BEFORE THE

UTAH PUBLIC SERVICE COMMISSION

In the Matter of the Application of
Legacy Sweetwater, Inc.
For Authority to Increase Water Rates

Docket No. 25-2280-03

BOARD COMMENTS AND RECOMMENDATIONS
WILLOW GLENN HOMEOWNERS ASSOCIATION

To the Honorable Members of the Utah Public Service Commission:

The Board of Directors of the Willow Glenn Homeowners Association appreciates the opportunity to provide comments regarding Legacy Sweetwater, Inc.'s application for a general rate increase.

The Willow Glenn Homeowners Association represents 18 property owners within the Legacy Sweetwater service area. Our members include both connected and unconnected properties, and they have a variety of circumstances and perspectives regarding the proposed rate increase.

These comments were approved by the Board of Directors at its meeting held on Friday, June 27, 2026.

After considering those differing viewpoints, the Board has identified several common principles that we believe should guide the Commission's decision. These comments reflect the Board's collective recommendations. Individual property owners may also submit comments describing their own experiences and perspectives.

The Board acknowledges that Legacy Sweetwater has not received a general rate increase since 2006. We understand that operating costs, regulatory requirements, labor, equipment, and infrastructure costs have increased significantly during that time. We therefore recognize that some increase in rates may be necessary to ensure the long-term sustainability of the water system.

Our concern is not whether rates should increase, but whether the proposed increases are reasonable in amount, fairly allocated among customer classes, prudently supported, and implemented in a manner that is fair to customers.

Guiding Principles

The Board believes the Commission's decision should be guided by four fundamental principles:

- **Financial sustainability.** The utility must be capable of providing safe and reliable service over the long term.
- **Fair and reasonable rates.** Rates should reflect the prudent cost of providing water service.
- **Equitable allocation.** Costs should be fairly distributed among customer classes and administered consistently.
- **Transparency and accountability.** Customers should have confidence that revenues are managed responsibly and invested in maintaining and improving the water system.

The following comments are offered within the framework of these principles.

Magnitude of the Proposed Increase

The proposed increases are substantial for both connected and standby customers.

Connected customers would experience a significant increase in their monthly base rates, reportedly rising from approximately $25 to $251 per month, in addition to usage charges. Property owners who are subject to standby fees would see those fees increase from approximately $25 to $75 per month.

The Board respectfully submits that the question before the Commission is not simply whether rates should increase, but whether increases of this magnitude should occur in a single adjustment.

The absence of rate increases for nearly twenty years may well have contributed to the need for significant adjustments today. However, property owners should not necessarily bear the full impact of nearly two decades of deferred rate adjustments through one dramatic increase.

The Board encourages the Commission to consider whether any approved increase should be implemented over several years, allowing the utility to improve its financial position while reducing the immediate financial impact on homeowners.

Allocation Between Customer Classes

The Board believes rates should reasonably reflect the costs associated with serving each customer class.

Connected customers receive continuous water service and should reasonably bear the costs associated with producing, delivering, and maintaining that service.

For property owners who are subject to standby fees, the Board respectfully requests that the Commission carefully evaluate whether the proposed standby fee appropriately reflects the costs associated with maintaining service availability for those customers.

Billing, Collections, and Administrative Practices

The Board believes another important question deserves careful consideration.

The Board has become aware that some property owners have experienced inconsistent billing practices, including extended periods without invoices, retroactive billing, failure to deposit checks made for payment, and uncertainty regarding account balances and charges. Whether these experiences are isolated or more widespread is a matter for the Commission to determine.

The Board also believes that consistent and timely billing is a fundamental element of fair utility administration. Property owners should receive regular statements that clearly identify current charges, any past-due balances, and any collection activity before significant arrearages accumulate. Regular communication benefits both the utility and its customers by reducing misunderstandings, encouraging timely payment, and avoiding disputes that may arise when charges are first presented only after several years have elapsed.

The Board respectfully requests that the Commission determine whether the requested increase reflects solely the prudent cost of providing water service or whether some portion of the requested increase may be attributable to historical billing, collection, or administrative practices.

The Board also recognizes that, over many years, some property owners may have developed unique arrangements or understandings with Legacy Sweetwater regarding billing, standby fees, or other aspects of service. To the extent such arrangements exist, the Commission should consider whether property owners reasonably relied upon those representations and whether any transition to new rates or policies should appropriately recognize those circumstances in a fair and equitable manner.

Specifically, the Board encourages the Commission to evaluate:

- Whether all eligible customers have been consistently identified, billed, and afforded the same collection practices.
- The utility's historical collection rates and whether significant uncollected revenues contributed to the current request for higher rates.
- The extent to which back-billing has occurred and how those charges were determined.
- Whether improvements in billing, collections, and financial administration could reduce the magnitude of the requested rate increase.

If opportunities exist to improve revenues through more effective administration, those opportunities should be fully evaluated before imposing substantial additional costs on existing customers.

Capital Improvements and Oversight

The Board recognizes that Legacy Sweetwater has identified significant capital improvements that it believes are necessary to maintain and improve the water system. We support prudent investments that enhance reliability, safety, regulatory compliance, and the long-term sustainability of the utility.

At the same time, these investments represent a substantial financial commitment that will ultimately be funded by customers through increased rates.

Accordingly, the Board respectfully requests that the Commission carefully evaluate:

- Whether each proposed capital improvement is necessary and appropriately prioritized.
- Whether the estimated costs are reasonable and adequately supported.
- Whether the proposed improvements are likely to produce measurable benefits in system reliability, capacity, safety, or regulatory compliance.
- Whether appropriate safeguards exist to ensure that expenditures are prudent and that any work performed by affiliated entities or contractors is conducted at fair and reasonable market rates.

The Board also understands that some of the proposed capital improvements may be performed by entities affiliated with Legacy Sweetwater. The Board does not object to the use of affiliated contractors if doing so is in the best interest of customers. However, because these costs will ultimately be paid through customer rates, we respectfully request that the Commission carefully review any affiliated-party transactions to ensure that the work is necessary, competitively priced, and conducted at fair market value. Independent oversight of such expenditures will help ensure that customers pay only prudent and reasonable costs while maintaining confidence that ratepayer funds are being used appropriately.

The Board respectfully requests that the Commission ensure there is a clear relationship between the additional revenues authorized, the prudence and reasonableness of the expenditures, and the measurable improvements customers can reasonably expect to receive. Those improvements should include not only the replacement and maintenance of aging infrastructure, but also meaningful enhancements to system reliability, safety, and fire protection. The Board also encourages the Commission to consider whether the proposed capital improvement plan appropriately addresses long-term fire protection needs, including hydrants and other fire protection infrastructure, as part of providing safe and reliable water service. Because adequate fire protection infrastructure can directly affect emergency response as well as the availability and affordability of homeowners insurance, customers should be able to understand how the proposed capital improvements will improve the overall quality, reliability, and safety of the water system over time.

The Board believes customers should have confidence that significant rate increases will result in meaningful improvements to the water system and that all customer-funded expenditures are made prudently and in the best interests of the utility and its customers.

Transparency and Accountability

If significant rate increases are approved, customers should have confidence that the additional revenues will produce measurable improvements.

The Board encourages the Commission to require continued financial transparency and accountability so customers can understand how additional revenues are being invested in infrastructure improvements, system reliability, regulatory compliance, and the long-term sustainability of the water system.

Conclusion

The Board is not asking the Commission to choose between a financially healthy utility and fair treatment of customers. We believe both objectives can and should be achieved. We respectfully submit that careful oversight of the proposed rates, expenditures, and administration will help accomplish both.

Accordingly, the Board of Directors of the Willow Glenn Homeowners Association respectfully recommends that the Commission:

1. Recognize the need for a financially sustainable water utility.
2. Carefully evaluate whether the requested increases are reasonable in both size and timing.
3. Consider implementing any approved increases through a phased approach rather than a single substantial adjustment.
4. Review the allocation of costs between connected and standby customers to ensure each customer class bears a fair share of the utility's costs.
5. Determine whether improved billing, collection, and administrative practices could reduce the magnitude of the requested rate increase.
6. Carefully review the necessity, cost, and expected benefits of the proposed capital improvements and ensure that customer-funded expenditures are prudent and appropriately overseen.
7. Continue to require transparency, accountability, and consistent administration of rates for all customers.

The Board appreciates the Commission's thoughtful consideration of these comments and its responsibility to balance the long-term financial health of the utility with fairness to the customers it serves. We hope these comments assist the Commission in reaching a decision that supports both a reliable water system and the equitable treatment of all property owners.

Respectfully submitted,

BOARD OF DIRECTORS
Willow Glen Homeowners Association

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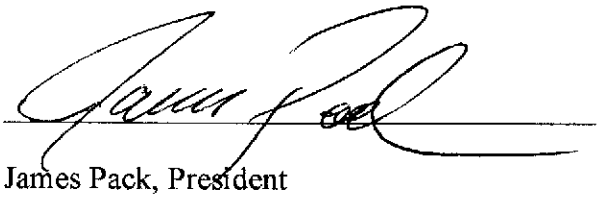
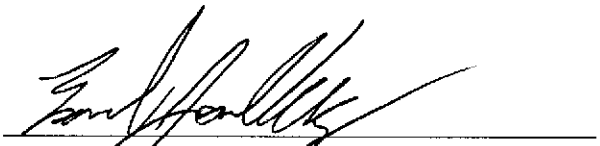
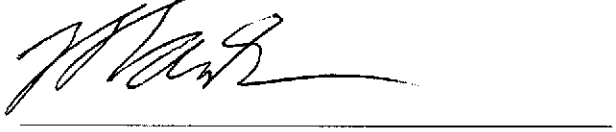


James Pack, President



Earl Jolley, Vice President



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