



MORNING VIEW WATER COMPANY

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PO Box 598

Rigby, ID 83442

RECEIVED

2014 MAY 19 AM 8:53

IDAHO PUBLIC
UTILITIES COMMISSION

PH 208-745-0029

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MNV-W-14-01

May 16, 2014

Jean Jewel
Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074

RE: Morning View Water Company- Order #31061 -Updated IDEQ Loan Agreement and Additional Request

Dear Ms. Jewel,

The Morning View Water Company would like to formally request approval from the Idaho Public Utilities Commission to borrow funds from the Idaho Department of Environmental Quality for improvements to our water system. The original approval was for \$275,000. We requested an amendment from DEQ to allow for legal and administrative costs and have accepted a loan from DEQ for \$300,000 @ 1.25% interest with \$78,533 principal forgiveness. Since this loan agreement was put in place we have recognized additional costs through bidding the project and receiving the quote from Rocky Mountain Power for the electrical costs. The service contract price for electrical is approximately \$22,000. The low bid for construction was approximately \$100,000 over the original engineer estimate. Through some value engineering the contractor and engineer are comfortable they will be able to lower the bid approximately \$18,000. Given these new costs we would like to request approval from the PUC to request an additional \$110,000 in loan funds from the IDEQ. Requesting the \$110,000 will give us approximately \$13,000 for contingency. The additional request will result in a total loan of \$410,000. The increase per user per month for debt and debt reserve will be approximately \$11.50.

We appreciate your interest and attention to this matter. Please call if you have any questions regarding this request.

Sincerely,

Nolan Gneiting
President