

June 25, 2012

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

Docket NO
11-2195-01

J. Rodney Dansie , hereby submits the following Response of J. Rodney Dansie to the Division public Utilities Corrected Recommendation .

Background

On December 23,2011 Hi-Counry submitted a letter to the Public Service commission requesting that the PSC assess whether the exemption from regulation granted in the February 6, 1996 Report and order of the PSC Docket number 95-2195-03 should remain effective.

1. Hi-Country Estates HOA. Serves only its members and the members that live in South Oquirrh Subdivision and Beaglely Acres subdivision. These three areas (subdivisions) have been served by the Hi-Country Home Owners Association water system since 1973 and since February 5, 1996 as members of the association and by contracts (Water service agreements) which the people living in these areas choose to give up there voting rights and did not complete the agreement that runs with the land and was recorded at the Salt Lake County Recorders office February 15, 1973. Requiring them to become members of the association. However, because they did not want there lands burdened with the CCand Rs that were on Hi-Country Estates Phase one Subdivision and they signed agreements to be served by the water agreements then in effect and as change from time to time . Giving up there voting rights and taking there water by contract which was recorded or they are still members of the association and are considered a sub members since they pay full HOA charges and fees the same as all members of the association. They are afforded say and recourse by there water agreements they agreeded to with Hi-Country Water in 1973. (see Febuary 15, 1973 agreement) See Exhibit A
2. There have not been any complaints filed with the DPU in the years since 1996 some 15 years and HI-Country has not requested to be regulated or have a cpen during this 15 year period The PSC cancelled Hi-Country s certificate in 1996 with full knowledge of the water agreements and member ship issues with Beaglely Acres and the B. L. M. (Government Agency) water service agreement and the Bob Hymas now (the Greg

- Dehann) property located near lot 1 out side of Hi-Country boundrys and is served by agreement that was approved by the public service commission at the start of service.
3. The B. L. M Was being served when the PSC cancelled Hi-Country HOAs certificate of cpcn # 2737. The P. S. C. had full knowledge of the service going to a Government Agency and the B. L. M. allowed the HI-Country HOA to build a water tank on B. L. M. Land at the time in 1994 before there certificate # 2737 was cancelled because all of the users were either members or receiving water by contract .
 4. Nothing has changed and HI-Country HOA. (HI-Country Water) has never made water available to the public in General. (Mr. DelRoy Taylor requested water service in 1998 From HOA. President Darell Wooley and was told he had to live in the boundaries and be a member of the HOA to received watter service. Mr. Taylors property is located north of and adjoining lot # 9 and was without water. Mr. Wooley and Hi-Country HOA denied his request for water service and they said Hi-Country did not provide service to the public in general.
 5. Only since the Court of appeals decision in July 29, 2011 have the Hi- Country H. O. A. requested the P. S. C. to re-instate the certificate of public necessity # 2737. THIS HAS BEEN REQUESTED IN AN ATTEMPT TO DENIE THE DANSIES THERE BENETS THAT THE COURT HAS AWARDED THEM AGAIN AND AGAIN IN THE 35 YEARS THIS CASE HAS BEEN BEFORE THE COURTS (See letter sent to all customers of Hi-Country dated January 25, 2012 prepared by Mr. Smith and sent out by Mr. Noel Williams, President .) Exhibit B
 6. The B., L. M. takes water in small amounts (the facility has been ordered closed and has no animals and has no plans to bring more horses to the faculties.
 7. Greg Dehann Property is located in Herriman City at a different address than the one listed and is in a municipality service area and is required to connect to Herriman City as a condition of annexation of his property to Herriman City. (His service did not require membership since it was approved by the PSC as his well went dry and was approved for service since no other water was available at the time foothills was providing water service.
 8. Larry & Ester Beagley are either members of the association (see recorder agreement to become members) or take water by contract water agreement waiving there voting rights. The Beagleys pay the same amount of charges and speial asements as all members of the HOA and Water Company
4. Joanthan Beagley is either a member of the association (see recorded agreement to become members dated 2/15/1973) or takes water by contract water agreement or by agreement waiving there voting rights in the HOA.
5. Stephen Olschewski is either a member or takes water by agreement of the water company Hi-Country Water Co.

9. Marcus Olschewski is either a member of the association (see recorded agreement to become members or by contract water agreement waiving there voting rights.
10. Hemut Olschewski is either a member of the association (see recorded agreement to become members or by contract water agreement waiving there voting rights.
11. Rod Dansie Has requested water to be provided as per the orders or the court by the 1977 well lease agreement and the 1985 Well lease and water line extension agreement which has been up held by the Utah State Court of appeals as follows: Dated July 29,1911 and November 2011 amended order of the court of appeals .

CONCLUSION:

Based on the findings and hearings and additional information submitted here with The Hi-Country Homers Association is serving only members and by contract as per allowances of the P. S. C. to Greg Dehann (now in Herriman City municipality service area) B. L. M. Servied by contract with the Hi-Country HOA as a government agency and lessor of land for HOAs tank #2 & 3 thus not requiring membership.

(THE HOA AND MR. SMITH HAVE FAILED TO PROVIDE A COPY OF THE BLM TANK LEASE FOR TANKS #2 & 3 AND THE CONTRACT FOR WATER SERVICE TO THE NOW DEFUNK (WILD HORSE FARM).

Rod Dansie and the DPU has requested copys of this conrtact for the 3rd time and it has not been provided(Even though Mr. Crane testified under oath that he had a copy of the agreement with the B. L. M.

In Addation Mr. DelRoy Taylor is in the process of completing and signing a statement that ad that water service is not available to the public generally l since Mr. Taylor applied for with water from Hi-Country Estates HOA President Mr. Darell Wooley in 1998 and was denied service since he was not a member of he Home Owners Association. His property is adjacent to lot # 9 and already has water lines to it and was previously served by Foothill Water from 1977 to 1994.

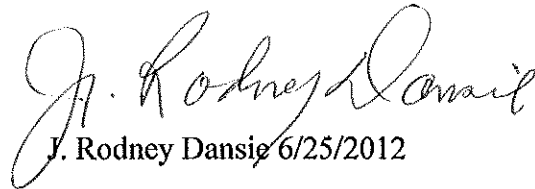
It is here requested that the DPU perform further investigation into this matter and get the true facts regarding this matter before and action is take by the PSC regarding reinstating the DPCN # 2737.

There is much more investigation to be completed before this matter should be sent to the P. S. C. for review and no reinstatement of CPCN should be granted until all information has been provided.

This request for action by the D PU should be deinied since it does not meet the requirements of Utah Code Annotated 54-2-1(16) and 54-2-1(29) as all water users are either members of the H. O. A. or are taking water by contract as discussed above.

CONCLUSION

Regulation by the PSC of this water company not required since all water users are either members or receive there water by contract and have waived there right to membership and take there water by the terms of the contracts they have with Hi-country water service agreements and recorded agreements dated and recorded in the agreement dated 2/15/1973 and sighed by the owners of the lots at the time and recorded giving notice of there water contracts to the world. The P. S. C. granted the cancelling of the Certificate of Convenience and Necessity # 2737 in February 5 1996 and nothing has changed. The customers and service area are all the same.



J. Rodney Dansie 6/25/2012

CERTIFICATE OF SERVICE

Response of P. Rodney DOWSE

I hereby certify that the foregoing ~~certified copy of the~~ recorded documents and exhibits and comments were served on the following on June 25, 2012 as follows:

Vis 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

Feb - 15 - 1973 Residual

agreement

Beagley

Everett R. Dahl

APR 17 1973 1:01 PM
Backman Abstract & Title Company
Fee Paid
3.80 By [Signature] Deputy
Rd.

2532831

RIGHT OF WAY

Hi-Country Estates, Inc., a Utah corporation, Grantor, hereby grants and conveys to Melvin J. Bagley and Barbara Bagley, his wife, Gerald H. Bagley and June L. Bagley, his wife, and Larry E. Beagley and Esther D. Beagley, his wife, Grantees, and their successors and assigns, for the sum of \$10.00 and other good and valuable consideration, a non-exclusive right of way for ingress and egress to the property presently owned by Grantees to the South and East of the property owned by Grantor, over the property owned by Grantor, situated in Salt Lake County, State of Utah, and described as follows:

^{Foot Road} The roads of Hi-Country Estates as shown on the Plat of Hi-Country Estates Subdivision recorded on January 17, 1972, in Book KK, Pages 56, 57, 58 and 59, Entry No. 2432347, in the office of the Salt Lake County Recorder.

This right of way is granted in accordance with and subject to the covenants and agreements contained in that certain agreement entered into between the parties on the 15th day of February, 1973.

IN WITNESS WHEREOF, the Grantor has hereunder caused the name of its duly authorized officer or agent to be signed, this 15th day of February, 1973.

HI-COUNTRY ESTATES, INC.

By: [Signature]

STATE OF UTAH)
) ss.
County of Salt Lake)

On the 15th day of February, 1973, personally appeared before me Charles E. Lewton known to me to be the President of Hi-Country Estates, Inc., a Utah corporation, who duly acknowledged to me that he executed the foregoing instrument on behalf of said corporation by authority duly granted by its

EVERETT R. DAHL
ATTORNEY AT LAW
780 EAST CENTER STREET
SUITE 21
MIDVALE, UTAH 84041

BOOK 3304 PAGE 34

ACREEMENT

THIS AGREEMENT made and entered into by and between HI-COUNTRY ESTATES, INC., a Utah corporation, hereinafter called "Hi-Country" and GERALD H. BAGLEY, LARRY E. BEAGLEY and ESTHER D. BEAGLEY, his wife, hereinafter called "Owners",

WITNESSETH:

WHEREAS, Hi-Country has and is developing a land development under the name and style of Hi-Country Estates; and,

WHEREAS, as part of the development has acquired certain water rights and has installed a water system in connection with the development; and,

WHEREAS, Owners own a forty (40) acre tract of ground adjoining Hi-Country Estates; and,

WHEREAS, the Owners are desirous of being served with culinary water and to obtain a right to traverse certain of the private roads of Hi-Country Estates in order to reach and serve property owned by the Owners; and,

WHEREAS, Beagleys are purchasing the property of Owners under a Real Estate Contract from Gerald H. Bagley; and,

WHEREAS, Hi-Country is willing to allow access to the property of Owners and to furnish water connections under certain conditions.

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements hereinafter contained, it is agreed as follows:

1. Owners represent that they own the following described real property located in Salt Lake County, State of Utah:

Southwest quarter of the Southeast quarter of Section 4
Township 4 South, Range 2 West, Salt Lake Base and Meridian.

HC000549

2. Hi-Country grants to the Owners and their assigns the right to use the roads of Hi-Country Estates for means of ingress and egress to Owners property.

3. Hi-Country agrees to sell to Owners six (6) water connection hookups to be used on owners property upon payment of Five Hundred Dollars (\$500.00) for each connection or hookup. Owners upon paying for the connection fee agrees thereafter to pay for the use of water in accordance with the bylaws and schedules of payment established from time- to- time by Hi-Country Estates Water Company.

4. Owners agree that they will become members of Hi-Country Estates Homeowners Association and pay their proportionate share of costs for maintenance of roads and services rendered by Hi-Country Estates Homeowners Association in accordance with the Articles of Incorporation and bylaws of said association.

5. Owners agree at their sole expense to install a water line from the border line of Hi-Country Estates through the property of the Owners to the South boundary of Owners property and to the North edge of Hi-Country boundary. Owners agree to grant to Hi-Country a nonexclusive right of way and easement fifty (50) feet wide running South from the North edge of Owners property to the South edge of property together with the right to install utilities under the road. Said six (6) inch water line to be installed by Owners shall be within the aforesaid right of way. The water line shall be constructed and laid in accordance with the Salt Lake County water conservatory standards and upon completion, title to the water line shall vest in Hi-Country.

6. The location of rights of ingress and egress, location of easements and water lines, will be located as per the attached sketch. Said sketch being made part of this Agreement by reference.

HC000550

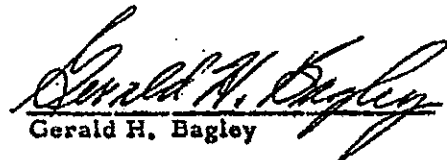
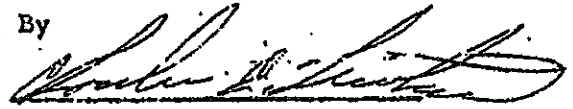
7. The parties are then required to execute all legal documents necessary to fulfill and perform the terms of this Agreement.

8. In the event of default by either party, the defaulting party agrees to pay all costs of enforcing this Agreement including a reasonable attorney's fee.

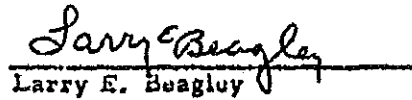
IN WITNESS WHEREOF, the parties hereto have signed their names on this 10 day of OCTOBER, 1972.

HI-COUNTRY ESTATES, INC.

By



Gerald H. Bagley



Larry E. Bagley



Esther D. Bagley

When recorded
mail. back to



HI-COUNTRY ESTATES PHASE I WATER COMPANY
124 Hi-Country Road
Herriman, Utah 84065

SPECIAL WATER SERVICE AGREEMENT

For Water Company customers who reside outside of
Hi-Country Estates Phase I Subdivision.

7014920

This Agreement is between Hi-Country Estates Phase I Water Company (the "Company") and the "Customer":

CUSTOMER NAME: Robert Hyman
SERVICE ADDRESS: 13375 So 7530 W
HERRIMAN UT
PHONE: 2547842 DATE: 5-13-98

By this Agreement, the Company agrees to provide water service to Customer at the above service address. Water service shall be provided to Customer in accordance with Hi-Country Estates Phase I Water Company Tariff (the "Tariff"), attached hereto as Exhibit "A." Water Service shall not be provided to Customer until or unless this Agreement is executed. If water service is currently being provided to Customer, such water service will terminate within 30 days of the mailing of this Agreement, unless this Agreement is executed by Customer. By signing below, Customer hereby agrees as follows:

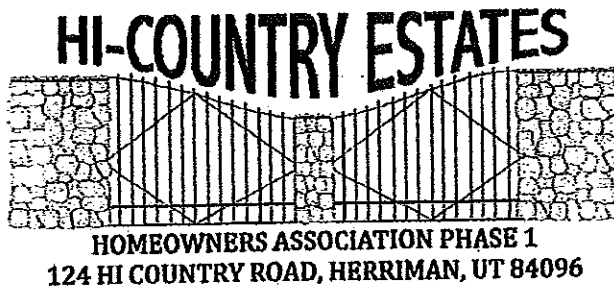
1. That this Agreement, executed by Customer, shall be an application for water service, which is not effective unless or until it is accepted by the Company.
2. That all costs of facilities extension to Customers' property, including pipelines, valves, meter boxes, meters and any other water system components required to supply water to Customer shall be paid by Customer.
3. That construction of such facilities shall meet such construction standards as shall be established by the Company.
4. That upon completion, facilities including pipelines, valves, meter boxes, meters and any other part of the water system shall be deeded to the Company before water service shall be provided.
5. That this Agreement does not grant, or require, membership in Hi-Country Estates Phase I Homeowners' Association.
6. That this Agreement does not grant rights of ownership in Hi-Country Estates Phase I Water Company.

7014920
07/01/98 2:05 PM 14.00
NANCY WORKMAN
RECORDER, SALT LAKE COUNTY, UTAH
HI COUNTRY ESTATES PH I WATER
124 HI COUNTRY RD
HERRIMAN UT 84065
REC BY: V VEGA DEPUTY - WI

BK 8025 PG 2184
HC000552

Exhibit B.

Letter From Mr
Smith + Noel Williams
HOA President
Dated 1-25-2012



January 25, 2012

TO: HI COUNTRY ESTATES PHASE I WATER COMPANY CUSTOMERS

Re: Result of Dansie v. Hi-Country Water Case

Dear Water Customer,

We are sending this letter to inform all customers about the recent decision in one of the longstanding disputes with the Dansie family that might directly affect you. The Court of Appeals concluded that, unless the Utah Public Service Commission (PSC) gets involved, the existing connections to the Hi-Country Estates Homeowners Association water system will be required to subsidize to some extent water service to the Dansies and future developments they may build on their property to the north of the Association. Indeed, the Dansies have demanded delivery of 12,000,000 gallons of water per year—enough water for approximately 40 homes (indoor and outdoor use) or 80 homes (indoor use only). Although the Dansies are currently demanding that this amount of water be delivered to them from the Association's well and water right, the well lease agreement that is the basis of their claim provides no such right. Instead, the well lease requires only that water be delivered from the Dansies' own well and water rights. In other words, the Association would, without PSC intervention, be required to pay the costs associated with delivery of water from Dansies' well (e.g., pumping costs, chlorination, etc.). In the past, the Public Service Commission prohibited the Association from giving any preferential treatment to the Dansies. But in 1996, after the Dansies' property and Dansie Well #1 were disconnected from the system, the PSC stopped regulating the Association water system.

With the most recent court ruling, the Association has sent a letter to the PSC to determine whether the Association Water System will come under regulation now that the Dansies are demanding reconnection to the Association's water system. If you are concerned with how these developments will affect your water rates, you can contact the Division of Public Utilities and the Public Service Commission at the following address or phone number so that they are aware of your concerns: Division of Public Utilities, P.O. Box 146751, Salt Lake City, Utah 84114-6751, phone (801) 530-7622. If you do have any statements, please forward your comments before February 3, 2012. Also, feel free to contact me or another member of the Board if you have additional questions.

Sincerely yours,
Hi-Country Estates Homeowners Association

Noel Williams, President