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UTILITIES COMMISSION

BRN-W-12-02

October 4,2012

RE: nitrate mitigation financing

Brian Subdivision homeowner;

Without some longer term financing, next month I intend to send a request to the PUC to raise the monthly surcharge to \$50.00. This will yield \$40,000 in eighteen months to pay for the 'nitrate mitigation' as required by the EPA/DEQ. The deadline set by the DEQ is actually August of 2013 so they will have to give us an extension.

I had raised the idea before of a consortium of homeowners investing in the water system. For example: 25 homeowners loan \$2,000 to Brian Water Corp. The loan would be paid back at 9% interest over a period of 4-5 years. The loan payment would come from the monthly surcharge (in this case the surcharge could be \$25/mo). An Escrow account would be set up at Pioneer Title and they would manage the payouts....probably quarterly loan payments to each investor. CDs and regular savings pay less than 1% now days. You have a vested interest in the future of the subdivision and the water system so this would be a good investment with very little risk and a good return.

The homeowners taking over the water system is still on the table. This would give you another \$4,000/yr to put into the system.

Those that can and are willing to be part of a homeowners investment group need to contact me.

Thank you.

Tony