

BAR CIRCLE S WATER CO  
PO BOX 1870  
HAYDEN ID 83835  
208 665 9200  
208 665 9300 fax

RECEIVED  
2009 MAY -4 PM 2: 29  
IDAHO PUBLIC  
UTILITIES COMMISSION

BCS-W-09-01

May 1, 2009

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

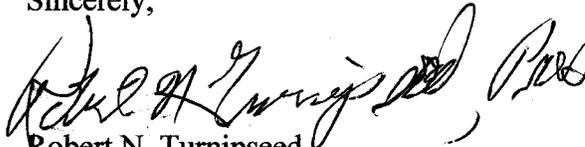
ATTENTION COMMISSION SECRETARY AND HEAD LEGAL SECRETARY

Enclosed with this cover letter are an original and seven copies of an Application for approval for Bar Circle "S" Water Corporation to incur debt in the amount of \$55,000.00 through Community Bank in Post Falls, Idaho.

Bar Circle "S" Water Corporation requests that the Commission issue an Order approving issuance of these securities on or before June 1, 2009.

Also enclosed is our check to the Commission in the amount of \$55.00 for payment of the filing fees.

Sincerely,

  
Robert N. Turnipseed  
President

Robert N. Turnipseed, President  
Bar Circle "S" Water Corp.  
P.O. Box 1870  
Hayden, Idaho 83835  
(208) 665-9200

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UTILITIES COMMISSION

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
OF BAR CIRCLE "S" WATER CORP. FOR )  
AUTHORIZATION TO BORROW FUNDS TO ) CASE NO. BCS-W-09-01  
MAKE WATER SYSTEM IMPROVEMENTS )  
\_\_\_\_\_ )**

**APPLICATION**

**COMES NOW BAR CIRCLE "S" WATER CORPORATION** hereinafter referred to as "Applicant", "Bar Circle "S" or " Company " and holder of Certificate of Public Convenience and Necessity No. 296 from the Idaho Public Utilities Commission and hereby applies to the Commission for authorization to borrow \$55,000.00 to pay for certain water system improvements.

**GENERAL**

Applicant is a public utility water corporation within the meaning of the Idaho Public Utility Law, is duly organized and existing under the laws of the State of Idaho and is engaged in conducting a general water utility service business in Kootenai County, Idaho approximately 15 miles northwest of the city of Coeur d'Alene having its principal office and place of business at 2953 N. Government Way, Coeur d'Alene, Idaho. Currently the Company provides water service to approximately 156 residential and commercial customers.

**COMMUNICATIONS**

Correspondence regarding this Application should be addressed to:

Robert N. Turnipseed  
President  
Bar Circle "S" Water Corp.  
P.O. Box 1870  
Hayden, Idaho 83835  
(208) 665-9200  
e-mail [avondalecon@verison.net](mailto:avondalecon@verison.net)

Robert Smith  
Utility Consultant  
2209 N. Bryson Rd.  
Boise, Idaho 83713  
(208) 322-2944  
e-mail [utilitygroup@yahoo.com](mailto:utilitygroup@yahoo.com)

## **AUTHORIZATION TO INCUR DEBT**

Applicant requests the Commissions authorization to incur \$55,000.00 in debt to pay for improvements to the water system. The Idaho Department of Environmental Quality (DEQ) has instructed Applicant to install a 6" recording flow meter on the discharge side of the Company's booster pumps by July 1, 2009. Attached, as Exhibit No. 1, is a copy of the DEQ letter dated April 20, 2009 requiring this change to Applicant's system (See item No. 5, Page 2). Also attached, as Exhibits No. 2 is the cost estimate for the acquisition and installation of the flow meter from United Pump and Drilling. Total cost for the purchase and installation of the flow meter is estimated to be \$9,935.00. Applicant has been informed there is at least a four (4) week lead time for receipt of the meter from the date of order. Applicant has placed the order for the meter with United Pump and Drilling to insure installation prior to the July 1, 2009 date required by DEQ.

Bar Circle "S" Water owns a 6" well that is no longer in service and must be abandoned in compliance with DEQ and Idaho Department of Water Resources (IDWR) rules and regulations. (See IDAPA 37.03.09.12 and IDAPA 58.01.08.09) Attached Exhibit Nos. 3 and 4 are cost estimates from United Pump and Drilling and Avondale Construction to complete the abandonment of the well. Total cost of the abandonment in compliance with DEQ and IDWR is \$4,500.00.

Finally, Applicant intends to convert its current manual meter reading system to an automated electronic reading system. Growth on the Bar Circle "S" system has exceeded the capacity of current manual meter reading methods. Conversion to the automated system will avoid the necessity to hire additional part-time employees and will make it possible read customer meters in the winter months when snow accumulation makes the manual reading impossible. The Company's experience in the past has shown that the use of temporary or part-time employees generally produces numerous errors in meter reading data and requires significant supervisory review. Exhibit No. 5 attached is a quote from General Pacific Inc. for all the equipment necessary to complete the conversion and training in its use in the amount of \$39,585.33. All individual customer water meters will require a retrofit of the existing mechanical equipment with the

electronic equipment. Exhibit No. 6 attached is a cost estimate from Avondale Construction to complete the retrofit of customer meters at a cost of \$5,400.00. Total cost of the new system therefore will be \$44,985.33.

Total Cost of all system improvements are summarized as follows:

Install flow meter	\$9,935.00
Abandon 6" Well	\$4,500.00
Electronic Meter Reading System	<u>\$44,985.33</u>
Total Improvements	\$59,420.33

Applicant has acquired a commitment for financing the improvements from Community Bank in Post Falls, Idaho in the amount of \$55,000.00. Exhibit No. 7 is a copy of the confirmation from the Bank for the \$55,000.00 loan for a term of 5 years. Interest on the loan will be a floating rate at one percentage point over the prime rate published in the Wall Street Journal.

Attached Exhibit No. 8 is the Company's Balance Sheet for the most recent year. As demonstrated on that balance sheet, Applicant currently has no outstanding debt.

Attached Exhibit No.9 is a copy of the news release being sent to newspapers of general circulation in the service area. A customer notice of this application identical to the news release will be sent to all existing customers of the Company.

Bar Circle "S" Water requests that the application be considered by the Commission under the rules of Modified Procedure.

Applicant respectfully request expeditious and favorable consideration of this application.

Dated this 1st day of May 2009.

Respectfully submitted  
Bar Circle "S" Water Corp.

  
Robert N. Turnipseed, President



STATE OF IDAHO  
DEPARTMENT OF  
ENVIRONMENTAL QUALITY

2110 Ironwood Parkway • Coeur d'Alene, Idaho 83814 • (208) 769-1422

C.L. "Butch" Otter, Governor  
Toni Hardesty, Director

April 20, 2009

Mr. Robert Turnipseed  
Bar Circle S Water Company  
PO Box 1870  
Hayden Lake, ID 83835  
[avondalecon@verizon.net](mailto:avondalecon@verizon.net)

**RE: Bar Circle S Public Water System Extension for Double T Estates**

Dear Mr. Turnipseed:

On April 10, 2009 Steve Syrcle, P.E. with Tri-State Engineering submitted to this office a copy of Addendum #3 to the Water Engineering Report for Bar Circle S Water System Double T Estates Expansion as prepared by Ben Weymouth, P.E. with Toothman-Orton Engineering Company and dated April 8, 2009. On April 13, 2009 this office received a copy of the application submitted to the Kootenai County Building and Planning Department for Case No. MSP09-0004 Double T Estates. These two submittals modify and supplement previous information provided to this office as responded to in our December 4, 2008 and January 27, 2009 letters to you.

We have now reviewed the two submittals and offer the following comments:

1. We do not appear to have ever received or reviewed Addendum No. 2 to the Water Engineering Report for Bar Circle S Water System Double T Estates Expansion. If this information is meaningful to the water system evaluation, then a copy of this addendum needs to be provided to DEQ.
2. The subdivision application now identifies the development as progressing with four phases. There is a two lot discrepancy between the total number of lots shown on the preliminary plat (47 lots) and the total number of lots identified in Addendum #3 (45 lots). Phase 2 has either nine or eleven lots.
3. There appears to be a discrepancy between the water main extension project approved by DEQ on December 4, 2008 for Phase 1 of Double T Estates and the description of the same project in Addendum No. 3. The approved plans and specifications showed 450 feet of 8-inch diameter water main while the addendum identified 1,150 feet of 8-inch diameter main being installed. If the 700 feet of additional length of water main are being installed, revised construction plans and specifications showing the additional pipeline must be submitted for DEQ approval.
4. Addendum No. 3 proposes no system improvements for Phases 1 or 2, installation of additional booster pumping capacity of 135 gpm installed in the existing pumphouse for Phase 3, and completion of Well #3 with a capacity of 613 gpm for Phase 4. With a two phase project, the new well and additional booster capacity were planned after Phase 1. DEQ will defer to the engineer's judgment that the need for the additional booster and new well can be deferred until indicated as long as the system operator monitors the system as necessary to assure system capacities are satisfying demands. As indicated previously, DEQ expects the operator to provide us each January with a detailed report of this effort for the prior year.

BCS-W-09-01  
Exhibit 1

RE: **Bar Circle S Public Water System Extension for Double T Estates**

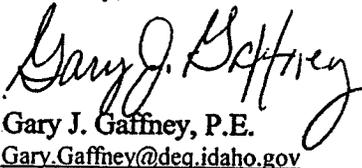
April 20, 2009

Page 2

5. No mention was made regarding the need to install a recording flow meter on the discharge line of the four booster pumps or regarding DEQ recommendations about the operator implementing a better flow monitoring program. Since previous recommendations of this nature by DEQ appear to have been ignored, a written commitment to specifically comply with these recommendations needs to be provided. We think the flow meter needs to be installed prior to July 1, 2009 in order to capture peak demand this summer.

Before DEQ can provide Kootenai County with a positive response to the subdivision application, we need a written response from you identifying the content of Addendum No. 2, clarification of the total number of proposed lots, revised construction plans and specifications reflecting the additional pipeline lengths, and a commitment to install a recording flow meter for the booster pump station. Once we receive this information, this office will be prepared to offer comments to Kootenai County regarding county acceptance of the proposed subdivision application.

Sincerely,



Gary J. Gaffney, P.E.

[Gary.Gaffney@deq.idaho.gov](mailto:Gary.Gaffney@deq.idaho.gov)

- c: **Ben Weymouth, [bweymouth@to-engineers.com](mailto:bweymouth@to-engineers.com)**  
**Steve Syrcle, [ssyrcle@tristateid.com](mailto:ssyrcle@tristateid.com)**  
**Dean Marchus, [dmarcus@northernlakesfire.com](mailto:dmarcus@northernlakesfire.com)**  
**Kristina Keating, [kkeating@phd1.idaho.gov](mailto:kkeating@phd1.idaho.gov); [cthompson@phd1.idaho.gov](mailto:cthompson@phd1.idaho.gov)**  
**Jay Lockhart, [jlockhart@co.kootenai.id.us](mailto:jlockhart@co.kootenai.id.us)**  
**(#10918; dwg. at F-24, Bar Circle S pws file)**

BCS-N-09-01  
Exhibit 1



February 23rd, 2009

- Electrical upgrades
- All labor to install the above listed items

**Total for Booster pump, mech, flowmeter option #1**

**\$22,760.00**

**Booster pump, mech, flowmeter option #2**

- Ultra Mag flowmeter 6" with digital display
- Mechanical upgrades to accept new flow meter
- Electrical upgrades
- All labor to install the above listed items

**Total for Booster pump, mech, flowmeter option #2**

**\$9,935.00**

**Booster pump, mech, flowmeter option #3**

- Ultra Mag flowmeter 10" with digital display
- Mechanical upgrades and for flow meter and valve vault
- Electrical upgrades
- All labor to install the above listed items
- Pre-cast structure open bottom vault

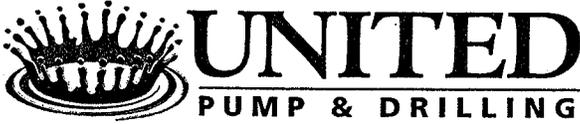
**Total for Booster pump, mech, flowmeter option #3**

**\$18,284.00**

**Exclusions for Booster pump, mech, flowmeter option #3**

- All excavation, backfill, and compaction

BCS-W-09-01  
Exhibit 2



February 23rd, 2009

**SUBJECT: Water System Improvements for Bar Circle S**

**RE: SCOPE OF WORK**

We are pleased to submit the following scope of work for the Bar Circle S Water System Upgrades. This scope of work is based on correspondence from DEQ and the engineer, Ben Weymouth.

**New 10" Water Well**

- 300' "Ten State Standard" production well

**Total for New 10" Well**

**\$67,484.00**

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**Abandonment of Existing 6" Well**

- Demo of existing structure
- Excavate around existing casing to a depth of 5' below grade
- Abandon well per IDWR specifications

**Total for Abandonment of 6" well**

**\$4,000.00**

BCS-W-09-01  
Exhibit 3

Avondale Construction Inc

PO Box 1870  
Hayden, ID 83835

# Estimate

DATE	ESTIMATE NO.
4/3/2009	47

NAME / ADDRESS
Bar Circle 'S' Water Inc PO Box 1870 Hayden ID 83835

			PROJECT
DESCRIPTION	QTY	COST	TOTAL
To Abandon 6" well - Labor to tear down existing old pumphouse, haul off materials		500.00	500.00
<b>TOTAL</b>			\$500.00

BCS-W-09-01  
Exhibit 4



General Pacific, Inc.  
5600 NE 12th Ave.  
Portland, OR 97230  
(503) 257-0327



Bar Circle S Water District

QUOTE NUMBER 39622.96  
QUOTE DATE 06/23/08

ITEM	PART NUMBER	DESCRIPTION	QTY	UNIT PRICE	EXTENDED PRICE
	Premium Laptop Kit	-Orion Mobile Panasonic ToughBook AMR Reading System with US Census Bureau Mapping System -Badger READCENTER® Meter Reading Data Management Software -ORION Data Profile Viewer Software -Two days ON-SITE Training	1		\$39,585.33
	Meter, Register and ORION Transmitter complete	Recordall M65 Meter, Full 3/4" Short 7 1/2' lay length, Low Lead Alloy, Bronze Body, Cast Iron Bottom, RTR pre-wired to ORION Data Profile Integral transmitter with 3' cable	16		
	Meter, Register and ORION Transmitter complete	Recordall M70 Meter, 1" Low Lead Alloy, Bronze Body, Cast Iron Bottom, RTR pre-wired to ORION Data Profile Integral transmitter, with 3' cable	6		
	Meter, Register and ORION Transmitter complete	Recordall M120 1 1/2" Low Lead Alloy, Bronze Body, Cast Iron Bottom, RTR pre-wired to ORION Data Profile Integral transmitter with 3' cable	0		
	Meter, Register and ORION Transmitter complete	Recordall M170 2" Low Lead Alloy, Bronze Body, Cast Iron Bottom, RTR pre-wired to ORION Data Profile Integral transmitter with 3' cable	11		
	Register and RF transmitter only	RETROFIT ENDPOINT for Badger M65 3/4" Meter, RTR pre-wired to ORION transmitter, with 3' of cable	129		
	Register and RF transmitter only	Upgraded Register for Master Meter 6" Turbo Meter and ORION Transmitter including field splice tube	1		
<b>Optional configurations</b>					
		ORION Water Meter Monitor with Leak Detection Indicator Note: Programming tool required at \$150.00, Purchase of 5 Water Meter Monitor's allows 1 programming tool at no charge (\$150.00 value)	5	\$76.92	\$384.60
		ORION Data Profiling chip in ORION Transmitters (add per ORION) Note - Must be installed during production of transmitter, cannot be added at a later date.	1	\$11.42	\$11.42
<b>Maintenance Options</b>					
<b>TOTAL METER PACKAGE PRICE</b>					<b>\$39,585.33</b>

Maintenance and support are provided directly from Badger Meter Inc. Badger Meter will invoice customer for support. Support is optional to the customer, although highly recommended

BCS-W-09-01  
Exhibit 5

Avondale Construction Inc

PO Box 1870  
Hayden, ID 83835

# Invoice

Date	Invoice #
4/3/2009	599

<b>Bill To</b>
Bar Circle 'S' Water Inc PO Box 1870 Hayden ID 83835

<b>Ship To</b>
Bar Circle 'S' Water Inc PO Box 1870 Hayden ID 83835

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
			4/3/2009			
Quantity	Item Code	Description			Price Each	Amount
1	80 Misc Labor	Labor - Change existing meter operation to the Orion Meter system. Meters, Register and Orion transmitter complete. This will give the capability of meter reading year around.			5,400.00	5,400.00
					<b>Total</b>	\$5,400.00

BCS-W-09-01  
Exhibit 6

COMMUNITY 1ST BANK 208 457 9604 p.1

# Community Bank

*Doing the right thing!*

VIA FAX: 665-9300

April 29, 2009

Bar Circle "S" Water Company  
% Robert Turnipseed, President

cc: Idaho Public Utilities

Dear Bob:

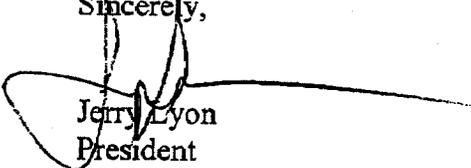
Per our recent conversation, please accept this letter as my confirmation of our approval to fund your request for financing of the flow meter and accompanying computerized water meter reading equipment you propose for the Bar Circle "S" Water Company.

Please review the following as our outline of the terms and structure of this financing:

Loan Amount:	\$55,000.00
Loan Term:	5 year term
Amortization:	5 year amortization
Interest rate:	A five year term, variable rate of 1% over the latest published WSJ Prime Rate. If the loan closed today, the interest rate at funding would be 4.25%, fully floating.
Guarantors:	The loan shall be personally guaranteed by both Mr. Robert Turnipseed, and Mr. Phil Dolan.
Costs:	Origination fee of \$250.00 and any associated UCC costs.
Loan Collateral:	UCC lien filing on equipment specific to the flow meter and computerized water meter reading equipment for Bar Circle "S" Water Company.

We certainly appreciate the opportunity to provide this funding as outlined. We very much look forward to initiating this credit facility when you are ready to move forward.

Sincerely,

  
Jerry Lyon  
President

BCS-W-09-01  
Exhibit 7

**Bar Circle S Water Co Inc**  
**Balance Sheet**  
As of November 30, 2008

	<u>Nov 30, 08</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
1002 · MM-PSB	15,948.17
1003 · Checking-PSB	2,477.19
<b>Total Checking/Savings</b>	<u>18,425.36</u>
<b>Total Current Assets</b>	18,425.36
<b>Fixed Assets</b>	
1500 · Equipment	25,404.76
1505 · Purchase Garwood Bus	50,000.00
1509 · New Constr-Waterline	111,530.75
1510 · Well/Pump/Reservoir	67,029.55
1515 · Land-Reservoir	2,250.00
1516 · Improvement - Well Site	40,862.01
1520 · Steel Building	6,781.29
1522 · 60hp Pump	33,996.68
1525 · Reserve for Depreciation	-138,322.00
<b>Total Fixed Assets</b>	<u>199,533.04</u>
<b>TOTAL ASSETS</b>	<u><b>217,958.40</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
2000 · Accounts Payable	944.95
<b>Total Accounts Payable</b>	944.95
Other Current Liabilities	
2005 · Accrued State Inc Tax	30.00
<b>Total Other Current Liabilities</b>	<u>30.00</u>
<b>Total Current Liabilities</b>	<u>974.95</u>
<b>Total Liabilities</b>	974.95
<b>Equity</b>	
3001 · Capital Stock	100.00
3002 · Retained Earnings	-5,578.89
3003 · Paid in Capital	240,948.65
Net Income	-18,486.31
<b>Total Equity</b>	<u>216,983.45</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>217,958.40</b></u>