

NOTICE TO MEMBERS OF BRIAN SUBDIVISION WATER USERS ASSOCIATION INC.

September 26, 2014

Dear Member:

As you know, your Board of Directors has been working for over a year to find a solution to the nitrate contamination within the Brian Subdivision water system. After investigation, the Board determined the only feasible solution is to connect the Brian water system to the water system operated by United Water Idaho Inc. All system users and owners in the subdivision were asked to participate in a meeting on December 5, 2013 to vote on implementation of this solution. A majority of homeowners were present and voted. The vote to connect with and to turn our system over to United Water was unanimous in favor.

After a long period of exploration and discussion with United Water, we have agreed upon and signed an *Agreement for Connection and Transfer of Water Systems Between United Water Idaho Inc. and Brian Subdivision Water Users Association, Inc.* (Agreement). The Agreement is subject to approval by the Idaho Public Utilities Commission (Commission). United Water and BSWUA have filed an Application with the Commission for approval of the Agreement.

The key features of the Agreement are:

- United Water will construct a main pipeline from its existing facilities near the Boise River under the river and under the New York Canal and connect to the Brian water system at an estimated cost of \$1,215,184.
- United Water will replace existing services, settings and meters and install fire hydrants at an estimated cost of \$125,026.
- Up to ten percent of the pipeline cost and one hundred percent of the internal distribution system costs would be assigned to BSWUA customers and recovered through a surcharge on United Water bills. These costs would be recovered by a bi-monthly surcharge of not more than \$124.86 or by a one-time payment at the election of a member. Ninety percent of the pipeline costs would be assigned to United Water's other customers.

Customers desiring to submit comments to the IPUC or request a hearing, may do so either by U.S. mail or via the IPUC's internet page as set out below.

U.S. mail to:
Idaho PUC
P.O. Box 83720
Boise, ID 83720-0074

via the IPUC's internet page go to:
<http://www.puc.idaho.gov/forms/casecomment.aspx>

A copy of the entire Application is available for public review at the IPUC's office (472 West Washington Street in Boise) or on-line at: www.puc.idaho.gov/fileroom/cases/summary/ORET1401.html.

Customers may also subscribe to the IPUC's RSS feed to receive periodic updates about the Application by following the instructions on the IPUC's internet home page (www.idaho.puc.gov) under "Keep me Updated, Subscribe to our Feeds."

If you have any questions concerning the Application or would like to receive copies of the Agreement and Application, please contact me at (208) 859-3908.