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IDAHO PUBLIC
UTILITIES COMMISSION

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Attorneys for the Diamond Bar Estates LLC dba Diamond Bar Estates Water
Company:

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF DIAMOND BAR ESTATES LLC DBA)	Case No. GNR-W-02-3
DIAMOND BAR ESTATES WATER)	
COMPANY FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND)	RESPONSE TO COMMENTS
NECESSITY AND FOR APPROVAL OF)	OF THE COMMISSION STAFF
RELATED RATES AND CHARGES)	
)	
Applicant,)	
)	
)	

Diamond Bar Water Company (the "Company") submitted a variety of information with it's Application to the Idaho Public Utilities Commission for a Certificate of Public Convenience and Necessity. At the Public Workshop additional information was gathered by the Commission Staff. After review and consideration of the Comments of the Commission Staff (the "Comments"), the Company hereby submits additional information to clarify areas of concern addressed in the Comments and respectfully requests reconsideration of several of the Staff comments.

As background information, we believe that the Commission should understand that the Company is a reluctant owner of the water system under review. Prior to the homeowners association meeting held June 3, 2002, the Board of Directors of the Diamond Bar Estates L.L.C (the "LLC") consisting of Robert and Clara Turnipseed, agreed to transfer the water system to the Association and the Board of Directors of the Association (consisting of Robert and Clara Turnipseed)

agreed to accept the water system. At the meeting of the Association on June 3, 2002, the members present debated the issue of who should own and operate the water system. The members present voted to transfer its interest in the water system back to the LLC. Mr. Turnipseed stated at the meeting that he preferred that the Association own and operate the system. He also stated that if the water system was operated by a private company, the LLC, it would be operated in a self-sustaining manner and would be under the jurisdiction of the PUC. The vote went forward and the LLC now owns and operates the water system. It is stated in the Comments on page 3 that at least one of the current customers has indicated a desire to revisit that decision and possibly reverse the transaction through litigation if necessary. We suggest that if the Association in fact now prefers to own and operate the system, a vote of the Association would authorize the current Board of Directors to negotiate with the LLC for the sale of the water system back to the Association. The LLC has not been approached by the Association, but would be willing to negotiate a sale of the water system. Litigation is not necessary.

Mr. Turnipseed's initial reluctance to own and operate the water system bears fruit in the Comments. As a privately owned system, the customers must pay rates that support a self-sustaining system. How the system was financed when Mr. Turnipseed, as the developer, operated the system is of no importance in the analysis now before the Idaho Public Utilities Commission. The system became a self-supporting system on the date of the transfer of the system from the Association to the LLC, June 3, 2002. The water system (the "System") must generate sufficient revenue from that date to be self-sustaining. The Company objects to any analysis based upon how property was treated prior to the transfer, particularly comments and treatment addressed under comment (L) in the Comments. Our argument will be developed more fully later, however; we respectfully request that the rate base analysis for this private water company be analyzed on the values of the test year and not practices prior to that year.

The Company appreciates the opportunity to make these comments before this case goes to your Decision Meeting. While the Company agrees with many of the Staff's adjustments and appreciates their diligence in this case, there are a few areas of disagreement which are addressed below:

Staff Comment (I): Technical Computer Support. The Company agrees that this is a one time cost. However, this is a cost that will provide benefits for several years. If the Staff does not want this cost to be expensed, then it should be capitalized and depreciated over five years as are other computer expenses.

Staff Comment (J): Backup Generator. The Company is disappointed that the Staff recognizes the need and usefulness of a back up generation but only wants to give credit for one-half of the cost of the generator. It appears that this decision is based in large part upon comments made by the Company that the generator would be mounted on a trailer. Apparently the Staff determined that

due to its mobility, the generator would be useful to the system only one-half of the time. Please be informed that the Company intends this generator to be used fulltime as a backup generator for the System and will permanently place the generator at the back-up well location. In fact, the Company is required to provide backup water for the System and has chosen this method as the most cost effective method of providing such backup. Since the Company operates the System as a self-sufficient system with little or no borrowing power, without full recovery of the ordinary and necessary operating costs such as the costs of a backup generator, the system cannot operate. We request that the Commission allow full recovery of the cost of the generator including the cost of installing and housing the generator. The costs of installing the generator are set forth in Exhibit "A" which is attached and the estimated costs are 11,838.00.

Staff Comment (L): Irrigation Meters. Staff recommends that irrigation meters on hand that are being used, be disallowed in the rate base. This is a difficult position for the Company to understand. The meters are on hand, are being used and are part of the property acquired and transferred to the Company. How the purchase of these meters were treated on the prior books is of no consequence. The System before the transfer to the LLC, as discussed above, was operated by Mr. Turnipseed, as the developer, and as such Mr. Turnipseed chose to subsidize the system. Now the System is a stand alone company and rates must be established in a manner that will support the System. Without being able to rate base these meters and expense replacement meters, there is simply no reasonable method to recover these costs. Without any manner for recovery, no further investment can be made. Staff's recommendation that a one-time connection fee of \$500.00 is sufficient to offset the cost of the meter investment for rate base purposes is incorrect. Revenue generated from a \$500.00 connection fee would be insufficient.

Staff Comment (M): Rate Case Expense. Staff recommends that documentation be submitted supporting this expense item. In preparation of the application and for the workshop, the Company has spent \$500.00 in accounting fees and \$585.00 in legal fees. It is estimated that the Company will spend an additional \$800.00 in accounting fees and \$900.00 in legal fees to perfect these comments. Should a formal appeal prove necessary, it is not unreasonable to expect the associated fees to reach and even exceed the \$4,000.00 expense originally presented by the Company. Therefore; the Company respectfully requests that \$4,000.00 of rate case expense be provided in the rate base calculation.

Staff Comment (N) & (O): Depreciation. Should the Company's arguments concerning the inclusion of irrigation meters and the backup generator in the rate base prevail, we request that the depreciation expenses addressed in Comment (N) & (O) be recalculated as well.

Inflation. The Company included a 3% inflation factor anticipating that utility suppliers, Avista (electrical and natural gas) and Kootenai Electric Cooperative

(electric) will receive rate adjustments this year increasing the cost of electricity to the Company. Given the low snow pack experienced by northern Idaho this winter, the Company does not believe this request to be arbitrary. Anticipating inflation in electrical costs is always a guess, but it is not unreasonable to expect an increase in the cost of electricity this year. The Company requests that a 3% inflation factor be included in the rate base.

Hookup Fees: Staff recommends a line extension policy in lieu of a hook-up fee and connection fee. The Company does not have a line extension policy in place. A sampling of surrounding small water companies was completed and submitted as part of the original application. A survey conducted by the Idaho Rural Water Association showing such fees for surrounding water companies is attached hereto as Exhibit "B". It is customary and typical of small water companies in this area to charge a hook-up fee and connection fee. The charges presented by the Company are reasonable based upon the charges of similar water companies in the area and appear to the Company to be sufficient to reimburse the Company for the costs incurred for such connections. The Company again requests that these charges be allowed.

Rate Design: Staff recommends a fixed/variable rate design without a separate rate for irrigation. The Company prefers a separate rate for irrigation and requests reconsideration of this issue. However, knowing Staff's preference on this issue and its recommendation of \$21.00 base charge for the first 7,500 gallons and then \$0.50/1000 gallon for each gallon thereafter, the Company tested the proposed rate against current data for water usage. The information is compiled and attached in Exhibit "C". The analysis shows that the rate design proposed by Staff would be insufficient to meet the revenue needs established by Staff, \$16,104, for this System. The Company respectfully requests that the base rate charge be changed from \$21.00 to \$23.50 so that the revenue needs established by Staff can be met. Additionally, should the Commission determine to allow any or all of the items addressed above, we request that the base rate be further increased to allow coverage for the revenue requirements allowed. A survey of water rates from different water districts in the area is attached as Exhibit "D" to show that the rates requested by the Company are not unreasonable. Again we request that the Commission approve the original request presented by the Company.

Again, we appreciate this opportunity to address the areas of concern for the Company. We note that if further workshops are required to establish a rate base, the Company's costs under Comment (M) should be increased accordingly. If any further information is required of the Company it will be furnished upon request.

Respectively submitted this 14th day of March 2003.

Wetzel & Wetzel PLLC

A handwritten signature in black ink, appearing to read "Dana L. Rayborn Wetzel". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Dana L. Rayborn Wetzel
Attorney for Applicant

DIAMOND BAR ESTATES WATER CO
PO BOX 1870
HAYDEN ID 83835
208 665 9200

March 12 2003

RE: EMERGENCY GENERATOR INSTALLATION

With reference to the Public Utilities Commission workshop held on behalf of the Diamond Bar Estates Water Co, comments were made by several customers that the generator should be permanently installed.

Therefore, Diamond Bar Estates Water Co will install the generator at the backup well site; known as the Double T Mule Ranch, upon approval by the Idaho Public Utilities Commission.

Cost Breakdown of generator installation as follows:

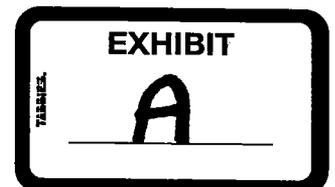
*Generator	\$ 5500
*Concrete pad 10'x12'x12"	1438
*Electric transfer switch/hookup (Est)	2500
*Building 10'x12'x12' @\$20 sq.' (Est)	2400
Total cost	\$11838

This will insure emergency water during a power outage.

Diamond Bar Estates Water Co will make a bank loan of approximately \$6338 @ ½ over the prime rate to cover the cost of the pad, building and electric switch over.

Respectfully


Bob Turnipseed



D.S. Inc.
11215 N. Bruss Road
Rathdrum, ID 83858
Phone 687-1770
Fax 687-1756

Bid Sheet

3-11-03

AVONDALE CONSTRUCTION

JOB # GENERATOR PAD

Total Bid
\$1,438.00

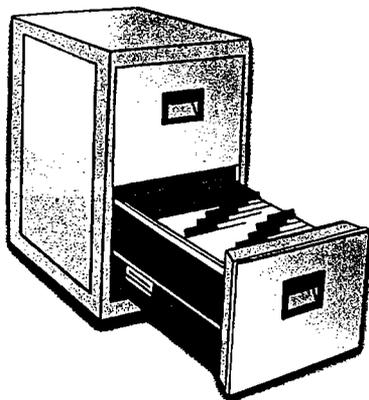
	Transaction	Amount
	PAD, TYE REBAR, CONCRETE, REBAR, EXCAVATION, GRAVEL <i>10' x 12' x 12"</i>	\$1,438.00
		Total Bid
		\$1,438.00

**Water and Wastewater System
Data Information**

**Survey Results Of
Community Drinking Water &
Wastewater Systems**

April, 2000

*Conducted by:
Idaho Rural Water Association*



Data Information Collected...

- System Profile
- System Personnel
- Water Rates
- Sewer Rates
- Employee Insurance Coverage
- Job Descriptions Used by System



System Name

**Water
Base Rate/Gallon**

**Water
Overage**

**Hook-up
Charge**

Antelope Creek Living Center

of Connections: 1
Water System Type: Well
of Wells: 1
Disinfection (yes):
Type of Disinfection:

Arimo, City of

of Connections: 135
Water System Type: Well, Surface
of Wells: 1
Disinfection (yes):
Type of Disinfection:
Chlorination

Athol, City of

of Connections: 280
Water System Type: Well
of Wells: 2
Disinfection (yes):
Type of Disinfection:

\$13.50/15,000
gal/mo

\$1.10

\$1,700.00

Atlanta Water Association

of Connections: 74
Water System Type: Surface/Spring Water
of Wells: 0
Disinfection (yes):
Type of Disinfection:
Liquid Hypo-Chlorite

\$18.00/mo res/Rate
Structure varies
with service

\$800.00

Atomic City, City of

of Connections: 31
Water System Type: Well
of Wells: 1
Disinfection (yes):
Type of Disinfection:

\$15.00/month

\$20.00

System Name	Water Base Rate/Gallon	Water Overage	Hook-up Charge
Avery Water & Sewer			
# of Connections: 27	\$20.00/mo	\$1.50	\$500.00
Water System Type: Well			
# of Wells: 1			
Disinfection (yes): <input checked="" type="checkbox"/>			
Type of Disinfection:			
Chlorine			
Bancroft, City of			
# of Connections: 177	\$23.85/mo		\$125.00
Water System Type: Well			
# of Wells: 2			
Disinfection (yes): <input checked="" type="checkbox"/>			
Type of Disinfection:			
Chlorination-as needed			
Bayview Water & Sewer			
# of Connections: 228	\$13.00/1st 10,000 gal	\$.65/1,000 gallons	\$1,000/res, \$1500,com
Water System Type: Well			
# of Wells: 2			
Disinfection (yes): <input checked="" type="checkbox"/>			
Type of Disinfection:			
Chlorination-liquid (occasionally)			
Bennington Water System			
# of Connections: 78	\$25.00/30,000 gal	\$.50/1,000 gal	\$1,000.00
Water System Type: Well			
# of Wells: 2			
Disinfection (yes): <input type="checkbox"/>			
Type of Disinfection:			
Benson Mobile Home Park			
# of Connections: 10	\$500		
Water System Type: Well			
# of Wells: 1			
Disinfection (yes): <input type="checkbox"/>			
Type of Disinfection:			

System Name**Water
Base Rate/Gallon****Water
Overage****Hook-up
Charge****Covert Water Users Association, Inc.**

of Connections: 64

Water System Type: Well

of Wells: 3

Disinfection (yes):

Type of Disinfection:

Craigmont, City of

of Connections: 315

\$22.50

\$200.00

Water System Type: Well

of Wells: 3

Disinfection (yes):

Type of Disinfection:

Chlorine**Culdesac, City of**

of Connections: 203

\$27.00 res

\$1.00

cost plus 10%

Water System Type: Well

of Wells: 2

Disinfection (yes):

Type of Disinfection:

Hand Chlorinate**Dalton Water Association, Inc.**

of Connections: 949

\$12/mo

\$.75/1,000 gal over
30,000/quarter\$2450/res,
\$2725 com

Water System Type: Well

of Wells: 2

Disinfection (yes):

Type of Disinfection:

Department of Corrections

of Connections: 35

Water System Type: Well

of Wells: 2

Disinfection (yes):

Type of Disinfection:

Chlorine

System Name**Water
Base Rate/Gallon****Water
Overage****Hook-up
Charge****Harrison, City of**

of Connections: 170

\$18.00/5,000 gal

\$1.00

\$1950.00

Water System Type: Well

of Wells: 3

Disinfection (yes):

Type of Disinfection:

Liquid Chlorine

Hauser Lake Water Association

of Connections: 420

\$12.00/10,000
gal/mo

\$.30/1,000

\$3,200.00

Water System Type: Well

of Wells: 2

Disinfection (yes):

Type of Disinfection:

Hayden Lake Irrigation

of Connections: 1000

\$160.00/120,000 gal .50

\$,500, 3/4"
meter set

Water System Type: Well

of Wells: 3

Disinfection (yes):

Type of Disinfection:

Hayden Lake, City of

of Connections: 240

\$15.00/10,000 gal

\$1.00

\$1,750.00

Water System Type: Well

of Wells: 0

Disinfection (yes):

Type of Disinfection:

Heyburn, City of

of Connections: 1100

\$12.97/5,000 gal

\$.55

\$776.00-1"

Water System Type: Well

of Wells: 3

Disinfection (yes):

Type of Disinfection:

Chlorination

Water Rate Information:

Page 12 of 34

System Name

**Water
Base Rate/Gallon**

**Water
Overage**

**Hook-up
Charge**

Hollister, City of

of Connections: 80

\$22.00

\$200.00

Water System Type: Well

of Wells: 2

Disinfection (yes):

Type of Disinfection:

Chlorine Gas

Honeysuckle Home Owners Assoc

of Connections: 227

\$15.00/month +
\$1.00/1,000 gal

\$1.00

~~\$2,600.00~~ + 2900
meter install

Water System Type: Well

of Wells: 2

Disinfection (yes):

Type of Disinfection:

Hulen Meadows

of Connections: 148

\$30.00/mo

\$80.00

Water System Type: Well

of Wells: 3

Disinfection (yes):

Type of Disinfection:

Chlorine-Sodium Hypochlorite

Idaho Falls, City of

of Connections: 20000

\$11.00/mo-1"

\$.29/1,000 gal

\$620.00/1"

Water System Type: Well

of Wells: 17

Disinfection (yes):

Type of Disinfection:

Chlorine Gas

Iona, City of

of Connections: 420

\$600.00

Water System Type: Well

of Wells: 3

Disinfection (yes):

Type of Disinfection:

Chlorine Tables

System Name**Water
Base Rate/Gallon****Water
Overage****Hook-up
Charge****J B's Country Court**

of Connections: 55
 Water System Type: Well
 # of Wells: 1
 Disinfection (yes):
 Type of Disinfection:
 Chlorinator

Jerome, City of

of Connections: 3200 \$4.30/mo-5/6" by 3/4" meter \$0.76 \$750.00-3/4"
 Water System Type: Well
 # of Wells: 4
 Disinfection (yes):
 Type of Disinfection:
 Chlorine Gas

Kamiah, City of

of Connections: 600 \$10.00/mo + \$.01 gal usage \$1,500.00
 Water System Type: River
 # of Wells: 0
 Disinfection (yes):
 Type of Disinfection:
 Chlorine

Kendrick, City of

of Connections: 220 R29.50/4,000 gal \$1.00 \$1,200.00
 Water System Type: Well, Surface/Spring W
 # of Wells: 3
 Disinfection (yes):
 Type of Disinfection:
 Hypochlorite

Kidd Island Bay Water Users

of Connections: 65 \$3,500.00
 Water System Type: Well
 # of Wells: 2
 Disinfection (yes):
 Type of Disinfection:
 Chlorine

System Name

**Water
Base Rate/Gallon**

**Water
Overage**

**Hook-up
Charge**

New Plymouth, City of

of Connections: 575

\$11.00/0-3,000 gal

\$.75/1,000 gal

\$750.00

Water System Type: Well

of Wells: 2

Disinfection (yes):

Type of Disinfection:

Nez Perce Tribe Water Systems

of Connections: 96

free, but will soon
be charging

Water System Type: Well

of Wells: 6

Disinfection (yes):

Type of Disinfection:

Chlorination, sodium hypochlorite

North Kootenai Water District

of Connections: 3000

\$1.07/1,000 gal

\$2,000-cap
fee, \$600-
water service

Water System Type: Well

of Wells: 18

Disinfection (yes):

Type of Disinfection:

Gas and Liquid Chlorine

North Oakley Water Company

of Connections: 70

Must purchase
stock in the water
company, 20,000

\$.20

Water System Type: Well

of Wells: 1

Disinfection (yes):

Type of Disinfection:

Chlorination

North Water & Sewer District

of Connections: 270

Purchase water
from city of Bonners
Ferry

\$1,000

Water System Type: Surface/Spring Water

of Wells: 0

Disinfection (yes):

Type of Disinfection:

Idaho Water Utilities

The Idaho Public Utilities Commission regulates 25 privately operated water companies varying from United Water Idaho with more than 70,000 customers to utilities serving a few homes in residential subdivisions or mobile home parks. Regulated companies comprise less than 1 percent of approximately 2,600 systems that supply drinking water to Idahoans. Most of the unregulated systems belong to and are run without profit by homeowners associations. Many others are municipal systems operated by local governments.

The rates listed are strictly representative of residential customers and may not reflect actual rates paid by a specific customer.

Name of Utility	No. of Customers	Hook-up Fee	Mo. Residential Rates ¹ (unless otherwise noted)	Date Rates Last Revised
Bar Circle "S" Water Inc.	118	250 ⁷⁵⁰	\$15/0-7,500 gals. \$0.95/1,000 gals. over 7,500 gals.	02/01/90
Bitterroot Water Co.	97	\$750	\$20/0-15,000 gals. \$0.75/1,000 gals. over 15,000 gals.	08/12/99
Brian Water Co.	47		\$10.50/0-4,000 gals. \$1.08/1,000 gals. over 4,000 gals.	05/01/99
Capitol Water Corp.	2,757		\$7.50/0-1,000 cf. \$1.06/100 cf. over 1,000 cf.	08/01/97
Country Club Hills Utilities	120	\$300	\$14.00/0-30,000 gals. \$0.35/1,000 gals. over 30,000 gals.	02/23/90
Eagle Water Co., Inc.	2,272	\$845	\$7.84/0-600 cf. \$0.451/100 cf. over 600 cf.	03/25/87
Humphy's	16	\$60	\$3.25/0-6,000 gals. \$0.10/1,000 gals. over 6,000 gals.	05/01/63
Evergreen Water Co.	34	\$600	\$15/0-7,500 gals. \$0.35/1,000 gals. over 7,500 gals.	11/10/87
Falls Water Co., Inc.	2,106	\$500	\$10/0-20,000 gals. \$0.30/1,000 gals. over 20,000 gals.	Date 09/01/97
Algoma Water	27		\$17.59/mo.	09/01/96
Grouse Point Water Co.	22		\$25.00/mo.	09/01/99

IPUC Regulates About 1% Of Idaho's Water Systems

<u>Name of Utility</u>	<u>No. of Customers</u>	<u>Hook-up Fee</u>	<u>Mo. Residential Rates¹ (unless otherwise noted)</u>	<u>Rates Last Revised</u>
Happy Valley Water System	26	\$500	\$27.00/0-20,000 gals. \$0.70/1,000 over 20,000 gals.	12/15/99
Island Park Water Co.	259		\$125/yr.	07/01/92
Morning View Water Co., Inc.	59		\$22/mo.	06/21/90
Murray Water Works	33	\$125 + labor	\$26/mo.	11/01/94
Packsaddle Estates Water Co.	34	\$430	\$34.24/mo.	06/03/96
Picabo Livestock Co.	28	\$500	Summer: \$26/mo. Winter: \$14/mo.	04/27/94
Rickel Water Co.	16	\$6,000	\$30/0-15,000 gals. \$1.10/1,000 gals. over 15,000 gals.	04/25/97
Spirit Lake East Water Co.	237	\$650	\$12/0-9,000 gals. \$1/1,000 gals. over 9,000 gals.	12/01/83
Stoneridge Water Co.	34	\$925	\$0.30/1000 gals. For all consumption	12/01/99
Sunbeam Water Co.	22		\$12/0-12,000 gals. \$1.20/1,000 gals. over 12,000 gals.	05/31/83
Troy Hoffman Water Co.	144	\$458	\$5.50/0-3,000 gals. \$0.60/1,000 gals. over 3,000 gals.	08/01/96
United Water Idaho	70,562	Costs in excess of \$500	Summer: \$14.57/bimonthly \$1.6418/1,000 gals. Winter: \$14.57/bimonthly \$1.3134/1,000 gals.	09/05/98

DBEW Dom/Irrig	Domestic	Irrigation	fl gallons 02	12@23.50	over 7500
4/1/02-11/2/02					
ABELHANZ	41690	312240	353930	282	131.97
ALLPHIN	177710	0	177710	282	43.86
BOETTCHER	62840	609000	671840	282	290.92
CUMMINGS	64340	595900	660240	282	285.12
DESONIA	33130	171800	204930	282	57.47
DODGE	224680	0	224680	282	67.34
GRANT	97663	0	97663	282	3.83
HALLGREN T	283840	0	283840	282	96.92
HALLGRENE	96760	641200	737960	282	323.98
HAMMOND	60	0	60	282	
HILDEBRAND	44030	225100	269130	282	89.57
HITT	127630	0	127630	282	18.82
HORTHER	80970	0	80970	282	
JANTZEN	41470	8800	50270	282	
JASPER	81850	31700	113550	282	11.78
JOHNSON	229070	0	229070	282	69.54



KLUSS	2300	0	2300	282	
LOPER	111670	511900	623570	282	266.79
LUND	286290	0	286290	282	98.15
MCCREE	160000	0	160000	282	35
MCNEIL	0	0	0	282	
MEEHAN	53720	616600	670320	282	290.16
MOREHEAD	143900	0	143900	282	26.95
MORRIS	172280	0	172280	282	41.14
NALE	46770	0	46770	282	
NEAL	8390	0	8390	282	
PENZKOVER	53020	504500	557520	282	233.76
POISEL	38610	0	38610	282	
REGAN T	115680	285900	401580	282	155.79
REGAN L	0	332300	332300	282	121.15
RICARD	152900	0	152900	282	31.45
ROBISON	48250	335600	383850	282	146.93
ROSSI	246430	682000	928430	282	419.22
SIMPSON	216160	761600	977760	282	443.88

SNODGRASS	35910	378400	414310	0	282	162.16
THURMAN	256680	0	256680	0	282	83.34
TURNIPSEED	54010	0	54010	0	282	
VOLLENWEIDER	64880	379500	444380	0	282	177.19
WHITE	41970	0	41970	0	282	
WILSON	54040	541700	595740		282	262.87
LT 21/B1						
PENN						
PENN						
KEARN						

11280 4478.7

WATER RATES FROM DIFFERENT WATER DISTRICTS

DALTON WATER

\$2450.00 HOOK-UP FEE

0 GALLONS - 10,000 GALLONS.....\$14.00

MORE THAN 10,000 GALLONS.....\$.75 PER THOUSAND ADDITIONAL

IRRIGATION FEE.....\$110.00 PER ACRE PER YEAR

ALPINE MEADOWS

\$3000.00 HOOK-UP FEE

0 GALLONS - 10,000 GALLONS.....\$16.50

MORE THAN 10,000 GALLONS.....\$1.00 PER THOUSAND UP TO 30,000

30,000 ABOVE\$2.00 ADDITIONAL

ROSS POINT WATER

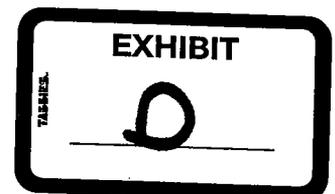
\$1850.00 HOOK-UP FEE

0 GALLONS - 10,000.....\$12.00

MORE THAN 10,000 GALLONS.....\$.75 PER THOUSAND ADDITIONAL

CITY OF HAYDEN

\$1750.00 HOOK-UP FEE



NORTH KOOTENAI WATER DISTRICT
P. O. Box 2290
1841 W. Hayden Avenue
Hayden, Idaho 83835

PHONE: (208) 772-3619
FAX: (208) 762-0355
E-MAIL: Nkwdist@nidlink.com



December 14, 2000

Mr. Robert Turnipseed
PO Box 1870
Hayden ID 83835

RE: Bar Circle S Ranch

Dear Mr. Turnipseed,

As you know, the State of Idaho oversees the operation of all private and public water systems throughout the State and shortly will require that a person certified as a Distribution System Operator be in responsible charge of each system. This mandate is in addition to increased testing and monitoring requirements.

North Kootenai Water District is a public agency, with an elected Board of Directors, that can offer full-time professional management, including a District Attorney, District Engineer, and a well qualified office and field staff, providing 24 hour service.

At present we have 3000 service connections serving an estimated 10,000 people in North Kootenai County. We operate eleven separate and distinct systems; the largest providing water to 3000 people and the smallest, 42.

Capital improvements, system operation, and system maintenance are financed from current revenue without the need for taxation.

Our rates are as follows:

3/4", 1", and 1-1/2" meter	0-3000 gallons.....	\$12.27 per month
	3000 gal. & above	\$12.27 + \$1.07 per 1000 gal.
2" & 3" meter	0-3000 gallons.....	\$21.71 per month
	3000 gal. & above	\$21.71 + \$1.07 per 1000 gal.

You may wish to consult with your accountant regarding any tax advantages which might be available for donated facilities.

If you think your system could be benefited by consolidating with a public water system, please contact us at (208)772-3619, or, if you have any questions, please call.

Sincerely,

Richard Fairhurst
District Manager

dw:RF196-Bar Circle S Ranch

NORTH KOOTENAI WATER DISTRICT

Rates and Regulations

System Access Fee: (Res. 2001-06):

- 1. \$10.60 per dwelling unit or commercial unit per month.

Rate Structure: (Res. 2001-06):

- 1. 0 gallons – 5,000 gallons \$1.00 per 1000 gallons
- 5,001 gallons – 30,000 gallons \$1.10 per 1000 gallons
- 30,001 gallons and above \$1.20 per 1000 gallons

Debt Service Surcharge: (Res. 2001-06):

- 1. \$5.37 per dwelling unit or commercial unit per month.

Street Light Surcharge: (Res. 2001-06):

- 1. \$1.60 per residential user in Valley Green Subdivision.

Park Maintenance Surcharge: (Res. 2001-06):

- 1. \$1.50 per residential user in Valley Green Subdivision.

Fire Service Charge: (Res. 2001-06):

- 1. Privately owned fire protection:
 - 3" and smaller connection \$10.00 per month
 - 4" connection \$20.00 per month
 - 6" connection \$40.00 per month
 - 8" connection \$60.00 per month
 - 10" connection \$80.00 per month

Water used for other than fire suppression or testing will be billed at \$100.00 per occurrence.

Plan Review Fee: (Res. 99-1)

\$300.00 Minimum

Capitalization Fees: (Ord. 99-4)

- 1" \$2,000.00
- 1-1/2" \$3,000.00
- 2" \$4,000.00
- 3" \$16,000.00
- 4" \$20,000.00
- 6" \$30,000.00
- 8" \$40,000.00

Hookup Fee: (Res. 00-3)

1"	\$600.00
1-1/2"	\$900.00
2"	\$1200.00
3"	Actual Cost
4"	Actual Cost
6"	Actual Cost
8"	Actual Cost

If the water service exists and only a meter is required:

One inch or smaller.....	\$150.00	
Larger than 1 inch.....	Actual Cost	(1-1/2"\$300.00 deposit)
		(2".....\$400.00 deposit)

If the water service and meter exists:

Turn on, inspection, and account setup..... \$50.00

Annexation Fee:

\$200.00

Security Deposit: (Res. 2001-06)

A refundable \$20.00 deposit for all new signups.

Regulations: (Res. 2001-06)

1. Services discontinued for any reason shall continue to be billed on a monthly basis for minimum charges.
2. Property owners shall be responsible for payment of bills.

Bill Payment: (Res. 2000-02)

1. Bills are due and payable upon presentation.
2. At 30 days: bills become delinquent.
3. At 45 days: delinquent notice is mailed to customer.
4. At 59 days: delinquent notice is posted on the property (\$20.00 fee added to delinquent balance).
5. At 60 days: water is locked off.
6. Water service will be restored only during normal work hours after delinquent amount plus a \$20.00 reconnection fee is paid at office.