



State of Utah  
Department of Commerce  
Division of Public Utilities

FRANCINE GIANI  
*Executive Director*

THOMAS BRADY  
*Deputy Director*

CHRIS PARKER  
*Director, Division of Public Utilities*

GARY HEBERT  
*Governor*  
SPENCER J. COX  
*Lieutenant Governor*

**MEMORANDUM**

**To:** Public Service Commission

**From:** Division of Public Utilities  
Chris Parker, Director  
Bill Duncan, Telecommunications / Water Manager  
Ron Slusher, Utility Technical Consultant

**Date:** November 15, 2013

**Re:** In the Matter of the Application of Bumblebee Water System, Inc. for a Certificate of Convenience and Necessity to Operate as a Public Utility Rendering Culinary Water Service, or for an Exemption from Public Service Commission Regulation, Docket No.13-2567-01.

---

**RECOMMENDATION (Approval):**

The Division of Public Utilities (“Division”) recommends that the Utah Public Service Commission (“Commission”) should issue a Certificate of Public Convenience and Necessity (“CPCN”) to Bumblebee Water System, Inc. (“Bumblebee” or “Company”) for a maximum of 58 connections. The Division further recommends that this approval be contingent upon the Company’s Bylaws being modified to remove Article VII, Sections 7.1 through 7.4.

The Division will make their recommendation for the Company’s tariff and rates under the 13-2567-T01 docket.

**EXPLANATION:**

On or about September 09, 2013, Bumblebee Water System, Inc. filed an application for a CPCN. The Division reviewed their application and found the following:

Bumblebee was incorporated in the state of Utah as a non-profit company on July 31, 2012. The Company’s principal place of business is located at 352 East Riverside Drive, Suite A3, Saint George, UT 84790. The original Articles of Incorporation were filed under the name Hunter Ridge Mutual Water Company and amended on July 16, 2013, to reflect the new corporate name of Bumblebee Water System, Inc. The Company currently has an “Active” status and is in “Good Standing” with the Division of Corporations.

In reviewing the Company's Amended Bylaws, that were included with the Company's application, the Division noticed that under Article VII, Assessments and Connections Fees, Section 7.1 through 7.4, the Company makes reference to the "Power to Levy Assessments" against the customer. The Division would like to make note that the Company *cannot* assess the customers without first getting approval from the Commission as describe in Utah Code §54.3.7.

Bumblebee is a start-up water company and as such does not have any supporting accounting documentation to verify the company's monetary stability. Therefore, company's ownership being transferred to Iron Dirt, LLC, the developer, until 50% of the lots are sold and at that time, the company will be turned over to the Home Owners Association. Iron Dirt, LLC has provided a balance sheet that shows sufficient funds to support the company's operations.

Bumblebee has submitted a proposed tariff that is currently being reviewed by the Division under Docket 13-2567-T01.

The Company appears to have sufficient water rights for their needs of 58 residential connections at the Sunset Subdivision and their system meets the requirements of a New Community and New Non-transient Non-community Water System. Bumblebee's water system has been reviewed and approved for service by the Division of Drinking Water, see attached letters marked as **EXHIBIT A** and **EXHIBIT B**.

Documents provided by the Company have been submitted and attested to be accurate, objective and with integrity by Dillon Jensen, President, Bumblebee Water System, Inc.

The Division recommends that the Commission should issue a Certificate of Public Convenience and Necessity ("CPCN") to Bumblebee Water System, Inc. for a maximum of 58 connections. The Division further recommends that this approval be contingent upon the Company's Bylaws being modified to remove Article VII, Sections 7.1 through 7.4.

cc: Dillon Jensen, President, Bumblebee Water System, Inc.  
Brent A. Blanchard, Secretary, Bumblebee Water System, Inc.  
Patricia Schmid, Assistant Attorney General, State of Utah  
Cheryl Murray, Utility Analyst, Office of Consumer Services, State of Utah