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Amended Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Joanna Matyjasik, Utility Analyst
Kelley O'Connor, Utility Analyst

Date: April 29, 2026

Re: **Docket No. 26-2280-01**, Amended Action Request re: Legacy Sweetwater.

Recommendation (No Action Required)

The Division of Public Utilities (Division) recommends the Public Service Commission (Commission) take no action in this matter as Legacy Sweetwater, Inc. (LSI or "Company") is complying with Utah Code Ann. §54-3-7 regarding its billing practices and that the boil water advisory currently in effect is a voluntary action taken by LSI rather than a regulatory mandate.

Issue

On February 13, 2026, the Commission opened an investigation into LSI's rate structure. On April 1, 2026, the Division filed its original Action Request Response. Simultaneously the Commission issued an Amended Action Request directing the Division to expand its scope to include whether LSI is collecting charges consistent with its tariff and the status of the notice for customers to boil water. This memorandum contains the Division's findings for the amended investigatory Action Request.



Division of Public Utilities

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Background

The Division submitted a second data request to LSI on April 16, 2026, to provide customer billing and account information. The Division engaged LSI to resolve questions regarding the information provided in the data request. Additionally, the Division spoke with John Chartier, the engineer with the Division of Drinking Water (DDW) overseeing LSI and the community's Homeowners Association (HOA) leadership to investigate the cause and subsequent actions taken regarding the directive to boil water.

Discussion

Tariff Charges

Utah Code §54-3-7 states that a public utility is not allowed to charge, demand, collect or receive compensation for service that is different than the rate that is specified in its rate schedules on file, i.e. tariff, and must uniformly extend any contract or agreement to all corporations and persons.

The Division examined the billing information provided by LSI to analyze whether all customers are being charged in accordance with the tariff rate. The review confirmed that customers are being uniformly charged, however, the billing records show that several customers are past due on their accounts. LSI currently has limited ability to pursue delinquent bills due to lack of resources and the transient nature of customers in the service area. However, LSI has recently taken affirmative steps to ensure customers can promptly and easily pay their bill electronically as well as pursue delinquent bills.

Boil Notice

A boil advisory is a precautionary measure issued by the water utility to alert customers when there is a potential for compromised water. A boil order is issued by DDW because testing has shown contamination or because of a technical/physical problem with the water system.

Table 1: Boil Advisory/Order Timeline

| Date | Event | Authority |
|-------------|--|---------------------|
| Feb 2025 | Voluntary Boil Water Advisory issued due to system leak | LSI (on DDW advice) |
| May 2025 | Mandatory Boil Order issued due to loss of system pressure. | DDW |
| Aug 2025 | System pressure restored; water samples confirm no contamination; Boil Order lifted. | DDW |
| Aug 2025 | LSI maintained Voluntary Advisory. | LSI |
| Jan 2026 | HOA codifies policy to ensure backflow protection for system connected tanks. | HOA |

After speaking with the parties involved, the Division summarized the timeline of events regarding the notice to boil water in Table 1. Sometime in 2023, LSI experienced a leak which resulted in low or no pressure in some service areas. Although LSI worked to find and repair the leak, progress was hampered by difficult terrain and weather conditions. On advice from DDW, LSI voluntarily issued its customers a boil water advisory on February 24, 2025. DDW inspected LSI’s system and issued a boil order in May 2025 due to the loss of pressure in the system. No water sample was taken at this time. The leak was fixed and system pressure was restored and confirmed by DDW in early August 2025. The boil order was lifted, and samples were taken at such time. The samples confirmed no contamination of the water. LSI’s water quality testing history shows the water has never been contaminated. DDW informed LSI of the need for backflow protection on tanks that are connected to the system. LSI has decided to voluntarily keep the boil water advisory in place until all system connected tanks have backflow protection assembly or device installed. Backflow protection was codified in HOA policy and ordinance¹ which was sent to customers on February 4, 2026. The HOA is working with LSI to resolve backflow protection compliance.

Conclusion

The Division’s investigation found no evidence that LSI is violating Utah Code Ann. §54-3-7; all customers are billed according to the filed tariff, and the Company is taking steps to

¹ DPU Exhibit 1-Policy Signed and DPU Exhibit 2-Ordinance Signed

resolve outstanding delinquencies. Furthermore, while a mandatory boil order was in effect in 2025, the current notice to boil water is a voluntary advisory maintained by LSI as a safety precaution regarding backflow prevention.

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