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STATE PUBLIC SERVICE COMMISSION

2007 JAN 26 A 8:47

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Attorneys for Respondent Dammeron Valley Water Works

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

DOUGLAS J. MARKHAM and ANDREA)	
GASPORRA,)	
)	
Petitioners,)	Docket No. 07-2025- 01
)	
v.)	
)	
DAMMERON VALLEY WATER WORKS,)	ANSWER
)	
Respondent.)	

Pursuant to Utah Code Annotated § 63-46b-6 (West's 2004) and Utah Administrative Code § R746-100-3(I)(1), Respondent Dammeron Valley Water Works answers the Petitioners' Complaint and Request for Investigation (the "Complaint") as follows:

FIRST DEFENSE

Petitioners have failed to state a claim for relief against Dammeron Valley Water Works requiring the dismissal of their Complaint. Petitioners' allegations are specious and without basis in fact or law. Specifically, Petitioners falsely allege that they have been significantly overcharged for water service for the months of May through October 2006. Petitioners falsely allege that Dammeron Valley Water Works manipulated previous billings to violate its tariff provisions. Petitioners falsely allege that Dammeron Valley Water Works

engaged in discriminatory conduct. Lastly, Petitioners assert the false and fantastic allegation that Dammeron Valley Water Works encouraged them to use more water than they would otherwise have used.

In sum, the Petitioners' claims are without any basis in fact or law and while an audit by the PSC would waste time and resources, but as in the past, Dammeron Valley Water Works will cooperate fully with the PSC should it decide an audit is necessary.

SECOND DEFENSE

In response to the enumerated allegations set forth in the Petitioners' Complaint, Dammeron Valley Water Works answers as follows:

1. In response to paragraph 1 of the Complaint, Dammeron Valley Water Works lacks sufficient knowledge to either admit or deny the allegations that Petitioners are the current owners of property located at 979 Dammeron Valley Drive, Dammeron Valley, Utah and therefore deny the same. In response to the allegation that Petitioners own three water shares, Dammeron Valley Water Works denies that Petitioners have provided valid water share certificates for irrigation water, but only a document executed between Bradleys and Respondents reflecting Bradley's conveyance of water rights. Dammeron Valley Water Works affirmatively alleges that it has honored rates based on certificated rights for Petitioners under accounts nos. 595-22-44 and 596-22-44.

2. In response to paragraph 2 of the Complaint, Dammeron Valley Water Works lacks sufficient knowledge to either admit or deny the allegations and therefore deny the same. Dammeron Valley Water Works admits that Bradleys and Petitioners executed a document

purporting to transfer irrigation rights to Petitioners. Any transfer by Bradleys of the real property would convey the culinary water right since culinary water is appurtenant to the real property.

3. In response to paragraph 3 of the Complaint, Dammeron Valley Water Works lacks sufficient knowledge to either admit or deny the allegations concerning the lawsuit between the Petitioners and Respondents and therefore deny the same. Dammeron Valley Water Works admits that Bradleys lived at the property located at 979 Dammeron Valley Drive, Dammeron Valley, Utah. Dammeron Valley Water Works admits the remainder of the allegations set forth in paragraph 3.

4. Dammeron Valley Water Works denies the allegations set forth in paragraph 4 of the Complaint with the exception that it admits The Dammeron Corporation began a new phase of development in Dammeron Valley. Dammeron Valley Water Works alleges that Bradley only built three houses with The Dammeron Corporation, beginning in 2006. The new development phase in Dammeron Valley would increase the number of homes serviced by Dammeron Valley Water Works by approximately 6% after full build-out.

5. Dammeron Valley Water Works denies the allegations set forth in paragraph 5 of the Complaint. Dammeron Valley Water Works did not encourage customers to use extensive amounts of water. During the extensive drought in Southern Utah and the consequential wild fires that occurred due to dry earth, Dammeron Valley Water Works warned its customers not to let their properties become fire hazards. To further reduce the risk of wild fires in Dammeron Valley, Dammeron Valley Water Works offered to loan irrigation rights to owners in

Dammeron Valley.

6. Bradley utilized loaned irrigation water rights from Dammeron Valley Water Works to prevent dry pastureland. Dammeron Valley Water Works affirmatively alleges that it did not need to prove up a nearly ten fold increase in water rights where it owns enough water rights for over 1000 homes. Dammeron Valley Water Works further affirmatively alleges that it not apply for more water rights as it had over 300 services in 2000.

7. Dammeron Valley Water Works denies the allegations set forth in paragraph 6 of the Complaint. All of Dammeron Valley Water Works' water rights are certificated. Dammeron Valley Water Works has allowed customers to utilize extra water at irrigation rates to reduce the fire danger in Dammeron Valley during the drought.

8. Dammeron Valley Water Works admits the allegations set forth in paragraph 7 of the Complaint.

9. Dammeron Valley Water Works denies the allegations set forth in paragraph 8 of the Complaint. All of Dammeron Valley Water Works' water rights are certificated. Dammeron Valley Water Works has allowed customers to utilize extra water at irrigation rates to reduce the fire danger in Dammeron Valley during the drought.

10. Dammeron Valley Water Works denies the allegations set forth in paragraph 9 of the Complaint. Dammeron Valley Water Works affirmatively alleges that the amount billed Bradley for irrigation water had no effect on anyone else as set forth in Dammeron Valley Water Works' response to paragraph 6 above.

11. Dammeron Valley Water Works admits the allegations set forth in paragraph 10 of the Complaint. Dammeron Valley Water Works affirmatively alleges that when it later discovered its error, it allowed the already past two month period to remain at the discounted rate.

12. Dammeron Valley Water Works denies the allegations set forth in paragraph 11 of the Complaint. Mr. Bradley did not claim that he had not transferred irrigation certificates. Dammeron Valley Water Works was investigating ownership of irrigation rights with the state and sent approximately 30 letters to customers concerning the need to provide proof of ownership of irrigation rights. Petitioners were among the approximately 30 customers notified by Dammeron Valley Water Works to provide proof of current ownership of irrigation rights or certificates. To date, the Petitioners have not provided the certificates evidencing the three subject irrigation rights. Mr. Bradley had no involvement with the investigation of customers' irrigation water rights.

13. Dammeron Valley Water Works admits the allegations set forth in paragraph 12 of the Complaint. Dammeron Valley Water Works affirmatively alleges that on determining any error in tariff rates, Dammeron Valley Water Works, on advice of its legal counsel, revised the statement to reflect the correct tariff rates.

14. Dammeron Valley Water Works admits the allegations set forth in paragraph 13 of the Complaint, except to deny that \$ 0.25 was the historic overage rate. The \$ 0.25 rate referred to by Petitioners applied to the irrigation rights loaned to Bradley as set forth previously in this Answer.

15. Dammeron Valley Water Works admits that Petitioners have paid in full and under protest all statements regarding irrigation water for May through October. Dammeron Valley Water Works denies the remainder of the allegations of paragraph 14. Dammeron Valley Water Works affirmatively alleges that for the November and December billing cycle, the Petitioners were billed the \$ 60.00 minimum charge on both their accounts since they used less than 1000 gallons on each of their two meters.

16. Dammeron Valley Water Works denies all allegations of the Complaint not specifically admitted herein.

DISCUSSION

The Petitioners' allegations are wrought with error and conspiratorial imaginings. Indeed, the Petitioners' allegations demonstrate a complete lack of foundation and knowledge concerning Dammeron Valley, Dammeron Valley Water Works, and The Dammeron Corporation. Moreover, the Petitioners lack any understanding of the several years of drought that rendered every inhabitant, dwelling, and foliage in Dammeron Valley susceptible to fire in the dangerously dry conditions that plagued the Southern Utah area. Dammeron Valley Water Works' efforts to prevent the loss of property and life by offering to loan irrigation rights to particularly sensitive areas in Dammeron Valley does not reek of conspiracy, but instead suggests allowable and responsible actions to ensure its customers' safety and well-being.

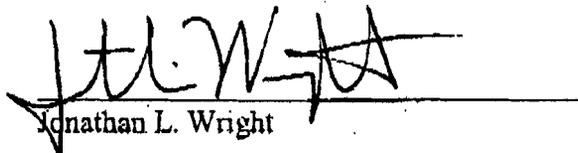
The Petitioners also neglect the efforts of Dammeron Valley Water Works to encourage conservation. In fact, Dammeron Valley Water Works will include information concerning water conservation in billing statements to its customers. And, the Petitioners' specious

allegations concerning development in Dammeron Valley relative to Dammeron Valley Water Works are absolutely wrong and unfounded. Moreover, Petitioner seeks relief outside the jurisdiction of the PSC. In summary, the Petitioners' thrust is to avoid payment for irrigation water on their pastureland in Dammeron Valley.

WHEREFORE, Dammeron Valley Water Works having answered in full the Petitioners' Complaint and Request for Investigation, requests that the Complaint be dismissed consistent with this Answer. Further to the extent provided by law, statute, or rule, Dammeron Valley Water Works requests an order issue requiring the Petitioners to pay Dammeron Valley Water Work's attorney fees and costs expended in this matter.

DATED this 25 day of January 2007.

GALLIAN, WILCOX, WELKER & OLSON, L.C.



Jonathan L. Wright

Attorneys for Respondent Dammeron Valley Water Works

CERTIFICATE OF MAILING

I certify that on the ____ day of January 2007, I mailed a copy of the foregoing Answer, United States first-class postage prepaid, to the following:

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