

Public Service Commission of Utah
Division of Public Utilities
Utah Department of Commerce

February 23, 2011

Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84114

Attention: Shauna Benvegna-Springer - Water Manager (DPU)

Shauna:

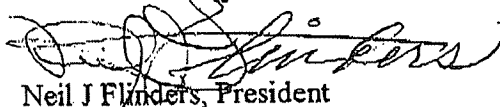
Attached is a letter signed by the mayors of Pleasant Grove City and Cedar Hills City stipulating the date of March 1, 2011 initiating the dissolution of the Manila Culinary Water Company and a window of time, if needed, extending to finalization by June 1, 2011. We feel this process can and should be completed well before the June date.

The mayoral letter also indicates the mutual agreement of the Water Company with the respective municipalities, on the manner in which the financial and residual company assets (cash, lines, wells, water rights, properties, etc.) are to be divided proportionately between Pleasant Grove City and Cedar Hills City—according to their existing boundaries as of July 21, 2010. The formula for dividing the cash assets was determined by a calculation of the customer/consumer stockholder user list within the respective city boundaries at that time. The results of this calculation indicated the number of users within Cedar Hills was 102 [.0725462] and for Pleasant Grove 1304 [.927538].

The two remaining stipulations requested by the MWC Board, regarding disposition of water rights and the extension of a period for stable water rates, are also stated in items # 3 and # 4 in the mayoral letter. These statements adequately satisfy the original intentions of the MWC Board of Directors.

We trust that this process meets all the requirements on our part as stated in your Memo to us of May 18, 2010.

Manila Culinary Water Board



Neil J Flinders, President

Jacob Bryant, Vice President

Jerry Dearing, Director

Kenneth Nickell, Director

Craig Smith, Director

Dan Davis, Secretary