

MOORE SMITH BUXTON & TURCKE, CHARTERED

ATTORNEYS AND COUNSELORS AT LAW
950 W. BANNOCK STREET, SUITE 520; BOISE, ID 83702
TELEPHONE: (208) 331-1800 FAX: (208) 331-1202 www.msbtlaw.com

STEPHANIE J. BONNEY
SUSAN E. BUXTON*
PAUL J. FITZER
MICHAEL C. MOORE†
BRUCE M. SMITH
PAUL A. TURCKE°
CARL J. WITHROBE*
TAMMY A. ZOKAN*

JOHN J. MCFADDEN*†
of Counsel
» Also admitted in California
* Also admitted in New Mexico
* Also admitted in Oregon
° Also admitted in South Dakota
† Also admitted in Washington

May 11, 2007

Ms. Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83720

RE: IPUC Case No. UWI-W-07-02

2007 MAY 14 PM 3:09
IDaho Public Utilities Commission

Dear Ms. Jewell:

Enclosed please find the original and nine (9) copies of the City of Eagle's AMENDED Direct Testimony and Reporter's CD to be filed in the above referenced matter. Two individuals have supplied this testimony in this case: Vern Brewer, City Engineer; Nancy Merrill, Mayor. The attached corrections includes the page numbering required in the PUC Rules.

Thank you, and please call if you should have any additional requirements or if a question should arise.

Sincerely yours,

MOORE SMITH BUXTON & TURCKE, CHTD.



Debbie Smith
Legal Assistant to Bruce M. Smith

/dls

Enclosures

cc: All parties w/Amended Direct Testimony Enclosure

2007 MAY 16 PM 3:09
IDAHO PUBLIC UTILITIES COMMISSION

Bruce M. Smith, ISB # 3425
Susan E. Buxton, ISB # 4041
MOORE SMITH BUXTON & TURCKE, CHARTERED
Attorneys at Law
950 West Bannock Street, Suite 520
Boise, Idaho 83702
Telephone: (208) 331-1800
Facsimile: (208) 331-1202
bms@msbtlaw.com

Attorney for City of Eagle, Idaho

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

DIRECT TESTIMONY OF VERN BREWER

1 **Q. Please state your name and identify your relationship to the City of Eagle.**

2 **A.** My name is Vern Brewer. I am the President of Holladay Engineering and
3 Project Manager/Liasion between the City and our team of Professional Engineers
4 and Geologist responsible for the water system design and construction. Holladay
5 Engineering Company was appointed City Engineer in 1997 and currently serves
6 in that capacity. Holladay Engineering is responsible for plan review, water
7 system and well design, system modeling, infrastructure planning, and financial
8 planning for the water system. Professionals assigned to these tasks include: Ken
9 Rice, P.E., Senior Design Engineer; Chris Duncan, P.G., Geologist; Andy Gehrke,
10 P.E., Engineer; and John Blom, P.E., Engineer. As project manager I have been
11 responsible for project planning and management, cost analysis and the interface
12 between the engineering team, the council, and the land use professionals
13 employed by the City.

14 **Q. What is the City's Water Master Plan?**

15 **A.** The City of Eagle, through a 4-year land use and infrastructure planning process,
16 adopted a City Water Master Plan that includes, in part, that area between Linder
17 Road and Highway 16, from the Boise River to Homer Road on the North. A
18 portion of this area is now being proposed for Lanewood Estates. In accordance
19 with the Plan, the City has designed a series of trunk lines and laterals, two one-
20 and-a-half-million gallon water storage tanks, and five wells in order to serve the
21 entire area. The water trunk line and well system is capable of supplying the

1 entire area based on the pressure and flow requirements in accordance with the
2 City's Comprehensive Plan.

3 **Q. With regard to the Lanewood development, are you familiar with its**
4 **location?**

5 **A.** Yes, it is immediately adjacent to the City limits and within the City's area of
6 impact.

7 **Q. Has the City planned to provide water service to Lanewood?**

8 **A.** Yes. This is consistent with the City's Comprehensive Plan and Ada County.

9 **Q. How does the City plan to serve Lanewood?**

10 **A.** The City has been working with some large developments near Lanewood to
11 complete the first phase of the City's western area municipal system.

12 Construction should be completed by July, 2007. Two wells capable of pumping
13 about 4,000 gallons per minute have been constructed. Both wells were
14 constructed according to the IDEQ's standards for municipal wells. A third well
15 with 1,500 gallons per minute capacity is scheduled for 2008, bringing capacity to
16 5,000 gallons per minute. The City has pending applications for water rights for
17 these wells. Because the water right applications were protested, the City had to
18 go through a lengthy hearing process which has now been completed. The City
19 received a favorable staff recommendation and expects the applications to be
20 approved in the June-July period. Interestingly, part of the delay in getting the
21 applications approved was caused by United Water protesting the applications.

1 In addition to the wells, a 16" main line is currently under construction from one
2 well to the southern boundary of the Lanewood property. This line should be
3 completed in July. If Lanewood completes its county approval process and wants
4 to begin construction of its distribution system, it can do so. See Eagle Exhibit
5 203.

6 The 16" main is an important component of the City's system because it will run
7 through the Lanewood development and connect to other portions of a loop
8 system designed to bring water to many properties in the City's western
9 expansion area. It will connect to future storage reservoirs.

10 The western expansion area is shown on Eagle Exhibit 204. This is the area
11 where the City has been and is planning to provide water service. Under the
12 present configuration and capacity of the existing wells, all IDEQ requirements
13 for the public water system can be met now and in the future. All of the existing
14 infrastructure under construction and being planned conform with the City's
15 approved Water Master Plan for the area.

16 **Q. What is the City's cost of service?**

17 **A.** The City's annual cost of water service is \$344.76. I checked United Water's
18 website and they charge \$398.43. City of Eagle customers pay less based on
19 comparable use.

20 **Q. Does the City encourage conservation of water?**

21

1 A. Yes, the City encourages all citizens to conserve their use of water. For instance,
2 the City requires use of surface water for irrigation.

3 **Q. In Scott Rhead's testimony, he indicated that the two existing City wells are**
4 **not constructed to municipal standards and that construction of a mainline**
5 **to Lanewood has not begun. Is this correct?**

6 A. No. Both City wells are brand new and are constructed to IDEQ standards. The
7 mainline is under construction and will be built to the Lanewood boundary.

8 **Q. The developer has suggested that he intends to begin construction of his**
9 **water distribution system in July, 2007. Will this schedule of development be**
10 **impeded by the construction of the City's mainline or IDEQ approval of the**
11 **distribution system?**

12 A. No. Lanewood can begin construction of the distribution system as soon as IDEQ
13 regulations allow. IDEQ has granted the City Engineer the ability to review and
14 approve plans for the distribution system in accordance with the approved Master
15 Plan in the same manner that United Water is capable of approving plans to their
16 system. The timeframe and process for review and approval of plans is the same
17 through the City as it is through United Water. Most recently the plans for the
18 Legacy development were approved in about a three-week turn around through
19 the City. In the event that Capital Development were to submit complete plans
20 for the Lanewood development to the City, the City Engineer would begin the
21 plan review. The plans could be reviewed and approved within about thirty (30)

1 days and the developer could begin construction on July 1 without any delay to
2 their construction schedule. IDEQ does not need to independently review and
3 approve the City of Eagle water delivery system in the western expansion area.

4 **10. Would allowing United Water to serve the Lanewood development interfere**
5 **with the completion of the City's water system and associated services?**

6 A. Yes. The City's planned trunk line loop, which includes a 16-inch water main
7 coupled with 12-inch and 8-inch laterals to serve the area within the western
8 expansion designated boundary, is a fully integrated system developed by
9 modeling flows and pressures for the entire western area. The 16-inch main runs
10 through the Lanewood development. The insertion of United Water into this
11 system will disrupt a four or five-year planning process engaged in by the City,
12 and it would certainly impair the ability for the City to close its loop to ensure that
13 the residents north, south, and west of Lanewood could participate in a fully
14 integrated and designed water system.

15 A second component of the integrated water system for the western area is the
16 development of a financial model for residents of that planning area to contribute
17 to a storage and trunk-line network fund to provide for the eventual construction
18 of two one-and-a-half-million gallon storage reservoirs that would provide
19 emergency and fire flows at build-out. Excluding Lanewood from the
20 system will have the effect of raising the cost of storage to the remaining residents
21 participating in the construction and would interfere with the objective of

1 spreading costs equitably among the users of the system. Eliminating Lanewood
2 participation would cause an immediate 4.5% increase to all other planned
3 residents for those storage and trunk line fees. Based on these factors, I believe it
4 is in the public interest to allow the City to serve this area.

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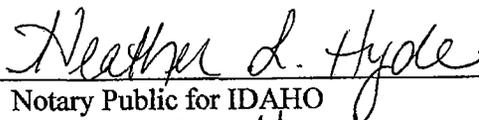
Dated this 11th day of May, 2007.



Vern Brewer

SUBSCRIBED AND SWORN to before me this 11th day of May, 2007.





Notary Public for IDAHO
Residing at Emmett
My Commission Expires: 6/30/12

CERTIFICATE OF SERVICE

I hereby certify that on this 11 day of May, 2007 I served a true and correct copy of the foregoing document via the method indicated below to:

Dean J. Miller, Esq.
McDevitt & Miller LLP
420 West Bannock Street
PO Box 2564
Boise, ID 83701

U.S. Mail, Postage Prepaid
 Hand Delivered
 Overnight Mail
 Facsimile

Gregory P. Wyatt
United Water Idaho, Inc.
PO Box 190420
Boise, ID 83719

U.S. Mail, Postage Prepaid (Through Counsel)
 Hand Delivered
 Overnight Mail
 Facsimile

Jean Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
PO Box 83720
Boise, ID 83720-0074

U.S. Mail, Postage Prepaid
 Hand Delivered
 Overnight Mail
 Facsimile

Scott Woodbury
Idaho Public Utilities Commission
472 West Washington Street
PO Box 83720
Boise, ID 83720-0074

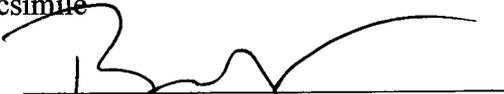
U.S. Mail, Postage Prepaid
 Hand Delivered
 Overnight Mail
 Facsimile

Robert B. Burns
Moffatt Thomas Barrett Rock &
Fields, Chtd.
101 S. Capitol Blvd., 10th Floor
PO Box 829
Boise, ID 83701

U.S. Mail, Postage Prepaid
 Hand Delivered
 Overnight Mail
 Facsimile

J. Ramon Yorgason
President, Capital Development, Inc.
6200 N. Meeker Place
Boise, ID 83713

U.S. Mail, Postage Prepaid (Through Counsel)
 Hand Delivered
 Overnight Mail
 Facsimile


Bruce M. Smith