



GARY HERBERT.
Governor
GREG BELL
Lieutenant Governor

State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THAD LEVAR
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

--==-- **MEMORANDUM** ==--

TO: PUBLIC SERVICE COMMISSION OF UTAH

FROM: DIVISION OF PUBLIC UTILITIES
Chris Parker, Division Director
Bill Duncan, Manager, Telecom & Water Section
Shauna Benvegna-Springer, Utility Analyst

DATE: May 26, 2011

SUBJECT: In the Matter of the Dissolution of the Manila Culinary Water Company

RE: Docket No. 11-2297-01

RECOMMENDATION: CONDITIONAL CANCELLATION

The Utah Division of Public Utilities (Division) recommends the Public Service Commission of Utah (Commission) cancel the Letter of Exemption held by Manila Culinary Water Company, No. 76 issued May 10, 2000 upon receipt of a copy of the Memorandum of Understanding between Pleasant Grove City and City of Cedar Hills, the interlocal agreement and notification by the company that the dissolution has been completed.

BACKGROUND:

The Manila Culinary Water Company was formed in 1940 as a non-profit corporation operated by its stockholders. On May 10, 2000 Manila Culinary Water Company, (Company) was issued a Letter of Exemption No. 76 by the Public Service Commission of Utah in Docket No. 99-2297-01, cross referenced with docket 86-999-01. This authorized the Company to operate as a mutual water corporation exempt from Commission regulation, within an area of

Utah County that crosses over the boundaries of City of Cedar Hills and Pleasant Grove City located in Utah County, Utah. The Company serves 1,406 “customer/consumer stockholders”.

On or about May 18, 2010, Neil Flinders, President of the Manila Culinary Water Board contacted the Division with concerns and questions that the Company had regarding dissolution. Between that date and February 10, 2011, the Manila Culinary Water Board (Board) presented a proposal to Pleasant Grove City and the City of Cedar Hills. On February 10, 2011, Mayor Bruce W. Call of Pleasant Grove City and Mayor Eric Richardson of City of Cedar Hills signed a joint letter outlining the arrangements for dissolution and transfer of the water system from the Board. On February 23, 2011, the Board issued a letter agreeing to the arrangements of dissolution, which were initiated on March 1, 2011.

Currently, the Pleasant Grove Metro Water District is operating the water system. The transfer of the water rights, assets and liabilities are to be completed on or before June 1, 2011. A Memorandum of Understanding (MOU) between Pleasant Grove City and the City of Cedar Hills will be completed on or before May 26, 2011. The Pleasant Grove City Council is scheduled to review and approve the MOU at their meeting on June 7, 2011. The City of Cedar Hills will review and approve thereafter. It is anticipated that the interlocal agreement will be completed by December 31, 2011. The parties have agreed to keep the current Manila water rates effective until January 1, 2012.

CONCLUSION:

The Division recommends the Commission cancel the Letter of Exemption upon receipt of a copy of the Memorandum of Understanding between the two cities and the Board, a copy of the interlocal agreement and notification from the Board that the dissolution is completed.

cc: Neil J. Flinders, Manila Culinary Water Company

Eric Richardson, Mayor, City of Cedar Hills

Bruce W. Call, Mayor, Pleasant Grove City

J Scott Darrington, City Administrator, Pleasant Grove City

Konrad Hildebrandt, City Manager, City of Cedar Hills