DECISION MEMORANDUM

TO:COMMISSIONER NELSON

COMMISSIONER SMITH

COMMISSIONER HANSEN

MYRNA WALTERS

TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

ROSE SCHULTE

BOB SMITH

DON OLIASON

GARY RICHARDSON

WORKING FILE

FROM:SCOTT WOODBURY

DATE:SEPTEMBER 27, 1996

RE:STAFF INVESTIGATION

EARL REAMY WATER SYSTEM (POST FALLS, IDAHO)

DISCUSSION RE: STATUS

The Commission received an initial complaint regarding the Earl Reamy Water System in March 1994.  Mr. Reamy is not presently regulated but operates a water system serving about 22 residences and one “cow-waterer.”  Staff’s investigative report (dated October 3 - 4, 1994) concludes that the water system is structured and operated in such a manner as to require regulation by this Commission.  No action toward regulation was taken because Mr. Reamy expressed an interest in exploring the feasibility of creating a homeowners association, a non-profit corporation, or a water district to run the system.  Staff agreed to work with the Company and its customers.

In February 1996, Mr. Reamy was advised by letter (attached) that having been unsuccessful in his attempts to transfer the water system to a homeowners association, a water district, or an otherwise qualifying non-profit corporation, it was now necessary to take steps to bring the water utility under the Commission’s regulation.  Mr. Reamy responded by telephone on March 6, 1996.  Pursuant to agreement (as reflected in March 7, 1996, letter attached), it was Staff’s understanding that Mr. Reamy would meet with his customers, who he represented had formed a homeowners association, and would provide the Commission with an executed memorandum of understanding setting forth the time of purchase and a time line for transfer of facilities.  Staff suggested that the exchange should be consummated in no less than 90 days.  Mr Reamy was advised that should a timely Memorandum of Understanding not be filed with the Commission, Staff would petition the Commission to open a formal docket and proceed on a path for regulation of his water system.

Mr. Reamy missed his deadline.  A Memorandum of Understanding was not filed with the Commission.  The Company has been silent.  Consumer Staff has recently received an additional customer complaint.  Staff recommends that a case docket be opened and that Mr. Reamy be directed to file an Application for a Certificate within 30 days.

Commission Decision

How does the Commission wish to proceed?

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Scott Woodbury

vld/M:dReamy.sw