

Commissioner Craig Dearden
Commissioner Jan Zogmaister
Commissioner Kerry Gibson
2380 Washington Blvd
Ogden, Utah 84401

February 16, 2011

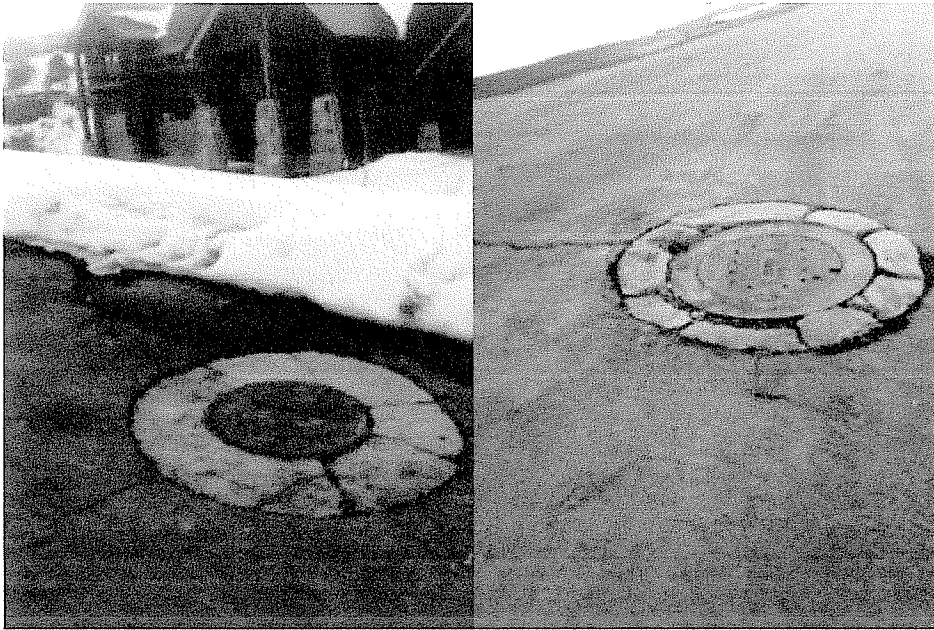
Dear Commissioners:

For at least the past seven years, and quite likely for the past twenty-one years, captive customers of the Mountain Sewer Co. in East Huntsville have been subjected to sewer service from a company in default of its contractual obligations and with equipment that is in ill repair. For the entire time, the operations of the Mountain Sewer Co. have supposedly been under the supervision, oversight, and control of a Board of Trustees, fiduciaries of the Ski Lake Special Service District charged with the responsibility to insure that its operations comport with laws and regulations at all levels, and that it otherwise operate properly in all respects.

The fiduciary duties of those trustees have been honored in overwhelming measure by their breach. That high degree of care and diligence demanded and expected of a trustee, a person in whom special trust is placed by those who are in need of protection, is and has been entirely missing, replaced by contractual delegation to a person unfit and unqualified to own and run a sewer system. Those trustees, with allowances for changes in identity from time to time, are YOU. It is long past time that you as trustees recognize and honor your fiduciary duties, and act in favor of those whom it is your duty to protect.

Examples of breaches of those duties are legion, and include but are quite likely not limited to the following:

--Supervision of a system improperly designed and/or constructed and/or maintained, resulting in repeated malfunctions requiring physical pumping of raw sewage from holding tanks literally on the banks of Pineview Reservoir, transporting raw sewage over local streets onto private property, and dumping of that raw sewage into manholes in streets on private property on a regular basis over the past several years.



--Running a system operating in violation of Utah state law, and likely violation of the Clean Water Act, with no operating permit and no groundwater discharge permit pursuant to Utah Administrative Code (UAC) R317-6-6 and UAC R317-6-6.2. Furthermore, Mr. Banks, who is the certified Grade I waste water collection system operator for Mountain Sewer and for Wolf Creek Water and Sewer Company knowingly has obtained the required system-operating permits for Wolf Creek but NOT Mountain Sewer.

--Approval of a subdivision (Edgewater Beach) within the boundaries of the Ski Lake Special Service District either without a "will supply" sewer letter, or tacit permission for Mountain Sewer to withdraw it.

--Failure to schedule regular meetings of the District Board, in one case for four years and nine months.

--Failure to obtain any security for performance by Mountain Sewer of its contractual obligations, including a performance bond and apparent failure to perfect the liens granted by it in the event of default under its contract.

--Failure to require quarterly and annual financial reports from Mountain Sewer.

--Failure to require operating reports from Mountain Sewer.

--Failure to conduct or have conducted audits of the books of Mountain Sewer, when irregularities are apparent; e.g., pre-connection fees waived, non-existent billing for Edgewater Chalets, etc.

--Accepting contractual promises in December 2010 from Mountain Sewer to provide sewer service to numbers of users, going forward, in clear excess of the capacity of Mountain Sewer to

service them. As per the Dec. 21, 2010 contract the extra 100 hook-ups over the next 5 years will exceed the present sewer capacity of 340.

--Violation of R317-3-3 Sewage Pumping Stations should be equipped with bar racks or inline grinding devices to prevent clogging. Mountain Sewer's pumps are either not so equipped, or do not work properly.

--Violation of R317-3-10 A. Distance from Habitation. A lagoon should be sited as far as practicable, with a minimum of 1/4 mile (0.4 kilometer), from areas developed for residential or commercial or institutional purposes. Not one of the four Mountain Sewer lagoons are more than 1/4 of a mile from existing homes and the St. Florence Catholic Church, as evidenced by the following photos.



Lagoon #4

Lagoons 1, 2, 3, and 4

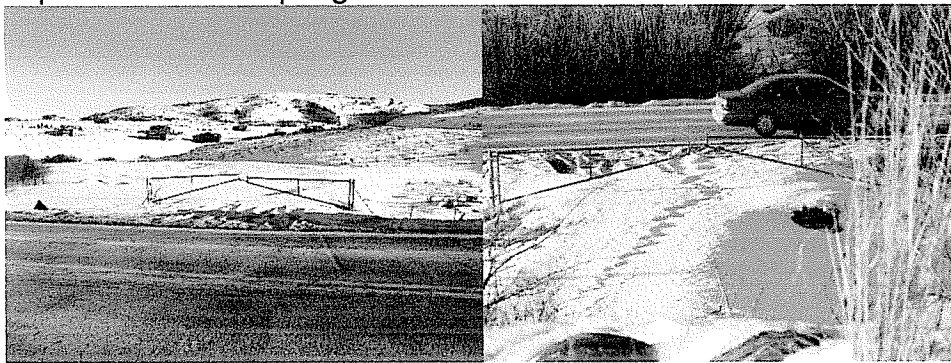


Photo of homes directly overlooking lagoons.

-- Violation of R317-3-10.3 Detention section F The detention time shall not be less than 150 days at the mean operating depth for effluent discharge without chlorination. The following photo shows that lagoon #4 has no effluent in it, and never has. See also photo of lagoon #3, which rarely, if ever, has effluent in it.

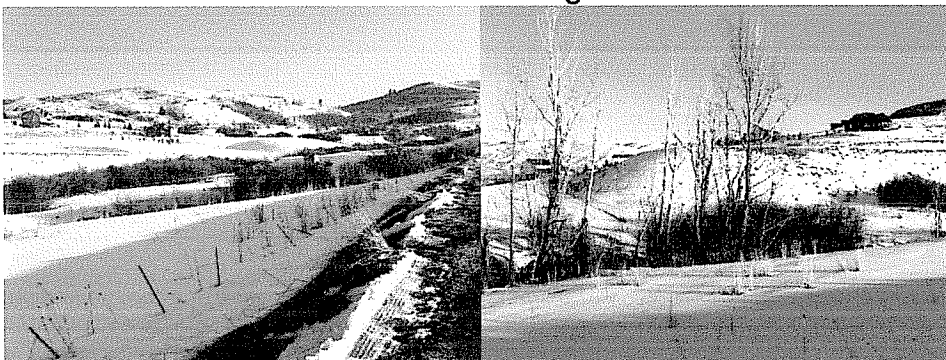


--Violation of R317-3-10.4 Embankments and Dikes Section C Top Width. The minimum dike width shall be 8 feet (2.4 meters) and shall permit access by maintenance vehicles. The following photos show that the dirt road to the ponds is not paved, is not maintained, and is impassable in the spring.



--Violation of R317-3-10 Lagoon Soil Bottom: The lagoon should be prefilled to a level which protects the liner, prevents weed growth, reduces odor, and maintains moisture content of the seal. See photo of lagoons #3 and 4, above.

--Violation of R317-3-10.8 Misc. Fencing: The lagoon area shall be enclosed with not less than 6 feet high chain link fence to prevent entering of livestock and to discourage trespassing. Fencing must not obstruct vehicle traffic on top of the dikes. A vehicle access gate of sufficient width to accommodate all maintenance equipment shall be provided. All access gates shall be provided with locks. The following photos show that the fencing is of questionable height, and that there is no discernable access to lagoon # 4.



--Violation of R317-3-10.8 Misc. . Access: An all-weather access road shall be provided to the lagoon site to allow year-round maintenance of the facility. See photos above which indicate

that the access road is not maintained, and is impassable in spring. This is why raw sewage is dumped into manholes on private property.

--Violation of R317-3-10.4 Lagoon bottom of 4th unused lagoon is not being filled with water or effluent thereby compromising the integrity of its liner. See photos, above

--Violation of R317-3-10.1B Prevailing Winds. The lagoon should be sited where the direction of local prevailing winds is towards uninhabited areas. Mountain Sewer's lagoons are not.

Mountain Sewer is clearly in breach of its contractual obligations to the Ski Lake Special Service District, and as citizens of Utah and very concerned Mountain Sewer customers, we bring this to your attention. We demand that you declare Mountain Sewer to be in default under the Operation and Maintenance Agreement of March 29, 2004, and that you actively pursue the remedies therein, by no later than March 2, 2011. We also demand that you forthwith begin to faithfully discharge your duties as Trustees in every respect.

We are by copies of this letter notifying other responsible persons and agencies of this deplorable situation; we request their immediate intervention if you continue to fail and refuse to carry out your duties by March 1. We also reserve our right to pursue private legal remedies for your nonfeasance and breaches of fiduciary duty.

Yours truly,

In the Interests of Mountain Sewer Customers in The Summit at Ski Lake:

James & Dawn Martell

James and Dawn Martell, 6739 E. Via Cortina, Huntsville, UT 84317

Larry & Sharon Zini

Larry and Sharon Zini, 6618 Via Cortina, Huntsville, UT 84317

In the Interests of Mountain Sewer Customers in Ski Lake Estates:

Frank & Pat Cumberland

Frank and Pat Cumberland, 6563 E. 1100 S., Huntsville UT 84317

Andrew & Lisa Hecht

Andrew and Lisa Hecht, 6596 E. 1100 S., Huntsville UT 84317

Michael & Diane Suley

Michael and Diane Suley, 980 S. 6525 E., Huntsville UT 84317

In the Interests of Mountain Sewer Customers in Lakeside Village:

Robert Kimball

Robert Kimball, LSV HOA President, C/O Dominick Guida, Kier Mgmt, 3170 Quincy Ave, Ogden UT 84403

David Hayes

David Hayes, LSV HOA Board Member, C/O Dominick Guida, Kier Mgmt, 3710 Quincy Ave, Ogden UT 84403

Dominick Guida

Dominick Guida, LSV HOA Property Mgr, Kier Mgt, 3710 Quincy Ave, Ogden UT 84403

In the Interests of Mountain Sewer Customers in Edgewater Chalets:

Kostas + Kristi Mallios

Kostas and Kristi Mallios, 926 S. Meadowlark Ln, Huntsville, Ut 84317

Salim + Laurie AbiEzzi

Salim and Laurie AbiEzzi, 931 S. Meadowlark Ln, Huntsville, Ut 84317

Jeff + Kris Larsen

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