

UTAH PUBLIC
SERVICE COMMISSION

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RECEIVED

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

Re: Hi-Country Estates Phase I Water Co. Docket No. 13-2195-02

Request for review or rehearing with the PSC for a declaratory ruling
Discussion, Findings, and Conclusions - pg. 18 B. Division's Proposed Rates regarding standby fees

Commissioner Chairman

It is unjust to establish a special fee for the minority of all home owners who rely on their own private wells for water. I am one of those home owners with a private well and I do not think the imposition of a "standby fee" is legally tenable. If there is a need for it, then it should be assessed equally on all home owners; there is no justification for charging some home owners more than others. Those of us who are not connected to the water system accept the principle that all owners have an equal obligation to contribute to its maintenance, but when the HOA devises a scheme whereby those who don't use the water system see more rapid increases in their annual contributions to the cost of the system than those owners who do use it – well, then it is obvious that the majority is finding a way to exploit the minority.

All improvements, maintenance, service and repair or replacement cost for the infrastructure of the "High Country Estates", which includes the "water company", is and should be covered thru assessments which are paid annually by the HOA residents and is evenly and fairly divided to the same dollar amount for every member of the HOA. According to the Protective Covenants for the Hi-Country Estate and By-laws, there is no mention of any extra fees. There is only mention of an annual assessment fee.

In assessing a standby fee for the minority well owners (33), the HOA majority is gaining financial benefits, annually, in the amount of \$12573.00 at the present rate (\$31.75) set by the PSC. Of course the majority which includes HOA- and water company directors always vote and argue for standby fee increases because it brings down the dollar amount of the annual assessment. This means by an assessment of \$550.00 yearly, the minority well owners will pay almost 70% more to the HOA treasury than the majority without any benefits whatsoever. This preferential, unjust ruling discriminates minority well owners to pay a fair share, as supposed to be by law.

The notion is that the majority well owners are discriminating against the minority well owners only addressing their own specific water needs. Repair, maintenance, service and replacement costs do not exist for minority well owners, so they can help pay 70% more than the majority. But reality shows I just paid \$3650.00 for a new well pump with no help from the majority whatsoever. The so called Water

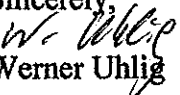
Company is a private entity owned by the HOA, which means every home owner within the HOA owns part of it.

It is always possible to argue – as Noel Williams has done – that the existence of the water system provides a benefit to those who have their own systems, but obviously it is an un-requested benefit. How would the users of the water system like it if a majority of the HOA was non-users and imposed ever higher maintenance fees on the users because the non-users don't cause wear and tear on the system and don't ever contribute to the need for system upgrades? These are obviously benefits provided by the non-users but to tout them as good reason for making water system users pay more each year in annual fees than the non-users do would undermine the sense of communal harmony that the HOA presumably would like to preserve.

The justification of the HOA for standby fees in the event of a fire is superficial. Water drawn from any one hydrant could easily be determined by simply taking note of how long water is drawn from it. Water pressure and discharge nozzle diameter are given, so the computation of water use is simple and straightforward. Why not simply charge lot owners for the amount of water drawn from their individual hydrants in the event of a fire? But even if this notion is somehow too revolutionary, there is no justification for levying punitive fees on a non-user of a water system.

With a disregard for fairness and equality the PSC is in error regarding their ruling of the “stand-by fees”.

Sincerely,


Werner Uhlig