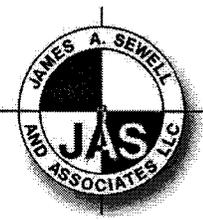


✓ Gen. Acct sent 4/28/08

✓ To A.V.

✓ To Comm. § H



# JAMES A. SEWELL & ASSOCIATES, LLC

600-4th Street West  
Newport, Washington 99156  
(509) 447-3626  
(208) 437-2641  
(509) 447-2112 Fax

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IDAHO PUBLIC UTILITIES COMMISSION

\*Civil Engineering \*Electrical Engineering \*Land Surveying \*Building Inspection \* Land Use Planning

April 22, 2008

Commission Secretary  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, ID 83720-0074

**Subj: In The Matter of Algoma Water Company's Application for Approval to Sell the Water Company and for an Order Authorizing Increases in the Company's Rates and Charges For Water Service. Case No. AWS-W-07-01**

Dear Commission Secretary:

The following comments on the subject matter are presented on behalf of the Sagle Valley Water & Sewer District:

1. The Algoma Water System is totally within the Sagle Valley Water & Sewer District (District) boundaries.
2. The District is currently in the process of designing/constructing a comprehensive community water system, which would serve the greater Sagle Valley area. As part of this process, the District has created a Local Improvement District through which to fund the water system improvement project-related costs. The Algoma Water System is currently within the LID boundaries as well. At the time of creation of the LID, a minority of Algoma residents objected to being within the LID, therefore Algoma was included in the LID.
3. The District is interested in acquiring the Algoma Water System, so that it can be made a part of the Sagle Valley Community Water System. The District has attempted to contact the current owner of the Algoma Water System several times to discuss the possibility of acquisition of the Algoma Water System. Their attempts have been unsuccessful.
4. At this point, the District is concerned about the sale of the Algoma Water System, due to the fact that they have obviously not been considered as an entity to acquire the Algoma Water System.

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James A. Sewell & Associates, LLC

Newport Office - 600-4<sup>th</sup> Street West, Newport, WA 99156 (509)447-3626 (509)447-2112 Fax  
 Sandpoint Office - 1205 Highway 2, Suite 101, Sandpoint, ID (208)263-4160 (208)263-5229 Fax  
 Spokane Office - 9 South Washington, Suite 708, Spokane, WA 99201 (509)747-5794 (509)747-5798 Fax

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As it currently stands, all property owners being served by the Algoma Water System will receive an assessment from the District equaling an estimated \$31/month after the District water system improvements are complete, which is expected to be next year. This amount will be in addition to the increased monthly fees to be charged by the Algoma Water Company.

To conclude this letter, the District objects to the sale of the Algoma Water System to any entity other than the District, with the obvious reasoning that the District would prefer that this system be a part of the Sagle Valley Community Water System. Additionally, the District is of the opinion that if the Algoma Water System were to be a part of the Sagle Valley Community Water System, the Algoma Water System users would receive an improved water service for an overall lower cost.

Contact information regarding this letter is as follows:

Mark Cherry, District Chairman  
P.O. Box 901  
Sagle, ID 83860  
(208)265-2723 Work

Bev Eilerman, District Secretary/Treasurer  
P.O. Box 901  
Sagle, ID 83860  
(208)263-0993

Eric J. Eldenburg, P.E.  
Newport Office  
(208)290-7334 Cell

Please contact any of the above with questions or the need for additional information.

Sincerely,

JAMES A. SEWELL & ASSOCIATES, LLC

By   
Eric J. Eldenburg, P.E.  
EJE/ejc

pc: John Tindall, Coeur d'Alene Regional DEQ Office, 2110 Ironwood Parkway, CDA 83814  
Sagle Valley Water & Sewer District, 83 Meadowlark Drive, Sagle, ID 83860  
Tim Blankenship  
File