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IDAHO PUBLIC
UTILITIES COMMISSION

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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 MAYOR NANCY MERRILL

1 **Q. Please state your name and identify your position with the City of Eagle.**

2 **A.** My name is Nancy Merrill, and I am the Mayor of the City of Eagle.

3 **Q. Are you familiar with the location of the proposed Lanewood development?**

4 **A.** Yes, I am. Lanewood is immediately west of Linder Road and is adjacent to the
5 Eagle City limits and within the City's Area of Impact as approved by Ada
6 County.

7 **Q. Is it the City of Eagle's intent and desire to provide municipal water service**
8 **to the Lanewood development?**

9 **A.** Yes, the City for some time has been aware of the pending development of this
10 property. Because of its proximity to the City, its location within the City's
11 impact area, its inclusion in the City's Comprehensive Plan, and its inclusion in
12 the City's Master Water Plan, the City has been preparing to serve this area and
13 include it within the City.

14 **Q. In addition to providing water to Lanewood, are there other issues and**
15 **planning efforts that involve the Lanewood development and the City?**

16 **A.** Yes, because Lanewood is adjacent to the City limits and is generally surrounded
17 by other developments that will be included in the City, Lanewood will, in effect,
18 be part of the City of Eagle. It will use City amenities, its traffic will affect the
19 City and its citizens, and its homeowners will use the amenities that the City
20 offers. Furthermore, because properties within the City of Eagle have
21 traditionally higher values, it will be able to use that circumstance to its benefit.

1 Homebuyers in Lanewood will be able to take advantage of the benefits of the
2 City without paying for them. As shown at Exhibit 201, Lanewood is surrounded
3 by properties in some phase of being included within the City. Lanewood should
4 be part of the City of Eagle.

5 **Q. When you refer to the City's planning efforts, can you describe in general**
6 **terms what you mean?**

7 **A.** As with any local governmental body, the City of Eagle develops a
8 Comprehensive Plan pursuant to Idaho Code. This plan deals with features such
9 as planning and zoning matters, transportation, and City services. In effect, the
10 Comprehensive Plan and associated documents detail how the City is to look and
11 feel, how it is to grow, and how it will provide for its citizens.
12 The City of Eagle takes this obligation very seriously. That is why the City of
13 Eagle is one of the most desirable places to live in the Treasure Valley. We care
14 about the City of Eagle and believe the results of that caring and attention reflects
15 the importance that people who live here place on maintaining the core values and
16 concepts that make Eagle what it is today. These planning efforts include items
17 such as providing City services, including water. We would like to think we
18 would have the support of the Public Utilities Commission in helping the City
19 develop according to its planning efforts. A copy of portions of the City's
20 Comprehensive Plan addressing water is attached as Exhibit 202.

21

1 **Q. Has this planning process included the land which is being developed as the**
2 **Lanewood development?**

3 A. Yes, it has. Lanewood will be located in the midst of the City of Eagle. How
4 Lanewood is developed will have a significant influence on the City. We hope
5 and intend to see that it is developed consistent with the City's Comprehensive
6 Plan.

7 **Q. Did United Water participate or comment on development of the City's**
8 **Comprehensive Plan?**

9 A. No, not that I am aware of, although the City did notify United Water that it was
10 developing its plan.

11 **Q. Is the City capable of providing water service to the Lanewood development?**

12 A. Yes, it is. The City is committed to working with the developer to incorporate
13 this development into the City. Even though the developer has filed an
14 application with the county, the City of Eagle will participate in that proceeding.
15 It will recommend that the county disallow the application and direct the
16 developer to file a request for annexation with the City and include using City
17 water.

18 **Q. Why would the City take that position?**

19 A. Lanewood will, for all practical aspects, be in the City. If not developed
20 consistent with the City's Comprehensive Plan, it could have significant
21 detrimental effects on the City. It would disrupt the City's planning process and

1 would negatively affect the City's water system development, roads, and open
2 spaces in its western area.

3 **Q. The developer of Lanewood has stated that the City will not have a**
4 **completed well and other facilities ready by time it has approval to**
5 **commence construction. Do you believe that to be true?**

6 **A.** No, I do not. According to the City staff, the City has already constructed a well
7 and a mainline is being constructed now. This line will go to the southern
8 boundary of Lanewood. The county approval process will likely take longer to
9 complete than will the extension of the mainline to Lanewood. By the time
10 Lanewood completes the county approval process and is ready to utilize water,
11 the City's system will be ready.

12 **Q. What is the City's policy on how water is to be provided to new developments**
13 **within the City?**

14 **A.** The City believes that new developments should provide their own water in order
15 not to impose burdens and costs on existing customers. Since the City does not
16 seek to generate profits from its water system, the City believes it can provide
17 water to its citizens less expensively than a for-profit entity such as United Water.
18 We believe water customers would appreciate that.

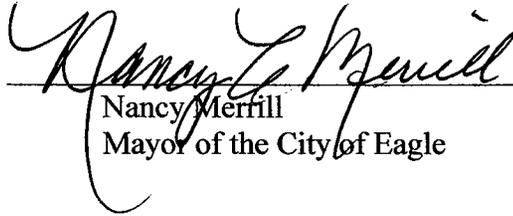
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1 **Q. Do you know the basis for Mr. Ramon Yorganson’s statements that the**
2 **review process for his development will be shorter because United Water can**
3 **independently lift sanitary restrictions to start construction but the City**
4 **cannot do the same thing?**

5 **A.** No, I do not know the basis for this statement, but Mr. Yorganson is incorrect.
6 The City can also lift the restrictions. I firmly believe that Mr. Yorganson’s
7 project, if developed according to the City’s Comprehensive Plan, can be
8 approved faster than through the county process. The City will certainly seek to
9 work with him to do that. With his cooperation, I believe that can be done. If Mr.
10 Yorgason is concerned about cost and certainty, given the location of his
11 development, I believe the City provides a superior alternative to development
12 than does the county. As Mayor, I am committed to helping him develop in a way
13 that brings value to his project and new citizens to Eagle. I believe that the
14 homeowners, who are ultimately the customers, will appreciate the lower costs
15 and services that the City can provide. City Hall and my office are a ten-minute
16 ride from the Lanewood development. If the customer has a problem, they can
17 come see me or any of the City staff. I believe it is in the public interest for the
18 City to serve these homebuyers, not United Water.

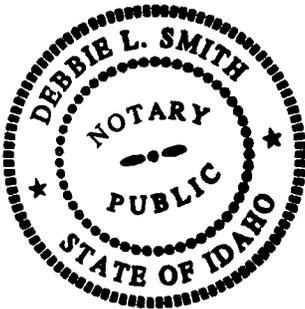
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Dated this 11 day of May, 2007.



Nancy Merrill
Mayor of the City of Eagle

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





Notary Public for IDAHO
Residing at Boise, ID
My Commission Expires: 6/8/07

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:

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