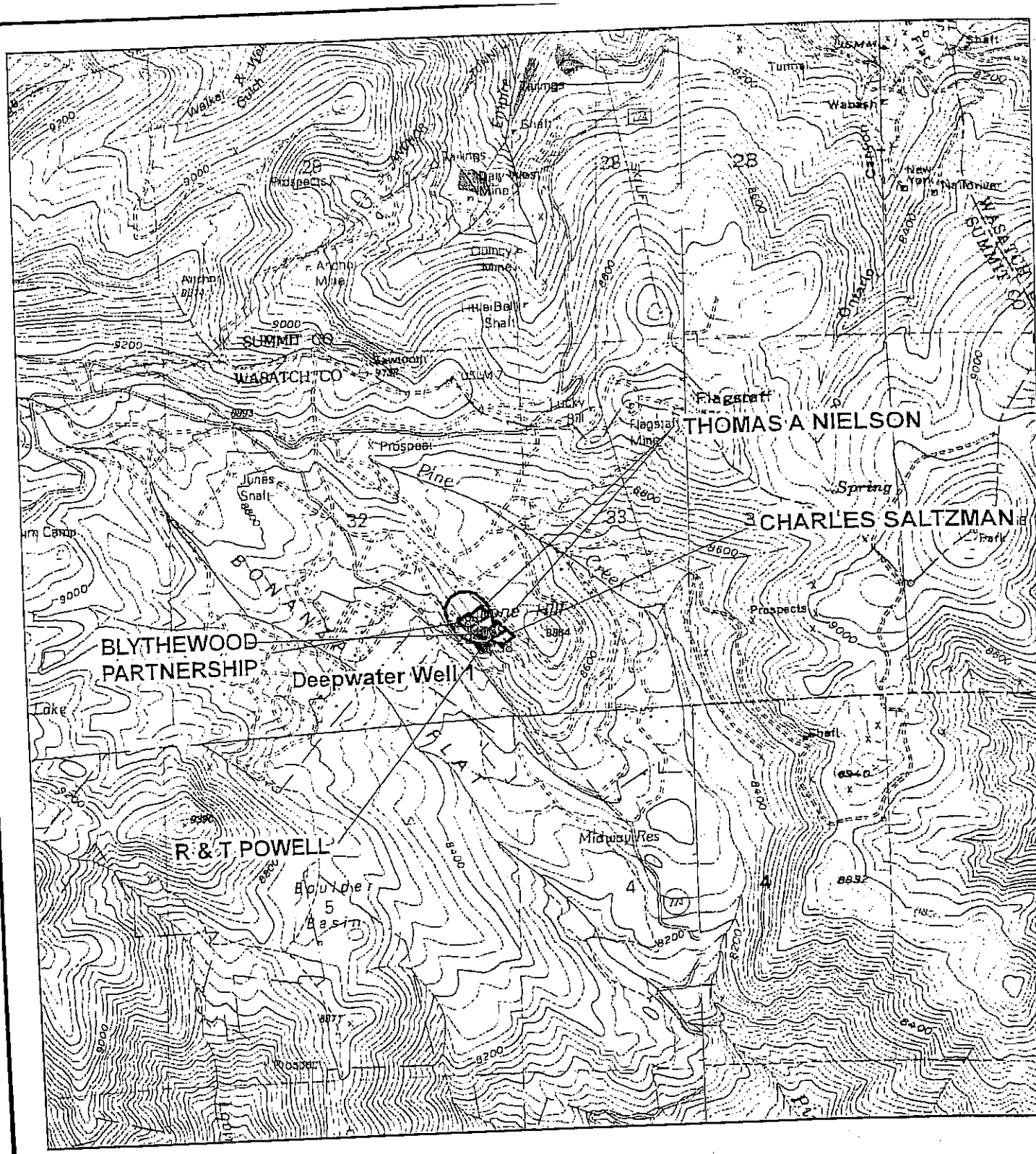
The aquifer in the area of Well #1 does meet the requirements of a Protected Aquifer as defined in UAC R309-600-6(1)(v); therefore the aquifer is considered not "protected" and potential contamination sources must be adequately controlled. This Protected aquifer status has been determined by the DDW in the concurrence of the PER for Brighton Estates Well No. 3 and the well drillers log for Deepwater Well #1.



DEEPWATER DISTRIBUTION WELL 1 DWSP	
Drawn By: JI	Date: 10/26/2008
Project Mgr: JF	Scale 1"=2000'

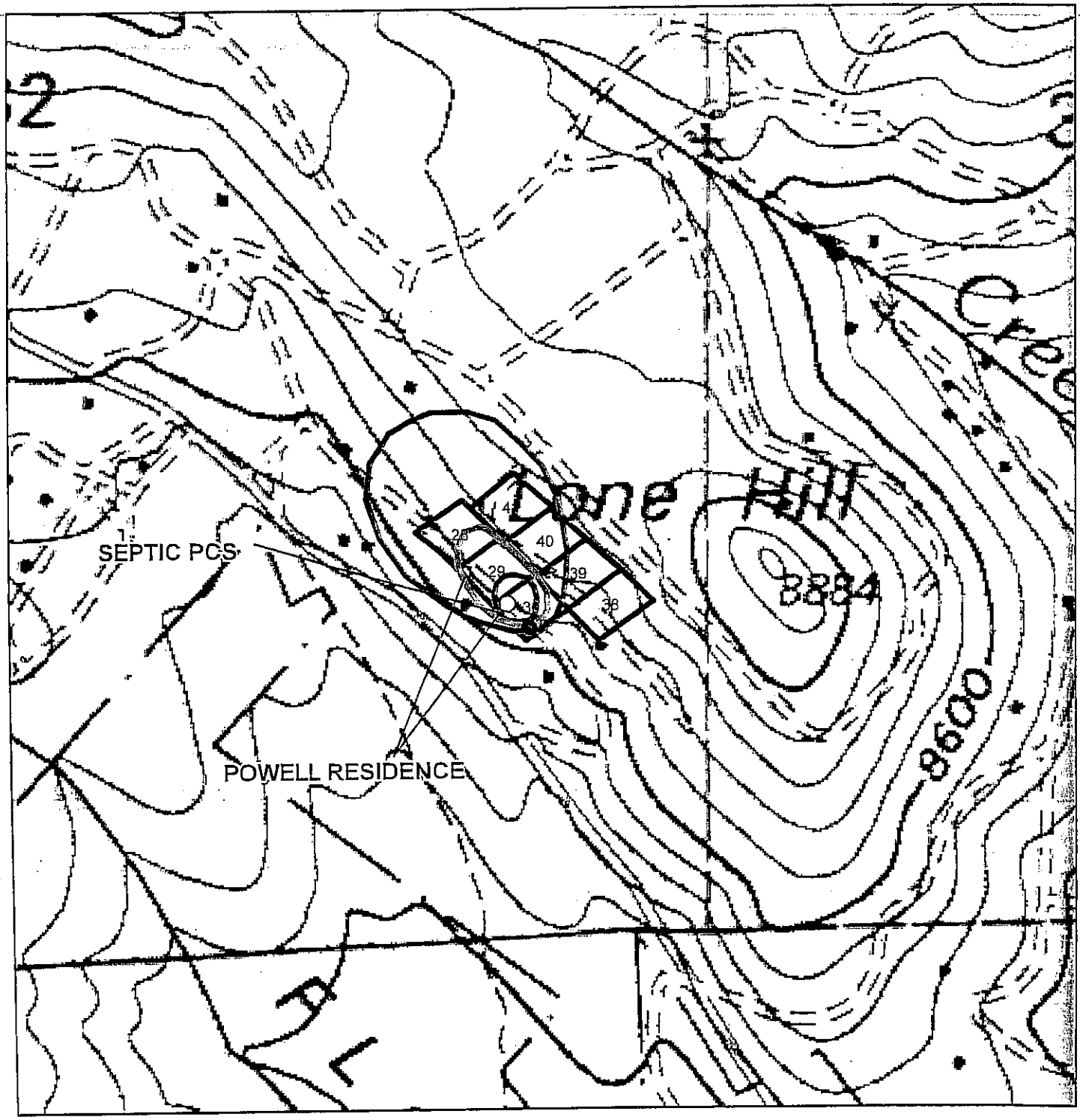
CASCADE WATER RESOURCES

FIGURE 4
POTENTIOMETRIC MAP



DEEPWATER DISTRIBUTION WELL 1 DWSP	
Drawn By: JI	Date: 10/26/2008
Project Mgr: JI	Scale:1"=2000'

FIGURE 5
LAND, PCS AND PROTECTION ZONES



PROTECTION ZONES

- ZONE 2
- ZONE 3
- ZONE 4

N

CASCADE WATER RESOURCES

DEEPWATER DISTRIBUTION WELL 1 DWSP	
Drawn By: JI	Scale: 1"=500'
Project Mgr: JF	Date: 10/26/2008

FIGURE 5A LAND , PCS AND PROTECTION ZONES