

Idaho Public Utilities Commission
Office of the Secretary
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JAN -9 2009

Boise, Idaho

BAR CIRCLE 'S' WATER CO
PO BOX 1870
HAYDEN ID 83835
208 665 9200
208 665 9300 FAX

BCS-w-08-01

Date 09 Jan 09

To: IPUC

From: Robert N Turnipseed

Attn: Gerry Gjalnato

Fax: 208-334-3762

Sheets to Follow: 6

Comments: Water main line extension
agreement for BCSW and Double T Est.

**WATER MAIN EXTENSION AGREEMENT
BAR CIRCLE 'S' WATER CO**

THIS AGREEMENT is entered into on the date set forth below, by and between BAR CIRCLE 'S' WATER CO, an Idaho Corporation located at PO Box 1870, Hayden, Idaho 83835 (herein referred to as "BAR WATER") and DOUBLE T ESTATES LLC, an Idaho limited liability company located at PO Box 1870 Hayden Idaho 83835 (herein referred to as "DOUBLE T")

RECITALS:

BAR WATER owns two wells and currently provides domestic water services to BAR CIRCLE 'S' RANCH, and is a public utility regulated by the Idaho Public Utility Commission (Commission).

DOUBLE T is owned by Robert N Turnipseed, Developer (herein referred to as DEVELOPER). The DEVELOPER intends to plat 47 lots, more particularly known as DOUBLE T all of which lots require domestic water service.

It is the purpose and intent of the parties that BAR WATER will provide domestic water delivery and maintenance under the terms of this Agreement and the Commission's Customer Relation Rules and Bar Water's filed Tariffs.

This Agreement is subject to the Commission's Customer Relation Rules and Bar Water's filed Tariffs which rules shall apply to the expanded service territory.

NOW, THEREFORE, based on the agreements and covenants provided herein, it is agreed as follows:

DEFINITIONS

All definitions provided herein shall apply to the Agreement and the General Rules and Regulations Governing this Water Main Extension Agreement adopted hereunder.

"Adjusted Construction Cost", for the purposes of the Rule, shall be reasonable and shall not exceed the costs recorded in conformity with generally accepted water Utility accounting and sound engineering practices, and as specifically defined in the Uniform System of Accounts for Water Utilities prescribed by the Commission, of installing facilities of adequate capacity for the service requested. If the Utility, at its option, should install facilities with a larger capacity or resulting in a greater footage of extension than required for the service requested, the "adjusted construction cost", for the purposes of this Rule, shall be determined by the application of an adjustment factor to actual construction cost of facilities installed. This factor shall be the ratio of estimated cost of required facilities to cost of actual facilities installed.

"Agreement" and "Main Line Extension Contract" shall mean this Agreement between BAR CIRCLE 'S' WATER CO and DOUBLE T ESTATES LLC, and the assigns, the future Customers in Double T Estates LLC.

"Commission" shall mean the Idaho Public Utilities Commission.

"Customer" or "all Customers" shall mean DOUBLE T ESTATES LLC, for so long as Double T Estates LLC owns any lots in DOUBLE T ESTATES LLC, all of which shall be water users in DOUBLE T ESTATES LLC.

"Main Line extension Contract" shall mean this Agreement between BAR CIRCLE 'S' WATER CO and DOUBLE T ESTATES LLC and the future Customers in DOUBLE T ESTATES LLC.

"Utility" shall mean BAR CIRCLE 'S' WATER CO also referred to as BAR WATER.

"Water System" or "Facilities" shall mean the main line(s), valves, fire hydrants, flush valves, easements and all necessary appurtenances supporting the water system constructed under this Agreement.

DOMESTIC WATER DELIVERY

BAR WATER shall deliver domestic water to Customers of DOUBLE T ESTATES for residential use under the terms and conditions set forth herein subject to the Commission's Customer Relation Rules and Bar Water's filed Tariffs.

DOUBLE T ESTATES LLC, for so long as DOUBLE T ESTATES LLC owns any lots in DOUBLE T ESTATES LLC, and all Customers shall abide by the Agreement, the Commission's Customer Relation Rules and Bar Water's filed Tariffs.

BAR WATER shall provide water to each lot in DOUBLE T ESTATES LLC. BAR WATER will, at the time service is requested to a building lot within DOUBLE T ESTATES, provide a main line tap, service line stub to the property line, meter base box, base, meter and five foot stub out from the meter box. BAR WATER will charge the person requesting the service a connection fee according to its approved tariff rates. No meter shall be moved without the prior written consent of BAR WATER. The property owner shall be responsible for construction, maintenance and repair of the water service line and required cross-connection devices from the meter stub out to the point of ultimate use. Construction criteria for service lines, back flow preventer(s), shut-off valve(s), reducing valve(s), and other necessary equipment shall be provided by owner pursuant to all federal, state and local standards.

BAR WATER shall remedy defects in the system main lines, pumps and meters. Each Customer is responsible for repairs and maintenance of all service lines, cross-connection devices, valves, and equipment from the tap-on location to the point of ultimate usage.

Each Customer grants an irrevocable license on, over, under and across their property to BAR WATER for the purpose of maintaining, expanding, repairing the Water System.

Subject to Idaho Public Utilities Commission approval, BAR WATER reserves the right to sell or transfer (at its option) the Water System to a home owners association, legally organized water district, public corporation, non-profit corporation, private individual or corporation. BAR WATER reserves the unqualified right to extend future water service using the Water System constructed for DOUBLE T ESTATES LLC.

No failure to enforce, delay or omission in the exercise of any right or remedy by BAR WATER of any violation or default by Customer(s) shall impair such a right or remedy, or be construed as a waiver.

In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal, unconscionable or unenforceable in any respect, such invalidity, illegality, unconscionability, or unenforceability shall not effect any other provision hereof and this Agreement and Rules and Regulations shall be construed as if such invalid, illegal, unconscionable or unenforceable provision had never been contained herein, and all other terms and provisions hereof will nevertheless, remain effective and be enforce to the fullest extent permitted by law.

In addition to the remedies set forth above, BAR WATER reserves the right to enforce any restrictions contained herein by any other appropriate action as allowed under the Commission's Customer Relation Rules and Bar Water's filed Tariffs.

BAR WATER shall provide water for fire flow at the locations and in the amounts required by the Fire District.

BAR WATER shall abide by all rules and regulations, including the testing requirements of the State of Idaho Department of Environmental Quality.

CONNECTIONS AND EASEMENT

DOUBLE T ESTATES LLC agrees and confirms that BAR WATER is the owner of the Water System.

DOUBLE T ESTATES LLC will grant a good and valid easement to BAR WATER. The purpose and terms of the easement should provide substantially as follows:

Grant of an easement to enter upon, over, across, through, and under the property and real estate to construct, reconstruct, operate, inspect, maintain, remove, replace and repair the pipeline, vaults, valves, meters and appurtenances of the Water System.

This easement shall be, at a minimum, five (5) feet each side of the pipe line location and is for the purpose of conveying water through the pipeline and includes the right of ingress and egress of persons, material, vehicles and equipment. The timing, manner and use of the easement rights herein granted shall be at the sole discretion of BAR WATER.

WATER MAIN EXTENSION AGREEMENT – BAR CIRCLE "S" WATER CO.

BAR WATER is the sole OWNER and controller of the Water System which shall be, repaired, maintained, operated, replaced or reconstructed only under the direction and control of BAR WATER. Such ownership and control of BAR WATER shall survive any termination of the Agreement.

RESPONSIBILITY OF THE PARTIES

Except in the case of an emergency, no one, except an authorized BAR WATER representative, is allowed to turn-on or turn-off the water to DOUBLE T ESTATES LLC at the designated service connection.

BAR WATER agrees to build water main extension and related Water System improvements to provide service to DOUBLE T ESTATES LLC, and repair, maintain and reconstruct the Water System improvements in accordance with standards set by local, state and federal agencies with legal jurisdiction over water delivery by BAR WATER.

DOUBLE T ESTATES LLC agrees to pay any and all costs of construction of the water main extension and related Water System improvements servicing DOUBLE T ESTATES LLC.

DOUBLE T ESTATES LLC hereby contributes the water main extension and related Water System improvements servicing DOUBLE T ESTATES LLC built by BAR WATER to BAR CIRCLE 'S' WATER CO.

In the event that any governmentally mandated improvements to the BAR WATER system are required for system reliability or quality of service purposes during the period of development of DOUBLE T ESTATES, BAR WATER and DOUBLE T ESTATES LLC will share the cost of such improvements based upon the number of building lots within BAR WATERS current service area (215 lots) and DOUBLE T ESTATES (47 lots), a ratio of 82% BAR WATER to 18% DOUBLE T ESTATES LLC.

PRIOR UNDERSTANDINGS AND AGREEMENTS NULL AND VOID

This Agreement sets forth the entire Agreement between the parties. All prior Agreements, if any, between the parties are hereby revoked.

This Agreement may not be amended or modified except in writing signed by both parties.

SUBJECT TO IDAHO PUBLIC UTILITIES COMMISSION APPROVAL

All terms and conditions of this agreement are subject to the approval of the Idaho Public Utilities Commission. Refusal by the Commission to approve this agreement will render the entire Agreement Null and Void.

CAPTIONS

The paragraph heading are for convenience of reference only and shall not control or affect the meaning of any provision of the Agreement.

AUTHORITY TO EXECUTE AGREEMENT

All signatories to this Agreement warrant and represent that they have the power and authority to execute this Agreement and bind the entity they indicate they are representing.

AGREEMENT RUNS WITH THE LAND

This Agreement shall run with the land and shall be binding on and inure to the benefit of the future Customers of each lot in DOUBLE T ESTATES LLC. The easements and rights granted herein exist in perpetuity and shall inure to the benefit of and be binding upon the heirs, assigns and successors in interest of BAR WATER and DOUBLE T ESTATES LLC.

GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

IN WITNESS WHEREOF, the parties, pursuant to authority of the respective entitles, have executed this Agreement on the dates set forth in the respective acknowledgments below.

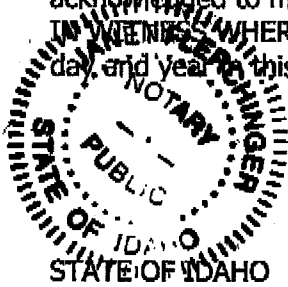
DATED this 9 day of JAN 2009.

BAR CIRCLE 'S' WATER CO
Robert N Turnipseed
Robert N Turnipseed, Owner

DOUBLE T ESTATES LLC
Robert N Turnipseed
Robert N Turnipseed, Member

STATE OF IDAHO)
)ss.
County of Kootenai)

On this 9th day of Jan 2009, before me, a Notary Public, personally appeared ROBERT N TURNIPSEED, known or identified to me, to be the Owner of BAR CIRCLE 'S' WATER CO that executed the said instrument, and acknowledged to me that such BAR CIRCLE 'S' WATER CO, executed the same. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

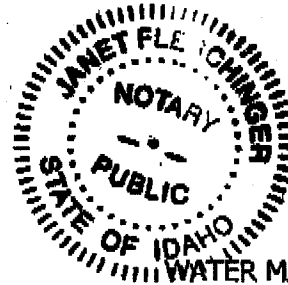


Janet Fleckinger
Notary for the State of Idaho

My Commission Expires 9-30-11

STATE OF IDAHO)
)ss.
County of Kootenai)

On this 9th day of Jan 2009, before me, the undersigned, a Notary Public for the State of Idaho, personally appeared ROBERT N TURNIPSEED, known or identified to me to be the Member of DOUBLE T ESTATES LLC, that executed the said instrument, and acknowledged to that such DOUBLE T ESATES LLC executed the same. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Janet Fleckinger
Notary for the State of Idaho

My Commission Expires: 9-30-11