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33588 North Kelso Drive  
Spirit Lake, Idaho 83869

IDAHO PUBLIC  
UTILITIES COMMISSION

July 3, 2013

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

**RE: CASE NO. SPL-W-13-01**

**REGULARITY OF READINGS**

One of the points overlooked at the presentation which should be addressed at the Public Hearing is the **regularity** with which Water Meter Readings are taken. It is common knowledge in the Community, that Meter Reading is difficult under normal Summer conditions, but virtually impossible during Winter conditions in this Enforced Plat.

**MONTHLY BILLING**

I recommended to the Commission that one possibility would be for the Company to set up a Monthly Billing formula based on Statistical Inference. This proposition requires that a Unit Data Base for water usage actually exists. Present billings are January, April, July and October with a 30 day grace period for payment.

I believe the Commissioners will appreciate, that if this condition cannot be resolved in dealing with a relatively small sample size, Monthly Water Billings are more likely to become a major and contentious future issue for all concerned. There are several options out of this dilemma, mainly based on existing On Line Banking, or Advanced Payment for examples. Otherwise, twelve checks per year by U.S. Postal Service.

**CONDITIONALLY FAVOR MONTHLY INCREASE SUBJECT TO INCREASED MONTHLY ALLOTMENT**

In my Straw Poll. of the Enforced Plat, (Fifteen Resident Owners to date and growing), I do not find a great deal of resistance to the Company's request for a Rate Increase, I believe this is a result of the improved service the Company has rendered over the past five years. I did find a General demand for an increase in the Monthly water allotment tied to any increase in the Monthly Charge. It was evident that my previous recommendation for an increase from **1200 CF** to **1500 CF** was inadequate in view of the requested **106%** proposed increase in the Monthly Charge to **\$24.75**.

**PROPOSED MONTHLY INCREASE IN WATER ALLOTMENT**

It is proposed that an increase to **1800** CF for the Monthly Allotment would be more appropriate to all concerned. Looking back to the late 1970's it was apparent the proposed Monthly Allotment was considerably greater than the present allocation based on the Developer's request for Water Rights.. This proposal when I spoke with some of the residency's going back to the 1980's, would offset Summer usage to Winter usage and allow for any Irregularity of Meter Readings during the year Overages would be accommodated by \$0.15 for each additional 15 Cubic Feet used. The computation of the Overage Expense is virtually the same as at present.

**CONDITIONS OF APPROVAL**

As pointed out at the Public Hearing, Water Rights 96-07849 and 96-08830,( Affirmed in the Idaho Department of Water Sources letter of February 4, 2009, Water Right 95-9949 confirm the Location and Diversion as well as Usage solely within Kootenai County ), Those Rights when combined shall not exceed a total annual maximum diversion volume of 148.5 Acre Feet for irrigation of a total of 49.5 Acres and 219.6 Acre Feet for in-house use for a total of **316** homes. There are **313** Ten Acre Plus Tracts in the Enforced Plat of Spirit Lake East. "Domestic use under this right does not include lawn, garden, landscape, or other types of irrigation.." The **65** Five Acre Tracts in the Treeport Public Plat in Bonner County are not included in these Rights and may appropriately have been be addressed elsewhere.

It is apparent the present allocation of **1203** CF fails to take into account the diverse nature of the Enforced Plat of Spirit Lake East, which in its Corporate "**Codes, Covenants and Restrictions** provides a uniform plan for the development of the property and for residential, recreational, or agricultural purposes and rural atmosphere and charm which is compatible with the natural environment and, further to provide every practical and legal means to safeguard and protect the interests of all Owners and the stability of the development."

It isn't difficult doing the math, from the language of the Grant, that, R.A. Hanson Company Inc., the Developer of the Enforced Plat and Owner of the Water, Road and Utility Rights had the intent, as the original Owner and Developer, to provide a Monthly Allocation of slightly over **2500** CF of Water at a cost of approximately \$12.00 per month.. This is without any provision for irrigation as contained in the language of the above Grant..

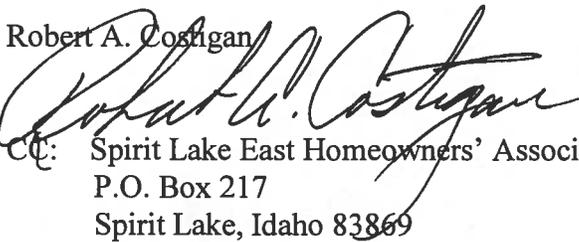
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**REVISION OF PREVIOUS REQUEST TO INCLUDE 1800 CF ALLOCATION AT NO ADDITIONAL COST PROVIDED THE REQUESTED MONTHLY INCREASED IS APPROVED.**

In view of the foregoing, it appears that an adjustment of the Monthly Allocation to Residents of the Enforced Plat of Spirit Lake East to 1800 CF per month is now recommended. I believe it is well within the Original intent and purpose of the Developer, and availability and capability of the system to provide an adequate supply of water, is justified and so requested..

Respectfully,

Robert A. Costigan



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ALL INTERVIEWEES