

Brian Water Corporation  
5120 Overland Rd  
Ste C #228  
Boise, ID 83705  
869-9199

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2012 JAN 20 AM 10:24  
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UTILITIES COMMISSION

January 18, 2012

Public Utilities Commission

**NEW CASE**

RE: Nitrate mitigation/Base rate increase

BRN-W-12-01

Sirs:

Recently, the Brian Water Corporation received a rate increase for the purpose of general operations & maintenance i.e. to begin rebuilding this aging system. The base rate was raised from \$12.50/mo to \$17.50 mo.

At that time, I informed the PUC staff and the Brian Water customers that another increase to the base rate would be needed at some time in the near future for Nitrate mitigation as ordered by the EPA/DEQ. I told the Brian Water customers to expect the base rate to get to \$30/mo. That time has arrived.

I met with the DEQ compliance officers and need to start the mitigation process. The first step is to hire an engineer to evaluate the situation and submit a plan to the DEQ. This cost will be around \$10,000. The solution will be to put in a new, deeper well....estimated cost of \$30,000.

Therefore, the base rate for Brian Water Corp. needs to be raised to \$30/mo. This will yield \$575/mo. to be used to start making payments to the engineer and then will be used to service the debt for a new well. Start date should be March 1, 2012.

Thank you.

Sincerely,



Tony Bowar  
Brian Water Corp.



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Ste C #228  
Boise, ID 83704  
869-9199

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January 19, 2012

RE: Nitrate mitigation

Brian Water Customer,

This month's nitrate level rose again to 12.2 mg/L. Consequently, I met with the Dept. of Environmental Quality (DEQ) and am required to start the process of Nitrate mitigation ...it can't be delayed any longer.

The first required step is to hire an engineer to analyze the situation and submit an initial report to the DEQ with recommendations to solve the problem. Estimated cost is \$10,000.

We already know that the only feasible solution is to put in a new, deeper well . Estimated cost is \$30,000. (A second well may be required but can be done later) There will probably be some other smaller costs involved.

So it comes down to paying for it. I had informed you earlier to expect the base rate to reach \$30/mo. This is what I am proposing. That will mean another \$12.50/mo. which will yield \$575/mo. to be used to start paying the engineer and then service the loan for the well.

The last rate increase raised the base rate to \$17.50/mo. and increased the consumption rate. This should give the company \$6,000-\$7,000/yr. to rebuild the system i.e. replace old service lines, replace the storage tank, replace old meters, pump repair and eventually the main water line. Time frame is over the next 10-15 years. After this point, however, the system will be new and need little maintenance.

I'm going to set up a meeting for early February for us to discuss the options. Basically, it's coming down to staying as a Public Utility with me or someone else owning and managing it or the homeowners owning and managing it as a Homeowner's Association or Water Board.

I'll give you the date/time and place on the next billing.

Tony Bowar  
Brian Water

BRN-WH2-01