



PublicService Commission &lt;psc@utah.gov&gt;

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**Docket # 14-010-T01 - Highlands Water Co.**

1 message

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**Marjalee Smith** <highlandswaterco@gmail.com>  
To: psc@utah.gov

Mon, May 16, 2022 at 4:53 PM

Dear Public Service Commission,

On or about February 24, 2014, Highlands Water Company, Inc. (Highlands), requested that the Public Service Commission (PSC) add an infrastructure fee of \$2,675 per equivalent residential unit (ERU) to be paid to BNCAAA, LLC (BNCAAA), a developer that added excess water infrastructure to be used by Highlands for future expansion. This contract is titled "INFRASTRUCTURE DEVELOPMENT AGREEMENT" (Agreement). Both parties have been honoring this Agreement and wish to continue to do so in the future. This Agreement is included as part of the tariff in **Docket No. 14-010-T01**.

As part of the request made in the cover letter sent to the PSC by Highlands, but not included in the Agreement, Highlands requested that it be allowed to sell water rights in the amount of \$5,000 per each ERU, called "WATER RIGHTS FEE" (water fee). If the developer has sufficient water rights acceptable to Highlands the developer is not required to purchase water rights from Highlands. Comments from the Division of Public Utilities in Docket No. 14-010-T01 on March 11, 2014, noted that "the market rate for water rights in the Morgan County area is \$5,000 per acre-foot." The water fee was also approved by the PSC in this docket, although the water fee is not included in the Agreement.

Highlands requests that the PSC remove the water fee from Highlands tariff approval for the following reasons:

1. The market price of water rights has changed significantly since 2014 and is no longer applicable.

Note: If the developer has sufficient water rights acceptable to Highlands the developer is not required to purchase water rights from Highlands and can use their own.

2. "Water rights" should properly be referred to as "water shares."

Highlands retains possession of the water rights and is selling only a share. Likewise, if the developer provides its own water right(s) the developer must turn over the required number of water rights to Highlands in exchange for water shares.

Thank you for your consideration of this request.

Sincerely,

Marjalee Smith, HWC president