

# EXHIBIT A

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Amended )  
Application of MOUNTAIN SEWER )  
CORPORATION for a Certificate )  
of Convenience and Necessity to )  
Operate as a Public Utility )  
Rendering Sanitary Sewer Service)

CASE NO. 84-097-01

REPORT AND ORDER  
Certificate No. 2163

ISSUED: June 11, 1985

Appearances:

Frank S. Warner

For

Mountain Sewer  
Corporation

Michael Ginsberg,  
Assistant Attorney  
General

"

Division of Public  
Utilities, Department of  
Business Regulation,  
State of Utah

By the Commission:

This matter came on regularly for hearing at the Heber  
M. Wells State Office Building in Salt Lake City, on June 22,  
1984 at the hour of 10:00 a.m., before Administrative Law Judge  
Peter Grundfossen, pursuant to notice having been duly given by  
publication as required by law.

No one appeared to protest the application. The  
Commission having considered the facts and circumstances respect-  
ing the application and being fully advised makes this Report  
containing its Findings of Fact, Conclusions of Law, together  
with its Order based thereon.

1. Mountain Sewer Corporation is a Utah corporation in  
good standing. It was organized for the purpose of providing

sanitary sewer service to the following described and proposed service territory:

A part of Sections 13, 23, and 24, all in Township 6 North, Range 1 East, Salt Lake Base & Meridian, U.S. Survey:

Beginning at the West Quarter corner of said Section 24, running thence East 1320 feet more or less along the Quarter Section Line, thence North 2640 feet more or less to the Section line; thence North 1066.2 feet to Pine View Reservoir; thence Westerly along said reservoir to a point which is North 907.21 feet from the Southwest corner of said Section 13; thence South 907.21 feet to said Southwest corner; thence West 670 feet along the said Section line; thence South 290 feet; thence West 290 feet; thence North 290 feet to said Section line; thence West 700 feet along said Section line; thence South 1936.34 feet; thence East 1085 feet; thence South 603.34 feet to the Snow Basin Road; thence Southeasterly along the arc of a 33.70 foot radius curve to the right 189.84 feet more or less to the Quarter Section line; thence East 439.68 feet to the point of beginning.

2. The proposed service territory is owned by Ronald J. Catanzaro, M.D., the holder of all of the issued and outstanding share in Mountain Sewer Corporation, or is owned by other corporations, all of the shares of which are owned by Dr. Catanzaro. A portion of this property, which fronts on Pine View Reservoir in Weber County, is presently under development for condominium and commercial use. There are presently 12 condominium units completed and ready for occupancy. The remainder of the proposed service territory is intended for future development as recreational/residential property and related commercial uses. There is a need for a public utility to furnish sanitary sewer

service for these developments. No other sewer service is available.

3. The total cost of the system in place was ~~\$557,000~~, which was funded by the sole shareholder by payment of \$10,000 for ~~10,000~~ shares of the corporation's capital stock and additional paid-in capital of \$90,000, with the balance of ~~\$457,000~~ loaned by the sole shareholder to the corporation. The \$457,000 loan is repayable pursuant to the terms of a promissory note which carries interest at the rate of ~~12%~~ per annum and which requires that 90% of available cash be paid by the corporation to the holder on the first day of each month commencing June 1, 1984. The Note is secured by a Trust Deed on all of the real property owned by Mountain Sewer Corporation and a security interest in all of the personal property and equipment owned by Mountain Sewer Corporation.

4. The corporation is the owner of all of the real property on which its plant is situate and the easements in which its sewer mains are located, all subject to the encumbrance securing the promissory note as described in the preceding paragraph. The corporation holds a franchise granted by Weber County, State of Utah, for the purpose of installing its facilities in public streets and right-of-ways.

5. Mountain Sewer Corporation presented financial and engineering evidence concerning its proposed operations. Its proposal appears to be feasible and reasonable from both a financial and engineering point of view.

6. Applicant through its officers, directors and shareholders, appears fit, both financially and in terms of business experience to adequately fulfill its obligations to the public as a public utility.

7. Public convenience and necessity requires the granting of a certificate of public convenience and necessity to Applicant to serve the proposed territory as above described.

8. The Division of Public Utilities did not oppose the application. However, the Division requested, and the Applicant agreed, that certain conditions be attached to the certificate of convenience and necessity for the purpose of promoting the financial integrity of the Applicant, which conditions are set forth in the Order hereinafter.

CONCLUSIONS OF LAW

The Commission concludes that Applicant should be granted a certificate of convenience and necessity to provide sanitary sewer service to the proposed service area as hereinafter described, subject to the conditions hereinafter set forth.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, That Mountain Sewer Corporation is hereby granted Certificate of Convenience and Necessity No. 2163 authorizing it to provide sanitary sewer service to the following described service area in Weber County, State of Utah:

A part of Sections 13, 23, and 24, all in Township 6 North, Range 1 East, Salt Lake

Base & Meridian, U. S. Survey:

Beginning at the West Quarter corner of said Section 24, running thence East 1320 feet more or less along the Quarter Section Line, thence North 2640 feet more or less to the Section line; thence North 1066.2 feet to Pine View Reservoir; thence Westerly along said reservoir to a point which is North 907.21 feet from the Southwest corner of said Section 13; thence South 907.21 feet to said Southwest corner; thence West 670 feet along the said Section line; thence South 290 feet; thence West 290 feet; thence North 290 feet to said Section line; thence West 700 feet along said Section line; thence South 1936.34 feet; thence East 1085 feet; thence South 603.34 feet to the Snow Basin Road; thence Southeasterly along the arc of a 33.70 foot radius curve to the right 189.84 feet more or less to the Quarter Section line; thence East 439.68 feet to the point of beginning.

IT IS FURTHER ORDERED, That the Applicant conduct its business in all respects in compliance with the laws of the state of Utah and the rules and regulations of the Public Service Commission as they apply to the construction and operation of sewer utilities. It shall render reasonable, adequate and continuous service to its present customers and all others in its service area desiring to use its services in the future. Applicant shall keep books of account in accordance with said rules, and shall file with the Commission, its rates, rules and regulations concerning these services.

IT IS FURTHER ORDERED AS FOLLOWS:

a. No interest or principal shall be paid on the note due from the corporation to Ronald J. Catanzaro in excess of 90% of available cash.

b. All interest on the note due from the Applicant to Ronald J. Catanzaro shall be accrued separately and shall not be compounded.

c. In the event Ronald J. Catanzaro, the sole shareholder of the Applicant, should desire to sell or assign the note due to him from the Applicant or any controlling interest in the Applicant, he shall first give thirty (30) days written notice of such intent to the Division of Public Utilities. In the event the Division of Public Utilities should petition this Commission prior to the expiration of said thirty (30) days, this Commission shall conduct a hearing for the purpose of determining whether to approve such sale, conditionally approve such sale, or disapprove such sale.

d. The Applicant shall advise the Division of Public Utilities when it has closed its books for its first fiscal year and thereafter the Division may determine to audit the books and records of the Applicant.

e. The aforesaid requirements are in addition to and not in lieu of the regulations of this Commission, or the laws of the state of Utah.

IT IS FURTHER ORDERED, That this Order shall be in effect on and after the date of its issuance.

DATED at Salt Lake City, Utah, this 11th day of June, 1985.

/s/ Peter Grundfossen  
Administrative Law Judge

CASE NO. 84-097-01

- 7 -

Approved and confirmed this 11th day of June, 1985, as  
the Report and Order of the Commission.

/s/ Brent H. Cameron, Chairman

(SEAL)

/s/ James M. Byrne, Commissioner

/s/ Brian T. Stewart, Commissioner

Attest:

/s/ Georgia B. Peterson, Secretary