

Dean J. Miller (ISB No. 1968)
McDEVITT & MILLER LLP
420 West Bannock Street
P.O. BOX 2564-83701
Boise, Idaho 83702
Tel: 208-343-7500
Fax: 208-336-6912
joe@mcdevitt-miller.com

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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF UNITED WATER IDAHO INC., TO) **CASE NO. UWI-W-07-02**
AMEND AND REVISE CERTIFICATE OF)
CONVENIENCE AND NECESSITY NO 143)

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

DIRECT TESTIMONY OF SCOTT RHEAD

March 26, 2007

of which is depicted on the map attached hereto as Exhibit A. The Redwood Creek Well is capable of producing 1,000 million gallons annually and has a peak pumping capacity of 2,100 gallons per minute. In the year 2006, the Redwood Creek Well had an annual production of 14.65 million gallons and a peak daily production of 317 gallons per minute.

Because the United Water production and distribution system is completely integrated, other adequate sources of supply are available in the event the Redwood Creek Well is unavailable, due to maintenance or other reasons. For example, the 2.0 million gallon Hidden Hollow Storage Reservoir provides operational peaking and fire protection to this area.

Based on the size of the proposed Lanewood Development, United Water estimates that at build-out an additional 380 customers using alternate irrigation would be added to the United Water system. For planning purposes United Water assumes, based on historical consumption records for this type of user, peak day demand of 0.7 gallons per minute per customer. This translates to an approximately 266 gallons per minute of additional peak demand (380×0.7). In 2006, the peak day pumping demand for the Redwood Creek Well was 317 gallons per minute. The additional 266 gallons per minute of peak demand results in a total projected peak demand of 583 gallons per minute. This demand is well below the well capacity and provides the assurance that this and other developments can be served without jeopardizing service to current customers.

The Redwood Creek Well produces water for the United Water System under two water rights, Permit 63-11878 and 63-12194, which have a combined peak diversion rate of 2,068 gallons per minute and an annual volume of 1,086 million gallons.

Based on the foregoing, it is my professional opinion that United Water has adequate source of supply supported by adequate water rights to provide safe, reliable and continuous service to the Lanewood Development.

4. The Letter Comments (Pg. 2) call into question the time frame for development requested by the Lanewood developer. Based on information provided by the developer, United Water understands the developer desires to commence construction of the water distribution system within the development in July of 2007. As depicted on Exhibit A, attached hereto, United Water's existing 12" main line facilities are along Linder Road, which is immediately adjacent to the eastern boundary of the Lanewood development. Connection of the Lanewood development to this 12' mainline will not require construction of any off-site mainline extensions. Also as depicted on Exhibit A, the Lanewood development is contiguous to United Water's existing service territory and to United Water's existing, integrated water delivery system.

5. Based on the foregoing it is my professional opinion that United Water has both available source of supply and available transmission facilities to immediately provide safe, continuous and reliable service to the Lanewood development.

6. United Water Idaho Operations Inc., an affiliate of United Water Idaho, has a contractual agreement with the City of Eagle to provide operation and maintenance services to the City with respect to its municipal water system. As a consequence, I am familiar with the design and operation of the City's municipal water system.

7. The City has one operational well, known as the Lexington Well, and one well under construction known as the Brookwood Well. These wells are located at the eastern edge of the Eagle system, and are approximately two and one half (2 ½) miles from the Lanewood Development. Serving the Lanewood Development from the Lexington or Brookwood Wells

would require construction of two and one half (2 ½) miles of transmission mainline along Floating Feather Road.

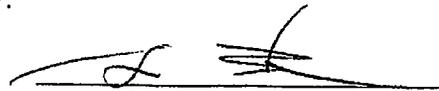
8. In 2006, the City drilled two test wells in an area approximately one quarter and one half miles south of the Lanewood Development. The location of these test wells is depicted on Exhibit A, attached hereto. While the City has applied to the Idaho Department of Water Resources (IDWR) for water right permits, the City's Application is still pending before the IDWR and no water right permits have been issued.

9. Before a well may be placed in service to provide service to a public drinking water system, approvals are required from the Idaho Department of Environmental Quality (DEQ). The DEQ cannot issue its approvals until a water right permit has been issued by IDWR. The DEQ has not issued approvals required to place either of the two wells into service.

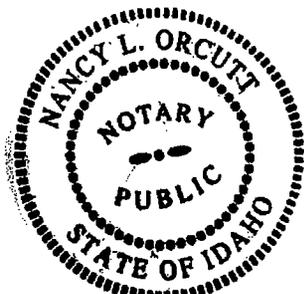
10. Assuming that IDWR and DEQ approvals are eventually obtained and that either of the test wells are up-graded to municipal standards, it would be necessary to construct main line facilities to connect the well(s) to the Lanewood Development. Construction of required mainline facilities has not been commenced.

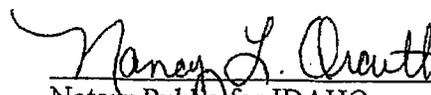
11. I am over the age of 21 years and make this Affidavit of my own knowledge.

Dated this 14 day of March, 2007.


Scott Rhead P.E.

SUBSCRIBED AND SWORN to before me this 14th day of March, 2007.




Notary Public for IDAHO
Residing at Boise, Idaho
Commission Exp.: 06/12/08

CERTIFICATE OF SERVICE

I hereby certify that on the 11th day of March, 2007, I caused to be served, via the method(s) indicated below, true and correct copies of the foregoing document, upon:

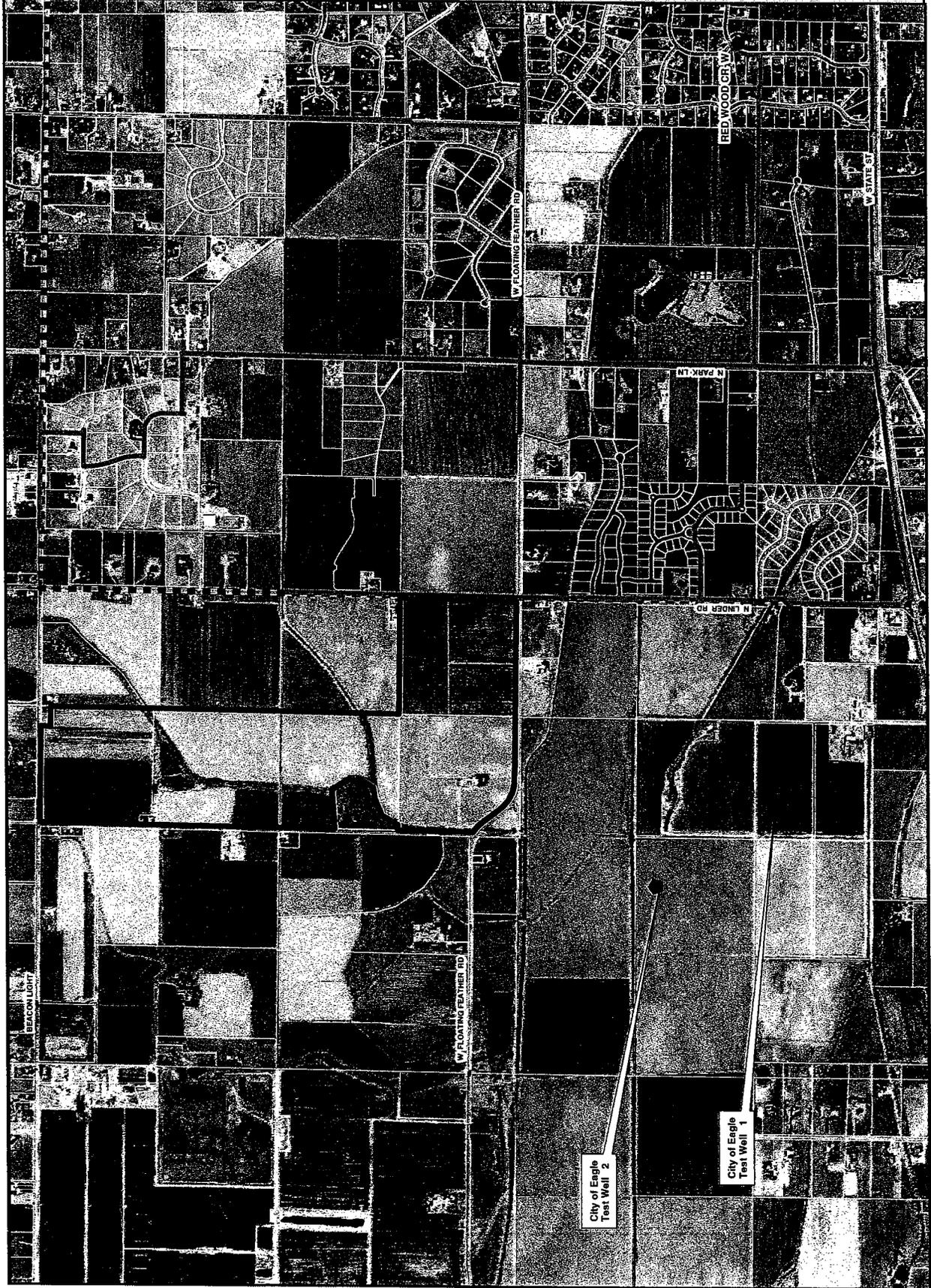
Jean Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P.O. Box 83720
Boise, ID 83720-0074
jjewell@puc.state.id.us

Hand Delivered
U.S. Mail
Fax
Fed. Express
Email

Bruce M. Smith
MOORE SMITH BUXTON & TURCKE
225 N. 9th Street, Suite 420
Boise, ID 83702

Hand Delivered
U.S. Mail
Fax
Fed. Express
Email

Kathleen Houle, legal asst.
MCDEVITT & MILLER, LLP



Proposed
 Certificated Area
 Current
 Certificated Area
 Eagle City Limits
 Parcels
 12 Inch Main - UWID



Scale
 1 inch equals 1,000 feet

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 however, shall be held responsible for the
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Revised Date: 03-12-07