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Boise, Idaho 83702

RECEIVED

2011 JAN 28 PM 12:35

IDAHO PUBLIC
UTILITIES COMMISSION

Chas. F. McDevitt
Dean J. (Joe) Miller

January 28, 2011

Via Hand Delivery

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

Re: UWI-W-11-01—United Water and City of Eagle

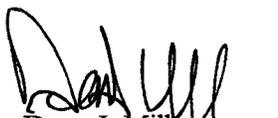
Dear Ms. Jewell:

Enclosed for filing in the above matter, please find an original and seven copies of the Application regarding United Water Idaho Inc.

Kindly return a file stamped copy to me.

Very Truly Yours,

McDevitt & Miller LLP


Dean J. Miller

DJM/hh
Enclosures

ORIGINAL

Dean J. Miller (ISB No. 1968)
Chas. F. McDevitt (ISB No. 835)
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Attorneys for Applicant

RECEIVED

2011 JAN 28 PM 12: 35

IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION
OF UNITED WATER IDAHO INC., AND
THE CITY OF EAGLE, IDAHO FOR
APPROVAL OF AN EMERGENCY
INTERCONNECTION AGREEMENT and
REQUEST FOR MODIFIED PROCEDURE

Case No. UWI-W-11-01

APPLICATION

COME NOW United Water Idaho Inc. (United Water), and the City of Eagle, Idaho (City of Eagle) (collectively, the Parties), and apply to the Commission for an Order approving the Emergency Interconnection Agreement (Agreement), attached hereto as Exhibit A, and in support thereof, respectfully show as follows, to wit:

I.

United Water is a regulated public utility providing water service to the public in the City of Boise and surrounding areas, including parts of the City of Eagle. The City of Eagle is an Idaho municipality providing water service to the public in parts of the City of Eagle. In some places the water systems of United Water and the City of Eagle are adjacent to each other.

APPLICATION-1

The two water systems are currently interconnected to each other by a pressure regulating valve (PRV) and vault owned by the City of Eagle which is currently configured to enable water supply to be made available to the City of Eagle's system from United Water's system, under certain circumstances. This existing interconnection is governed by an agreement between the parties that was executed in 1997.

The Parties have negotiated this new Agreement with a view toward replacing the existing agreement and modifying the interconnection facilities so as to provide a source of water supply to each party in the event of emergency.

II.

Among other things, the Agreement provides:

- United Water will design, construct and build modifications to the existing interconnection to enable the two-way flow of water between the two systems. Each party will thereafter own the facilities on their respective sides of the interconnection, as shown on an attachment to the Agreement. The estimated cost of construction and allocation of costs between the Parties is shown on an attachment to the Agreement. (Article 1).
- Upon the occurrence of a scheduled or unexpected event, each party will either sell and deliver or receive and purchase supplies of water. An interconnection activation will occur automatically by operation of the PRV. The rate for service supplied by United Water to City of Eagle will be the Volume Charge set forth in United Water's Schedule No. 1, General Metered service, as the same now exists or may hereafter be altered by the Commission. (Article II).

- The Agreement will not become effective until the Agreement is approved by the Commission.

III.

The Agreement is in the public interest and should be approved because, among other reasons:

- The customers of each party will have access to supplies of water in the event of emergency or other problem occurring on one of the party's system, thereby ensuring continuous and reliable service.
- The Agreement provides a least-cost redundancy solution for both parties, when compared to the cost each party would incur to construct its own facilities.
- When United Water sells supplies of water under the Agreement, United Water will receive payment at the full tariff volumetric rate, not at a discount. Likewise, when Eagle sells supplies of water under the Agreement, it will receive payment at Eagle's then existing published volumetric rate, not at a discount.
- The allocation of construction costs between United Water and Eagle is reasonable in that each party is assuming responsibility for those construction costs required to modify the interconnection to accommodate water flow to their respective water system, and are sharing equally those costs that will serve each party equally.

IV.

The Parties believe a hearing is not necessary to the consideration of this Application and request that it be processed under Modified Procedure.

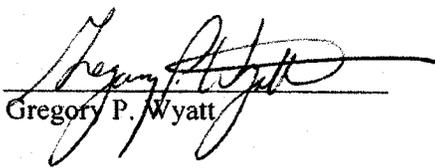
WHEREFORE, the Parties respectfully request that the Commission enter its order:

1. Approving the Agreement and United Water's intended performance under the agreement;
2. Confirming that the prices to be charged by United Water to the City of Eagle for delivery of water supplies are reasonable;
3. And granting such other relief as is appropriate in the circumstance.

DATED this 25th day of January, 2011.

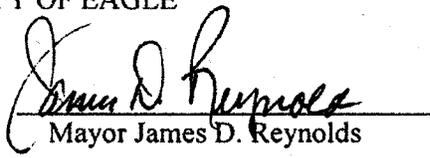
UNITED WATER IDAHO INC.

By:


Gregory P. Wyatt

CITY OF EAGLE

By:


Mayor James D. Reynolds

EMERGENCY INTERCONNECTION AGREEMENT

THIS AGREEMENT, made as of the 22nd day of DECEMBER, 2010, is by and between the CITY OF EAGLE ("Eagle"), a municipal corporation organized under the laws of the State of Idaho with its principal office located at 660 East Civic Lane, Eagle, Idaho 83616, and UNITED WATER IDAHO INC. ("United Water"), a corporation organized under the laws of the State of Idaho with its principal office located at 8248 West victory Road, Boise, Idaho 83709,

WITNESSETH:

WHEREAS, Eagle owns and operates a municipal water utility system furnishing water service to the public in parts of the City of Eagle; and

WHEREAS, United Water owns and operates a public water utility system and furnishes water service to the public in Boise and surrounding areas, including parts of the City of Eagle; and

WHEREAS, Eagle owns an existing pressure regulating valve (PRV) interconnection and vault configured to enable water supply to be made available to Eagle's system from United Water's system under certain circumstances; and

WHEREAS, United Water and Eagle now desire to improve and utilize the existing interconnection between United Water's and Eagle's water systems ("Interconnection") to provide an emergency source of water supply for each party on the terms and conditions set forth herein;

WHEREAS, the parties wish to set forth their agreement for the modification and financing of the Interconnection and all associated improvements by which each

party will deliver water to the other at the specific metered interconnection and their agreement as to delivery, receipt and payment for water delivered through the Interconnection;

NOW, THEREFORE, in consideration of these premises and of the mutual promises and undertakings hereinafter set forth, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

The Interconnection

1.1 Interconnection. The Interconnection covered by this Agreement is shown on Exhibit A, which is attached to this Agreement and expressly made a part hereof. The Interconnection currently exists and shall serve for the delivery of water supply both from Eagle to United Water, and from United Water to Eagle. The Interconnection currently has a PRV controlling the flow of water across the interconnection from United Water to Eagle. The Interconnection will be modified as discussed in Section 1.3 below to enable water flow to occur in both directions.

1.2 Applicability of Agreement. The terms of this Agreement shall apply only to the aforementioned existing Interconnection. Provision of water through any new interconnections that may be constructed in the future between the parties' systems shall be subject to a separate agreement.

1.3 Construction and Maintenance of the Interconnection.

(a) The parties agree that the existing Interconnection requires certain modifications, including additional piping, valves, vault modifications, metering, and

controls, in order to enable the two-way flow of water, and are willing to share the cost of the said modifications in accordance with the plans and estimate attached as Exhibit B.

(b) United Water shall design, construct, build and install the modifications in accordance with the plans attached as Exhibit B. United Water shall supply or arrange for the provision and/or performance of all required services, goods, materials, engineering and construction (collectively, the "Work") needed to complete the modifications in a sound and workmanlike fashion. For purposes of this Article I, the "Work" shall be deemed to include and comprise the completed design, engineering and construction required by this Agreement.

(c) Each party shall maintain the valves and other appurtenances on its side of the system at the point of connection. All valves on the Interconnection shall be set to normally remain closed and shall be used only as set forth herein.

1.4 Designs and Specifications. United Water shall supply to Eagle all designs, specifications, drawings, schedules, blueprints, and engineering for the Work for approval prior to finalization, which approval shall not be unreasonably withheld.

1.5 Supervision of the Work. Except as otherwise provided herein, United Water shall have the right and obligation to supervise and control the Work including, but not limited to, the determination of construction means, methods, techniques, sequences and procedures; monitoring and enforcement of compliance with the project documents; approval and acceptance of the Work; and the review,

approval and processing of applications for payment to contractors and materialmen engaged on the Work. Neither party under this Agreement is in any respect acting under the Agreement as agent, employee or representative of the other party to this Agreement and is, in all respects, an independent contractor hereunder.

1.6 Access to and Acceptance of the Work. Each party shall, at all times, be allowed reasonable access to, and opportunity to inspect the Work, and, before providing emergency water supply under this Agreement, have the right to finally accept the Work as sufficient for purposes of delivery of emergency water supply in a reasonable manner, consistent with its water system operations.

1.7 Permits and Licenses. United Water shall obtain any permits, licenses or other authorizations required under any federal, state or local law, statute, rule, regulation, ordinance or other authority for the Work.

1.8 Ownership and Maintenance of the Interconnection. Eagle shall retain ownership of the Interconnection vault and shall maintain responsibility for the electrical utility service costs of the Interconnection. Each party shall have all right, title and interest thereto, and shall own the piping, valves, meters and appurtenances on its own portions of the Interconnection as identified on Exhibit B, and shall be responsible for maintaining same. Maintenance and replacement costs of the Interconnection items that are to be co-owned by the parties, such as the meter, data logger, and vault hatch, etc. shall be shared equally by the parties.

ARTICLE II

Supplies

2.1 Sale and Purchase of Emergency Water Supply (Supplies). In accordance with this Article II, each party shall deliver and sell, and the other party shall receive and purchase the Supplies through the Interconnection from time to time during the term of this Agreement. The sale and purchase of Supplies shall only occur as the result of a scheduled or unexpected event, temporary in nature.

2.2 Notice of Intent to Receive and Purchase Supplies through the Interconnection. Because the Interconnection is controlled by PRV's, a pressure drop caused by a scheduled or unexpected event will initiate Interconnection activation. As soon as either party is aware of the Interconnection activation, that party is obligated to notify the other party immediately. The receiving party shall then notify the supplying party within four (4) hours as to the nature and expected duration of the emergency, and with regard to the anticipated volumes of water required. Notices pursuant to this paragraph may be verbal, but shall be confirmed within two (2) business days in writing, which may be transmitted by facsimile or email.

2.3 Supply. Availability of supply by a supplying party is dependent upon that party's ability to supply water at and during the time of the request by the requesting party.

2.4 Meter Readings and Tests. Eagle and United Water shall each have the right to access the meter at the Interconnection and to conduct a test of meter accuracy. All costs associated with each party's exercise of this right shall be the

responsibility of such party. The parties agree to share equally any and all costs for repairing, recalibrating or replacing the meter if it is found to register inaccurately beyond the American Water Works Association (AWWA) Standards of tolerance. If the meter is found to register inaccurately beyond a range of tolerance in accordance with AWWA Standards, an adjustment shall be made to the bills rendered for service through the Interconnection for the period of time elapsed since the last previous meter test, but no longer than one year from the current test. The adjustment to the bill will be based upon the product of total consumption recorded by the meter since the last meter test, or one year prior, and one-half the percentage variance in the accuracy of the meter as determined upon its being tested.

2.5 Charges and Billing Procedures. For billing purposes, the Interconnection meter shall be read by the supplying party in accordance with its regular meter reading schedule. Each party shall bill the other in arrears for volumes delivered to the other through the Interconnection for the period. The rate for service supplied under this Agreement by United Water shall be the Volume Charge set forth in United Water's Schedule 1, General Metered Service, as the same now exists or may hereafter be amended. The rate for service supplied under this Agreement by Eagle shall be the Consumption Rate set forth in City of Eagle Resolution 08-33 as the same now exists or may hereafter be amended. No "customer", "service", "fixed", "franchise" or "IDEQ" fees or charges of any type shall be applicable for billing purposes by either party. Upon receipt of a bill for Supplies, the receiving party shall make payment in full to the providing party within thirty (30) days of the date of the bill.

2.6 Water Quality, Quantity, and Pressure.

(a) Each party shall use its best efforts to ensure that the Supplies furnished hereunder shall be potable and in compliance with all applicable federal and State of Idaho laws and regulations in effect at the time the Supplies are delivered to the other party (collectively, the "Water Quality Laws"). Neither party shall be responsible for the quality of water beyond the point of delivery to the other party's system.

(b) The maximum instantaneous and the maximum daily Supplies available for use by a receiving party through the Interconnection are as established below:

	Maximum Instantaneous Supply	Maximum Daily Supply
Eagle supply to United Water	825 GPM	1.100 MGD
United Water supply to Eagle	1,500 GPM	1.440 MGD

(c) Unless auxiliary pumps are authorized by the supplying party, system pressures available are subject to existing hydraulic conditions at the time of use and are subject to change without notification to or by either party.

ARTICLE III

Miscellaneous

3.1 Commencement and Term; Effective Date.

(a) The term of this Agreement shall commence on the date of execution hereof and shall run for a period of five (5) years. This Agreement shall renew

automatically from year to year thereafter, unless either party gives notice to the other eighteen (18) months in advance of its intent to terminate.

(b) Notwithstanding the foregoing, the obligations to provide Supplies under this Agreement shall not become effective unless and until this Agreement is approved by the State of Idaho Public Utilities Commission ("Commission"). Immediately following execution of this Agreement, the parties shall prepare a joint application to the Commission for approval of this Agreement. Each party agrees to use reasonable best efforts to obtain approval, and each party shall take no action inconsistent with obtaining approval of this Agreement by the Commission.

3.2 Force Majeure. If the ability of either party to deliver the Supplies is interrupted or impaired, in whole or in part, due to failure of equipment or facilities, leaks, required repairs to facilities, strikes, Acts of God, or other extraordinary circumstances, occurrences or conditions beyond the parties' control, including action by governmental bodies and authorities, then during the period of such interruption or impairment, the delivery and purchase obligations described herein shall be suspended proportionately. Each party specifically acknowledges, understands and agrees that the obligations of the other party to deliver the Supplies requires only the exercise of ordinary and reasonable care under the circumstances to maintain the Supplies and have such available for delivery hereunder, and that the party delivering Supplies through the Interconnection shall not be liable to the other party for any interruption of, or curtailment in the Supplies caused by circumstances beyond its control.

3.3 Condition Subsequent. Each party's respective rights and obligations hereunder are conditioned upon and subject to the receipt of: (a) all necessary, final and appealable zoning, subdivision and land development approvals; and (b) any and all permits and licenses required by federal, state and local governments or agencies thereof to permit the construction and operation of a particular Interconnection. The parties shall use their best efforts to apply for and obtain all necessary approvals, permits and licenses at the earliest time practicable under the circumstances.

3.4 Indemnity.

(a) United Water agrees to indemnify, defend and hold harmless Eagle and its respective successors and assigns, from and against any and all claims, demands, causes of actions, suits, judgments, debts, liabilities, losses, damages, and expenses (including reasonable fees and disbursements of legal counsel) of any kind whatsoever ("Losses") that may be sustained or suffered by Eagle and are caused by any material misrepresentation, breach or non-performance by United Water with respect to any representations, warranties, undertakings, agreements, covenants or obligations of United Water contained in this Agreement.

(b) Eagle agrees to indemnify, defend and hold harmless United Water and its respective successors and assigns, from and against any and all claims, demands, causes of actions, suits, judgments, debts, liabilities, losses, damages, and expenses (including reasonable fees and disbursements of legal counsel) of any kind whatsoever ("Losses") that may be sustained or suffered by United Water and are caused by any material misrepresentation, breach or non-performance by Eagle

with respect to any representations, warranties, undertakings, agreements, covenants or obligations of Eagle contained in this Agreement.

3.5 Successors and Assigns; No Third-Party Beneficiaries. This Agreement shall be binding upon and shall inure to the benefit of the parties' respective successors and permitted assigns. This Agreement is deemed to be for the benefit of the parties hereto, and no entity not a party to this Agreement, including without limitation industries or persons supplied by either party, shall acquire any right or claims by reason of this Agreement.

3.6 Authority and Binding Effect. Eagle and United Water each represent, warrant and affirm to the other: (a) their authority and power to enter into this Agreement and to make, perform and carry into effect their respective commitments, obligations and undertakings as set forth herein; (b) their authority to enter into and perform each of the transactions contemplated hereby; (c) that all consents and authorizations requisite to their execution of this Agreement and performance hereunder have been obtained; (d) that this Agreement, the transactions contemplated hereby and the parties' performance hereunder will not violate any federal, state or local law, statute, regulation, rule, ordinance, tariff term or other similar authority application to either of them; and (e) when executed, the Agreement shall constitute a valid and binding obligation, enforceable by each party against the other in accordance with its terms.

3.7 Consent to Assignment. The parties' respective rights and obligations hereunder shall not be assignable or delegable whether by sale, assignment, merger or otherwise without the prior written consent of the other except if another entity

purchases all or substantially all of the assets of either party, in which case assignment shall be effective upon notice to the other party.

3.8 Amendment. This Agreement may be amended only by written instrument, signed by the party to be bound.

3.9 Entire Agreement. This Agreement embodies the entire agreement between the two parties with reference to the subject matter hereof, and there are no agreements, understandings, conditions, warranties or representations, oral or written, expressed or implied, with reference to the subject matter hereof that are not merged in this Agreement or superseded hereby.

3.10 Terms Severable. Should any term of this Agreement be held invalid or unenforceable, such determination shall not render the remaining terms of this Agreement invalid or unenforceable unless to do so would cause the Agreement to fail of an essential purpose.

3.11 Notices. Any notices required or permitted to be given hereunder shall be in writing, shall be effective upon receipt (unless otherwise provided herein), and shall be delivered by facsimile transmission or by United Water States mail, first-class postage prepaid, addressed to the parties as follows:

If to United Water:

General Manager
8248 West Victory Road
P.O. box 190420
Boise, ID 83719-0420
Phone: 208-362-7327
Fax: 208-362-7069
Email: greg.wyatt@unitedwater.com

with a copy to:

United Water Water Management & Services
200 Old Hook Road
Harrington Park, NJ 07640
Attention: Legal Department
telecopy (201) 767-7018

If to Eagle:

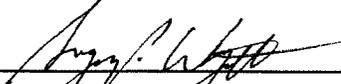
Public Works Director
660 E. Civic Lane
P.O. Box 1520
Eagle, ID 83616

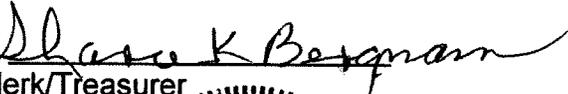
3.12 Titles. The titles appearing herein have been inserted for convenience of reference only and shall not be deemed a part thereof or considered in construing the parties' rights and obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered, and their respective corporate seals to be hereunto affixed by their duly authorized officers, as of the day and year first written above.

CITY OF EAGLE

JAMES. D. REYNOLDS, MAYOR
CITY OF EAGLE, ID

UNITED WATER IDAHO INC.
By: 
Name: 
Title: 

Attest: 
City Clerk/Treasurer

(CITY SEAL)

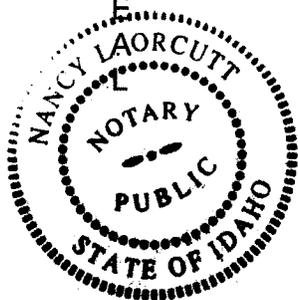


State of Idaho

County of Ada

Subscribed and sworn before me this 22nd day of December, 2010
by Gregory P. Wyatt.

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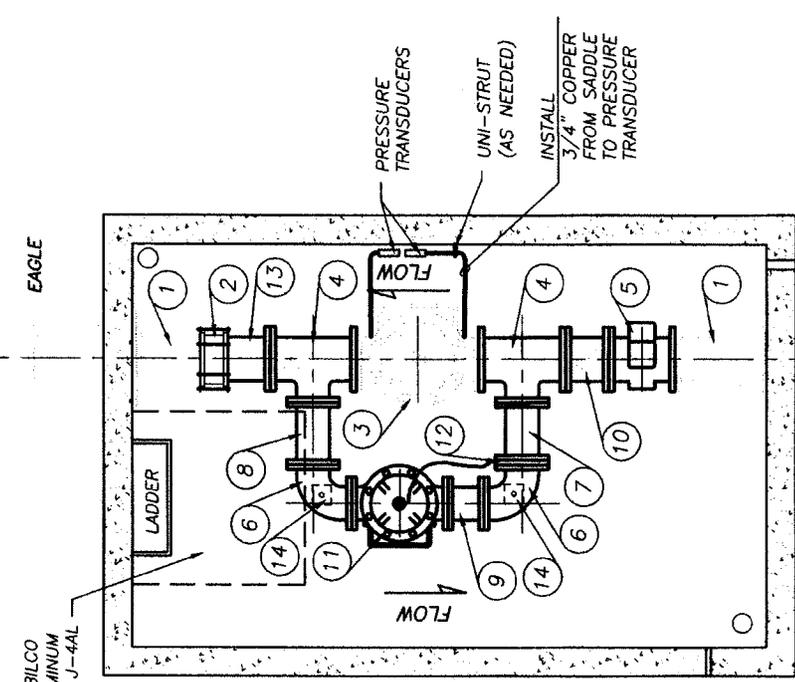


Nancy L. Orcutt
Notary Public
My Commission Expires on: June 12, 2010

EAGLE INTERTIE PRELIMINARY ASSUMPTION OF PROBABLE COST

DESCRIPTION	UNITS	COST	TOTAL	Cost Allocation	
				United	Eagle
PIPING MODIFICATIONS LABOR	48	\$50	\$2,400	\$2,400	
PIPING MATERIAL	1	\$897	\$897	\$897	
6" CLA-VAL PRV Combo (RATE OF FLOW)	1	\$4,582	\$4,582	\$4,582	
8" FLOW METER	1	\$2,200	\$2,200	\$1,100	\$1,100
BILCO HATCH	1	\$3,000	\$3,000	\$1,500	\$1,500
TELMETRY LABOR	15	\$55	\$825	\$413	\$412
DATA LOGGER	1	\$2,500	\$2,500	\$1,250	\$1,250
TRANSDUCER	2	\$500	\$1,000	\$500	\$500
SUB TOTAL			\$17,404	\$12,642	\$4,762
10% Omissions & Contingency			\$1,740	\$1,264	\$476
6% state tax on materials			\$851	\$590	\$261
Total			<u>\$19,995</u>	<u>\$14,496</u>	<u>\$5,499</u>

GENERAL NOTES		
NO.	DESCRIPTION	QUANT.
1	EX. 8" DI	2
2	8" COUPLING	1
3	EX. 8" CAL-VAL 90-01	1
4	8"x6" FLG TEE	2
5	8" ELECTROMAGNETIC FLOW METER ENDRESS & HAUSER MODEL #53W1F-ULOBTRK5BAA2, 5' CABLE (UMID ORDER)	1
6	6" FLG 90° BEND	2
7	6" DI SPOOL FLGxFLG (12" LONG)	1
8	6" DI SPOOL FLGxFLG (13" LONG)	1
9	6" DI SPOOL FLGxFLG (7-1/2" LONG)	1
10	6" DI SPOOL FLGxFLG (9" LONG)	1
11	6" RATE OF FLOW CONTROLLER CLA-VAL #G49-01BCDS COMBO RATE OF FLOW & PRV	1
12	ORFICE PLATE	1
13	8" DI SPOOL FLGxPE (12" LONG, FIELD VERIFY)	1
14	ADJUSTABLE PIPE SUPPORT	4



INSTALL NEW BILCO
36"x36" ALUMINUM
HATCH MODEL J-44L

United Water.
UNITED WATER IDAHO
8248 W. VICTORY ROAD
BOISE, IDAHO 83707

**TRAIL CREEK PRV
PIPING MODIFICATION PLAN**

Design/Drawn By: DLS	Map No.: 0504-4	Tax Code:
Scale: 1/2"=1'	Revisions:	Sewer Dist:
Date: SEPT. 2010		Twn.Pge.Sec:
CEA No.:		Sheet 1 of 1