



March 10, 2026

Dear Wolf Creek Water and Sewer Customers,

Certain developers in Ogden Valley (the “Developers”) are suing Wolf Creek Water and Sewer Improvement District (“WCWSID” or “District”) for more than \$45M. Their lawsuit alleges the District did not give Developers enough water credit for WCIC shares Developers transferred to District, which transfer credit is contained in development agreements. This is one of four lawsuits that surround the issue of whether the District has additional water for new development in Ogden Valley. District has stood by its position that it needs its current sources for its current customers and does not have additional capacity. As we work to resolve this conflict, the District assures you that before we commit water to these new lots, we must be certain that there will be adequate water now, and in the future, for our existing active customers and our stand-by (approved, but yet unbuilt) lots.

We are sending this letter to you to provide some additional history and background to help our customers understand where we are and how we got there. Our next board meetings are 3/12/26 and 4/9/26 at 8am at our office, or via Zoom that is available on our website www.WCWSID.com, if there are remaining questions.

Some History

Through the years, a number of different development entities have been involved in developing the Wolf Creek area. Various water supplies were tapped during that time to support that development. In 2010, one of those developers, Wolf Creek Properties, LC, went bankrupt, the third Wolf Creek developer to do so. The services of WCWSID (a public sewer entity) were expanded, and in November 2010, the assets, infrastructure and responsibilities of water services were transferred into District ownership. The current Developers in the disputes acquired lands at various times after that bankruptcy.

The primary, most productive, culinary water supply serving the District is the Warm Springs Well, an artesian well of excellent quality. However, the District’s share of the Warm Springs Well is encumbered by historical water delivery contracts with a third party, Wolf Creek Irrigation Company (WCIC), allowing the District to take only about 1/3 of the flow for culinary water. The District also acquired some other, less productive, groundwater supplies when it took on the water responsibilities.

While the total water supply available to the Wolf Creek area was limited, development has been able to proceed since the 1970’s in part due to a progressive lowering of the Utah Division of Drinking Water (DDW) culinary water capacity requirements. The DDW, County, and now City, insist on there being enough water before subdivision approval. But what is enough culinary water? This requirement, set by the DDW, used to be 800 gallons/day/connection. Then it was reduced to 600, then 400, then in 2020 it became an individual system calculation. Currently, for the WCWSID, it is 290 gals/day/residential connection.

In order to qualify for this lower number, secondary water must be separately available, so that culinary water is not used for outside watering. (Our source of secondary water is largely from the Wolf Creek itself, supplemented with reuse water.) The effect of DDW lowering the source requirements was that more

connections could be served by the same amount of culinary water supply. In short, development has proceeded because the water requirement per home has been lowered, and not because District has located additional water sources.

While previous development had been approved based on historic claims of the capacity of the Warm Springs Well and the other less productive sources in the area, it became clear to the District in 2018/20, that the capacity of these water supplies had been overly assumed and asserted. In some cases, the well yield had not been rigorously tested. In other cases, the capacity of the sources has reduced or failed over the decades, including one source which has been taken off-line due to bacterial contamination. In 2019, the WCWSID Board of Trustees placed conditions on the development of additional new lots in the District, but that didn't address the need for water to supply the then 450 unbuilt recorded lots District is obligated to serve. So, in July 2021, given the supply issues that had become known at the time, and the drought conditions, the Board declared a moratorium on construction, which lasted until November 2022.

Where we are now

Since 2020, we have spent untold volunteer and staff hours and approximately \$12M resolving these water supply issues for unbuilt recorded lots. A new well (East Well) has been drilled and connected to our system. We have negotiated water rights, tried to rehabilitate other water sources, and finally built a new Reuse Water Storage Pond. How did we pay for all this? Fortunately, some of the resource development costs were offset by grants, for which we thank Weber County Commissioners and the Governor's Office of Economic Opportunity with deep gratitude. In addition, we got a low interest loan from the Utah Division of Water Quality, which completed the pond funding, but led WCWSID to increase its customers' monthly assessments in early 2024.

As of January 2026, the supply issues for current active customers, and the now remaining 287 stand-by lots, **are resolved**. The East Well provides culinary capacity through a 2022 agreement with Eden Waterworks Company, whom we thank. The 43 acre-foot Reuse Storage Pond provides additional secondary water, which is intended to be used to irrigate the golf course. This will free up creek water to be used on residential landscapes. The storage pond will also allow us to maximize use of our reuse water, increasing our system's resiliency through drought years.

Another key initiative that the District has pursued to stretch our secondary water supply is to encourage greater water conservation on the golf course. The Wolf Creek Golf Course is estimated to represent about **40 to 50 percent of the District's annual secondary water consumption**. In a 2022 contract (ESSA Agreement) signed between WCWSID and the Developers, which included the golf course owner, the owner committed to replacing the existing old leaky and inefficient irrigation system on the golf course with a new one, scheduled to be in operation for the 2026 golf and irrigation season. The new system is anticipated to save about 15% to 20% over the amount of water the golf course has used in the past. However, the irrigation system has to date only been partially completed. Due to lack of the new system, and also lack of connection permission from the golf course owner, it is currently not possible to apply reuse water from the new pond to the back nine holes of the golf course.

So why are the Developers suing WCWSID?

Developers have brought 3 lawsuits against the District, described below. They are also suing Eden Waterworks Company, and the State Engineer.

We currently have 1,344 homes connected. The Developers want to build more than 700 new connections inside the District, which would require our District to have adequate water to support those additional connections. Since 2019, when the District began to recognize it had supply problems, the District has required developers to “bring water” in order to connect their new lots to the District’s system. “Bringing water” could be achieved by bringing shares of WCIC to the District or by creating new water supplies, with related water rights. The District sees these lawsuits as a way to pressure the District to issue Will Serve letters at a time when source capacity for culinary and secondary water is limited.

Based on historic agreements, shares of WCIC transferred to WCWSID allow WCWSID to take more culinary water from the Warm Springs Well. Developers have, as a result of these contractual arrangements, been able to develop over 100 new lots within the District and have been provided flexibility on the location of another 70 lots. However, in one lawsuit, the Developers now assert that the District did not give them enough water credit for the WCIC shares they brought to District. A second similar lawsuit is by a different Developer. In a third lawsuit, they assert that some of the District’s spring water rights are no longer valid, in order to make water right approval easier for their well (EC5).

The Developers are also planning 400 more residential and commercial connections outside the District that require water. They have drilled a number of wells outside of the District, and formed a water company (Ogden Valley Mutual Water Company, LC previously Eden Crossing PWS, LC) in order to support this effort. However, it has been demonstrated that operation of one of these wells (EC5) can significantly interfere with the flow of the Warm Springs Well and hydrologically connected nearby springs. As a result, the District has protested State approval of water rights for the Developers to use this well. The State Engineer rejected the Developers’ application for this well; Developers’ fourth lawsuit challenges this rejection. District has offered and is ready to conduct testing that would assess if the aquifer could provide flows sustainably to both the District and additional development. The Developers have, since Dec 2024, declined to engage with the District in that testing.

The history and water rights issues surrounding these lawsuits are complex. We are currently spending around \$30 to \$40K per month on our solid legal team and hydrogeology experts. In order to pay for these expenses, WCWSID is now including a \$25/month “legal defense fee” on customers’ water bills. The District held a public hearing in September 2025 to inform our customers about why we were proposing this fee and started including it in bills in November.

The District recognizes that the water resources that can support growth in the Wolf Creek area are finite. We are willing to explore the limits of those resources and accommodate appropriate growth. However, we are unwilling to put at risk the commitment we have made to provide a sustainable water supply for our existing customers. Please know that we will do what is necessary to defend your water supply and stand by that commitment.

We appreciate your patience and support!

Sincerely,

Board of Trustees

Wolf Creek Water and Sewer Improvement District