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From : Shauna Benvegna-springer <sbenvegn@utah.gov>  
To : lorikilgore@juno.com <lorikilgore@juno.com>  
Subject : Re: Questions about water at the Cedar Ridge Subdivision in Deweyville  
Date : Thu, Aug 26, 2010 05:27 PM

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Hi Lori - I apologize for not getting back to you sooner, but I just read your email, as I have been out of the office this week. I would love to discuss these issues with you. In addition I would also like to talk with David Thompson regarding the water company itself. I have placed this as a priority for Monday. Will you be available Monday to discuss. Can I reach you at the phone number listed below and at what time would be convenient for you? Thank you for sharing your concerns!

*Shauna*

Shauna Benvegna-Springer, CGFM  
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>>> "lorikilgore@juno.com" <lorikilgore@juno.com> 8/23/2010 12:54 AM >>>  
Aug. 22, 2010

Dear Shauna,

I have some questions regarding a situation with our water here at the Cedar Ridge Subdivision in Deweyville. Your name was given to my neighbor, Dorothy Hogan, by Ying-Ying Macauley at the Division of Drinking Water. She said that we should contact you with our questions.

We receive water from a well that was owned by the Cedar Ridge Distribution Company (David Z. Thompson). The well was recently sold to Tremonton City. We were called to a meeting on Monday, August 9, 2010 and informed that the well was sold. Tremonton City was present and gave a Power Point presentation about their purchase of the well. After Tremonton City, David Thompson (owner of the Cedar Ridge Distribution Company) gave his own explanation. Then, at the end of the meeting, we were given envelopes assessing us as a whole for a "net operating loss" of \$30,000.00. The letter read, in part, "This loss is directly related to the problems that were experienced during the last 14 months with the pumps that are used to deliver the bulk of our water. Some of the money

owed to David Z. Thompson dates back to June 2009. Apparently, he personally loaned his company some money and wants to pay himself back. Each household was assessed \$970.00 due immediately. He said that, "The assessment will accrue interest after August 15, 2010 at the rate of 7% APR."

Are customers required to fund capital expenses? He claims that he wants us to pay him back for installing three different pumps, putting a roof on the tank, and electrical repairs due to the fact that pumps were installed incorrectly. He never informed us that Tremonton was running tests. The community went without water (it was shut off) for long periods of time because of these tests. He has not presented any invoices, statements, receipts, budget, or any type of annual report. We are unaware of any board meetings. We are not sure what the effect of selling the well will have on our property, property value, or ability to obtain water. It has been explained that the water will be metered by Tremonton City in one spot where it comes out of the well to our community and Tremonton City will bill the Cedar Ridge Distribution Company for the amount of water used and then David will bill us. We have never received any type of statement or invoice in the past; we just pay \$45.00 per month (with no bill). We are not sure how many shares remain in David's possession and how many were sold. We are uncertain if there is enough water for fire suppression. We are not sure how much water the subdivision has used in the past, there are no meters.

What are our rights? Are we required to pay assessments for capital expenses? Where did the \$45.00 per month from approximately 33 locations receiving water go? Why was there not enough money to cover capital expenses in the company? Is the Cedar Ridge Distribution Company considered a public utility? If it is not, why? Are the bylaws of the Cedar Ridge Distribution Company in compliance with the articles of incorporation and the law? How is it that the well can be sold by an individual for individual profit? (The Cedar Ridge Distribution Company is a non-profit organization.)

I would appreciate your input on this matter.

Thank you for your time.

Sincerely,  
Lori Wiser

~~4857700-11111~~

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