



July 31, 2023

Coalville Hoytsville Irrigation Company
P.O. Box 995
Coalville, Utah 84017

Re: Invoice for Coalville City

Dear Sir or Madam:

This letter is to reply to the invoices that were sent to Coalville City (the "City") for the City's assessment of water usage from the Coalville-Hoytsville Irrigation Company ("CHIC") for years 2021 and 2022. A few years ago, there was a verbal agreement between the City and CHIC that provided that the City would pay approximately one thousand two hundred dollars (\$1,200.00) each year for use of water. Now, it appears that CHIC is assessing fourteen thousand six hundred seventeen dollars and 50/100 (\$14,617.50). The City believes that its charges should be approximately six thousand five hundred ninety dollars (\$6,590.00) calculated as follows:

CALCULATION FOR WATER USAGE

	<u>2022</u>	<u>2021</u>
Shares needed to water property in Coalville City:	12	12
Shares owned by Coalville City	7	4
Deficiency in shares	5	8
Lease of shares:		.
2022: 5 x 300*		\$1,500
2021: 8 x 300*	\$2,400	
Share Assessment: 2021: 4 x 72.5	(paid)	290
Assessment to irrigate 12 acres (approximate)	\$1,200	\$1,200
Total owed	\$3,600	\$2,990

City Attorney
Sheldon A. Smith

PO Box 188
10 North Main Street
Coalville, UT 84017

Total Amount owing for 2022 and 2021 : \$6,590.00

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The assessment per home that was included on the CHIC invoice does not have anything to do with CHIC, but is the responsibility of the City to determine, since the City is the customer of CHIC and should pay for the water in accordance with the above calculations. Also, the City has not charged CHIC for use of the City infrastructure to deliver water to the farmers inside Coalville City limits. In order that we may settle this matter, the City is willing to forego such assessment for the farmers for 2021 and 2022. We can discuss a credit to the City for future years' assessments.

The assessment to irrigate 12 acres is based on an estimate calculated from the charge assessed to land owners who irrigate approximately the same acreage on the NSPIC system outside of Coalville City. Coalville City should be assessed, upon mutual agreement, a comparable amount that other users on the NSPIC system are assessed for the irrigated acreage.

Sincerely,

Sheldon A Smith

cc: Mayor Marsh
Coalville City staff
Coalville City Council

*We were unable to ascertain the lease rate for a share of water; hence, we made an estimate of three hundred dollars (\$300.00) per share. If you have more accurate data, please share it with us. According to prior years' lease rates, the annual lease for a share was \$200 or \$300 dollars per share.

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