



Holden Kidwell
Hahn & Crapo P.L.L.C.
LAW OFFICES

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IDAHO PUBLIC
UTILITIES COMMISSION

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March 22, 2010

Terri Carlock
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074
Email: terri.carlock@puc.idaho.gov

MNV-W-10-01

RE: Request for Authority to Borrow Additional Funds for Necessary Work on Morning View Water Company's System.

Dear Ms. Carlock:

This letter concerns the Morning View Water Company, and its need to perform additional necessary upgrades to its water system to ensure compliance with Department of Environmental Quality standards. DEQ officials who have assisted in this matter brought it to my attention that authorization from PUC needed to be received in order for Morning View to qualify or receive a loan under the Department of Environmental Quality's Drinking Water Planning Grant or Drinking Water Loan Letter of Interest. I have since visited with you by phone, and appreciate your assistance in this matter.

Morning View has requested a loan of \$275,000.00 in order to address a number of issues raised by the Department of Environmental Quality in a recent amended consent order executed between the Department of Environmental Quality and Morning View Water Company. Attached to this letter is a copy of our January 13, 2010 letter to Nancy Bowser of the Idaho Department of Environmental Quality, along with its associated attachments, including the letter of interest submitted on behalf of Morning View. As set forth on page 2 of our letter, this loan is necessary in order to:

1. Complete installation of variable speed drives for both pumps on the Morning View system;
2. Installation of approximately 25 meters on one acre lots within the Morning View subdivision;
3. Performance of pump testing on Morning View's two existing pumps to determine whether or not a third well would be necessary for the Morning View water system;
4. Installation of a backup generator; and
5. If necessary, construction of a new municipal well.

The above are deficiencies raised by the Department of Environmental Quality in response to inspections made by DEQ personnel on the Morning View system. Morning View is a small

system, and currently only has approximately 106 actual users, even though there are more connections than those that are currently connected.

Exhibit A to the letter includes the Consent Order Morning View recently executed with the Department of Environmental Quality, which sets forth in detail the concerns and violations assessed by DEQ. Due to current difficulty in obtaining financing for these projects, we have turned to DEQ for a loan under their LOI program, which will be the best way to address some of the system's current shortcomings. Without a loan approval from DEQ, we are uncertain as to where we could look next for financing to construct these improvements. It is therefore of utmost importance to Morning View that the loan and/or grant be granted in order to allow Morning View to move forward to correct its problems.

We are therefore specifically requesting authorization from the Idaho Public Utilities Commission to borrow up to \$275,000.00 to make the improvements set forth in our LOI and associated documents.

Best Regards,



Robert L. Harris
HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

Enclosures

c: Nolan Gneiting
Lisa Carlsen - DEQ w/o enclosures



COPY

January 13, 2010

Idaho Department of Environmental Quality
ATTN: Nancy Bowser
1410 N. Hilton
Boise, ID 83706

RE: Department of Environmental Quality Drinking Water Planning Grant or Drinking Water Loan Letter of Interest Submitted on Behalf of Morningview Water Company.

Dear Ms. Bowser:

Enclosed is a completed Department of Environmental Quality Drinking Water Planning Grant or Drinking Water Loan Letter of Interest submitted on behalf of Morningview Water Company of Rigby, Idaho. We have completed the attached form to the best of our understanding, and provide this letter in accordance with the form's instructions to submit additional explanation regarding various steps located on the letter of interest form. We have also enclosed exhibits, which we believe will help you understand the current difficult situation Morningview Water Company is in, and why we are applying for both a planning grant and a loan.

Attached at Exhibit A is a cover letter and consent order executed by Morningview Water Company on October 18, 2007. The consent order was necessary because of pressure problems Morningview faced in its system. The Morningview water system generally consists of two pumps and wells that divert into a common system. After various reports of pressure problems below 40 psi, IDEQ investigated Morningview, and ultimately the parties entered into the consent order to address some of the deficiencies identified by IDEQ in the system. To date, Morningview has met most of the requirements of the consent order, but there remain unresolved significant issues relating to capital improvements that need to be made on the system. After the consent order was entered into, IDEQ determined that there were additional violations, and had indicated its desire to proceed forward with the filing of a complaint against Morningview. A draft complaint is attached as Exhibit B.

In an effort to resolve the matter amicably, IDEQ has entered into additional negotiations with Morningview to chart a path forward to resolve these issues. In discussing the contents of that consent order, it became evident that Morningview needed to secure additional funding to perform the additional improvements. Unfortunately, with the recent downturn in the economy, and the tightening of banks in loaning money, Morningview has been unsuccessful in obtaining private financing to fund the capital improvements identified in its original facility plan. Additionally, Morningview is a private corporation, and due to the disapproved status of its system, was informed

that it does not qualify for any type of state or federal funding to improve its system. After additional investigation, and the provision of additional information by IDEQ to Morningview, it was determined that Morningview may qualify for a loan provided they submit the letter of interest attached hereto.

Morningview and IDEQ have recently negotiated an amended consent order, which we anticipate to be completed within the next seven (7) days. Once the amended consent order is agreed upon and executed, we will provide a copy of the amended consent order and request that it be attached as an addendum to the enclosed application in this letter.

Specifically regarding the various sections of the letter of interest, we provide the following descriptions and/or additional information.

Step 1: In discussing Morningview's situation with IDEQ loan officials, staff people, and their attorneys, it has been determined that Morningview should and is applying for both a construction loan and a planning grant. The grant is necessary for Morningview to complete some additional work on its facility plan in order to finally be approved by IDEQ. The grant would go toward paying of engineering costs, and environmental assessments that may be required in order for the facility plan to be implemented.

Additionally, Morningview seeks a construction loan to make, in order of the following priority, these improvements:

1. Installation of variable speed drives for both pumps.
2. Installation of approximately 25 meters on one acre lots within the Morningview subdivision.
3. Performance of pump testing on Morningview's existing two pumps, to determine whether or not a third well will be necessary for the Morningview water system.
4. Installation of a backup generator.
5. If necessary, construction of a new municipal well.

Step 2: SECTION 2: We have checked four boxes under Section 2 of Step 2 of the LOI form. The form requests that we provide documentation to support any statement for which the answer was yes. The first box checked yes is under the portion of the LOI stating that "no reports of water borne illness and low potential for such exists." The consent order attached at Exhibit A documents the pressure deficiencies the Morningview system has faced. Under IDAPA 58.01.08.552.01.b.v, the Idaho Rules for Public Drinking Water Systems, it requires that "when pressures within the system are known to have fallen below 20 psi, the water system must provide public notice and disinfect the system." Therefore, when pressures drop below 20 psi, there is the potential for contamination within the system. While all of Morningview's water quality samples have shown no water quality contamination, the low pressure issues experienced by Morningview would increase the potential for a public health hazard.

In addition, Morningview has checked all three boxes under the general condition of the system. Next to the heading of this section, it requests that we provide documentation, such as an engineer evaluation. Enclosed as Exhibit C is a final facility plan for Morningview Water Company prepared by Ryan Loftus of Aspin Engineering, Inc. The recommendations in the report have preliminarily been accepted by IDEQ, but IDEQ has found the report deficient in that it does not set forth a time line for the capital improvements. Other than this deficiency of a lack of time line, it appears that the facility plan meets IDEQ standards. Specifically regarding the general condition of the system, there are infrastructure deficiencies of pumping facilities, and insufficient capacity to meet pressure and customer demand, and other system deficiencies related to lack of meters on the system. As stated above, we have a priority list of five major capital improvements which we believe will significantly improve customer satisfaction and improvement of the system. Additionally, with the installation of variable speed drives, we believe that this will improve energy efficiency throughout the system, and be a major improvement over the current manual operation of the two wells.

Morningview has been subject to a consent order, a copy of which is attached at Exhibit A. The consent order does require mandatory public notification, and in particular, informing users on the Morningview system that they system is currently in a disapproved status. Under Section 2 of LOI, it requests a discussion if we are seeking funding for "a phased approach to your systems needs when if the phase in strategy has been discussed with the DEQ regional engineer." We have proposed a phased-in strategy to improve the system. Because Morningview is a private company and is subject to the regulations of the Public Utilities Commission, costs for capital improvements performed pursuant to loan proceeds will need to be recouped through fees charged to consumers on the system. As such, fiscal responsibility requires that it may be implemented in a phased in approach. We anticipate installing the variable speed drives immediately upon receipt of any loan proceeds, and securing the meters for the one acre lots within the Morningview subdivision, as water use on those lots have significantly strained the system. With these two immediate items addressed, the other prioritized capital improvements can be addressed in a fiscally responsible manner.

Lastly, there has not been an officially declared or designated public health hazard or emergency that has been certified by IDEQ. However, give the consent orders, and the multiple year process in resolving this issue between IDEQ and Morningview, we submit that the current situation is of immediate concern to IDEQ.

SECTION 3: Under Section 3, it requests information relative to management based efforts to determine the costs of our efforts. Anticipated costs of our proposed improvements is generally outlined in the final facility plan, with the one exception that we are not proposing meters for all of the lots within the Morningview system. The Morningview subdivision consists of a number of one acre lots, half acre lots, quarter acre lots, and much smaller trailer lots. In an effort to be as cost effective as possible, Morningview is proposing to meter the high users, who significantly irrigate the one acre lots within the subdivision. If it is determined at a later date that the half acre and quarter acre lots need to be metered, then those meters could be installed at a later date in a fiscally responsible manner. Additionally, in an effort to prioritize those needs within the system, it is more

likely that a new well would be needed prior to installation of meters on the half acre and quarter acre lots.

Under Paragraph 2 of Section 3, it asks for an explanation of the management base sustainability initiative efforts that you will engage as part of the project. Notable, it mentions the installation of variable frequency drive pumps. Based upon the recommendations of our engineer, and comments from Morningview water users received at a meeting held in June 2009 to discuss the system deficiencies and how to improve them, the general consensus was to first install variable frequency drive pumps on both Morningview pumps. In addition to the savings received from the more energy efficient drives, the variable frequency drives would also allow the wells to "communicate" with one another to maintain a more constant pressure within the system. Additionally, we propose the installation of water meters on the approximate 25 lots within the subdivision that are one acre in size. Morningview's observations over the years has been that there has been significant water usage on these lots for irrigation purposes, and we believe metering such uses would encourage these homeowners to implement greater water conservation measures, which will lessen demand on the system, and improve pressure and service to other members of the subdivision. Section 3, Part 2 requests documentation supporting the technology based efforts. The benefits of the meters, are set forth in the final facility plan, and it is generally understood that from communications from IDEQ officials, this will substantially reduce water usage.

Under Paragraph 3 of Section 3, it requests that we explain the construction practices sustainability initiative efforts that we will engage in as part of our project. The construction efforts will be performed using generally accepted engineering principles for the installation of the variable speed drives and the meters. However, it is also proposed that Morningview explore the opportunity to use an existing capped irrigation well that was drilled in the late 1970s as an additional municipal well. While the well does not meet current IDEQ standards for casing for public water systems, Morningview hopes to explore potential use of the well as a third well for the subdivision. In effect, this would recycle or reuse the existing well on the property, which would potentially save costs to consumers. Obviously, if this well is used, it would need to be constructed in a manner that would protect the public health and safety of those within the Morningview system. Nevertheless, Morningview is committed to determine whether or not this well could be used.

SECTION 4. Paragraph 1. We estimate that the total cost to prepare a facility plan or engineering report, and to prepare any environmental information document, environmental assessments, or environmental impact statements, to be approximately \$30,000.00. Regarding our interest in receiving a planning grant, question 2 of Paragraph 1 of Section 4 asks if we would have our 50% required matched funds available within the next twelve months. We believe we would have the funds available, but would use the loan proceeds requested under this letter of interest to match the grant amount. In other words, we believe the 50% required match will be available if the loan is also granted. We have been informed by IDEQ officials that loan money could be used in this manner. Under Paragraph 2 of Section 4 it asks whether a facility plan or engineering report has been completed. The final facility plan has been preliminarily accepted by IDEQ, but has not been

formally approved because of additional planning regarding time lines that would need to be implemented into the plan.

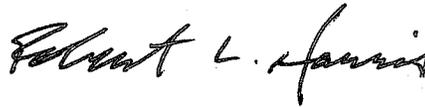
We estimate that approximately \$275,000.00 would be needed to correct the problems identified in the facility plan and engineering report. This amount would be for the totality of the capital improvements so requested, but as indicated previously in this letter, we must proceed in a fiscally responsible manner so as to not burden Morningview with excessive debt, or substantial increase in the rates of the Morningview consumers provided the public utilities commission approves a rate increase to offset the cost of the loan. We estimate the cost for the variable speed drives to be approximately \$10,000.00. We estimate that each meter would cost approximately \$2,000.00, and for 25 homes, estimate this to equal \$50,000.00. We anticipate testing of the existing tapped irrigation well to be approximately \$10,000.00. To the extent a new well is required to be drilled, we estimate this cost to be approximately \$150,000.00. And lastly, we anticipate a backup generator to cost approximately \$40,000.00. If we also include the \$15,000.00 that would be used for our grant match, the grand total for all of these improvements is \$275,000.00.

Regarding the community's interest to proceed on the project, attached as Exhibit D is a letter sent to all Morningview water customers to attend a June 9th meeting in the Rigby City Library to discuss the pressure problems with the Morningview system. A majority of those there were interested in cost effective solutions, but did express their frustration over the issues that were currently facing the system. Overall, the patrons seemed interested in improving the system in a cost effective manner.

Additionally, under Section 4, the LOI asks whether financial documentation is in place or does the system of legal authority to incur the debt associated with the proposed project. Morningview Water Company is a private company, and can therefore incur debt. The determination of how Morningview can repay the loan will be subject to PUC approval.

Summary: To the extent any additional information is required, we would be happy to provide it immediately. As indicated in the consent orders, the Morningview system has been a concern for IDEQ for a number of years. In our dealings with IDEQ officials, they have been patient and helpful in working towards a resolution, but at this point, all parties desire to improve the system. Financing has been the primary hurdle for making the improvements, but with a loan and grant from IDEQ, we believe that the system can be brought back to an approved status. We very much appreciate your consideration of this application. If it is deficient in any respect, please notify us immediately, and we will provide the necessary information as soon as possible. We look forward to receiving word of whether or not Morningview qualifies for the grant and/or loan requested in the LOI.

Best Regards,



Robert L. Harris

HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

Enclosures

c: Morningview Water Company
Lisa Kronberg, Deputy Attorney General

MNV-W-10-01

Department of Environmental Quality
Drinking Water PLANNING GRANT or
Drinking Water LOAN LETTER OF INTEREST

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FORM A

IDAHO PUBLIC UTILITIES COMMISSION

STEP 1. Decide if your community is interested in pursuing a DEQ Drinking Water PLANNING GRANT or a DEQ Drinking Water LOAN by answering the following questions. It is strongly recommended that you work closely with your engineering consultant to complete this form.

- Do you need to make improvements or upgrade your public drinking water system? YES NO
 - Proceed to QUESTION #2 if you answered YES and are interested in being rated and placed on the new fiscal year's planning grant or loan priority list for FY 2010.
 - If you answered NO, you will not be placed on the new fiscal year's priority list. DEQ will notify you next year when the grant and loan process begins. If you answered NO, please do not complete or submit this form to DEQ.
- Has your community completed a drinking water facility plan or engineering report (with a final environmental determination) in the last five (5) years or is one in progress now?

YES (we are interested in a construction loan)

NO (we are interested in a planning grant)

 - If you answered YES, are you ready to design and construct your project? If so, and you want your project rated and placed on the drinking water loan priority list, please proceed to STEP 2 and complete Sections 1, 2, 3 and 4B.
 - If you answered NO, you need to do some planning work. If you are interested in receiving a drinking water planning grant, please proceed to STEP 2 and complete Sections 1, 2, 3 and 4A.

STEP 2 PROJECT INFORMATION – Please provide complete and accurate answers to receive the highest possible rating for your drinking water system.

SECTION 1: SYSTEM IDENTIFICATION

System PWS No. ID 7260063

System Name MORNING VIEW WATER COMPANY

System Address P.O. BOX 598 City RIGBY State ID Zip 83442

Population Served 265 System Ownership (Check one): For Profit Not for Profit

Owner's Name NOLAN GNEITING Owner's Phone # 208-745-0029

Contact Person/Title (If different from owner) _____

Address _____ City _____ State _____ Zip _____

Phone No. _____ FAX No. 208-745-0041 Email Address morningviewhomes@qwestoffice.net

SECTION 2: DRINKING WATER SYSTEM PROBLEMS

Is your drinking water system experiencing any of the following problems? If so, check YES to ALL that apply. Then, describe the problem(s) and provide documentation to support any statement for which the answer was YES on a separate sheet of paper.

Public Health Emergency

- Waterborne illness outbreak
- Acute microbiological, chemical, radiological, nitrate or E-coli source contamination problems
- Failed primary water source

YES NO

YES NO

YES NO

Public Health Hazard

- Recorded evidence of waterborne illnesses
- Reported illnesses may be waterborne
- No reports of waterborne illnesses, but high potential exists
- No reports of waterborne illness and low potential for such exists

YES NO

YES NO

YES NO

YES NO

Water Quality Violations

- Ongoing chemical contamination violations
- Ongoing bacterial contamination violations
- Surface water treatment rules violations
- Identify constituents in violation: _____

YES NO

YES NO

YES NO

General Condition of System (provide documentation other than sanitary survey, e.g. engineer evaluation)

- Infrastructure deficiencies of pumping facilities, distribution lines, or treatment facilities,
- Inadequate or deficient storage, capacity to meet pressure or customer demand, etc.
- Other system deficiencies

YES NO

YES NO

YES NO

Has your public water system been subject to any of the following corrective measures recently?

Compliance Agreement: YES NO

Administrative or consent orders: YES NO

Drinking Water Advisory Issued (e.g. boil water advisories, mandated public notifications, etc.): YES NO

On a separate sheet, describe the issues that you have provided a "Yes" response to above, providing any support documentation that will assist in an understanding of the problem/s. Please discuss if you are seeking funding for a phased approach to your system's needs and if the phasing strategy has been discussed with the DEQ Regional Engineer. Describe the alternative selected to correct the identified problem(s). Use the selected alternative in the facility plan. Does an officially* declared or designated public health hazard or emergency exist? [*Certified by DEQ or Health Dept. Board.] Label this description as Section 2.

SECTION 3: BONUS POINTS QUESTIONS. (Check YES to all that apply):

- Is your source water assessment done?
- Have you established a protective zone around your well(s)?
- Have you established a drinking water system replacement fund?
- Do you have an active backflow protection program in place?
- Do you have a conservation-oriented rate structure (meters)?
- Do you have licensed operators for your system as required under IDAPA 58.01.08?
- Is your system current on monitoring requirements?

YES NO

Sustainable Infrastructure Initiatives ("Green Infrastructure")

1. Management-based efforts. Please explain the management-based sustainability initiative efforts your system will engage in as part of the project and the cost of the effort. Management-based efforts could include (but would not be limited to):

- Implementing a capital budget that is funded, and is supported by a capital improvement plan;
- Implementing a formal asset management system (using a tool such as EPA's CUPSS);

Implementing sustainable design principles, including energy efficiency and design for disassembly;
Implementing a formal environmental management system (exemplified by ISO 14001 Certification);
Implementing a system consolidation (i.e. public/private, small/large);
Implementing a SI benchmarking program;
Funding the provision of water efficient fixtures for the community;
Applicant has an energy audit and plans on implementing the suggestions of the audit;
Applicant is an EPA GreenPower partner.

Include documentation supporting the management-based efforts. Label the documentation as Section 3, Part 1. Some green infrastructure related websites include:

<http://www.epa.gov/cupss/>

http://en.wikipedia.org/wiki/ISO_14001

<http://www.iso14000-iso14001-environmental-management.com/>

http://www.iso.org/iso/iso_14000_essentials

http://www.energystar.gov/index.cfm?c=evaluate_performance.bus_portfoliomanager ;

http://www.energystar.gov/index.cfm?c=evaluate_performance.bus_portfoliomanager_benchmarking;

<http://www.epa.gov/region09/waterinfrastructure/benchmark.html> <http://www.epa.gov/greenpower/>

<http://www.nema.org/gov/energy/efficiency/premium/> ; <http://www.nema.org/stds/complimentary-docs/upload/MG1premium.pdf>.

<http://www.cee1.org/ind/mot-sys/mtr-ms-main.php3>

2. Technology-based efforts. Please explain the management-based sustainability initiative efforts your system will engage in as part of the project and the cost of the effort. Technology-based efforts could include (but would not be limited to):

On-site energy generation, such as:

- Fuel cells
- Solar
- Wind;

Installation of variable frequency drive pumps;

Installation of turbines/hydrogenerators in pipelines;

Installation of premium energy-efficient motors that exceed NEMA definition;

Construction/renovation of buildings that incorporate LEED criteria;

Installation of leak detection equipment;

Installation of water meters and water conservation measures that meet the EPA Green Project Reserve guidance document's requirements (Items A-7 and A-9). The guidance document is located at

<http://www.deq.idaho.gov/water/arra/green_project_reserve_q&a.pdf>;

Implementing energy efficiency savings of 20% or more;

Installation of green roofs;

Include documentation supporting the technology-based efforts. Label the documentation as Section 3, Part 2.

3. Construction practices. Please explain the construction practices sustainability initiative efforts your system will engage in as part of the project and the cost of the effort. Construction practices efforts could include (but would not be limited to):

Use of a brownfield site for the facility, use of recycled materials for facility construction and design for deconstruction.

Include documentation supporting the construction efforts. Label the documentation as Section 3, Part 3.

SECTION 4: SYSTEM READINESS TO PROCEED WITH PROJECT.

1. **Drinking Water Planning Grant** -- What's the estimated total cost (DEQ + your match) to prepare your facility plan/engineering report? \$30,000.00 Has the cost of preparing an Environmental Information Document, as one of the required elements of a facility plan/engineering report, been included in the price above?

If interested in receiving a planning grant, will you have the fifty percent (50%) required match funds available within the next twelve (12) months? YES NO

If loan is granted

2. **Drinking Water Loan** -- Has the facility plan/engineering report been completed (and a final environmental determination issued)?

YES NO

Title of Document FINAL FACILITY PLAN DEQ Approval Date Not yet approved

Describe the selected alternative to correct the problem(s) identified in the facility plan/engineering report.
 First to install variable speed drives to improve pressure and energy efficiency; Second to install meters on one-acre lots; Third to test existing well to determine feasibility of well for new well; Fourth, to install new well, if needed, to improve system; and Fifth, to install backup generator.

Estimated cost to correct the problems identified in the facility plan/engineering report \$275,000.00

Briefly describe indicators or actions that reflect the community's interest or readiness to proceed on this project (e.g. minutes from public hearings).

Morningview Water Company had a meeting with its patrons in June 2009 to discuss solutions to pressure problems. A majority of the patrons were interested in cost-effective solutions.

Monthly User Service Rate:

What is the current average monthly user service rate? \$40.94 (1/4 acre); \$41.66 (1/2 acre); \$49.48 (1 acre)

What is the projected average monthly user service rate impact from the change to operation and maintenance cost after implementation of this project? Rates would need to be increased to pay for improvements.

What is the number of equivalent dwelling units served by your system? 106

Is financial documentation in place or does the system have legal authority to incur the debt associated with the proposed project?

Choose one

The system does not yet have legal authority to incur this debt.

Bond council or financial consultant retained.

Date of proposed bond election (if applicable). _____

Legal instrument(s) in place (e.g., bond election, judicial confirmation, etc.).

What is the amount of debt that can be legally incurred? PUC approval (Morningview is a private company)

I understand that if awarded a grant, costs incurred prior to the awarding of the grant are not eligible for reimbursement. Likewise if awarded a loan, costs incurred prior to the awarding of the loan are not eligible for reimbursement.

I certify that, to the best of my knowledge, all information provided here is valid and correct:

Authorized Signature *Nolan Swetney* Title *president - 2497* Date *1-13-10*

Return completed form to:
Idaho DEQ
1410 N. Hilton
Boise, ID 83706
Attn: Nancy Bowser

Exhibit A



STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY

1410 North Hilton • Boise, ID 83706-1255 • (208) 373-0502

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

October 9, 2007

**CERTIFIED MAIL:
RETURN RECEIPT REQUESTED**

Mr. Nolan Gneiting
Morning View Water Company
P.O. Box 598
Rigby, ID 83442

RE: Consent Order for Morning View Water Company public water system, PWS ID7260063

Dear Mr. Gneiting:

Enclosed is a Consent Order outlining a compliance schedule for the Morning View Water Company public water system that was discussed during the compliance conference on September 26, 2007. The terms and conditions are those agreed upon by the participants attending the September 26 meeting. The steps outlined in the Consent Order are needed to protect the health and welfare of Morning View Water Company water users. We would like to advise you of the following clarifications to the document made during the internal review process:

- 1) Paragraph 9.b. has been modified for clarification. There is no substantive change.
- 2) Paragraph 9.g. has been modified to include language specific to methods of testing to identify sand content in drinking water. Additionally, this section discusses the potential for subsequent action to address sand content above 5 parts per million.

These additional elements are not intended to alter the purpose of the Consent Order but rather to clarify the intent. Please review the Consent Order, sign, date, and return the original document within fifteen (15) days of receipt to:

Bryan Zibbell, Drinking Water Enforcement
Department of Environmental Quality
1410 North Hilton (2nd Floor)
Boise, Idaho 83706

Upon receipt of the signed Consent Order we will obtain the Director's signature and mail a fully executed copy to you for your records. Thank you for your attention to this matter.

Sincerely,

Barry N. Burnell
Water Quality Division Administrator

BNB:jt

Enclosure

c: Courtney Beebe, Deputy Attorney General
Greg Eager, Idaho Falls Regional Engineering Manager
Rochelle Mason, Idaho Falls Regional Office
Enforcement File
COF

7. By letter dated September 24, 2007 and addressed to Mr. Nolan Gneiting, the Idaho Bureau of Occupational Licenses indicated the operator is not currently a licensed drinking water operator, as required by IDAPA 58.01.08.554.01.a.

8. By Notice of Violation (NOV) dated September 12, 2007, the Department notified Morning View of violations of the Idaho Rules for Public Drinking Water Systems, IDAPA 58.01.08. The NOV is incorporated by reference into this Consent Order. The NOV provided Morning View an opportunity for a compliance conference to discuss the violations and enter into a consent order. A compliance conference was held on September 26, 2007.

9. Morning View hereby agrees to perform the following actions in the time periods set forth in order to achieve compliance with Idaho Rules for Public Drinking Water Systems, IDAPA 58.01.08:

a. Significant Deficiencies. Within thirty (30) days of the effective date of this Consent Order, Morning View will respond in writing to the Department indicating what actions will be taken to address the significant deficiencies noted on the October 9, 2003 sanitary survey and a timeline for corrective measures, in accordance with IDAPA 58.01.08.302. All actions and timelines will be subject to the Department Submittal Review Process as described in Paragraph 10.

i. No later than 30 days from the effective date of this Consent Order, Morning View shall schedule a sanitary survey with the Department to confirm all deficiencies and any other system components that the Department determines to cause, or have potential to cause, risk to health or safety, or that could affect the reliable delivery of safe drinking water have been properly addressed and/or corrected in accordance with IDAPA 58.01.08.

b. Public Notice. Effective immediately, Morning View shall provide quarterly public notices to each residence on the System by mail or hand delivery. The public notices shall inform the residents of the Department's disapproval of the System, and shall identify the violations in the NOV dated September 12, 2007, in accordance with IDAPA 58.01.08.150.

i. Morning View shall continue to provide quarterly public notices until such time as the Department notifies Morning View in writing that quarterly notices are no longer required.

ii. Morning View shall provide the Department with proof of each quarterly notification via the Department's supplied notification form and a copy of each quarterly notification within ten (10) days of completion in accordance with IDAPA 58.01.08.150.

Morning View Water Company
Consent Order

c. Pressure Maintenance. No later than ninety (90) days from the effective date of this Consent Order, Morning View shall submit to the Department a written plan detailing how Morning View will ensure that the System shall be made capable of maintaining a minimum pressure of forty (40) psi throughout the distribution system, during peak hourly demand conditions, excluding fire flow, measured at the service connection or along the property line adjacent to the consumer's premises, in accordance with IDAPA 58.01.08.552.01.b.ii. The plan shall include, but is not limited to;

- i. The results of a local pressure monitoring study, conducted in accordance with IDAPA 58.01.08.552.01.b, to diagnose and correct pressure problems within the System.
- ii. Assurance that the individual booster pump installed at 200 N. 3987 will cause no adverse effects on System operation, including acknowledgement that any future installations of individual booster pumps will be subject to Department approval per IDAPA 58.01.08.552.b.iv.

The Department shall review, comment and/or approve the plan as specified in Paragraph 10 of this Consent Order.

d. Facility Plans. No later than ninety (90) days from the effective date of this Consent Order, Morning View shall submit to the Department a detailed facility plan in accordance with IDAPA 58.01.08.502. The Department shall review, comment and/or approve the facility plan as specified in Paragraph 10 of this Consent Order.

e. Licensed Operator. Within thirty (30) days of the effective date of this Consent Order, Morning View shall submit documentation to the Department for a licensed Responsible Charge Operator in accordance with IDAPA 58.01.08.554.02.

i. Morning View agrees to contract with a licensed operator until such a time that Morning View can license their own operator. Morning View agrees to provide the Department with a copy of a signed contract with a licensed operator and an invoice for services within thirty (30) days of the effective date of this Consent Order.

f. Sampling Plan. Within thirty (30) days of the effective date of this Consent Order, Morning View shall submit for Department approval a sampling plan that addresses bacteria monitoring in accordance IDAPA 58.01.08.100.01.a., which adopts by reference 40 CFR 141.21. The bacteria sampling plan shall identify monitoring locations of routine

monitoring and how the system will address repeat and routine monitoring following coliform and/or fecal coliform presence results. Upon the Department's written approval of the sampling plan, the plan shall be incorporated by reference into this Consent Order and shall be enforceable as provided by applicable law.

g. Sand Separator. Morning View shall collect a water sample from each well. The sand concentration from each well shall be determined and added together. The resulting average shall be utilized to determine sand production from the water supply. A total of four (4) sampling events shall be required. The first sample is due by October 31, 2007 with subsequent sampling conducted in the months of March, April, and May. The Department shall be contacted prior to all sampling events. All sampling shall be conducted as follows:

i. Water shall be drawn from a sampling tap installed prior to the pressure tank(s) and collected into a clean 5-gallon container. Water should be collected in a manner which permits the water to flow into the container in a circular pattern, creating a centrifugal force that shall force suspended solids to the center of the container. The duration of time taken to fill the container shall be recorded and flow rate determined.

ii. Solids shall be decanted from the water and measured in a graduated cylinder to determine the concentration of suspended solids present in the 5-gallon solution. The concentration shall be recorded in parts per million (ppm).

iii. Should any sample described in Paragraph 9.g.i result in a concentration of five (5) ppm or greater, Morning View shall submit, for Department approval, a monitoring plan to evaluate sand production from the water supply wells utilizing a Rossum Sand Tester, which shall include the actions to be taken to reduce sand concentration in the water to five (5) ppm or less, and the timelines to achieve compliance, in accordance with IDAPA 58.01.08.510.06.b.

iv. Morning View shall submit a statistical analysis of the sampling results to the Department by no later than June 30, 2008 before a determination of the need for sand removal by the Department is made. Samples collected as described in Paragraph 9.g.i resulting in a concentration of less than five (5) ppm shall require no further action as a result of this Consent Order.

V. In lieu of conducting sand sampling, Morning View can choose the following options:

Morning View Water Company
Consent Order

- a. installing a Department approved sand separator.
- b. installing a Department approved well screen in each well.

h. Dead End Mains. No later than thirty (30) days from the effective date of this Consent Order, Morning View shall ensure that all dead end mains within the System are equipped with a means of flushing, and that all such dead ends are properly flushed in accordance with IDAPA 58.01.08.542.09.

10. Department Submittal Review Process. Unless otherwise set forth specifically herein, the following document submittal and review process (Submittal Review Process) shall be followed regarding submittals required by this Consent Order. This process shall be followed until the Department approves the document or the document review time frame has expired.

a. Within thirty (30) calendar days of receipt of Morning View's submittal, the Department shall 1) notify Morning View in writing the document is approved; 2) notify Morning View in writing of any deficiencies in the document; or, 3) notify Morning View of the Department's extension of the Department's review and comment period. If the Department notifies Morning View of deficiencies in the document, Morning View shall submit a revised document to resolve those deficiencies within thirty (30) calendar days of receipt of the Department's notice.

b. The Submittal Review Process shall be repeated until the Department notifies Morning View the document is approved. However, the submittal must meet the Department's approval within sixty (60) days from the due date for the first submittal of the document, unless the Department provides Morning View with a written extension of the sixty (60) day time frame. Morning View's failure to obtain Department approval of a submittal within such time frames shall constitute a violation of this Consent Order.

c. Once the Department approves these documents, they shall be incorporated herein and enforceable as a part of this Consent Order.

11. Civil penalties of FOUR HUNDRED FIFTY DOLLARS (\$450) were assessed in the NOV and will be resolved as follows:

a. Beginning the quarter of October 1, 2007 through December 31, 2007, and for three (3) consecutive quarters thereafter, Morning View shall submit to the Department a payment of \$112.50, for a total of four hundred fifty dollars (\$450) in total assessed penalties.

- b. Payment(s) shall be made payable to the Idaho Department of Environmental Quality and shall be submitted to:

Idaho Department of Environmental Quality
Financial Management
Attn: Drinking Water Penalty Payment
1410 N. Hilton
Boise, Idaho 83706

12. All communications required of Morning View by this Consent Order shall be addressed to:

Greg Eager, Engineering Manager
Department of Environmental Quality
Idaho Falls Regional Office
900 N. Skyline, Suite B
Idaho Falls, ID 83402

13. All notices, reports and submittals required of the Department by this Consent Order shall be addressed to:

Mr. Nolan Gneiting
Morning View Water Company
P.O. Box 598
Rigby, ID 83442

14. This Consent Order shall not in any way relieve Morning View from any obligation to comply with any provision of the Idaho Rules for Public Drinking Water Systems, or any applicable local, state, or federal laws.

15. Morning View recognizes that failure to comply with the terms in this Consent Order may result in district court action seeking specific performance of this Consent Order; assessment of costs and expenses; available penalties under Idaho Code §39-108; restraining orders; injunctions; attorney fees; and other relief available by statute or rule as the court considers to be just and reasonable under the circumstances.

16. This Consent Order shall remain in full force and effect until the Department acknowledges in writing that the Consent Order is terminated and that Morning View has fulfilled all requirements of this Consent Order.

17. This Consent Order shall bind Morning View, its successors and assigns, until terminated in writing by the Department.

18. Each undersigned representative to this Consent Order certifies that he or she is fully authorized to enter into the terms and conditions of this Consent Order, and to execute and legally bind such party to this document.

19. The effective date of this Consent Order shall be the date of signature by the Director of the Idaho Department of Environmental Quality.

DATED this 18th day of October, 2007.

By: *Nolan Gneiting*
Nolan Gneiting
Morning View Water Company



DATED this _____ day of _____, 2007.

By: _____
Toni Hardesty, Director
Department of Environmental Quality

Exhibit B

LAWRENCE G. WASDEN
Attorney General

CLIVE J. STRONG
Deputy Attorney General
Chief, Natural Resources Division

COURTNEY E. BEEBE, ISB # 6755
Deputy Attorney General
1410 N. Hilton, 2nd Floor
Boise, Idaho 83706
Telephone: (208) 373-0494
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Attorneys for Plaintiff

RECEIVED

2009 JUN -5 PM 2:00

IDAHO PUBLIC
UTILITIES COMMISSION

IN THE DISTRICT COURT OF THE TENTH JUDICIAL DISTRICT OF
THE STATE OF IDAHO, IN AND FOR THE COUNTY OF JEFFERSON

STATE OF IDAHO, DEPARTMENT
OF ENVIRONMENTAL QUALITY,

Plaintiff,

v.

Nolan Gneiting, d/b/a Morningview Water
Company,

Defendant.

CASE NO. _____

COMPLAINT

Filing Fee: Exempt [Category A]
Idaho Code § 31-3212

Plaintiff, the Idaho Department of Environmental Quality ("Department"), by and through the Office of the Attorney General, makes this complaint and claim for relief against Nolan Gneiting, d/b/a Morningview Water Company ("Defendant"), alleging as follows:

NATURE OF THE CASE

1. This is a civil action initiated pursuant to the Idaho Environmental Protection and Health Act (EPHA), Idaho Code § 39-101 *et seq.*, specifically, I.C. § 39-108, and the terms and conditions of a consent order dated October 25, 2007, between the Department and Defendant ("Consent Order," attached hereto as Appendix I). The Department seeks specific performance of the unperformed terms of the Consent Order and seeks a permanent mandatory injunction requiring the Defendant to comply with IDAPA 58.01.08 as alleged below.

2. The Department seeks penalties of not more than ten thousand (\$10,000) per violation or one thousand (\$1,000) for each day of continuing violation, whichever is greater, pursuant to Idaho Code § 39-108(5).

3. The Department seeks expenses incurred in bringing this action to enforce the EPHA, IDAPA rules promulgated thereunder, and/or the Consent Order, as provided by Idaho Code § 39-108(6).

4. The Department also seeks reasonable attorneys' fees, witness fees, and reasonable expenses as provided by Idaho Code § 12-117 and I.R.C.P. 54.

JURISDICTION AND VENUE

5. This Court has jurisdiction over the subject matter of this action pursuant to Idaho Code § 39-108(3) and Idaho Code § 1-705.

6. This Court has personal jurisdiction over the Defendant pursuant to Idaho Code § 5-514(a-c) for the reason that the Defendant has committed acts within the State of Idaho out of which this cause of action arises and which violate the laws of the State of Idaho. Additionally, the Defendant owns real property within the State of Idaho,

which is related to the subject matter involved in this action.

7. Venue is proper in the Court, pursuant to Idaho Code § 39-108(3)(b) and Idaho Code § 5-404, because the violations and acts and omissions alleged herein occurred and the action arose in Rigby, Jefferson County, Idaho.

PARTIES

8. The Department is a duly authorized governmental entity, established pursuant to Idaho Code § 39-104 and charged by the legislature with responsibility to enforce the Rules of the Department of Environmental Quality.

9. Nolan Gneiting is a person within the meaning of Idaho Code § 39-103(11).

10. Morningview Water Company is a person within the meaning of Idaho Code § 39-103(11).

FACTUAL ALLEGATIONS

11. Idaho Code § 39-108(3)(a)(iv) states that if the recipient of a notice of violation under § 39-108(3)(a)(i) and the Director of the Department "agree on a plan to remedy damage caused by the alleged violation and to assure future compliance, they may enter into a consent order formalizing their agreement. The consent order may include a provision providing for payment of any agreed civil penalty.

12. Idaho Code § 39-108(3)(a)(v) provides that "a consent order shall be effective immediately upon signing by both parties and shall preclude any civil enforcement action for the same alleged violation. If a party does not comply with the terms of the consent order, the director may seek and obtain, in any appropriate district court,

specific performance of the consent order and such other relief as authorized in this chapter."

13. Idaho Code § 39-108(b) allows the Department to commence a civil enforcement action "in the district court in and for the county in which the alleged violation occurred, and may be brought against any person who is alleged to have violated any provision of this act or any rule, permit or order which has become effective pursuant to this act. Such action may be brought to compel compliance with any provision of this act or with any rule, permit or order promulgated hereunder and for any relief or remedies authorized in this act. The Director shall not be required to initiate or prosecute an administrative action before initiating a civil enforcement action."

14. Idaho Rule for Public Drinking Water Systems 58.01.08.003.87 defines a public drinking water system as a "system for the provision to the public of water for human consumption through pipes or other constructed conveyances, if such system has at least fifteen (15) service connections, regardless of the number of water users or consumption of the distribution system, or regularly serves on average at least twenty-five (25) individuals daily at least sixty (60) days out of the year."

15. Defendant Nolan Gneiting is the president and sole share holder of the Morningview Water Company according to the 2009 Annual Report on file with the Idaho Secretary of State.

16. Defendant owns and operates a public drinking water system ("System") that serves approximately one hundred and six (106) connections and approximately two hundred twenty five (225) persons on a daily basis in Rigby, Jefferson County,

Idaho.

17. Idaho Rule for Public Drinking Water Systems 58.01.08.552.01.b.i requires that "[a]ny public water system shall be capable of providing sufficient water during maximum day demand conditions, including fire flow to maintain a minimum pressure of twenty (20) psi throughout the distribution system, at ground level, as measured at the service connection or along the property line adjacent to the consumer's premises."

18. Idaho Rule for Public Drinking Water 58.01.08.552.01.b.ii requires that "[a]ny public water system constructed or significantly modified after July 1, 1985, shall maintain a minimum pressure of forty (40) psi throughout the distribution system, during peak hourly demand conditions, excluding fire flow, measured at the service connection or along the property line adjacent to the consumer's premises."

19. Idaho Rule for Public Drinking Water 58.01.08.552.01.b.v requires that "[w]hen pressures within the system are known to have fallen below twenty (20) psi, the water system must provide public notice and disinfect the system."

On July 5, 2007, the Department investigated and verified a consumer complaint from a connection to the System regarding inadequate pressure and discovered that pressure in the system fell below twenty pounds per square inch (20 psi) during a 24-hour period.

21. On July 6, 2007, the Department notified Defendant of the System's inadequate pressure by letter and required Defendant to remedy the inadequate pressure within ten (10) days.

22. On July 23, 2007, the Department conducted additional pressure testing at

five (5) connections to the System, and discovered the average pressure in the System during a twenty-four hour period was twenty-two pounds per square inch (22 psi).

23. On July 25, 2007, the Department notified the Defendant of the results of the July 23, 2007, pressure testing by letter and required the Defendant to diagnose and correct pressure deficiencies by August 6, 2007. The letter included notification to the Defendant of IDAPA 58.01.08.552.01.b.v, and required the Defendant to provide public notification of pressure loss to each connection to the System.

24. By letter of August 8, 2007, the Department notified the Defendant of the Defendant's failure to notify the Department of any efforts to diagnose the System's pressure deficiencies or corrective actions taken to resolve the System's pressure deficiencies by August 6, 2007.

25. On August 16, 2007, by letter the Department notified the Defendant that the Department had suspended the System for failure to diagnose and resolve pressure deficiencies.

26. On September 12, 2007, the Department issued a Notice of Violation ("NOV") pursuant to I.C. § 39-108(a)(i) and notified the Defendant of multiple violations of the Idaho Rules for Public Drinking Water Systems (IDAPA 58.01.08). The NOV provided the Defendant an opportunity for a compliance conference and the Department held a compliance conference with the Defendant on September 26, 2007.

27. Pursuant to I.C. § 39-108(a)(iv) and (v), the Department and the Defendant, entered into a Consent Order on October 25, 2007.

28. Paragraph 9.b of the Consent Order requires the Defendant to provide quarterly public notices to each connection to the System by mail or hand delivery,

informing the consumers of the Department's disapproval of the System and shall identify the violations in the September 12, 2007, NOV, as required by IDAPA 58.01.08.150. Paragraph 9.b. of the Consent Order also required the Defendant to "continue to provide quarterly public notices until such time as the Department notifies [the Defendant] in writing that quarterly notices are not longer required." Additionally, the Defendant agreed to "provide the Department with proof of each quarterly notification via the Department's supplied notification form and a copy of each quarterly notification within ten days of completion."

29. The Defendant failed to provide to each residence connected to the System a Second Quarter of 2008 Public Notice for the period of April 1, 2008, through June 30, 2008, or provide a copy of the Second Quarter Public Notice to the Department as required by paragraph 9.b. of the Consent Order.

30. The Defendant failed to provide to each residence connected to the System a First Quarter of 2009 Public Notice for the period of January 1, 2009, through March 31, 2009, and provide a copy of the First Quarter Public Notice to the Department as required by paragraph 9.b of the Consent Order.

Paragraph 10.c of the Consent Order requires the Defendant to submit to the Department, within ninety (90) days, "a written plan detailing how [the Defendant] will ensure that the System shall be made capable of maintaining a minimum pressure of forty pounds per square inch (40psi) throughout the distribution system during peak hourly demand conditions, measured at the service connection or along the property line adjacent to the consumer's premises as required by IDAPA 58.01.08.552.01.b.ii." The plan must include a local pressure monitoring study and assurance that the

facility plan and listed the reasons for disapproval of the facility plan.

36. On January 13, 2009, the Department received a complaint regarding pressure loss at the System from one of the connections to the System.

37. Defendant has failed provide public notice of pressure loss that occurred in the System on January 13, 2009, as per IDAPA 58.01.08.552.01.b.v.

38. On April 22, 2009, the Department received a complaint regarding pressure loss at the System from one of the connections to the System.

39. Defendant has failed to provide public notice of pressure loss to System's consumers that occurred in the System on April 22, 2009, as per IDAPA 58.01.08.552.01.b.v.

40. Idaho Rule for Public Drinking Water Systems IDAPA 58.01.02.100.06 incorporates 40 C.F.R. 141.26(1), which requires all public drinking water systems to monitor quarterly for Radium 226.

41. On January 4, 2008, the Department notified the Defendant by letter that it must monitor the System for Radium 226 quarterly throughout 2008.

The Defendant failed to monitor the System for Radium 226 as per IDAPA 58.01.02.100.06, incorporating 40 C.F.R. 141.26, for the period of April 1, 2008, through June 30, 2008, and failed to submit the results to the Department. Sample was received on January 1, 2009.

43. Idaho Rule for Public Drinking Water Systems 58.01.02.100.03 incorporates 40 C.F.R. 141.23(d) which requires all public drinking water systems to monitor annually for nitrates.

44. The Defendant failed to monitor the System for nitrate as per IDAPA

58.01.08.100.03, incorporating 40 C.F.R. 141.23(d), during the year of 2008 and failed to submit the results to the Department.

45. The Department notified the Defendant that it had not received documentation of nitrate sampling by letter of January 15, 2009. Department received a nitrate sample on January 21, 2009.

COUNT I

Violation of Consent Order Paragraph 9.b

46. Plaintiff realleges each and every allegation contained in paragraphs 1-45 herein.

47. Defendant has failed to perform the actions required pursuant to the Consent Order.

48. Defendant is in breach of the Consent Order by virtue of his failure to submit to the Department or provide each residence connected to the System a Second Quarter of 2008 Public Notice for the period of April 1, 2008, through June 30, 2008, or provide a copy of the Second Quarter Public Notice to the Department as required by Paragraph 9.b of the Consent Order.

49. The Defendant is liable to the Department for penalties, costs, expenses, witness fees and attorney fees pursuant to Idaho Code § 39-108(5) and Idaho Code § 12-117.

COUNT II

Violation of Consent Order Paragraph 9.b

50. Plaintiff realleges each and every allegation contained in paragraphs 1-49 herein.

51. Defendant has failed to perform the actions required pursuant to the

Consent Order.

52. Defendant is in breach of the Consent Order by virtue of his failure to submit to the Department or each residence connected to the System a First Quarter of 2009 Public Notice for the period of January 1, 2009, through March 31, 2009, and provide a copy of the First Quarter Public Notice to the Department as required by paragraph 9.b of the Consent Order.

53. The Defendant is liable to the Department for penalties, costs, expenses, witness fees and attorney's fees pursuant to Idaho Code § 39-108(5) and Idaho Code § 12-117.

COUNT II
Violation of Consent Order Paragraph 9.c

54. Plaintiff realleges each and every allegation contained in paragraphs 1-53 herein.

55. Defendant has failed to perform the actions required pursuant to the Consent Order.

56. Defendant is in breach of the Consent Order by virtue of his failure to submit a written plan detailing how the Defendant will ensure that its System will be made capable of maintaining a minimum pressure of forty (40) psi throughout the distribution system, during peak hourly demand, excluding fire flow, measured at the service connection along the property line adjacent to the consumer's premises, in accordance with IDAPA 58.01.08.552.01.b.ii. as required by paragraph 9.c of the Consent Order.

57. Plaintiff is entitled to an order of specific performance of the terms and conditions of the Consent Order.

58. The Plaintiff is entitled to a permanent mandatory injunction requiring that the Defendant maintain forty pounds per square inch (40 psi) of pressure in the System as required by IDAPA 58.01.552.01.b.ii.

59. The Defendant is liable to the Department for penalties, costs, expenses, witness fees and attorney's fees pursuant to Idaho Code § 39-108(5) and Idaho Code § 12-117.

COUNT IV
Violation of Consent Order Paragraph 9.c

60. Plaintiff realleges each and every allegation contained in paragraphs 1- 59 herein.

61. Defendant has failed to perform the actions required pursuant to the Consent Order.

62. Defendant is in breach of the Consent Order by virtue of his failure to submit a detailed facility plan to the Department within ninety (90) days as required by paragraph 9.d of the Consent Order.

63. Defendant is liable to the Department for penalties, costs, expenses, witness fees and attorney's fees pursuant to Idaho Code § 39-108(5) and Idaho Code § 12-117.

COUNT V
Violation of IDAPA 58.01.08.100.06, Failure to Monitor Radium

64. Plaintiff realleges each and every allegation contained in paragraphs 1-63 herein.

65. Defendant has failed to monitor the System for Radium 226 as per IDAPA 58.01.02.100.06, incorporating 40 C.F.R. 141.26, for the period of April 1, 2008, through

June 30, 2008, and failed to submit the results to the Department.

66. The Defendant is liable to the Department for penalties, costs, expenses, witness fees and attorney's fees pursuant to Idaho Code § 39-108(5) and Idaho Code § 12-117.

COUNT VI

Violation of IDAPA 58.01.08.100.03, Failure to Monitor Nitrate

67. Plaintiff realleges each and every allegation contained in paragraphs 1-64 herein.

68. Defendant failed to monitor the System for nitrate as per IDAPA 58.01.08.100.03, incorporating 40 C.F.R. 141.10(d), during the year of 2008 and failed to submit the results to the Department.

69. The Defendant is liable to the Department for penalties, costs, expenses, witness fees and attorney's fees pursuant to Idaho Code § 39-108(5) and Idaho Code § 12-117.

COUNT VII

Violation of IDAPA 58.01.08.552.01.b.v, Failure to Provide Public Notice of Pressure Loss

70. Plaintiff realleges each and every allegation contained in paragraphs 1-69 herein.

69. Defendant has failed provide public notice of pressure loss that occurred in the System on January 13, 2009, as per IDAPA 58.01.08.552.01.b.v.

72. The Department is entitled to a permanent mandatory injunction requiring that the Defendant comply with IDAPA 58.01.08.552.01.b.v.

73. The Defendant is liable to the Department for penalties, costs, expenses,

June 30, 2008, and failed to submit the results to the Department.

66. The Defendant is liable to the Department for penalties, costs, expenses, witness fees and attorney's fees pursuant to Idaho Code § 39-108(5) and Idaho Code § 12-117.

COUNT VI

Violation of IDAPA 58.01.08.100.03, Failure to Monitor Nitrate

67. Plaintiff realleges each and every allegation contained in paragraphs 1-64 herein.

68. Defendant failed to monitor the System for nitrate as per IDAPA 58.01.08.100.03, incorporating 40 C.F.R. 141.10(d), during the year of 2008 and failed to submit the results to the Department.

69. The Defendant is liable to the Department for penalties, costs, expenses, witness fees and attorney's fees pursuant to Idaho Code § 39-108(5) and Idaho Code § 12-117.

COUNT VII

Violation of IDAPA 58.01.08.552.01.b.v, Failure to Provide Public Notice of Pressure Loss

70. Plaintiff realleges each and every allegation contained in paragraphs 1-69 herein.

69. Defendant has failed provide public notice of pressure loss that occurred in the System on January 13, 2009, as per IDAPA 58.01.08.552.01.b.v.

72. The Department is entitled to a permanent mandatory injunction requiring that the Defendant comply with IDAPA 58.01.08.552.01.b.v.

73. The Defendant is liable to the Department for penalties, costs, expenses,

witness fees and attorney's fees pursuant to Idaho Code § 39-108(5) and Idaho Code § 12-117.

COUNT VIII

Violation of IDAPA 58.01.08.552.01.b.v, Failure to Provide Public Notice of Pressure Loss

74. Plaintiff realleges each and every allegation contained in paragraphs 1-71 herein.

75. Defendant has failed to provide public notice of pressure loss that occurred in the System on April 22, 2009, per IDAPA 58.01.08.552.01.b.v. and Defendant failed to submit a copy of the public notice to the Department.

76. The Department is entitled to a permanent mandatory injunction requiring that the Defendant comply with IDAPA 58.01.08.552.01.b.v.

77. The Defendant is liable to the Department for penalties, costs, expenses, witness fees and attorney's fees pursuant to Idaho Code § 39-108(5) and Idaho Code § 12-117.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, the Idaho Department of Environmental Quality, respectfully requests the Court grant the following relief:

A. Assess against the Defendant, as authorized by Idaho Code § 39-108, civil penalties of up to ten thousand dollars (\$10,000) for each separate violation and one thousand dollars (\$1,000) for each day of continuing violation.

B. Issue a permanent mandatory injunction, as authorized by Idaho Code § 39-108, requiring the Defendant to perform the terms and conditions of the Consent Order and IDAPA 58.01.08 as specified above.

C. Provide other such injunctive relief as the Court deems appropriate according to proof.

D. Assess against Defendant all costs, expenses, witness fees and attorney's fees incurred by Plaintiff pursuant to Idaho Code § 39-108 and Idaho Code § 12-117, in an amount according to proof.

E. Grant such other relief as the Court deems equitable and just.

DATED this ____ day of May, 2009.

STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL

COURTNEY BEEBE
Deputy Attorney General
Attorney for Plaintiff

DRAFT

Exhibit C

**FINAL
FACILITY PLAN**

**Morning View Water Company
Jefferson County, Idaho**

SUBMITTED BY

ASPEN ENGINEERING, INC.



April 2009

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Summary

Introduction

The Morning View Water Company (MVWC) has contracted with Aspen Engineering to complete a Facility Plan in accordance with the Consent Order from the Department of Environmental Quality. The consent order identified multiple deficiencies including insufficient pressure, significant amounts of sand, non-flushable dead end mains, and operator licensing. Each of the eight items listed in the consent order, required action from Morning View Water Company. A detailed facility plan (this report) is listed as requirement 9d in the consent order. MVWC has completed all of the items listed in the consent order in addition to complying with items listed in recent sanitary surveys.

The findings of this study are summarized below:

Water Requirements

The population serviced by MVWC is approximately 250 people via approximately 100 active individual connections. Morning View Water Company's historical average daily demand (ADD) for the years 2005 through 2008 was 170,750 gallons.

As an un-metered community, MVWC's ADD consumptive values are very high (2.6 to 3.0 times) in comparison with metered communities. It is recommended that MVWC implement conservation measures including individual meters and a tiered rate structure. The ADD water use for the 2008 year is 178,560 gallons, with an MDD of 446,400 gallons and a peak hour demand (PHD) of 535,685 gallons. Water demand projections for the end of the 3-year study period (2011) are 184,000 gallons for ADD, 460,000 gallons for MDD, and 800,000 for PHD.

Supply

MVWC currently utilizes groundwater as its sole source of water. The groundwater is supplied by two wells. Both wells are located on a single lot and are separated by a distance of 100 feet. Both wells lie within the Company's platted service area. Total pumping capacity of the two active production wells is estimated at 600 gpm or 864,000 gallons per day.

The current firm capacity (largest well out of service) of the Company's production wells is 200 gpm or 288,000 gallons per day. Current firm capacity does not meet PHD or MDD flow requirements and an additional well is needed immediately.

Storage

The only storage in MVWC's water system provided in the two air over water pressure tanks at the pump building and has no practical/useable quantity.

Distribution

The distribution system is composed of both 4 inch and 6-inch main lines. These mains are exclusively class 200 PVC. Future expansions should continue to incorporate similar materials throughout the distribution system. The water system does not have fire hydrants, and the distribution mains are adequate to supply domestic flows.

Water Quality and Regulations

All of Morning View's water is supplied by groundwater wells. Water quality is good, and compliance with both State and Federal regulations for contaminants is currently being maintained. Currently, There is no water treatment available or provided at the MVWC facilities. Lack of adequate pressure during the irrigation season has been and still is a large concern for the system. Compliance with current regulations is also an issue as discussed in Chapter two.

Federal drinking water regulations proposed or promulgated by the Environmental Protection Agency (EP A) as part of the mandates of the Safe Drinking Water Act (SDWA) Amendments must be met and certain new regulations are in effect and future regulations are anticipated to be finalized within the next few years.

Capital Improvement Program

Currently there are no capital improvements planned for the system. However, a new well with adequate capacity to meet the firm ADD demand must be planned and completed within the next three years. The estimated cost to complete the new well and pump is \$150,000. Additionally it is recommended that backup power generation and/or storage be provided in order to prevent depressurization events during power outages.

Recommendations/Conclusions

Providing and maintaining adequate system pressure is the first priority for the MVWC water system. System operating pressures were adjusted in late July of 2008 to 50 psi min and 75 psi max. Pressure monitoring data collected November 13-20, 2008 indicates adequate pressures are being maintained in system indicating the low pressures are due to the increased demand during the irrigation season.

Installation of meters to promote water conservation should be the first capital improvement to the system. Implementation of a tiered rate structure, after installation of the meters, will further aid conservation efforts and reduce the ADD.

If adequate pressures are still not maintained then installation of variable frequency drives (VFD) should be installed first on the main well and secondarily on the smaller well. This will eliminate the need for the air over water pressure tanks and will provide a much tighter range for pressure fluctuation.

In summary, the following items have been addressed by Morning View Water Company:

- Maintain a minimum of 40 psi throughout the system
 - a. Adjust pressure settings.
 - b. Eliminate all individual booster pumps. (Only one could be verified)
 - c. Install VFD - still required after meter installation if needed.
- Install screening at end of discharge pipe from well house (west side) and provide a minimum clearance of 12 inches above the ground. (2003 Sanitary Survey Requirement).
- Clean out well house (2003 Sanitary Survey Requirement).
 - a. remove all hazardous materials.
 - b. remove all non-water related items.
 - c. organize items on shelves.
 - d. remove all old/used/worn out parts and equipment.
- Secure underground vault - provide locking cover to vault (1997 & 2003 Sanitary Survey Requirement).
- Remove the threads from sample tap located in well house (2003 Sanitary Survey Requirement).
- Cleanup well lot
 - a. mow/cut down all weeds
 - b. fill in hole next to well #2
 - c. remove trash, wood, and debris
 - d. fill in hole where sand separator is purged and pour concrete pad or provide rip rap to prevent future erosion.

Ultimately, the system cannot meet the firm pumping capacity requirements and an additional water source, including water rights, is needed to provide adequate capacity. Installation of backup power generation is also recommended in order to maintain system usefulness during outages from the primary power source.

CHAPTER 2

Introduction

The Morning View Water Company (MVWC) is a privately held public water system that is currently regulated by the Idaho Public Utilities Commission. The system services approximately 100 single family residences in an unincorporated area of Jefferson County Idaho. The intended purpose of this report is to provide an assessment of the existing water system and provide recommendations to maintain and improve the facilities.

The following topics are contained in the report:

- Existing System (Chapter 3)
- Water Requirements (Chapter 4)
- Water Supply and Storage (Chapter 5)
- Distribution (Chapter 6)
- Water Quality and Regulations (Chapter 7)
- Capital Improvement Plan (Chapter 8)

The report covers the current configuration of the water system as well as a projection of three years from now when the system will likely be completely finished - i.e. all interior lots sold and occupied. As a reference for construction time frame, in 2002 the system serviced approximately 65 connections.

History

In October 2007, MVWC entered into an agreement with the State of Idaho Department of Environmental Quality (DEQ) known as a consent order. The order made arrangements for MVWC to complete eight action items to come into compliance with current state and federal drinking water regulations. The eight items requiring MVWC action are:

- a. Correct and report deficiencies noted from the October 2003 sanitary survey and schedule a new sanitary survey with DEQ.
- b. Provide quarterly public notices to each residence on the system informing them of the DEQ's dis-approval of the system.
- c. Submit a written plan to DEQ detailing how MVWC will maintain 40 psi throughout the distribution system
- d. Complete a detailed facility plan in accordance with IDAPA 58.01.08.502
- e. Contract with a licensed operator.
- f. Submit a sampling plan addressing how MVWC will monitor the distribution system for bacteria.
- g. Sample four times for sand and report sampling results to DEQ or install a DEQ approved sand separator.
- h. Install adequate means of flushing dead-end mains.

MVWC has taken the following actions in response to the consent order action items. Records of such actions are included in Appendix A.

- a. Cleanup at the well lot and pump house has been completed and a draft cross-connection control plan has been submitted. The overflow piping still needs to have a screen covering and the erosion at the sand separator discharge needs to be filled in. All other items listed previously has been completed.
- b. Quarterly notices have been sent.
- c. Pump control settings have been changed to 50 psi (low) and 75 psi (high) to improve system pressures. DEQ pressure monitoring showing minimum pressures above 20 psi during the irrigation season has been established and a minimum pressure of 40 psi during the non-irrigation season has been maintained.
- d. Final Facility Plan submitted by Aspen Engineering to DEQ on April 13, 2009.
- e. Nolan Gneiting completed the requirements to update and make current his Idaho Drinking Water Operators license.
- f. MVWC submitted a "System Sampling Plan" to DEQ in March of 2008.
- g. Installation of a sand separator in the pump building is complete and separator is currently in operation.
- h. All dead-end mains have been fitted with flushing hydrants.

Current Assets

Current assets of MVWC include two deep wells, a 30' x 32' wood frame pump house, and 2.5 miles of distribution lines. The pump house encloses two 900 gallon tanks, a 40 gallon air compressor, meters, valves, and piping. Two Furnas brand pump controllers are also located in the pump house. The following table presents the various components and their anticipated useful life and replacement data.

Morning View Water Company - Capital Replacement				
Item	Date Installed	Anticipated Life Cycle	Replacement Date	Replacement Cost
30 well pump	July 2007	15 years	2022	\$12,000
10 well pump	July 2007	15 years	2022	\$8,000
900 gallon galvanized storage tanks	1998	30 years	2028	\$7,500 Ea

Motor Controlllers	2002	10 years	2012	\$5,000 Ea
Well House	1998	40 years	2038	\$50,000
Flushing Hydrants	2007	20 years	2027	\$300 Ea

Operations/Administration

MVWC maintains an office located at 3996 East 200 N Rigby, Idaho. The office handles billings, customer service, complaints, notifications to its customers and correspondence with DEQ and the Idaho Public Utilities Commission (IPUC). Office personnel document each occurrence and have a complete recording of customers and correspondence. The office is operated Monday through Friday 8 am to 3 pm. In order to be responsive to customers needs, a 24 hour answering service (Ideal Answering -Roberts Idaho 228-2094) takes calls during weekends and off business hours. Their goal is to “keep our customers aware of what we are here for, and that is to serve them in the best way we can and to let them know the extent of the management of MVWC.”

In case of emergencies or outages, Nolan Gneiting, “Owner/Operator” is first contacted. If he is not available, Denise Kynoch, “Office Manager” is contacted. In the event the owner becomes incapable of carrying out his responsibilities, Dawn Gneiting would step in to handle the water system’s operation. Contracting with a certified Idaho Water operator would also be required.

Operations plans include a daily check of the well house with written record keeping of water pressure, pressure tank air levels, flow rate and flow totalization. The sand separator is flushed daily to minimize sand in the distribution system.

Rates

Currently, the MVWC rate structure is regulated by IPUC. The IPUC has recently conducted several audits of the company’s books and is in the process of completing an audit to support either a rate increase or billing surcharge to help fund water service meters and installation of the meters.

CHAPTER 3

Existing System

The existing MVWC water system includes two wells and approximately 11,000 feet of six inch diameter class 200 PVC water main. 2,300 feet of four inch diameter, class 200 PVC is also included on the system. A map of the system and its features is shown in Appendix B.

The current service area for the MVWC includes 109 acres located in the Morning View Acres Divisions 1, 2, 3, and 4. Division No. 1 of Country Grove Estates Mobile Home Subdivision is also included on the system. There are currently 102 connections to single family residences. Residences include site constructed homes (stick built), mobile trailer homes, and manufactured homes on permanent foundations.

Lot sizes range from one quarter of an acre to just over one acre in area. The smaller lots are typically occupied by either mobile trailer houses or manufactured homes. Stick built single family residences generally occupy the larger lots.

Future growth within the existing service area boundary will include water service connections to 25 lots in the stick built divisions, as well as an additional 22 trailer lots in Division 4 of Morning View Acres. This will make a total of 149 individual connections to the system. It is estimated that the system will be fully developed within the next three years.

Supply

Well 1 - The main well for the MVWC water system is 12 inch diameter well approximately 120' deep. The well is located on "well lot" at the northwest corner of Division No. 3. The well lot comprises 1.64 acres. The well log for this well shows it was completed in July 1996 and is cased to a depth of 118 feet. This well has not been pump tested and the actual well capacity is unknown. Currently a 30 horsepower submersible pump is installed in the well.

Well 2 - The backup well is a six inch diameter well that is 120 feet deep. According to the well log, this well has a surface seal 18 feet deep and was constructed in June 1986. No pump test data is available and a 10 horsepower submersible pump services the well.

Both wells feed into a central pump house via separate pitless adapters and buried six inch diameter pipes. The pump building accommodates two 900 gallon, air over water, pressure tanks which then feed into the distribution system. Both well pumps are single speed pumps and are equipped with soft start motor controllers to prevent water hammer and extend the life of the pumps.

Water quantities are monitored using a totalizer/flow meter located in the pump house. The meter reads the instantaneous flow through the meter as well as providing the total quantity passing the meter (totalizer). No individual well meters are installed and it is not possible to determine individual well production, only total water production can be recorded. The water

quality of these two wells currently meets drinking water regulations. Chapter 7 includes dialog of compliance with drinking water regulations.

Two 900 gallon galvanized water tanks are installed in the pump house. The two tanks are maintained between half and two-thirds full of water with pressurized air occupying the top portion of the tanks. The tanks are about ten years old and are in good shape with no rust or leaks showing. The estimated useful life of the tanks is at least another ten years.

A third well is located on within the platted subdivision on Lot 5 in Division 3 of Morning View Acres. This well currently does not meet State Rules for Public Drinking Water Systems and is not connected to the distribution system. In order to use Well 3 in the system, the Company would need to conduct a 24-hour pump test on the well to verify long-term sustainable yield, compliance with water quality standards, and provide a satisfactory well seal thus meeting the current well construction standards. After completing the required tests and obtaining DEQ approval, the next step would be to construct a new well house using current construction standards.

Treatment

The only treatment currently in operation for the company's water supply is to separate sand from the well production water. The sand separator consists of a centrifugal type separator with raw water being fed into the unit, centrifugal action then separates the heavier sand particles which fall to the bottom of the unit and treated water is returned to the top of the unit and put into the distribution system. The unit operates manually and the only maintenance required is to purge the solids from the bottom chamber of the unit on a periodic basis. A determination of how often this is required can be made by flushing the solids into a bucket and then measuring the amount of sand produced per unit of water. It is likely the unit will operate at peak efficiency with only weekly or bi-weekly purging. No other treatment or treatment equipment is provided or necessary.

For emergency circumstances manual dosing of the individual wells would be required to treat a bacteriological outbreak, should one occur. The Company may want to purchase an emergency chlorination system to provide emergency disinfection capabilities.

Pressure Zone

The entire system is served by a single pressure zone. System pressures throughout the development are established by the pressure switch setting at the pump house building on the well lot. Most recently, the pressure settings have been adjusted to operate between 43 and 67 psi. This pressure is measured at the pump building and customer pressures at the point of use will vary due to friction losses and the variation in demand especially during peak demand hours. The pressure settings at the pump building could be adjusted to provide only a ten pound differential. This would increase the lowest pressures without compromising fittings and other equipment due to increased high end pressures. Monitoring of the well pumps to ensure the

minimum run time is still met would be required. Generally during the irrigation, water demands will easily provide for adequate pump run time.

Based on the information obtained from pressure monitoring, the system usually operates above the minimum pressure of 40 psi except during the irrigation season. It appears that the system undergoes abrupt pressure changes each day as irrigation systems begin operation. The previously held notion of individual booster pumps coming online and degrading the pressure to surrounding areas has been dispelled as only one booster pump could be found and the operation thereof has been extremely limited according to the homeowner.

Aspen Engineering conducted a survey of customers suspected of having individual booster pumps and found only one that is currently installed. It is still our recommendation that all individual booster pumps be eliminated from the system. If acceptable pressure ranges cannot be maintained, it is recommended that a variable frequency drive (VFD) be installed in the pump house for each of the submersible well pumps. The VFD can be set to maintain 60 psi and so long as the pumps can keep up with demand, operating pressures will remain constant within 3-4 psi.

Standby Power

Currently there is no standby power or emergency power generation equipment at the MVWC system. In the event of an area wide power failure, no water production is realized and the system pressures will drop to zero as users draw a limited amount (less than 500 gallons) of water supplied by the two pressure tanks.

It was estimated by MVWC personnel that power outages account for system shutdown 3-4 times per year. Typically outages occur during strong weather events such as high winds or heavy thunder showers. Loss of power for more than a couple of minutes during the irrigation season results in a depressurization of the system.

Storage

The only storage in MVWC's water system provided in the two air over water pressure tanks at the pump building and has no practical/useable quantity

Telemetry System

There is no telemetry system installed at the MVWC water system. The two wells are operated by an automatic pressure switch located in the pump house and both wells respond simultaneously.

Distribution System

Water distribution for the Morning View system includes approximately 11,000 feet of six inch

pipe and 2,300 feet of 4" pipe. All of the pipe consists of class 200 polyvinyl chloride (PVC). A map of the existing water distribution system is presented in Appendix B. Recently, three flushing hydrants at the dead end mains were installed . There are no fire hydrants on the system.

Service connections are exclusively one inch and are typically polyethylene. There are twelve control valves within the distribution system, four of which are four inch valves controlling flow to the two four inch diameter loops - one at the east end of the system and the other from the two cul-de-sacs on 3950 East. The maximum number of residents on one continuous, isolatable loop is at 178 North where there are 32 trailers on one loop. Generally there are adequate valves to isolate ten to twelve homes without interrupting water service to others.

Periodic flushing of the dead-ends should be completed. A written plan identifying when each location is/was flushed and the results of the flushing (i.e. water conditions, turbidity, etc) should be included in the operations. Dead end mains should be flushed at least twice per year.

Cross-connection contamination of the distribution system is controlled by the use of backflow prevention devices, generally consisting of a double-check valve. Check devices are required to be inspected and tested after the initial installation with written verification given to the either the owner/operator or the office manager. Periodic testing of the valves is not currently part of the operation plan and should be implemented. The cost of testing each device should be charged to the home-owner. Records showing the location of the device, along with the test date and results should be kept on a master plan at the office. The proposed cross connection control plan has been submitted to DEQ.

Water Requirements

This chapter is to summarize the current water system demands and project future water use for 3 and 20-year planning horizons. This includes a description of historical water use and forecasting estimates developed to project future water use.

Definition of Terms

Demand

Demand refers to the total system demand, which is that quantity of water obtained from the water supply source during a given time period required to meet the needs of domestic use, lawn irrigation, system losses, and miscellaneous applications. Demands are normally discussed and quantified in terms of flow rates, such as gallons per minute (gpm) or gallons per day (gpd). Flow rates can be described in any terms involving a given volume of water delivered during a specific time. Flow rates pertinent for the analysis and design of water systems are as follows: Average Day Demand (ADD): the total volume of water delivered to the system in a year, divided by 365 days.

Maximum Month Demand (MMD): the average rate of water delivered to the system during the month of greatest demand during the year.

Maximum Day Demand (MDD): the rate of water delivered to the system during the day of highest demand during the year.

Peak Hour Demand (PHD): the rate of water delivered to the system during the hour of highest demand during the year.

These demands are typically presented in units of mgd. The following conversion factors may be used to express rate of demand in other terms:

1 mgd = 694 gpm = 1.55 cubic feet per second (cfs)

1 gpm = 60 gallons per hour (gph) = 1,440 gpd

1 cfs = 450 gpm = 0.648 mgd

Volumetric conversions are:

1 cubic foot (cf) = 7.481 gallons (gal)

1 gallon = 0.134 cubic feet (cf)

The concept of per capita demand provides a convenient method of comparing water use by different water systems or areas served by the system. The per capita demand is obtained by dividing the total system demand by the total population served. Differences in climate, type of development, and water use trends influence the per capita demand for different water systems.

Consumption

Consumption refers to the actual volume of water used by customers measured at their connections to the water distribution system. Consumption is typically measured in gallons. The MVWC water service connections are currently not metered. Customers pay a flat rate according to the size of the lot being serviced. One acres lots are charged \$49.48/month, one-half acre lot fees are \$40.94 and smaller lots are \$32.41. Each of the listed fees include a monthly fee of \$5.00 to establish a contingency fund for emergency repairs. The owners should consider adding customer meters to promote conservation and help leverage the available water supply to meet current demands. The addition of meters would also allow the Company to quantify unaccounted-for-water in the system, discussed later in this chapter. Metering in some cases is a requirement to obtain different sources of funding to finance improvements, including state and federal grants.

Peaking Factors

The relationships between the ADD and other demand parameters, such as the MDD, MMD, and PHD, are expressed as peaking factors. Typical peaking factors include the ratios of MDD to ADD, MMD to ADD, and PHD to ADD.

Water Production

Available historical water production data is presented in Appendix E. The available historical data includes limited readings for both Well 1 and 2 during the period.

Year	ADD (gallons)
2006	171,306
2007	162,394
2008	178,562
Average	170,754

Based on historical averages from Table 4-1 and using recent hourly well production data recorded on July 25, 2006, an MDD (PF_{MDD}) peaking factor of 2.5 will be used in this study. A value of 3.0 will be used as the PHD peaking factor (PF_{PHD}).

Per Connection Demand

The population serviced by MVWC is approximately 225 people via approximately 100 active individual connections. Morning View Water Company's historical average daily demand (ADD) for the years 2006 through 2007 was 167,000 gallons.

As an un-metered community, MVWC's ADD consumptive values are very high (2.9 to 3.4 times) in comparison with metered communities. MVWC should consider conservation measures such as customer meters as well as a tiered rate structure. The ADD water use for the current year (2008) is estimated at 165,000 gallons, with an MDD of 412,500 gallons and a peak hour demand (PHD) of 495,000 gallons. Water demand projections for the end of the 3-year study period (2011) when full build out is realized are 217,800 gallons for ADD, 544,500 gallons for MDD, and 653,400 for PHD. Comparing Morning View's ADD with the metered communities of Rexburg, Caldwell and Meridian shows the per connection water demand is quite high. In the referenced communities the average per connection ADD is 580 gallons compared with 1,668 gallons for MVWC.

Per capita ADD consumption for these communities ranges from 170 to 200 gpdpc. Assuming 225 people per connection as in Morning View, this equates to 742 gpd per connection. The state ADD as reported by USGS for public water systems in Idaho for the year 2000 was 260 gpdpc or using 2.9 people per connection, 754 gpd per connection. Morning View's average demand rate is 1668 gpd per connection.

Morning View's customer base is exclusively residential. Given the rather insignificant demand currently exerted by other uses, future water demand is estimated in this report solely on the residential growth projected for the area.

"Unaccounted-For" Water

"Unaccounted-for" water is the difference between the volume of water produced and the volume of water sold to customers. Because the system is currently not metered, a comparison of production and water sales cannot be made. Unaccounted-for-water in a metered community is typically the result of system leakage or unmetered customers.

Demand Projections

Population Projections

Land uses surrounding the MVWC system is generally residential, single family homes. The area immediately south of the platted subdivision has been platted and developed as single family homes with individual wells. Immediately north is undeveloped land that has a potential to be connected to the system if economic conditions are favorable. Economic variables include

rate structure, cost of development, and prevailing land prices. Under the current system layout, it has been estimated that an additional sixteen stick built homes will be added to the system as the remainder of the lots are sold and built on in Divisions one through three of Morning View Acres. Also, sixteen more trailer sites are in Morning View Acres, Division No 4. This will increase the total number of connections to 132 for the entire system. No other growth has been estimated.

Future Water Demands

Currently, the MVWC system accommodates 225 people via 100 connections. Ultimately it is conceived that the state average of 2.9 people per connection will be served via the same 100 connections plus the addition 16 lots in Divisions 1-3 and 16 more lots in Division 4 making a total of 132 connections and 383 people. It is anticipated that the 32 additional lots will be built out by the end of the year in 2011 - three years from now. Producing the following results:

• Current Estimated

ADD = 165,000 gpd

MDD = 412,500 gpd

PHD = 495,000 gpd

• 3- Year Planning Horizon

ADD in 2011 = 217,800 gpd

MDD in 2011 = 544,500 gpd

PHD in 2011 = 653,400 gpd

• 20- Year Planning Horizon

ADD in 2026 = 280,867 gpd

MDD in 2026 = 702,166 gpd

PHD in 2026 = 842,600 gpd

While these projected water demands provide a basis for planning purposes and are used in other portions of this report, they must be considered estimates. If growth from outside development is allowed, then significant increases from the predicted annual rates will occur and demands will be much higher than predicted. Unit demand patterns may also change and these patterns would influence water needs for the community. Therefore, the projected demands should be compared each year to actual demands. The timing for recommended improvements can then be adjusted as needed.

CHAPTER 5

Water Supply and Storage

Topics covered in this chapter include water rights, and anticipated water supply and storage needs for the 3-year and 20-year planning horizons.

Water Rights

Table 5-1 contains water rights information for the MVWC. Refer to Appendix C for a copy of the current water rights information. A water right permit is the authorization necessary from the Idaho Department of Water Resources (IDWR) to begin construction of withdrawal facilities and begin using water. A license is only issued once water has been used and documentation of use is submitted and approved by the IDWR. A water rights permit does not guarantee water for the appropriator. A decreed right is a water right that has been adjudicated by the court. Under the prior-appropriation doctrine, the water right authorizes diversions of water only to the extent that water is available.

TABLE 5-1					
Morning View Water Company - Water Rights					
Source	Pumping Rate (gpm)	Priority Date	Right No.	Stage	Water Right cfs (gpm)
Both Wells	650	10/10/1995	25-7593	License	0.79 (355)

Water Supply and Storage Requirements

Currently the only storage provided in the MVWC system is in the two 900 gallon pressure tanks located in the pump house. This provides for a total storage capacity of 900 to 1200 gallons. However, this water is not immediately accessible to the distribution system because it requires pressurized air to push the tanks contents into the system. This could be done manually but an automatic air delivery system would make this water available during outages or emergencies, thus increasing the available water before complete depletion is realized.

Water Supply Criteria

The following is a list of key criteria outlined in the Idaho Rules for Public Drinking Water Systems used to determine the timing and development of new water supply wells, storage, and emergency power generation capability for the MVWC water system.

- The water system must have a sufficient number of water supply wells with backup power to satisfy ADD or emergency storage equal to one day's ADD.
- The water system must have enough firm pumping capacity to satisfy MDD.
- Firm pumping capacity combined with additional storage must be sufficient to supply

Peak Hour Demand.

- Total system capacity including supply and storage must be sufficient to meet MDD while maintaining a 20 psi residual throughout the system.

In this report, **firm pumping capacity** is defined as the production capacity of the water supply wells in the system with the largest well out of service.

This chapter explores these criteria using the water demand projections listed in above, to determine the capital improvements needed for the water system during the 3-year and 20-year plan horizons.

Criterion 1: Emergency Power Required to Satisfy ADD

The first criterion involving ADD is used as a means of determining the emergency power requirements for the MVWC water system during the 3-year and 20-year planning horizons. A comparison of the available supply capacity of Well 1 (720,000 gpd), which is not equipped with backup power, suggests that the MVWC water system currently does not have sufficient backup power to supply ADD requirements now or for the projected 20 year horizon.

Criterion 1 Summary: Anticipated Emergency Power Requirements

Emergency backup power is currently needed.

Criterion 2: Firm Well Production Capacity Required to Satisfy MDD

The second criterion involving MDD during the 20-year planning period is used to determine well supply requirements for the Morning View water system.

Current firm pumping capacity totals approximately 200 gpm or 288,000 gpd. MDD requirements for current, 3 year, and 20 year are 412,500, 544,500, and 702,166 respectively. Existing supply will not satisfy these MDD requirements. In order to meet this criteria, the Company will need an additional 90 gpm to meet current demands, 180 gpm to meet 3-year demands, and 287 gpm to meet the 20-year demands.

Criterion 2 Summary: Anticipated Firm Capacity Requirements to Satisfy MDD

The Company will need to obtain additional water rights and construct a new well immediately with a capacity of nearly 100 gpm similar to Well 1. Or, Well 3 will need to be upgraded immediately with a capacity of 100 gpm to meet the current demand.

Criterion 3 Well Capacity and Storage Must to Satisfy PHD

The following is a list of assumptions that are used to calculate required well capacity and storage volume required under these criteria:

- The PHD must be supplied for up to 8 hours.
- Firm well capacity is not less than MDD.

Using this set of assumptions in conjunction with the MDD and PHD values cited earlier, the storage needed to satisfy equalization, also referred to as peaking requirements:

- 0.17 MG of total storage required (Current).
- 0.22 MG of total storage required by 2011
- 0.28 MG of total storage required by 2026

CHAPTER 6

Distribution

This chapter describes the capacity of MVWC's water distribution system. The distribution system was evaluated under existing and future conditions.

Regulations

The Idaho DEQ has regulatory authority over public water systems in Idaho. In general, DEQ's rules govern the quality of water distributed, but not the manner in which it is distributed. However, the rules do contain basic construction standards and some of these apply to distribution systems.

Significant rules for the distribution system analysis are summarized as follows:

- Distribution piping and the supply system shall be designed and installed so that the pressure measured shall not be reduced below 40 pounds per square inch (psi) during maximum hourly demand conditions.
- Distribution piping and the supply system shall be designed and installed so that the pressure measured shall not be reduced below 20 pounds per square inch (psi) during maximum hourly demand conditions (including fire flow).
- Wherever possible, dead ends shall be minimized by looping. Where dead ends are installed, blow-offs of adequate size shall be provided for flushing.
- Wherever possible, booster pumps shall take suction from reservoirs to avoid the potential for negative pressures on the suction line, which could result when the pump suction is directly connected to a distribution main. Pumps that take suction from distribution mains shall be provided with a low-pressure cutoff switch on the suction side set at no less than 5 psi.

Peak Hour Demand Under Normal Operating Conditions

The PHD condition represents the average demand rate during the highest hour of water use for the entire year. This is an extreme condition, but one that the system must be able to supply. Since PHD has been estimated according to projected growth, the actual occurrence in the system may be higher. It is also true that demands greater than MDD and approaching the peak hour value will occur several times during a year.

The estimated 2008 PHD for the system is 495, 000 gpd. PHD can be provided in the system with adequate pressures (Adequate means that pressures are maintained above 40 psi). Pressures under the current PHD can be maintained above 40 psi. As water demand increases under peak conditions, pipeline velocity can begin to be a problem; however,

no pipes in the system exhibited velocities significantly greater than 4 fps. In summary, no deficiencies were identified under current PHD.

Maximum Day Demand Under Normal Operating Conditions

The MDD condition represents the average demand rate over the highest day of water use during the entire year. The water system must be designed to equal or exceed the MDD on a firm capacity basis. When MDD is modeled under normal operating conditions, the distribution system can provide water at adequate pressures.

The estimated MDD for 2008 is 412,500 gpd. No pipeline velocities greater than 4 fps were identified and system pressures should remain above 40 psi.

Current System Evaluation

Current system demands have historically produced low pressures as shown by the pressure survey and the numerous customer complaints. Based on the information given by the operator and observation at the pump building the system appears to be capable of producing the required flow at adequate pressures except during the irrigation season. It is recommended to monitor pressures any location experiencing low pressure again during the 2009 irrigation season particularly after the installation of the water meters.

CHAPTER 7

Water Quality and Regulations

This chapter includes relevant water quality regulation information for MVWC's reference, with an accompanying description of how pertinent regulations affects the administration and operation of the system. Surface water regulations are not discussed, as it is not anticipated that Morning View will be utilizing surface water to meet current or future demands. As discussed in previous chapters, the water system relies solely on groundwater as its source of water. Generally, the quality of the groundwater is good, meeting current Federal- and State-established regulatory limits for inorganic chemicals (IOCs), synthetic organic compounds (SOCs), volatile organic chemical (VOCs), lead and copper, coliform, arsenic, and fluoride.

Sand in the water has been the primary water quality complaint and the only consent order action item. Chapter 2 of this report identifies both DEQ's requirements and MVWC's compliance with the consent order. With the installation of the current sand separator, the sand problem appears to be taken care of. Continued monitoring as well as quantification of sand in the production water should be completed. Quantifying the amount of sand produced and determining the capacity of the sand separator will likely reduce the amount of operator maintenance required and provide tangible data for evaluation by the Company and regulators.

CHAPTER 8

Capital Improvement Program

Recommended improvements from previous chapters are shown below and summarized in this chapter, along with estimates of costs. Improvements are grouped chronologically according to 3-year, and 20-year planning horizons.

Cost Estimating

Cost estimates for proposed improvements presented are Order-of-Magnitude cost estimates. The American Association of Cost Engineers (AACE) defines Order-of-Magnitude cost estimates as estimates made without detailed engineering data. These estimates may be developed using cost curves, scale-up or scale-down factors, or an approximate ratio. AACE defines the accuracy for this level of estimate as plus 50 percent to minus 30 percent.

The cost estimates presented below have been prepared for guidance in project evaluation and implementation from the information available at the time of the estimate. The final costs of the project will depend on actual labor and material costs, competitive market conditions, final project costs, implementation schedule and other variable factors. As a result, the final project costs will vary from the estimate presented herein. Because of this, project feasibility and funding needs must be carefully reviewed prior to making specific financial decisions to help ensure proper project evaluation and adequate funding.

Water Meters

Purchase and installation of individual meters for each residence is based on a 3/4" meter, meter base and meter box. Administrative, engineering, contingency, and legal fees are expected to be an additional 25%. The anticipated cost of the installed meters for the MVWC is \$2,000 each x 100 customers = \$200,000.

Variable Frequency Drives

The cost to purchase and install VFDs for both of the two wells is based on three phase power and 10hp and 30 hp pumps for the wells. Estimated cost for the VFD's is \$10,000.

Backup Power Generator

Natural gas or diesel generated power to run the submersible pumps and controllers at the pump building will require an 80 to 100 KW generator. Anticipated cost for purchase and installation of the generator including concrete pad and weather enclosure is \$40,000.

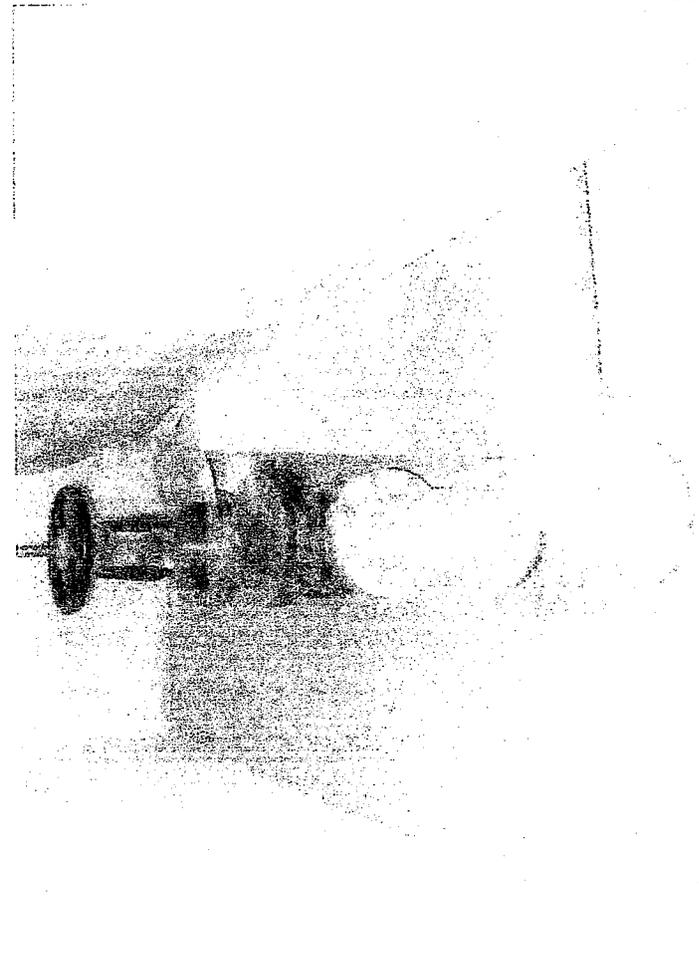
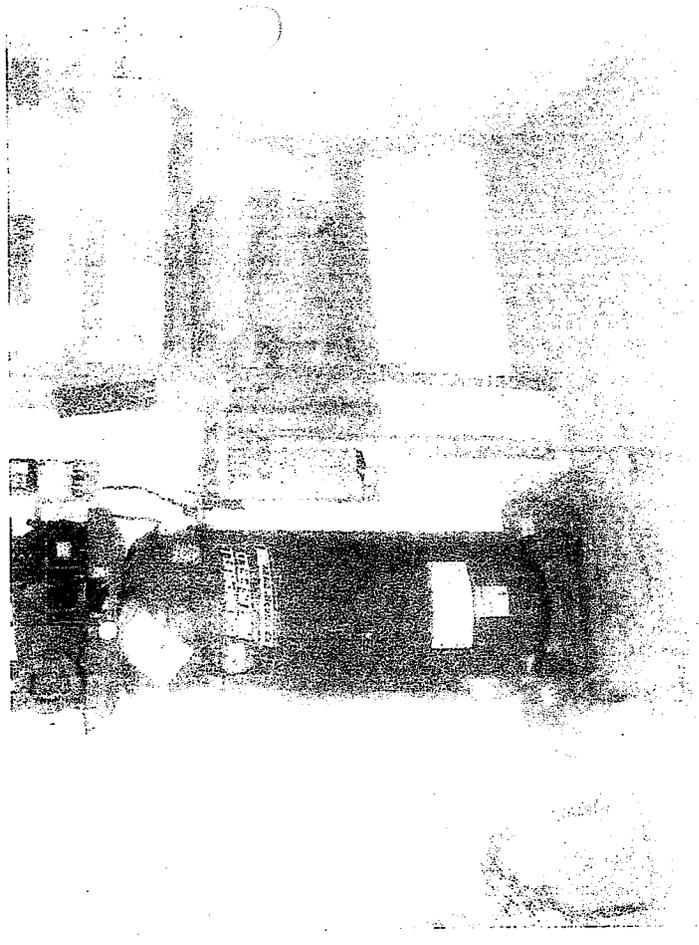
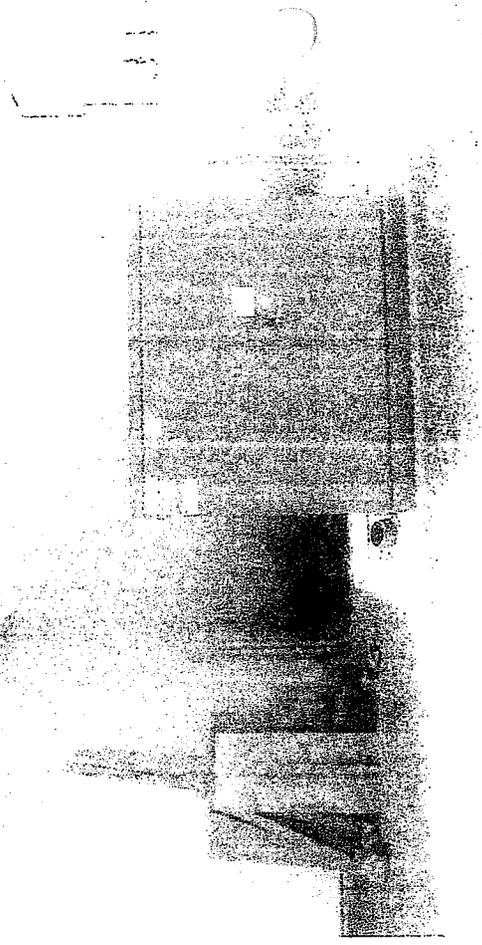
Drill Water Supply Well

The cost to drill a new well assumes 12-inch diameter open hole production well 200 feet

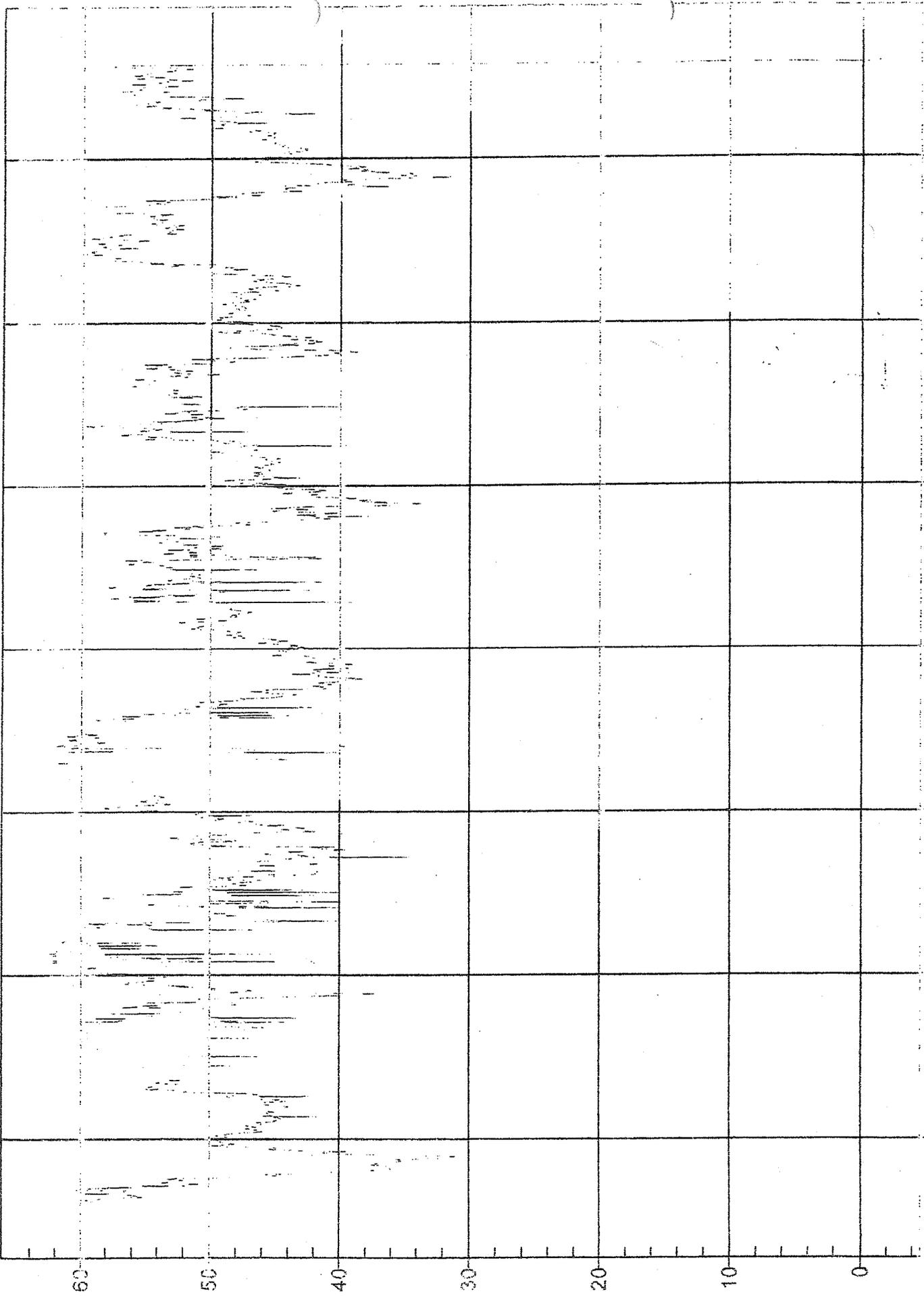
deep. The estimate includes costs for a pilot hole and final production well, and assumes the Company owns the well lot. A 30 percent allowance for contingency, engineering, administration, and legal cost is included in the estimate. The estimated cost to drill a new water supply well is \$150,000.

Appendix A

Consent Order Documents



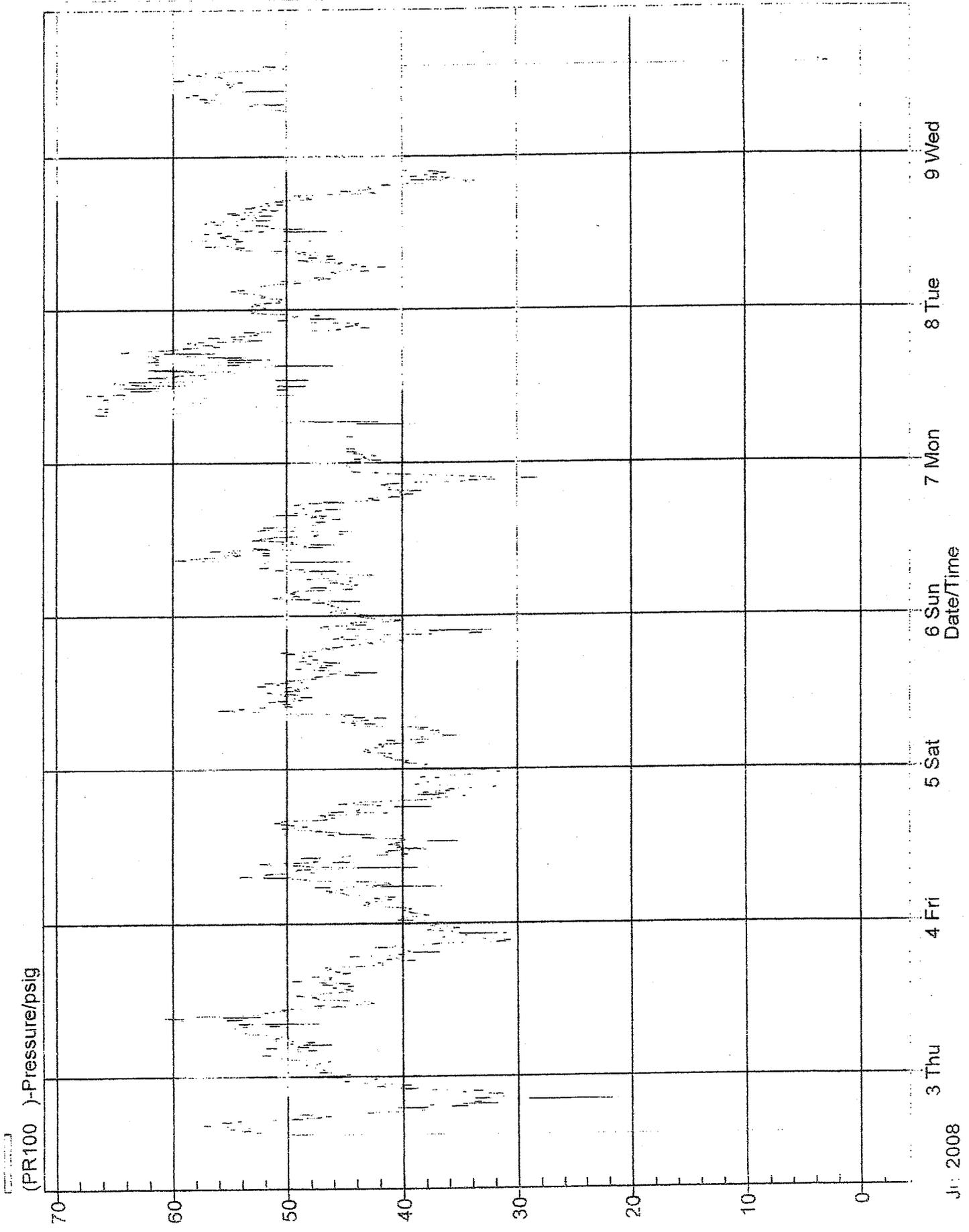
(PR100)-Pressure/psig



26 Thu 27 Fri 28 Sat 29 Sun 30 Mon 1 Tue 2 Wed

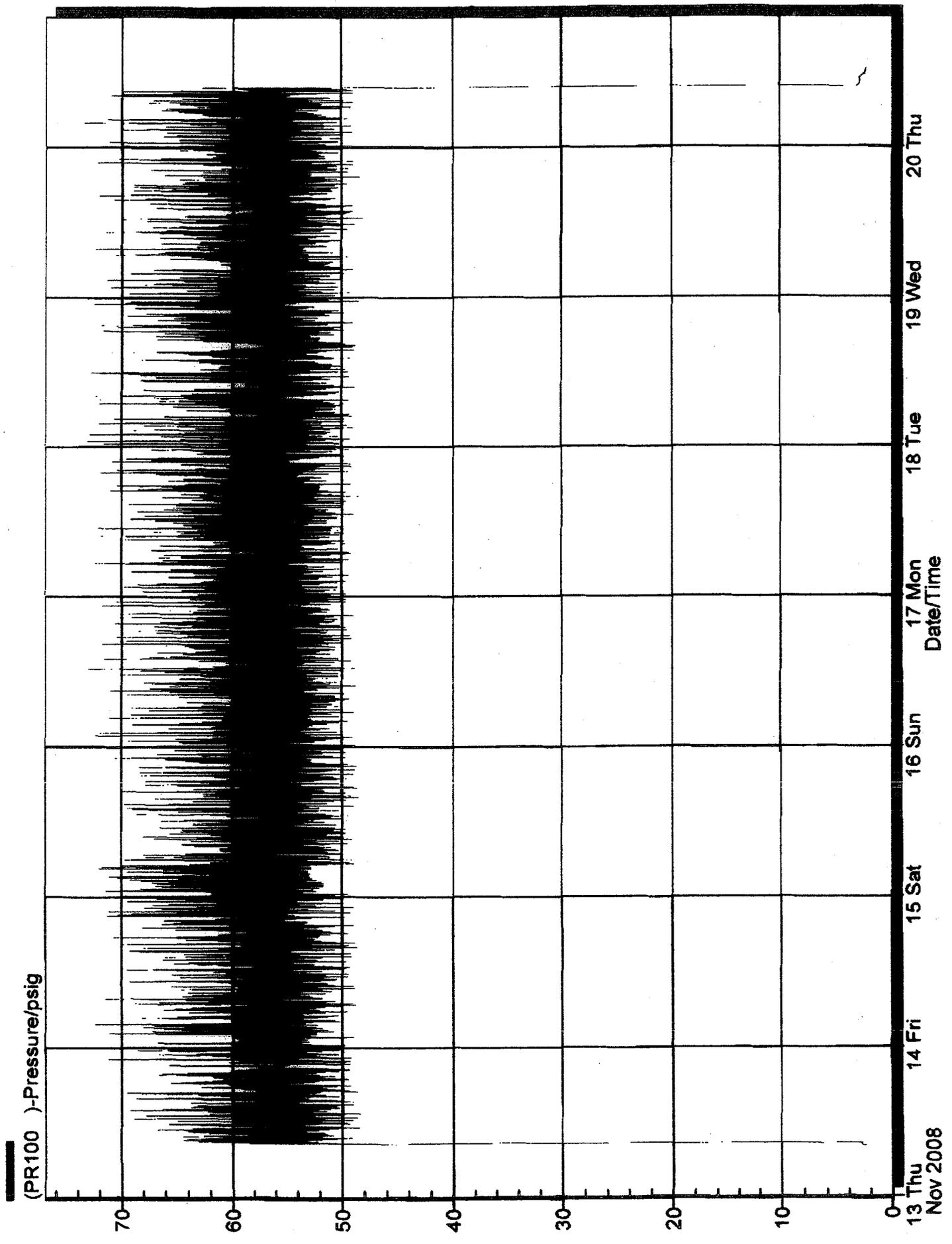
JUN 2008

Downloaded Data - Wednesday, July 02, 2008



188 N 3950E

Downloaded Data - Thursday, November 20, 2008



System Sampling Plan

Morning View Water Co., Inc. Community Water System

System Information

System Name	Morning View Water Co. Inc. Community Water System.
System Classification	Morning View Water Co., Inc. system is a Community Water System.
ID #	State System ID: 7260063
Source Type	The Morning View Water System is supplied by two separate groundwater wells, named wells #1 (Idaho ID AET030) and #2 (Idaho ID AET029).
Population Served	Morning View Water Co., Inc. Community System serves approximately 300 persons.
Service Connection	Morning View Water Co., Inc Community System presently has approximately 100 residential and 3 facility connections.
Daily Production	Typical production at Morning View Water Co., Inc is approximately 173,000 gallons per day.
Introduction	Morning View Water Co., Inc Community Water System serves all residents in the upper and lower neighborhoods of the Community.
Source	The Morning View Water Co., Inc Community system is supplied by two wells located on the site. Wells are relatively shallow (120-130 feet) in gravelly soils with high static levels (40-60 feet) affected by a high, variable water table and seasonal conditions.
Treatment - Disinfection	No Treatments or disinfectants required.
Treatment - Corrosion Control	
Storage: Reservoirs	The 140,000 gallon concrete standpipe reservoir shows some external evidence of effervescence and seepage and has recently been repaired. A replacement reservoir is planned.
Special Note:	System pressures were reportedly quite low: 40-65 psi. This may be related to the reservoir conditions and/or operating levels. Action to identify the cause is being addressed.

February 29, 2008

DEQ
900 N Skyline
Idaho Falls, ID 83402

As discussed in today's meeting with Rochelle Mason and Greg Eager, I am requesting a time extension to finish competing with the requirements of the Morning View Consent Order Items:

1. 9d. I am working with Ryan Loftus, PE, to contract out his engineering services to draft and complete a facility planning study per item 9d.
2. I made and sent payment of \$450 for the accessed penalty in the consent order on February 29, 2008 to the DEQ state office.
3. I set the well pump controls at 43 psi and 67 psi, respectively. I am taking pressure readings in the system to assess the water system improvements made last summer to make sure pressure requirements are being met. The study results will be incorporated into the facility planning study by my engineer, Ryan Loftus.
4. Five flushing valves were installed on the dead ends and I will take picture and send them to DEQ for documentation.
5. As soon as the snow melts, I will contact Rochelle to arrange a sanitary survey.
6. I drafted a sample plan but forgot to bring it so I will sent it to DEQ next week.

Please extend my deadlines to April 15, 2008 so I can complete the requirements.

Thank you



MORNING VIEW CO-IDAHO PUBLIC UTILITIES
PO BOX 598
RIGBY, ID 83442-0598

October 24, 2007

Karen Andrus
177 N 3950 E
Rigby, ID 83442

Dear Ms. Karen Andrus,

The purpose of this notice is to inform you that Morning View public drinking water system has been "disapproved" by the Department of Environmental Quality. Notice of Violation was issued September 12, 2007.

The violations cited by the DEQ are as follows.

1 – IDAPA 58.01.08.552.01.b.ii

b. Pressure

ii. Any public water system constructed or significantly modified after July 1, 1985, shall maintain a minimum pressure of forty (40) psi throughout the distribution system, during peak hourly demand conditions. Excluding fire flow, measured at the service connection or along the property line adjacent to the consumer's premises.

2 – IDAPA 58.01.08.552.014.b.v (Idaho Rules for Public Drinking Water Systems)

b. Pressure

v. When pressures within the system are known to have fallen below twenty (20) psi, the water system must provide public notice and disinfect the system.

3 – IDAPA 58.01.08.554.01.a (Idaho Rules for Public Drinking Water Systems)

01. Licensed Operator Required

a. Owners of all community and no transient non-community public drinking water systems must place the direct supervision of their drinking water system, including each treatment facility and/or distribution system, under the responsible charge of a properly licensed operator.

To let you know where we are with these violations.

Points 1. and 2. Water pressure has been restored. We check and record well reading no less than every other day. Our pressure readings are between 45 and 70 psi. When our pressure falls to 45 psi, the pump cycles and brings the psi back up to 70.

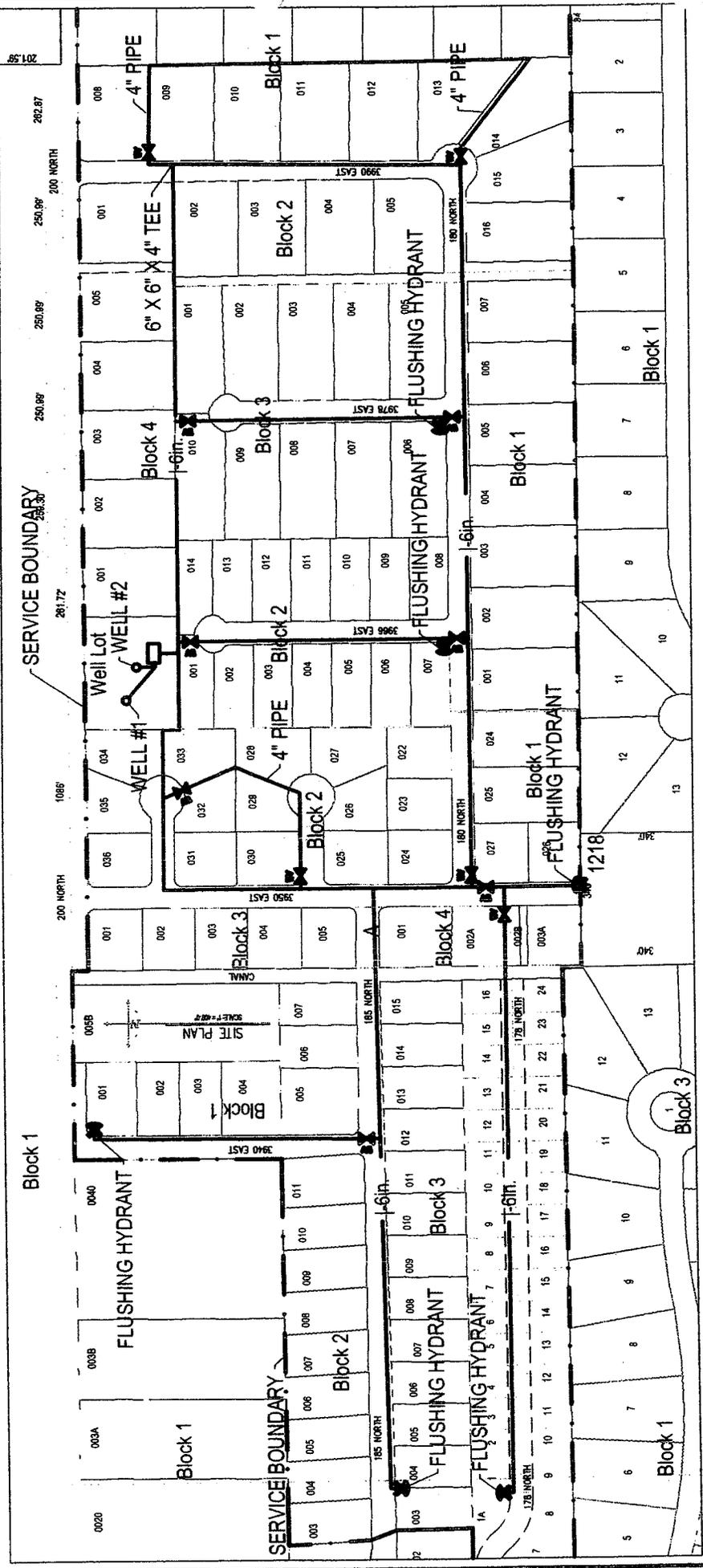
Point 3. Morning View Water has retained a licensed operator until we can get our license reinstated.

Morning View is working with DEQ to achieve full compliance with the Idaho Rules for Public Drinking Water Systems and will continue to keep customers informed.

We would like to assure you that we have been taking water samples throughout the time of low pressure, and the reports were all within normal range.

Sincerely,

Nolan Gneiting
Operator
MORNING VIEW CO-IDAHO PUBLIC UTILITIES



Aspen Engineering, Inc.
 10727 N. Yellowstone Hwy.
 Idaho Falls, Idaho 83401
 Phone (208) 542-1911

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 is prohibited.
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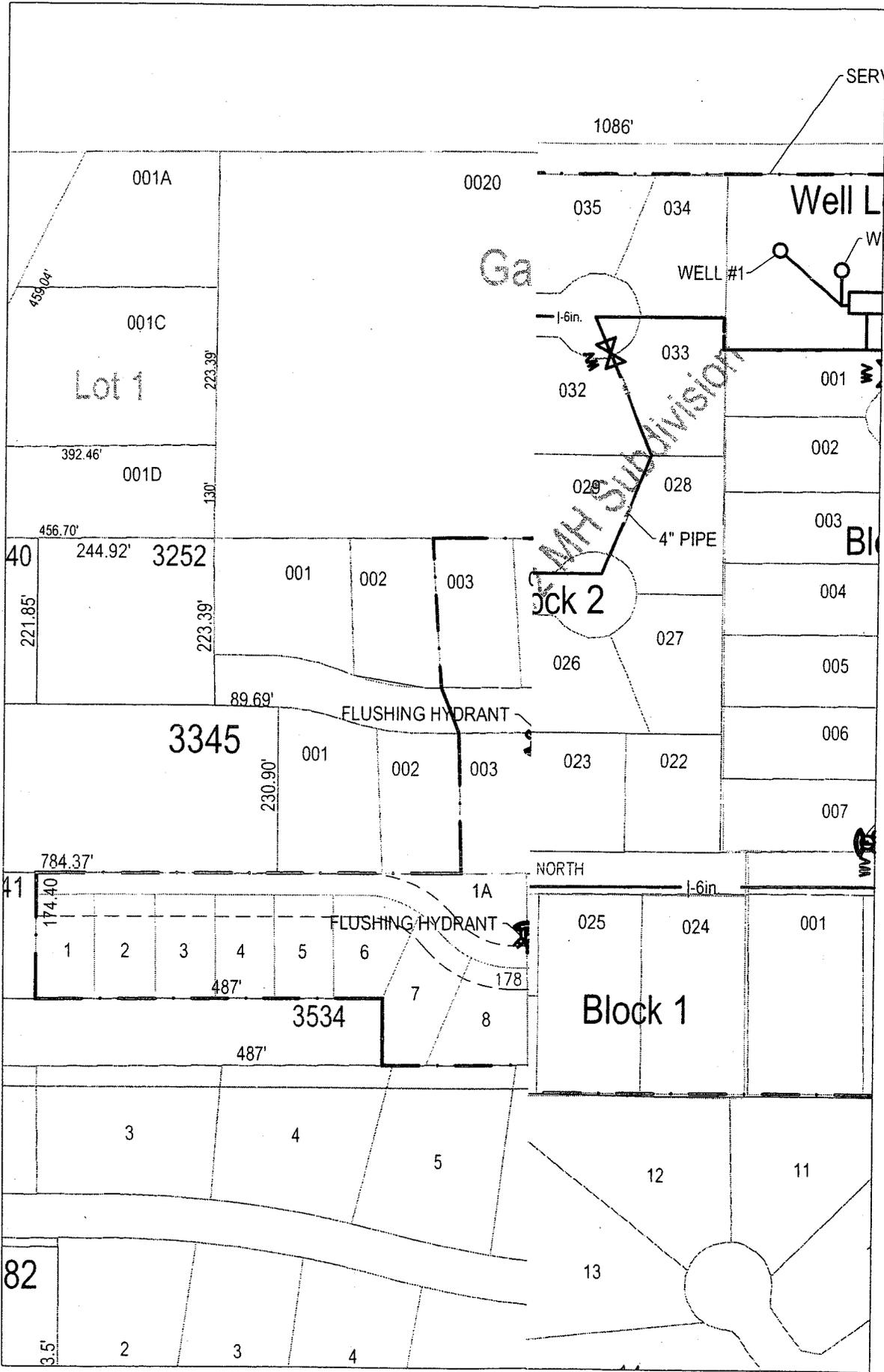
Nolan Gneiting
 Morning View Water System
 Bonneville County Idaho

FLUSHING HYDRANTS

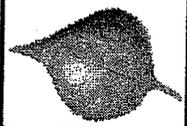
JOB NO.	2008.025
DATE	8/4/08
DRAWN BY	CHECKED BY
REVISIONS	DATE
SHEET NO.	1.0

Appendix B

Maps



Aspen Engineering, Inc.
 10727 N. Yellowstone Hwy.
 Idaho Falls, Idaho 83401
 Phone (208) 542-1911



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 Violators will be prosecuted.

NOLAN GNETTING
 MORNING VIEW WATER SYSTEM
 JEFFERSON COUNTY Idaho
MV WATER SYSTEM

JOB NO.	2008.025
DATE	8/1/08
DRAWN BY	CHECKED BY
JZW	JRL
REVISIONS	DATE

SHEET NO.
1.0
 of **2**

Appendix C

Water Rights

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Water Permit Report

04/12/2007

WATER RIGHT NO. 25-7593

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	MORNINGVIEW WATER CO INC 462 12TH ST IDAHO FALLS, ID 83401

Priority Date: 10/10/1995
Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	4/01	11/01	0.46 CFS	
DOMESTIC	1/01	12/31	0.33 CFS	
Total Diversion			0.79 CFS	

Location of Point(s) of Diversion:

GROUND WATER	NENE	Sec. 30	Township 04N	Range 39E	JEFFERSON County
GROUND WATER	NWNE	Sec. 30	Township 04N	Range 39E	JEFFERSON County

Place(s) of use:

Place of Use Legal Description: IRRIGATION JEFFERSON County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>									
-----------------	--------------	----------------	------------	--------------	--------------	------------	--------------	--------------	------------	--------------	--------------	------------	--------------	--------------

<http://www.idwr.idaho.gov/apps/ExtSearch/RightReportAJ.asp?BasinNumber=25&Sequence...> 4/12/2007

Place of Use Legal Description: DOMESTIC same as IRRIGATION

Total Acres: 23

Conditions of Approval:

1.	26A	Project construction shall commence within one year from the date of permit issuance and shall proceed diligently to completion unless it can be shown to the satisfaction of the Director of the Department of Water Resources that delays were due to circumstances over which permit holder had no control.
2.	048	The use of water under this right shall not give rise to any claim against the holder of a senior water right based upon the theories of forfeiture, abandonment, adverse possession, waiver, equitable estoppel, estoppel by laches or customary preference.
3.	049	The Director retains jurisdiction of the right to incorporate the use into a water district, require streamflow augmentation or other action needed to protect prior surface water and groundwater rights.
4.	01C	A flow measurement port or other device as specified by the Department shall be installed by the right holder to provide for the installation of measuring equipment and the determination of the rate of diversion by the Department.
5.	03A	The rate of diversion of water for irrigation under this right and all other water rights on the same land shall not exceed 0.02 cubic feet per second for each acre of land.
6.	004	The issuance of this right does not grant any right-of-way or easement across the land of another.
7.		Domestic use is for 48 homes.
8.	046	Right holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code.

Dates:

Proof Due Date: 07/01/1994
 Proof Made Date: 10/10/1995
 Approved Date: 07/15/1991
 Moratorium Expiration Date:
 Enlargement Use Priority Date:
 Enlargement Statute Priority Date:
 Application Received Date: 05/14/1991
 Protest Deadline Date:
 Number of Protests: 0
 Field Exam Date: 7/29/1998
 Date Sent to State Off: 4/30/2002
 Date Received at State Off: 5/6/2002
 Field Exam Remark:

Other Information:

State or Federal:

Owner Name Connector:
Water District Number:
Generic Max Rate per Acre:
Generic Max Volume per Acre:
Swan Falls Trust or Nontrust:
Swan Falls Dismissed:
DLE Act Number:
Cary Act Number:
Mitigation Plan: False
Close

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR PERMIT

To appropriate the public waters of the State of Idaho

290-00
RECEIVED
JUL 31 2007

Department of Water Resources
Eastern Region

1. Name of Applicant Morningview Water Company Inc Phone 208 745-0029

Mailing address 462 12th Street Idaho Falls Idaho

2. Source of water supply Browed Water which is a tributary of _____

3. Location of point of diversion is Township 4N Range 39E Sec. 30, in the _____ 1/4,

NW 1/4, NE 1/4, Govt. Lot _____, B.M., Jefferson County;

additional points of diversion if any: 2 wells - NW NE Sec 30 T4N R39E

4. Water will be used for the following purposes:

Amount 1.80 for Domestic purposes from 1 Jan to 31 Dec (both dates inclusive)
(cfs or acre-feet per annum)

Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)

Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)

Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)

Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)

Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)

5. Total quantity to be appropriated is (a) 1.80 and/or (b) 808 gpm
cubic feet per second acre feet per annum

6. Proposed diverting works:

a. Describe type and size of devices used to divert water from the source 2 wells - pumps - distribution system for 130 homes

b. Height of storage dam _____ feet; active reservoir capacity _____ acre-feet; total reservoir capacity _____ acre-feet

c. Proposed well diameter is _____ inches; proposed depth of well is _____ feet

d. Is ground water with a temperature of greater than 85°F being sought? N/A

e. If well is already drilled, when? _____; Drilling firm See attached well logs
Well was drilled for (well owner) _____; Drilling Permit No. _____

7. Time required for completion of works and application of water to proposed beneficial use is 5 years (minimum 1 year)

8. Description of proposed uses (if irrigation only, go to item 9):

a. Hydropower; show total feet of head and proposed capacity in kW.

b. Stockwatering; list number and kind of livestock.

c. Municipal; show name of municipality.

d. Domestic; show number of households.

e. Other; describe fully. 130 households 1/2 acre of lawn/garden per home.

500-111-110
AUG 29 2007

Appendix D

Well Logs

WELL DRILLER'S REPORT

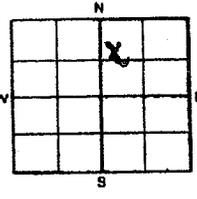
Use Typewriter or Ballpoint Pen

Inspected by _____
 Twp. _____ Rge. _____ Sec. _____
 1/4 _____ 1/4 _____ 1/4 _____
 Lat: : : Long: : :

1. DRILLING PERMIT NO. 25-96E-0016-000
 Other IDWR No. 25 7593

2. OWNER: NOLAN GNEITING
 Name _____
 Address 160 1/2 SECOND STREET
 City DAHO FALLS State WY Zip 83401

3. LOCATION OF WELL by legal description:
 Sketch map location must agree with written location.



Twp. 4 North or South
 Rge. 39 East or West
 Sec. 30 NE 1/4 NE 1/4 _____ 1/4
 Gov't Lot _____ County JEFFERSON
 Lat: : : Long: : :

Address of Well Site 3950 E-200
 City RIGBY
NORTH
 (Give at least name of road + Distance to Road or Landmark)

Lt. _____ Blk. _____ Sub. Name MORNING VIEW

4. USE:
 Domestic Municipal Monitor Irrigation
 Thermal Injection Other MULTIPLE DOM

5. TYPE OF WORK check all that apply (Replacement etc.)
 New Well Modify Abandonment Other _____

6. DRILL METHOD
 Air Rotary Cable Mud Rotary Other _____

7. SEALING PROCEDURES

SEAL/FILTER PACK			AMOUNT	METHOD
Material	From	To	Sacks or Barrels	
<u>BENTONITE</u>	<u>1</u>	<u>40</u>	<u>47</u>	

Was drive shoe used? Y N Shoe Depth(s) _____
 Was drive shoe seal tested? Y N How? _____

8. CASING/LINER:

Diameter	From	To	Gauge	Material	Casing	Liner	Welded	Threaded
<u>12</u>	<u>1</u>	<u>118</u>	<u>250</u>	<u>STEEL</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Length of Headpipe _____ Length of Tailpipe _____

9. PERFORATIONS/SCREENS
 Perforations Method _____
 Screens Screen Type _____

From	To	Slot Size	Number	Diameter	Material	Casing	Liner
						<input type="checkbox"/>	<input type="checkbox"/>

10. STATIC WATER LEVEL OR ARTESIAN PRESSURE:
23 ft. below ground Artesian pressure _____ lb.
 Depth flow encountered _____ ft. Describe access port or control devices: _____

Department of Water Resources
 Produced by _____
 Pump Bailer Air Flowing Artesian

Yield gal./min.	Drawdown	Pumping Level	Time

Water Temp. _____ Bottom hole temp. _____
 Water Quality test or comments: _____
 _____ Depth first Water Encountered _____

12. LITHOLOGIC LOG: (Describe repairs or abandonment)

Bore Dia.	From	To	Remarks: Lithology, Water Quality & Temperature	Y	N
	<u>16</u>	<u>180</u>	<u>COBBLE, ROCK, DIRT</u>		<input checked="" type="checkbox"/>
	<u>14</u>	<u>20</u>	<u>"</u>		<input checked="" type="checkbox"/>
	<u>13</u>	<u>40</u>	<u>"</u>	<input checked="" type="checkbox"/>	
	<u>12</u>	<u>40</u>	<u>"</u>	<input checked="" type="checkbox"/>	
	<u>12</u>	<u>50</u>	<u>GRAVEL</u>	<input checked="" type="checkbox"/>	
	<u>12</u>	<u>70</u>	<u>CLAY-GRAVEL</u>	<input checked="" type="checkbox"/>	
	<u>12</u>	<u>80</u>	<u>"</u>	<input checked="" type="checkbox"/>	
	<u>12</u>	<u>90</u>	<u>"</u>	<input checked="" type="checkbox"/>	
	<u>12</u>	<u>97</u>	<u>"</u>	<input checked="" type="checkbox"/>	
	<u>12</u>	<u>97</u>	<u>GRAVEL</u>	<input checked="" type="checkbox"/>	
	<u>12</u>	<u>100</u>	<u>"</u>	<input checked="" type="checkbox"/>	

RECEIVED
 AUG 02 1995
 Department of Water Resources
 MICHAEL RICH
 OCT 09 1995

Completed Depth 118 (Measurable)
 Date: Started 7-5-96 Completed 7-24-96

13. DRILLER'S CERTIFICATION
 I/We certify that all minimum well construction standards were complied with at the time the rig was removed.
 Firm Name A.C. Morris & Sons Firm No. 20
 Firm Official Danny Morris Date 7-25-96
 and
 Supervisor or Operator Allen Morris Date 7-25-96
 (Sign once if Firm Official & Operator)

FORWARD WHITE COPY TO WATER RESOURCES

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WELL DRILLER'S REPORT

RECORDED
JUN 17 1981
Department of Water Resources
Eastern District Office

State law requires that this report be filed with the Director, Department of Water Resources within 30 days after the completion or abandonment of the well.

WELL OWNER
Name Walter Smith
Address Riggs Idaho
Owner's Permit No. _____

7. WATER LEVEL
Static water level 55 feet below land surface
Flowing? Yes No G.P.M. flow _____
Artesian closed-in pressure _____ p.s.i.
Controlled by: Valve Cap Plug
Temperature _____ OF. Quality _____

NATURE OF WORK
 New well Deepened Replacement
 Abandoned (describe method of abandoning) _____

8. WELL TEST DATA none
 Pump Baller Air Other _____
Discharge G.P.M. _____ Pumping Level _____ Hours Pumped _____

PROPOSED USE
 Domestic Irrigation Test Municipal
 Industrial Stock Waste Disposal or Injection
 Other _____ (specify type)

9. LITHOLOGIC LOG

Hole Diam.	Depth		Material	Water	
	From	To		Yes	No
10"	0	5	top soil		X
10"	5	15	coll. rock		X
10"	15	30	"		X
10"	30	50	"		X
10"	50	60	"	X	
10"	60	85	sand	X	
10"	85	95	sand gravel	X	
10"	95	115	"	X	
10"	115	130	"	X	
10"	130	150	"	X	

METHOD DRILLED
 Rotary Air Hydraulic Reverse rotary
 Cable Dug Other _____

5. WELL CONSTRUCTION
Casing schedule: Steel Concrete Other
Thickness 1.50 inches Diameter 10 inches From 1 feet To 150 feet
Was casing drive shoe used? Yes No
Was a packer or seal used? Yes No
Perforated? Yes No
How perforated? Factory Knife Torch
Size of perforation 1/2 inches by 4 inches
Number 140 perforations From 95' feet To 130' feet
Well screen installed? Yes No
Manufacturer's name _____
Type _____ Model No. _____
Diameter _____ Slot size _____ Set from _____ feet to _____ feet
Gravel packed? Yes No Size of gravel _____
Placed from _____ feet to _____ feet
Surface seal depth 18' Material used in seal: Cement grout Puddling clay Well cuttings
Sealing procedure used: Slurry pit Temp. surface casing Overbore to seal depth
Method of joining casing: Threaded Welded Solvent Weld
 Cemented between strata
Describe access port well seal

6. LOCATION OF WELL
Sketch map location must agree with written location.
Subdivision Name Morningstar
Address Acres
Lot No. _____ Block No. _____
County JEFF
NE 1/4 Sec. 30, T. 4, N. R. 39 E. 1/4

10. Work started Jan 15-80 finished Jan 20-81

11. DRILLERS CERTIFICATION
I/We certify that all minimum well construction standards were complied with at the time the rig was removed.
Firm Name Walter Smith Firm No. 335
Address Riggs Idaho Date Jan 20-81
Signed by (Firm Official) Walter Smith
and (Operator) Walter Smith

RECEIVED
JUN 26 1981
Department of Water Resources

Appendix E

Water Production Data

Morning View Water Co., Inc.

An Idaho PUC Regulated Company

3996 E. 200 North

P.O. Box 598

Rigby, Idaho 83442

Office: 208-745-0029

Fax: 208-745-0041

	Date	Start Reading	End Reading	Total	# of services	Gals. Per Household
January	12/31/05		245212000		89	
February	1/31/06		247856000	2644000	90	29378
March	3/1/06		250017000	2161000	91	23747
April	4/2/06		252361000	2344000	94	24936
May	5/31/06		261014000	8653000	95	91084
June	6/30/06		270303000	9289000	95	97779
July	7/31/06		283604000	13301000	97	137124
August	8/31/06		296210000	12606000	99	127333
September	10/2/06		303056000	6846000	99	691512
October	10/31/06		304775000	1719000	99	17364
November	11/30/06		30612000	1347000	98	13745
December	1/2/07		307739000	1617000	98	16500

MORNING VIEW WATER CO., INC
 AN IDAHO PUC REGULATED COMPANY
 3996 E. 200 NORTH
 RIGBY, IDAHO 83442
 208-745-0029

Date	Start		End		Total	# of Services	Gallons per Household		Avg Gallons Daily
	Reading	Reading	Reading	Reading					
January	1/2/07	307,739,000	309,138,000	1,399,000	98	14,276	48,241		
February	1/31/07	309,138,000	310,519,000	1,381,000	98	14,092	53,115		
March	2/26/07	310,519,000	312,123,000	1,604,000	94	17,064	51,742		
April	3/30/07	312,123,000	316,036,000	3,913,000	95	41,189	126,226		
May	4/30/07	316,036,000	324,005,000	7,969,000	95	83,884	249,031		
June	6/1/07	324,005,000	333,890,000	9,885,000	96	102,969	318,871		
July	7/2/07	333,890,000	345,054,000	11,164,000	96	116,292	384,966		
August	8/1/07	345,054,000	355,147,000	10,093,000	100	100,930	336,433		
September	8/31/07	355,147,000	361,907,000	6,760,000	99	68,283	218,065		
October	10/1/07	361,907,000	364,263,000	2,356,000	101	23,327	73,625		
November	11/2/07	364,263,000	365,821,000	1,558,000	102	15,275	48,688		
December	12/5/07	365,821,000	367,013,000	1,192,000	99	12,040	79,467		
	12/31/07	367,013,000							
total		59,274,000		59,274,000	97.75	50,802	165,706		
					Yrly Avg	Yrly Avg	Yrly Average		

SECTION II Water Level Information (Optional data if available)

Depth to water. Record the date, if the pump was on or off, or if other nearby pumps were on.

Static Water Level (pump off, water level stable): _____ ft. Date _____

Dynamic Water Level (pump on): _____ ft. Date _____

Section III Rate of flow and volume diverted (REQUIRED DATA)

Meter information:

Make _____ Model No. _____ Serial No. _____

Does the meter totalizer measure in acre-feet or gallons? (circle one)

What is the multiplier? _____

Does the meter rate of flow indicator show gpm or cfs? (circle one)

What is the multiplier? _____

For meters without rate of flow indicators, check here and see page 4 for meter information and rate measurement methods.

Reading of the meter totalizer, flow rate and discharge pressure should be taken and recorded once each month on or near the same date. Please provide the actual totalizer reading and not the total volume since last reading.

Date (date of reading)	Totalizer Reading	Flow Rate (circle: cfs or gpm)	Discharge Pressure
January (31)	368590000	370-400	50-65
February (29)	370142000	370-400	50-65
March (31)	371474000	370-400	50-65
April (30)	373360000	370-400	50-65
May (30)	376242000	370-400	50-70
June (30)	381048000	370-400	50-70
July (31)	401777000	375-400	50-75
August (27)	414852000	370-400	50-75
September (29)	426975000	370-400	50-75
October (30)	429936000	370-400	50-75
November (28)	430626000	350-400	50-75
December (31)	432188000	350-400	50-75

Do totalizer and flow readings above include meter multipliers? _____ Yes _____ No

Total Acre-feet _____ OR Total Gallons 65175000
(there are 325,850 gallons per acre-foot)

Calculations or Comments (If flow meter was installed, calibrated, or replaced during this reporting year, Please note the date.)

copy

Appendix F

Water Company Documents

1D7260063

RECEIVED

FEB 26 2008

DEQ-IDAHO FALLS

Morning View Water Co., Inc.
An Idaho PUC Regulated Company
3996 E. 200 North
P.O. Box 598
Rigby, Idaho 83442

Office: 208-745-0029

Fax: 208-745-0041

February 25, 2008

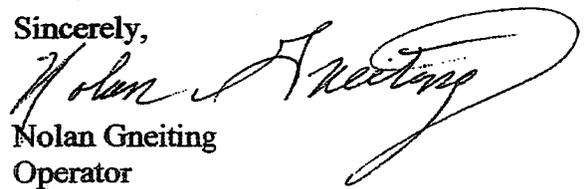
Rochelle Mason
Department of Environmental Quality
900 N. Skyline Dr.
Suite B
Idaho Falls, Idaho 83402

Dear Rochelle,

This letter is to inform you that the Rocky Mountain had a power outage on Sunday February 24, 2008. This outage affected over 1700 people in Jefferson County. We were one of the sites that lost power. It took just over one hour for the power company to complete repairs and restore power.

As soon as the power was restored, Nolan Gneiting went to the well house and flushed and reset the system.

Sincerely,


Nolan Gneiting
Operator

cc/file
faxed 2/25/08

SCANNED
FEB 26 2008

Morning View Water Co., Inc.
An Idaho PUC Regulated Company
3996 E. 200 North
P.O. Box 598
Rigby, Idaho 83442

RECEIVED
APR 11 2008
DEQ-IDAHO FALLS

Office: 208-745-0029

Fax: 208-745-0041

April 10, 2008

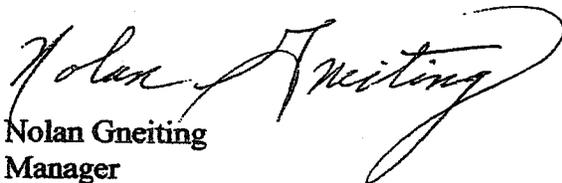
Department of Environmental Quality
900 North Skyline Dr.
Suite B
Idaho Falls, Idaho 83402

Rochelle Mason,

As you have requested, the pressure on the water system has been set-up to cycle and 50 pounds low and 75 pounds high. However, in the past this has blown out some of the water systems in the manufactured home addition. Most of these are plumbed with 3/8" diameter PEX pipe and the friction loss is really high, and the pipe is of extremely low quality. Because of this potential damage we are denying any liability on our part for water damage with-in the trailers.

Should you have any problem with this, please contact me at 745-0029

Regards,



Nolan Gneiting
Manager
Morning View Water Co., Inc.

cc/file

SCANNED
APR 11 2008

Morning View Homes

From: "Morning View Homes" <morningviewhomes@qwest.net>
To: "Rochelle Mason" <Rochelle.Mason@deq.idaho.gov>
Sent: Monday, July 23, 2007 8:51 AM
Subject: DEQ Mandate

RECEIVED

JUL 24 2007

DEQ-IDAHO FALLS

ATTENTION: Rochelle Mason

REGARDING: Morning View Water Co., Inc.

July 23, 2007

Please be advised that as of July 20, 2007 at 3:30 p.m., well #2 was fully functional.

The following was done to accomplish this:

1. The old pump and motor has been removed from the well casing.
2. The pump and the motor have been replaced.
3. The system has been converted to a three phase electrical system.
4. The leaks have been repaired and the well has been chlorinated.

We believe we are in compliance with the DEQ mandate, dated July 6, 2007, and inside the time frame allotted.

Thank You


Nolan Gneiting
Operations Manager

copy on file

cc - Bob Smith
cc - Melinda Harper
cc - Idaho Public Utilities Commission

SCANNED

JUL 24 2007

7/23/2007

Exhibit D

Morning View Water Co., Inc.

An Idaho PUC Regulated Company

3996 East 200 North

PO Box 598

Rigby, Idaho 83442

Office: 208-745-0029

Fax: 208-745-0041

morningviewhomes@qwestoffice.net

June 4, 2009

Morning View Water Customers,

This letter is to inform you of an informational meeting to be held by Morning View Water Company on Tuesday, June 9th 2009 @ 6:30PM in the meeting room of the Rigby City Library located at 110 North State Street. The following people will be in attendance to share information about the company and answer any questions you may have regarding company proceedings.

Rob Harris
Holden, Kidwell, Crapo & Hahn

Greg Eager
Department of Environmental Quality

Ryan Loftus
Aspen Engineering

We look forward to your attendance and encourage your participation. Thank you for your attention to this matter.

Sincerely,



Nolan Gneiting
Morning View Water Company