

6/25/2012

UTAH PUBLIC SERVICE COMMISSION
 J. Rodney Dansie
 7198 West 13090 South
 Herriman, Utah 84096
 801-254-4364
 roddansie@msn.com

UTAH PUBLIC SERVICE COMMISSION
 RECEIVED
 JUN 23 10 05 089

300507

To: Melanie A. Reif
 Administrative Law Judge
 160 East 300 South
 Salt Lake City, Utah 84111

RE: Docket No 11-2195-01 order to show cause hearing May 15, 2012 and requested documents regarding Statement dated 4/9/2012 and dispute weather any amount was owed for standby charges. See Dup cross exam Exhibit #1 #2

Judge Reif requested that I provide any written communications between my self and Hi-Country HOA regarding the statements sent for standby water service.

1. The following documents are being provided showing that the billings for standby service were cancelled and reverses by order of legal counsel and the President and Directors of HI-Country. See exhibit A Letter dated July 10, 2008 from Kerri Trendler, President of the Hi-Country Homeowners' Association.

Paragrah 2 the water lines have been reconnected to lot 51 and 42 and meters have been installed
 Paragraph 3 the Board of Directors have provisionally canceled the water billings for lot 51 and 42. We have petitioned the Utah Supreme Court for certiorari, In the event the supreme court rules that the well lease is not enforceable you will be rebilled for water provided to lots 51 and 42. Exhibit A

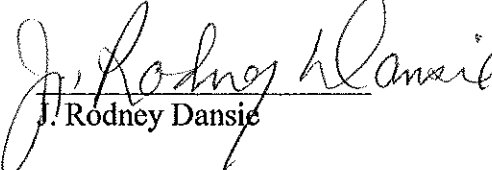
2. Letter Dated November 27, 2009 J. Rodney Dansie to Mrs Sue Jero, Preident HI-Country Estates Phase 1 terminatin of water service to lot 51 and lot 43 and request to reconnect service to lot 51 and lot 42. Exhibit B

3. Leter to Bradley Barlocker Hi-Country phase one from Kenneth H. Bousfield ,Director of Division of Drinking Water regarding restoring water service to Lot 51 and lot 42 see page 2 paragraph 1 " If each of the connections for lots 51 and 43 consist of a single 3/4 inch redidental connection, no pla approval by DDW is required. Exhibit C

This information is being submitted to clear up the testimony that the water service to lots 51 and 42 were shut off for non payment as provided by Mr. Cranes testimony. See Dup Cross Exhibit #1 and #2.

We don't know why the water service was connected to lot 51 and lot 42 and 18 months later shut off with out notice and for no reason. It is our understanding that there is -0- balance on each of lots based on the well lease agreement and court of appeals decision and the letter of July 2008 from Kerri Trendler, president stating the B. Of Directors has reversed all of the charges as per the well lease agreement and court of appeals decision.

We are requesting that the water service to lot 51 and lot 42 be reinstated as soon as possible to Prevent additional damages from accruing and to begin complying with the order of the Court of Appeals to provide water as per the well lease agreement and order of the court.


J. Rodney Dansie

Statement

Hi-Country Estates Water Company
 124 Hi-Country Road
 Herriman, UT 84096

4/10/12

Date
4/9/2012

Disputed see file

If you have questions concerning this bill - Please contact Lynda @ 801-254-6028

To:
 LOT 43
 Rodney Dansie
 7198 West 13090 South
 Herriman, UT 84096

7 percent base

Thank J R Dansie

Hi-Country Estates
 Not own
 own 216,000,000 gallons
 of culture water - See well
 H.P. 262

801-254-4360

		Amount Due	Amount Enc.		
		Amount	Balance		
02/29/2012	Balance forward		2,472.76		
03/05/2012	INV #1559. Due 03/31/2012.	11.79	2,444.55		
	--- Standby Charge, 1 @ \$11.79 = 11.79				
03/05/2012	INV #FC 253. Due 03/05/2012.	10.00	2,454.55		
	Finance/Late Fee Charge				
	--- Fin Chg \$10.00				
	--- Stmt Charge # for 2,233.63 on 03/30/2011				
	--- Invoice #232 for 11.23 on 03/30/2011				
	--- Invoice #294 for 11.79 on 05/04/2011				
	--- Invoice #420 for 11.79 on 06/02/2011				
	--- Invoice #547 for 11.79 on 06/29/2011				
	--- Invoice #673 for 11.79 on 08/02/2011				
	--- Invoice #800 for 11.79 on 09/01/2011				
	--- Invoice #926 for 11.79 on 10/03/2011				
	--- Invoice #1052 for 11.79 on 11/04/2011				
	--- Invoice #1178 for 11.79 on 12/02/2011				
	--- Invoice #1304 for 11.79 on 01/03/2012				
04/09/2012	INV #1687. Due 04/30/2012.	11.79	2,466.34		
	--- Standby Charge, 1 @ \$11.79 = 11.79				
04/09/2012	INV #FC 277. Due 04/09/2012.	10.00	2,476.34		
	Finance/Late Fee Charge				
	--- Fin Chg \$10.00				
	--- Stmt Charge # for 2,233.63 on 03/30/2011				
	--- Invoice #232 for 11.23 on 03/30/2011				
	--- Invoice #294 for 11.79 on 05/04/2011				
	--- Invoice #420 for 11.79 on 06/02/2011				
	--- Invoice #547 for 11.79 on 06/29/2011				
	--- Invoice #673 for 11.79 on 08/02/2011				
	--- Invoice #800 for 11.79 on 09/01/2011				
	--- Invoice #926 for 11.79 on 10/03/2011				
	--- Invoice #1052 for 11.79 on 11/04/2011				
	--- Invoice #1178 for 11.79 on 12/02/2011				
	--- Invoice #1304 for 11.79 on 01/03/2012				
	--- Invoice #1430 for 11.79 on 02/01/2012				
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
21.79	11.79	31.79	11.79	2,399.18	\$2,476.34

216,000,000 million gallons down to DAVIE - \$689,000 plus

Statement

Hi-Country Estates Water Company
 124 Hi-Country Road
 Herriman, UT 84096

Date
4/9/2012

4/10/12
 Disputed see Filed
 Court Decision

If you have questions concerning this bill - Please contact Lynda @ 801-254-6028

To:
 LOT 51
 Rod Dansie
 7198 West 13090 South
 Herriman, UT 84096

DANSIE AND OWNERS FILED
 APPEAL OF WATER -
 OR \$ 689,000 plus

Amount Due	Amount Enc.
\$2,467.34	
Amount	Balance
	2,423.76
11.79	2,435.55
10.00	2,445.55
11.79	2,457.34
10.00	2,467.34

Date	Transaction
02/29/2012	Balance forward
03/05/2012	INV #1567. Due 03/31/2012. --- Standby Charge, 1 @ \$11.79 = 11.79
03/05/2012	INV #FC 255. Due 03/05/2012. Finance/Late Fee Charge --- Fin Chg \$10.00 --- Stmt Charge # for 2,224.63 on 03/30/2011 --- Invoice #233 for 11.23 on 03/30/2011 --- Invoice #302 for 11.79 on 05/04/2011 --- Invoice #428 for 11.79 on 06/02/2011 --- Invoice #555 for 11.79 on 06/29/2011 --- Invoice #681 for 11.79 on 08/02/2011 --- Invoice #808 for 11.79 on 09/01/2011 --- Invoice #934 for 11.79 on 10/03/2011 --- Invoice #1060 for 11.79 on 11/04/2011 --- Invoice #1186 for 11.79 on 12/02/2011 --- Invoice #1312 for 11.79 on 01/03/2012
04/09/2012	INV #1695. Due 04/30/2012. --- Standby Charge, 1 @ \$11.79 = 11.79
04/09/2012	INV #FC 279. Due 04/09/2012. Finance/Late Fee Charge --- Fin Chg \$10.00 --- Stmt Charge # for 2,224.63 on 03/30/2011 --- Invoice #233 for 11.23 on 03/30/2011 --- Invoice #302 for 11.79 on 05/04/2011 --- Invoice #428 for 11.79 on 06/02/2011 --- Invoice #555 for 11.79 on 06/29/2011 --- Invoice #681 for 11.79 on 08/02/2011 --- Invoice #808 for 11.79 on 09/01/2011 --- Invoice #934 for 11.79 on 10/03/2011 --- Invoice #1060 for 11.79 on 11/04/2011 --- Invoice #1186 for 11.79 on 12/02/2011 --- Invoice #1312 for 11.79 on 01/03/2012 --- Invoice #1438 for 11.79 on 02/01/2012

CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
21.79	11.79	31.79	11.79	2,390.18	\$2,467.34

CERTIFICATE OF SERVICE

I hereby certify that the foregoing ^{letter from HOA - and} certified copy of the recorded documents and exhibits and comments were served on the following on June 25, 2012 as follows:
Via U. S. mail to:

Dennis Miller – Legal Assistant
Division of Public Utilities
Heber M. Wells Building 4th floor
160 E. 300 S. Box 146751
Salt Lake City, Utah 84114-6751

Patricia Schmid at the above address for Division of Utilities

Saunna Benvegna-Springer at the above address for Division of Utilities

J. Craig Smith
Smith Hartvigsen, PLLC
Walker Center
175 South Main Street Suite 300
Salt Lake City, Utah 84111

Melanie A. Reif
Administrative Law Judge
Utah Public Service Commission of Utah
160 East 300 South 4th floor
Salt Lake City, Utah 84111

Exhibit A

letter dated July 10, 2008

From Nic HOA president

Kerri Trewder



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Department of
Environmental Quality

Amanda Smith
Executive Director

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

February 8, 2011

Bradley Barlocker
35 Shaggy Mountain Drive
Herriman, Utah 84065

Dear Mr. Barlocker:

Subject: Hi Country Estates Phase I Water Company Correspondence

The purpose of this letter is to clarify correspondence between Randy Crane, former President of the Hi Country Estates Phase I Water Company (Hi Country) and the Division of Drinking Water (DDW). For your reference I have attached both letters: the first letter, dated July 28, 2008 (the July letter), from Randy Crane to DDW and the second letter, dated August 20, 2008 (the August letter), which is my response to the first letter.

This letter is also being written at the request of Rodney Dansie, of the Dansie Water Company. This letter will only address the DDW requirements as they relate to the responsibilities of Hi Country, to comply with DDW's Rules. This letter will not address any issues regarding contract disputes between Hi Country and Rodney Dansie as such issues are appropriately decided in courts of law.

In the July letter, Mr. Crane requested of Bob Hart, a staff engineer within the DDW, that he report on DDW's requirements for some specific connections including the location and pipe size of those connections (please see the July letter for the detailed request). In a phone conversation on February 1, 2011, involving Rodney Dansie and me, Mr. Dansie asked that I comment on connections for lots 51 and 43 within Hi-Country's distribution system. At the time of our phone conversation I assumed that Mr. Dansie was talking about a typical 3/4 inch residential connection. However, my assumption does not agree with the connection sizing mentioned in the July letter. Consequently, I will attempt to address both connection sizes in this letter.

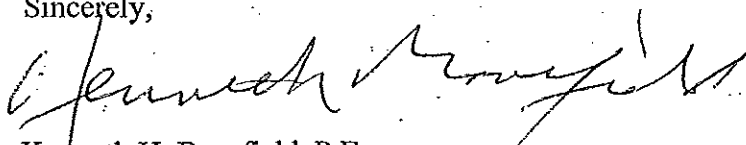
Bradley Barlocker
Page 2
February 8, 2011

If each of the connections for lots 51 and 43 consist of a single $\frac{3}{4}$ inch residential connection, no plan approval by DDW is required. In the July letter, Mr. Crane represents that two 6-inch connections are proposed for lot 51. Connections of this size could significantly affect the water system's ability to provide adequate flow and pressure to all its customers. Consequently, the DDW will require plans be submitted to the Division for any connection involving pipe sizes above 1-inch or multiple connections to a single lot.

Regarding plan submission, review and approval, a new rule has been promulgated in March of 2010 known as the Hydraulic Modeling Rule. This rule requires that a hydraulic model be performed on the existing system and the proposed expansion. The engineer preparing the plans needs to take into account, in the expansion design, any deficiencies noted in the model results and certify that the system expansion design will comply with DDW's quantity and pressure requirements. It is my understanding that a graduate level engineering student group will be preparing a base hydraulic model of your system and their effort should provide valuable insights as you proceed with discussions with Mr. Dansie.

If you have any questions concerning this correspondence, please feel free to call or write.

Sincerely,



Kenneth H. Bousfield, P.E.
Director

KHB

cc: Royal Delegee, Env. Director, Salt Lake Valley Health Dept., 788 E. Woodoak Lane, #104, Murray, UT 84107
J. Craig Smith, Smith/Hartvigsen PLLC, Walker Center, 175 S. Main St., #300, Salt Lake City, UT 84111
Rodney Dansie, 7198 West 13090 South, Herriman, UT 84065
Bob Hart, Division of Drinking Water



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

Drinking Water Board
Anne Erickson, Ed.D., *Chair*
Myron Bateman, *Vice-Chair*
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
Richard W. Sprott
David K. Stevens, Ph.D.
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

August 20, 2008

Randy L. Crane, President
Hi-Country Estates Phase I Water Company
124 Hi Country Road
Herriman, Utah 84096

Dear Mr. Crane:

Subject: Process for Additional Connections to Water System - System #18147

On July 31, 2008, the Division of Drinking Water (the Division) received your letter regarding the on-going litigation between Hi-Country Estates Phase I Water Company (HCI, Water System #18147) and Dansie Water Company (DWC, Water System #18009). The letter indicates that HCI may be required to provide connections to property owned by the Dansie family, under a well lease agreement that was entered into in 1977. Under the well lease agreement, a Dansie well was to supply water to a predecessor of HCI. You requested information concerning the requirements that would be made by the Division of Drinking Water for the connection of the two water systems and the potential co-mingling of water supply by the various wells.

First, under R309-500 "Facility Design and Operation: Plan Review, Operation and Maintenance Requirements" of *Utah's Administrative Rules for Public Drinking Water Systems*, your water system would be required to file with the Division a project notification form, along with plans and specifications for the connections. The plans and specifications submitted should be final and complete enough for the actual construction of the proposed project. The plans and specifications must be stamped and signed by a registered professional engineer licensed to practice in the State of Utah. The Division will have one of its engineers review the plans and specifications for compliance with state drinking water rules, and if acceptable, the Division would issue a plan approval letter for the proposed project. **No actual construction of the project should take place before the plan approval letter has been received by the water system.**

Second, under R309-510, "Minimum Sizing Requirements," during the plan review, the Division will do a physical capacity assessment of the water infrastructure to determine that existing water sources, storage tanks, distribution system, and other equipment are adequate to support the proposed project. As part of this process, the potential water demand would need to be determined for each water line extension. The number of residential connections, amount of outside home watering, irrigation, and other water uses, which would be allowed for each water

Randy Crane, President

Page 2

August 20, 2008

line extension, would be required to be submitted to the Division. The Division would probably request that the project engineer substantiate with calculations, or a computer model, that the proposed waterline sizes are adequate to provide the necessary pressures for each water line extension, per R309-105-9, "Minimum Pressure:"

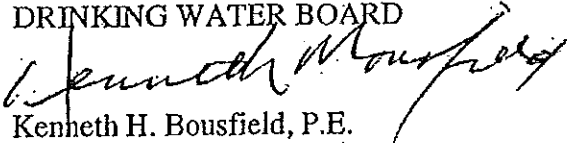
- no less than 20 psi during fire flow and fire demand experienced during peak day demand;
- no less than 30 psi during peak instantaneous demand;
and,
- no less than 40 psi during peak day demand;

The Division can not issue a plan approval letter for the project until it has been demonstrated that water source, storage, and distribution capacity are adequate to supply sufficient water and pressure to the present customers of the water system, and any new customers that line extensions would serve.

Finally, under R309-515, "Source Development," any groundwater well, spring, or other water source that supplies water to a public drinking water system, must be a source approved by the Division. The selection, development and operation of a public drinking water source must be done in a manner which will protect public health and assure that all required water quality standards, as described in R309-200, "Monitoring and Water Quality: Drinking Water Standards," are met. In addition, under R309-600, "Source Protection: Drinking Water Source Protection For Ground-Water Sources," all wells and springs, that supply water to a public drinking water system, must have a source protection plan, or a preliminary evaluation report, that the Division has concurred with. For reference, the "Well Approval Checklist," which outlines the necessary requirements to get approval for a new well, is attached to this letter. If you have any questions, please contact Bob Hart at (801) 536-0054 or Ying-Ying Macauley, Engineering Section Manager, at (801) 536-4188.

Sincerely,

DRINKING WATER BOARD



Kenneth H. Bousfield, P.E.
Executive Secretary

REH

Enclosure - Well Approval Checklist

cc: Royal Delege, Env. Director, Salt Lake County Health Dept., 788 E. Woodoak Lane, #104, Murray, UT 84107

Bob Hart, DDW

U:\Dr_Water\Engineer\BHart\wp\Hi-Country Estates I.doc

HiCountry Estates Phase I Water Company
124 Hi Country Road
Herriman, Utah 84096

RECEIVED

JUL 31 2008

Drinking Water

28 July 2008

Mr. Bob Hart
Engineering Section
Utah Division of Drinking Water
PO Box 144830
Salt Lake City, Utah 84114-4830

Dear Mr. Hart:

The Appellate Court has upheld the District Court finding that the Well Lease Agreement between Rod Dansie/Dansie Water/Foothill Water Company. (DWC) and Hi-Country Estates Phase I Water Co. (HCI) is a valid contract; while both parties are currently appealing the various findings to the Utah Supreme Court, HCI, in an effort to be proactive, is in the process of establishing the requirements that will be applicable in the event that the HCI and DWC are required to be connected.

HCI current serves one commercial/government customer – the BLM Wild Horse Center, and eighty-five (85) residential customers – with a potential of one hundred and twenty-five (125) residential customers. HCI's primary water source is one well that produces approximately 100 gpm and an emergency second source that can also supply approximately 100 gpm. Due to the system design, only one source can be energized at one time. The system has three storage tanks in service; the upper two tanks have a capacity of 50,000 gallons each. They are located west of Hi Country Estates lot 81 and serve approximately 60 customers including the BLM Wild Horse Center; the lower tank is a 300,000 gallon tank located between Hi Country Estates lots 66 and 67. This tank supplies water to the remaining customers and to the pump station that supplies water to the upper tanks. The HCI system also supplies water for fire protection. The HCI well delivers 90% to 100% of its capacity during the summer months. The attached map can be used to locate the identified connection locations. Additional definition will be supplied as required.

It is unknown to HCI how many customers DWC currently serves; however, under the current interpretation of the Well Lease Agreement, HCI is required to provide the following:

- 5 residential connections for the Dansie family use
- 50 residential connections for the DWC use
- 12,000,000 gallons of water per year in perpetuity

DWC has requested the following connections to be made to support the above requirements:

- Two 6" connections located at Hi Country Estates Phase I lot 51
- One 12" connection to be located at Hi Country Estates Phase I lot 1
- One 10" connection to be located at Hi Country Estates Phase I lot 9
- One 8" connection to be located at Hi Country Estates Phase I lot 107.

These connections existed prior to Hi Country Estates Phase I assuming control of the water system in 1994; they were severed by order of the District Court at that time.

It is assumed that DWC plans on using the above connections in the following ways:

- The two 6" connections located at Hi Country Estates Phase lot 51 are for potential connections to the two existing wells located at that location, though DWC has repeatedly stated that these connections are for surface irrigation only as he, Rod Dansie, spokesman for the Dansie Family, has an orchard located here.
- The one 12" connection located at Hi Country Estates Phase I lot 1 is for water supply to the Dansie properties located outside of Hi Country Estates Phase I boundaries that they are currently trying to develop.
- One 10" connection located in Hi Country Estates Phase I lot 9 would provide a second connection to the pipe line to which the 12" connections would be made.
- The one 12" connection located in Hi Country Estates Phase I lot 1 and one 10" connection located at Hi Country Estates Phase I lot 9 could also be used to transport water to the HCI's 300,000 tank from Dansie well number 1 located north of Hi Country Estates Phase I lot 9.
- The 8" connection located at Hi Country Estates Phase I lot 107 would provide service to Dansie owned undeveloped property located southwest of Hi Country Estates Phase I lot 107.

If the above connections are made:

- HCI needs (by order of the Third District Court) to ensure that the current customer base is not impacted and/or put at risk.
- In the event co-mingling water from any one of the Dansie's wells with HCI water that the water being supplied by Dansies must meet the minimum requirements for culinary use.
- That any connection to the HCI system must meet all state regulatory requirements.

In order to mitigate the above concerns, HCI is requesting a definitive set of requirements to be established for the connection of the two water systems and the potential co-mingling of water supply by the various wells.

Sincerely,

Hi Country Estates Phase I Water Company

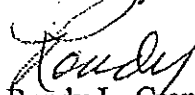

Randy L. Crane, President

Exhibit B

Letter dated November 27-09

From Hic HOA President

Sue Tero, president

November 27, 2009

J. Rodney Dansie
7198 West 13090 South
Herriman, Utah 84096
801-254-4364

Mrs. Sue Jero, President
Hi-Country Estates Phase 1
Homers Association
13300 South 7370 West
Herriman, Utah 84096

Dear Sue

This letter is to memorize our discussion of 10 days ago regarding the termination of water service at Lot # 51 and Lot # 42 which was being provided water under the well lease and water lined extension agreement of 1977 and as amended in 1985. The water service was terminated in About September 2009 and My request to you to reinstate the water service was denied in our conservation.

The Court of Appeals filed on March 27, 2008 case No. 20060139-CA a final order affirming the district courts order that the well lease agreement was a valid and binding agreement and further stated Dansie's rights under the well lease are as per the plain language of the lease and the 12 million gallons of water at no cost must be provide to the Dansies. Along with the other provisions of the lease agreement.

The Court further stated that the 1986 P. S. C. order was no longer binding and the lease is as its plain language for the benefits to the Dansies.

In the Summer of 2008 the President of the H OA. Mr. Darell Wooley and later the New President of the H. O. A Kerry Trendler upon the advise of their attorney Mr. Dale Gardiner advised the HOA to begin providing the water as per the courts final order.

Upon the Direction of the HOA Preident Kerry Trendler and the directors water service was re-connected to Lot 51 and Lot 42 under the well lease agreement and order of the Court of Appeals and plans were being made to get the other lines reconnected as per order of the Court.

In About September of 2009 the water service to both lot 51 and 42 was terminated by the HOA directors or at there direction. I believe this was an **ILLEGAL TERMINATION OF THE WATER SERVICE UNDER THE WELL LEASE AGREEMENT AND ORDER OF THE COURT OF APPEALS.**

I have incurred damages due to termination of the water service by not being able to water livestock and use the lots for pasture and replant the 400 fruit trees and was planned for the lot 51 orchard. The property damages are continuing and will do so until the water service is restored under the provisions of the Well Lease and Order of the Court of Appeals.

In our discussion 10 days ago you declined to restore the water service under the well lease agreement and Court Order of 2008 by the Court of Appeals.

I am continuing to incur property damage due to the Actions of the HOA President and Directors due to there failure to follow the order of the Court of Appeals and the Well Lease Agreement and due to the Termination of the water service in or about September of 2009 by a new set of Directors and President of the HOA.

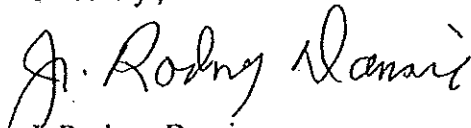
The Water service had been reconnected in summer of 2008 by the President, Kerri Trendler and Mr. Wooley the previous President. This Action by Sue Jero and the new Directors is an Illegal Act and in violation of the Courts order and the well lease agreement.

This letter will serve as another formal request to Restore the Water Service to Lot 51 and Lot 42 as per the 2008 order of the Court of Appeals and as per the Well Lease agreements plain language

Base on the Actions of the Current President Sue Jero and the Directoes of the HOA I am filing a CLAIM with your Insurance Company Colorado Casualty for damages already incurred and continued damages until water service is restored as per the well lease agreement and order of the court of appeals.

Should you have any questions regarding this matter please feel free to call me and discus the matter.

Sincerely ,


J. Rodney Dansie

801-254-4364

HI-COUNTRY ESTATES PHASE 1
HI-COUNTRY ROAD
HERRIMAN, UT 84096

To: President Barlocker
HI-Country Water & HOA

Disputed Bill

Amount Due By ~~4,958.88~~ - 0 -
After 2/28/2010 Pay ~~1,968.88~~ - 0 -

TO: RODNEY DANSIE
7198 W 13090 SOUTH
HERRIMAN, UT 84096

See attached letter + count of report
subject from 2008 - + file + letters
sent to you - President Barlocker
letter dated - 11-27-09 - to save Jero
copy attached H.O.A.

J. R. Dansie 801-254-43
2-4-10

RODNEY DANSIE
Account# 43 - 1 43 SHAGGY MOUNTAIN
Meter Reading on 12/29/09 was 0
Meter Reading on 1/31/10 was 0
Gallons Used - 0

BILLING QUESTIONS 801-254-6028 MAIL OR
DROP IN MAILBOX NEAR DUMPSTER

Last Bill	1,938.27
Payments	0.00
Penalty	10.00
Water Charges	10.61

Amount Due By 2/28/2010	1,958.88
After 2/28/2010 Pay	1,968.88

Disputed Bill - see letter
dated 11-27-09

Keep this section for your records.

Please return this section with payment.

From: RODNEY DANSIE
7198 W 13090 SOUTH
HERRIMAN, UT 84096

HI-COUNTRY ESTATES PHASE 1 WATER CO.

Print Seq - 40

RODNEY DANSIE
Account# 43 - 1 43 SHAGGY MOUNTAIN

Amount Due By 2/28/2010 1,958.88
After 2/28/2010 Pay 1,968.88

TO: HI-COUNTRY ESTATES
124 HI-COUNTRY ROAD
HERRIMAN, UT 84096

2-4-2010

From: HI-COUNTRY ESTATES PHASE 1
124 HI-COUNTRY ROAD
HERRIMAN, UT 84096

TO: President Barlow
HIC-Water & HOA:

Disputed Bill

Amount Due By 1,949.88
After 2/28/2010 Pay ~~1,959.88~~ 0

TO: RODNEY DANSIE
7198 W 13090 SOUTH
HERRIMAN, UT 84096

See attach letter & count of appeal
judgment - dated 3-008 - See file &
letters previously sent to President
Barlow - copy of 11-27-09
letter attached.

RODNEY DANSIE
Account# 51 - 1 51 SHAGGY MOUNTAIN
Meter Reading on 12/29/09 was 0
Meter Reading on 1/31/10 was 0
Gallons Used - 0

BILLING QUESTIONS 801-254-6028 MAIL OR
DROP IN MAILBOX NEAR DUMPSTER

J. R. Haman - 2-4-10
801-254-4364

Last Bill	1,929.27
Payments	0.00
Penalty	10.00
Water Charges	10.61
<hr/>	
Amount Due By 2/28/2010	1,949.88
After 2/28/2010 Pay	1,959.88

Disputed Bill - See file & copy
of letter attached 11-27-09

Keep this section for your records.

Please return this section with payment.

From: RODNEY DANSIE
7198 W 13090 SOUTH
HERRIMAN, UT 84096

HI-COUNTRY ESTATES PHASE I WATER CO.

Print Seq - 48

RODNEY DANSIE
Account# 51 - 1 51 SHAGGY MOUNTAIN

Amount Due By 2/28/2010 1,949.88
After 2/28/2010 Pay 1,959.88

TO: HI-COUNTRY ESTATES
124 HI-COUNTRY ROAD
HERRIMAN, UT 84096

Exhibit # C

Letter to Mr. Barlock
From Division of Drinking
Water regarding reconnection
of lot 4 2 751



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Department of
Environmental Quality

Amanda Smith
Executive Director

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

February 8, 2011

Bradley Barlocker
35 Shaggy Mountain Drive
Herriman, Utah 84065

Dear Mr. Barlocker:

Subject: Hi Country Estates Phase I Water Company Correspondence

The purpose of this letter is to clarify correspondence between Randy Crane, former President of the Hi Country Estates Phase I Water Company (Hi Country) and the Division of Drinking Water (DDW). For your reference I have attached both letters: the first letter, dated July 28, 2008 (the July letter), from Randy Crane to DDW and the second letter, dated August 20, 2008 (the August letter), which is my response to the first letter.

This letter is also being written at the request of Rodney Dansie, of the Dansie Water Company. This letter will only address the DDW requirements as they relate to the responsibilities of Hi Country, to comply with DDW's Rules. This letter will not address any issues regarding contract disputes between Hi Country and Rodney Dansie as such issues are appropriately decided in courts of law.

In the July letter, Mr. Crane requested of Bob Hart, a staff engineer within the DDW, that he report on DDW's requirements for some specific connections including the location and pipe size of those connections (please see the July letter for the detailed request). In a phone conversation on February 1, 2011, involving Rodney Dansie and me, Mr. Dansie asked that I comment on connections for lots 51 and 43 within Hi-Country's distribution system. At the time of our phone conversation I assumed that Mr. Dansie was talking about a typical $\frac{3}{4}$ inch residential connection. However, my assumption does not agree with the connection sizing mentioned in the July letter. Consequently, I will attempt to address both connection sizes in this letter.

Bradley Barlocker

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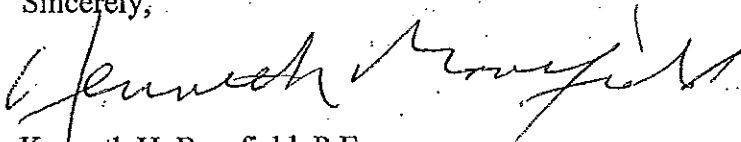
February 8, 2011

If each of the connections for lots 51 and 43 consist of a single $\frac{3}{4}$ inch residential connection, no plan approval by DDW is required. In the July letter, Mr. Crane represents that two 6-inch connections are proposed for lot 51. Connections of this size could significantly affect the water system's ability to provide adequate flow and pressure to all its customers. Consequently, the DDW will require plans be submitted to the Division for any connection involving pipe sizes above 1-inch or multiple connections to a single lot.

Regarding plan submission, review and approval, a new rule has been promulgated in March of 2010 known as the Hydraulic Modeling Rule. This rule requires that a hydraulic model be performed on the existing system and the proposed expansion. The engineer preparing the plans needs to take into account, in the expansion design, any deficiencies noted in the model results and certify that the system expansion design will comply with DDW's quantity and pressure requirements. It is my understanding that a graduate level engineering student group will be preparing a base hydraulic model of your system and their effort should provide valuable insights as you proceed with discussions with Mr. Dansie.

If you have any questions concerning this correspondence, please feel free to call or write.

Sincerely,



Kenneth H. Bousfield, P.E.
Director

KHB

cc: Royal Delegee, Env. Director, Salt Lake Valley Health Dept., 788 E. Woodoak Lane, #104, Murray, UT 84107
J. Craig Smith, Smith/Hartvigsen PLLC, Walker Center, 175 S. Main St., #300, Salt Lake City, UT 84111
Rodney Dansie, 7198 West 13090 South, Herriman, UT 84065
Bob Hart, Division of Drinking Water



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

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Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

August 20, 2008

Randy L. Crane, President
Hi-Country Estates-Phase I Water Company
124 Hi Country Road
Herriman, Utah 84096

Dear Mr. Crane:

Subject: Process for Additional Connections to Water System - System #18147

On July 31, 2008, the Division of Drinking Water (the Division) received your letter regarding the on-going litigation between Hi-Country Estates Phase I Water Company (HCI, Water System #18147) and Dansie Water Company (DWC, Water System #18009). The letter indicates that HCI may be required to provide connections to property owned by the Dansie family, under a well lease agreement that was entered into in 1977. Under the well lease agreement, a Dansie well was to supply water to a predecessor of HCI. You requested information concerning the requirements that would be made by the Division of Drinking Water for the connection of the two water systems and the potential co-mingling of water supply by the various wells.

First, under *R309-500* "Facility Design and Operation: Plan Review, Operation and Maintenance Requirements" of *Utah's Administrative Rules for Public Drinking Water Systems*, your water system would be required to file with the Division a project notification form, along with plans and specification, for the connections. The plans and specifications submitted should be final and complete enough for the actual construction of the proposed project. The plans and specifications must be stamped and signed by a registered professional engineer licensed to practice in the State of Utah. The Division will have one of its engineers review the plans and specifications for compliance with state drinking water rules, and if acceptable, the Division would issue a plan approval letter for the proposed project. **No actual construction of the project should take place before the plan approval letter has been received by the water system.**

Second, under *R309-510*, "Minimum Sizing Requirements," during the plan review, the Division will do a physical capacity assessment of the water infrastructure to determine that existing water sources, storage tanks, distribution system, and other equipment are adequate to support the proposed project. As part of this process, the potential water demand would need to be determined for each water line extension. The number of residential connections, amount of outside home watering, irrigation, and other water uses, which would be allowed for each water

150 North 1950 West • Salt Lake City, UT
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Randy Crane, President

Page 2

August 20, 2008

line extension, would be required to be submitted to the Division. The Division would probably request that the project engineer substantiate with calculations, or a computer model, that the proposed waterline sizes are adequate to provide the necessary pressures for each water line extension, per R309-105-9, "Minimum Pressure:"

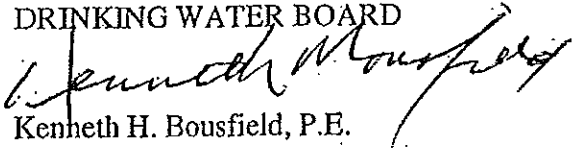
- no less than 20 psi during fire flow and fire demand experienced during peak day demand;
- no less than 30 psi during peak instantaneous demand;
and,
- no less than 40 psi during peak day demand;

The Division can not issue a plan approval letter for the project until it has been demonstrated that water source, storage, and distribution capacity are adequate to supply sufficient water and pressure to the present customers of the water system, and any new customers that line extensions would serve.

Finally, under R309-515, "Source Development," any groundwater well, spring, or other water source that supplies water to a public drinking water system, must be a source approved by the Division. The selection, development and operation of a public drinking water source must be done in a manner which will protect public health and assure that all required water quality standards, as described in R309-200, "Monitoring and Water Quality: Drinking Water Standards," are met. In addition, under R309-600, "Source Protection: Drinking Water Source Protection For Ground-Water Sources," all wells and springs, that supply water to a public drinking water system, must have a source protection plan, or a preliminary evaluation report, that the Division has concurred with. For reference, the "Well Approval Checklist," which outlines the necessary requirements to get approval for a new well, is attached to this letter. If you have any questions, please contact Bob Hart at (801) 536-0054 or Ying-Ying Macauley, Engineering Section Manager, at (801) 536-4188.

Sincerely,

DRINKING WATER BOARD


Kenneth H. Bousfield, P.E.
Executive Secretary

REH

Enclosure — Well Approval Checklist

cc: Royal Delegee, Env. Director, Salt Lake County Health Dept., 788 E. Woodoak Lane, #104, Murray, UT 84107

Bob Hart, DDW

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HiCountry Estates Phase I Water Company
124 Hi Country Road
Herriman, Utah 84096

RECEIVED

JUL 31 2008

Drinking Water

28 July 2008

Mr. Bob Hart
Engineering Section
Utah Division of Drinking Water
PO Box 144830
Salt Lake City, Utah 84114-4830

Dear Mr. Hart:

The Appellate Court has upheld the District Court finding that the Well Lease Agreement between Rod Dansie/Dansie Water/Foothill Water Company. (DWC) and Hi-Country Estates Phase I Water Co. (HCI) is a valid contract; while both parties are currently appealing the various findings to the Utah Supreme Court, HCI, in an effort to be proactive, is in the process of establishing the requirements that will be applicable in the event that the HCI and DWC are required to be connected.

HCI current serves one commercial/government customer – the BLM Wild Horse Center, and eighty-five (85) residential customers – with a potential of one hundred and twenty-five (125) residential customers. HCI's primary water source is one well that produces approximately 100 gpm and an emergency second source that can also supply approximately 100 gpm. Due to the system design, only one source can be energized at one time. The system has three storage tanks in service; the upper two tanks have a capacity of 50,000 gallons each. They are located west of Hi Country Estates lot 81 and serve approximately 60 customers including the BLM Wild Horse Center; the lower tank is a 300,000 gallon tank located between Hi Country Estates lots 66 and 67. This tank supplies water to the remaining customers and to the pump station that supplies water to the upper tanks. The HCI system also supplies water for fire protection. The HCI well delivers 90% to 100% of its capacity during the summer months. The attached map can be used to locate the identified connection locations. Additional definition will be supplied as required.

It is unknown to HCI how many customers DWC currently serves; however, under the current interpretation of the Well Lease Agreement, HCI is required to provide the following:

- 5 residential connections for the Dansie family use
- 50 residential connections for the DWC use
- 12,000,000 gallons of water per year in perpetuity

DWC has requested the following connections to be made to support the above requirements:

- Two 6" connections located at Hi Country Estates Phase I lot 51
- One 12" connection to be located at Hi Country Estates Phase I lot 1
- One 10" connection to be located at Hi Country Estates Phase I lot 9
- One 8" connection to be located at Hi Country Estates Phase I lot 107.

These connections existed prior to Hi Country Estates Phase I assuming control of the water system in 1994; they were severed by order of the District Court at that time.

It is assumed that DWC plans on using the above connections in the following ways:

- The two 6" connections located at Hi Country Estates Phase lot 51 are for potential connections to the two existing wells located at that location, though DWC has repeatedly stated that these connections are for surface irrigation only as he, Rod Dansie, spokesman for the Dansie Family, has an orchard located here.
- The one 12" connection located at Hi Country Estates Phase I lot 1 is for water supply to the Dansie properties located outside of Hi Country Estates Phase I boundaries that they are currently trying to develop.
- One 10" connection located in Hi Country Estates Phase I lot 9 would provide a second connection to the pipe line to which the 12" connections would be made.
- The one 12" connection located in Hi Country Estates Phase I lot 1 and one 10" connection located at Hi Country Estates Phase I lot 9 could also be used to transport water to the HCI's 300,000 tank from Dansie well number 1 located north of Hi Country Estates Phase I lot 9.
- The 8" connection located at Hi Country Estates Phase I lot 107 would provide service to Dansie owned undeveloped property located southwest of Hi Country Estates Phase I lot 107.

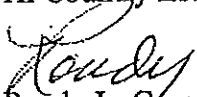
If the above connections are made:

- HCI needs (by order of the Third District Court) to ensure that the current customer base is not impacted and/or put at risk.
- In the event co-mingling water from any one of the Dansie's wells with HCI water that the water being supplied by Dansies must meet the minimum requirements for culinary use.
- That any connection to the HCI system must meet all state regulatory requirements.

In order to mitigate the above concerns, HCI is requesting a definitive set of requirements to be established for the connection of the two water systems and the potential co-mingling of water supply by the various wells.

Sincerely,

Hi Country Estates Phase I Water Company


Randy L. Crane, President