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RICHARDSON & O'LEARY

ATTORNEYS AT LAW

MANO PUBLIC UTILITIES COMMISSION

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November 9, 2005

Ms. Jean Jewell Commission Secretary Idaho Public Utilities Commission P O Box 83720 Boise ID 83720-0074 Hand Delivered

RE: Case No. EAG-W-05-02 03

Dear Ms. Jewell:

I am enclosing an original and five (5) copies of COMMENTS OF EAGLE WATER COMPANY, INC'S. in response to the Idaho Public Utilities Commission's Proposed Order in the above case.

Sincerely,

Nina Curtis

Richardson & O'Leary, PLLC

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Molly O'Leary (ISB No. 4996) Richardson & O'Leary PLLC 515 North 27th Street P.O. Box 7218 Boise, Idaho 83707 Telephone: (208) 938-7900

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IDANO PUBLIC
UTILITIES COMMISSION

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Fax: (208) 938-7904

Attorneys for Eagle Water Company, Inc.

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTTER OF THE PETITION OF)
HILLVIEW DEVELOPMENT
CORPORATION TO OBTAIN WATER
SERVICE TO COVENANT HILL
SUBDIVISION, AN AREA WITHIN THE
CERTIFICATE BOUNDARIES OF BOTH
EAGLE WATER COMPANY, INC. AND
UNITED WATER IDAHO, INC.

CASE NO. **EAG-W-05-03 IJWI-W-05-03**

COMMENTS OF EAGLE WATER COMPANY, INC.

COMES NOW, EAGLE WATER COMPANY ("Eagle Water"), and files the following Comments in response to the Idaho Public Utilities Commission's Proposed Order granting service of Covenant Hill Subdivision to United Water of Idaho, Inc.

COMMENTS

Eagle Water is ready, willing and able to provide service to Covenant Hills Subdivision. Eagle Water is currently able to provide more than adequate fire flow protection to the subdivision. See Eagle Water Exhibit No. 1, attached.

Eagle Water is currently negotiating with two landowners for an easement for a 12-inch mainline from its Well No. 6 to the subdivision and will have these easements executed and recorded by February 16, 2006. Once the easements are executed and recorded, Eagle Water

will begin construction of the mainline and estimates that this line will take three weeks to be placed in service. See Eagle Water Exhibit No. 2, attached.

Provision of service to the Covenant Hills Subdivision is critical to Eagle Water's overall system plan. *Id.* Tying Eagle Water's Well No. 6 into its 12-inch mainline on Floating Feather Road will not only increase fire flow protection to the Covenant Hills Subdivision, it will also augment the water supply from Wells 1 and 2, which will, in turn, serve to augment the water supply from Well No. 4 that can be dedicated to service of the eastern portion of Eagle Water's service area. This, in turn, will help to alleviate low pressure problems in the upper elevations of the Eagle Springs Subdivision.

Although the Idaho Department of Environmental Quality (DEQ) sent a letter to Eagle Water on September 7, 2005, indicating that it would not authorize additional connections to the Eagle Water system absent additional information from Eagle Water regarding the adequacy of its supply sources to service additional connections, DEQ has since concluded, based on the contents of Eagle Water Exhibit No. 2, and discussions with Eagle Water's engineer, James M. Rees, P.E., that Eagle Water does indeed have sufficient supply to service Covenant Hills Subdivision. Consequently, DEQ has agreed to lift its informal service connection "moratorium" as it pertains to the Covenant Hills Subdivision area. See Eagle Water Exhibit No. 3, attached.

DATED this 9th day of November, 2005.

Richardson & O'Leary P.L.L.C.

Bv

MollyΦ'Leary

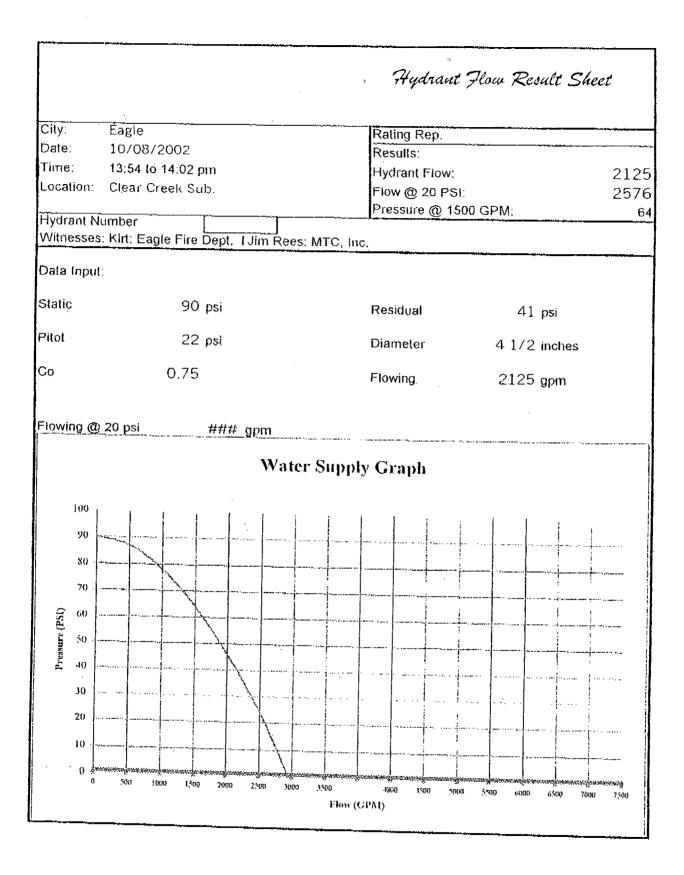
Attorneys for Eagle Water Company, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 9^{th} day of November, 2005, the COMMENTS OF EAGLE WATER COMPANY, INC. was sent to the following parties as shown:

Jean Jewell Commission Secretary Idaho Public Utilities Commission 472 West Washington Boise, Idaho 83702	 () U.S. Mail, Postage Prepaid (X) Hand Delivered () Overnight Mail () Facsimile () Electronic Mail
City of Eagle City Hall 310 East State Street P.O. Box 1520 Eagle, Idaho 83616	 (X) U.S. Mail, Postage Prepaid () Hand Delivered () Overnight Mail () Facsimile () Electronic Mail
Hillview Development Corporation 150 E. Aikens, Suite A Eagle, Idaho 83616	 (X) U.S. Mail, Postage Prepaid () Hand Delivered () Overnight Mail () Facsimile () Electronic Mail
Idaho Department of Environmental Quality 1445 North Orchard Boise, Idaho 83706	 (X) U.S. Mail, Postage Prepaid () Hand Delivered () Overnight Mail () Facsimile () Electronic Mail
Dean J. Miller McDevitt & Miller LLP 420 West Bannock Boise, Idaho 83702	 (X) U.S. Mail, Postage Prepaid () Hand Delivered () Overnight Mail () Facsimile () Electronic Mail

Signed V Wear Cent







CONSULTING ENGINEERS, SURVEYORS, AND PLANNERS

707 N. 27TH ST. BOISE, IDAHO 83702-3113 (208) 345-0780 FAX (208) 343-8967

CONSULTING ENGINEERS FOR EAGLE WATER COMPANY

November 2, 2005

Mr. Monty Marchus PE Idaho DEQ 1410 N. Hilton Boise, Idaho 83706-1255

Dear Monty;

I'm writing this request on behalf of Eagle Water Company for a one time waiver of the moratorium on additional subdivisions in the area served by Eagle Water Company to provide for service to proposed Covenant Hills Subdivision.

After reviewing the pumping records of the four (4) Eagle Company wells we found the following:

- 1. Well number 6 did not pump more than 15% of its rated capacity during the July 2005 peak period.
- 2. There was nothing wrong with this well or equipment.
- 3. Well number 4 was pumping at 86% of its maximum rated capacity for the whole 24 hours this same day. This did not account for peaks, which should have been at full capacity.
- 4. The pressure was only low in the service area of well no. 4.
- 5. There is a 12" main running East from the number 6 well which boosts pressure to the central services area.
- 6. This number six (6) well serves two subdivisions and has the capacity to serve additional connections.
- 7. If Eagle Water Company is allowed to service the proposed Covenant Subdivision a loop could be connected to the existing 12" main on Floating Feather and to the Van Engelen Subdivision on the North side of State Street.
- 8. The Floating Feather 12" can then augment the central area and ultimately add to the available water for the Northeast subdivisions.
- 9. With the loop the North central area will have better fire flows.
- 10. Most of this proposed Covenant Subdivision is in the Eagle Water Company service area.

The resolution of the low-pressure problem in the Northeast portion of the system lies in improving that part of the system. Improving the system networking has been in the

planning for several years and one of the elements is to make a connection from well number six (6) to the existing 12" line in Floating Feather Road. The plan is now to route this connection thru Covenant Hill Subdivision.

Production Well #6 was planned and sized to service areas in Section 7 that are no longer in the Eagle Water Company service area. Production sizing for the well included those areas of Section 7 and Section 8 as well as additional capacity for the entire service area. At the same time, the 12-inch interconnection with the 12-inch line in Floating Feather was planned. The logic of this can be seen on the attached diagram, as the connection will provide a critical second connection of Well #6 to the Eagle Water Company system. The proposed connection is planned to continue the existing 12-inch line North from Van Engelen Estates through Bakers Acres to Proposed Covenant Hill Subdivision thence through Covenant Hill to the existing line in Floating Feather Road.

The proposed additional networking of the system could only improve the system's performance.

Thank you very much for your consideration of this proposal.

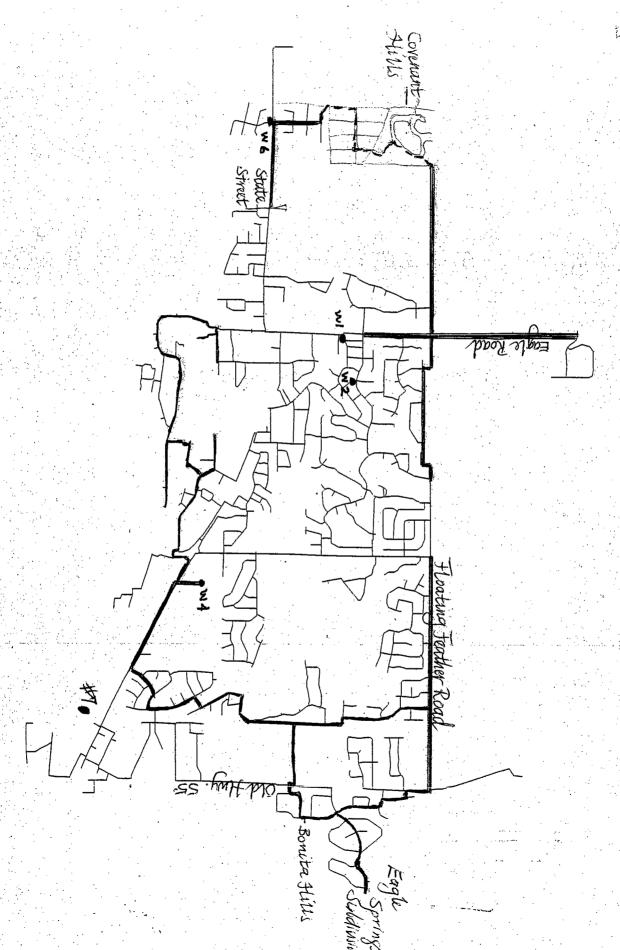
Respectfully Submitted,

Eagle Water Company James M. Rees PE

Consulting Engineer for the Company

Cc-Bob DeShazo

© Bentley Systems, Inc.





1445 N. Orchard • Boise, Idaho 83706 • (208) 373-0550

Dirk Kempthorne, Governor Toni Hardesty, Director

November 9, 2005

Mr. Robert DeShazo Eagle Water Company P.O. Box 455 Eagle, ID 83616

RE: Revision to DEQ's September 7, 2005 letter regarding system capacity

Dear Mr. DeShazo:

The Department of Environmental Quality's (DEQ) September 7, 2005 letter expressed concerns and conclusions about Eagle Water Company's production capacity. In summary, the letter stated: "DEQ will not be able to approve additional connections to this water system until an additional source or sources are provided that are large enough to meet minimum state requirements."

The Eagle Water Company engineer, Jim Rees, P.E. of MTC Inc., recently presented DEQ with information on an unusual situation. A Proposed Order is before the Idaho Public Utilities Commission to remove part of the Covenant Hills Subdivision from the Eagle Water Company certificated service area and place all of the subdivision within the United Water Idaho Inc. certificated service area. The proposal is based, in part, on the above-referenced letter. Mr. Rees explained that this change in service area would limit future effectiveness of Well No. 6, one of the largest wells in the system, and in turn have a negative impact on all customers served by Eagle Water Company. The information provided by Mr. Rees is summarized below.

Well No.6 produces only 15% of the rated capacity of the pumps (2000 gpm), apparently due to distribution system limitations (bottlenecks and an incomplete loop). This occurred even while pressure problems plagued part of the system last summer. Mr. Rees also noted that if needed and according to test pump data, Eagle Water Company could increase that well capacity to 2500 gpm by changing the pumps. Eagle Water Company's plan had been to complete the loop from Well No.6 to the rest of the system by building a 12-inch main north to the existing 12-inch main on Floating Feather, much of it through Covenant Hills Subdivision. However, if Covenant Hills Subdivision is removed from the Eagle Water Company certificated service area, the needed loop cannot be built as planned. That in turn could make permanent the reduced well capacity described above.

DEQ believes this analysis is correct. If Covenant Hills Subdivision remains in the Eagle Water certificated service area, the loop could be completed as planned and there may be other benefits as well.

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EAGLE WATER EXHIBIT 3

Mr. Robert DeShazo Eagle Water Company November 9, 2005 Page 2

- 1. We understand that the developer of Covenant Hills Subdivision will build approximately 55% percent of the proposed 12-inch main, which should be a positive impact on rates for existing customers.
- 2. There are several small public water systems in the vicinity of Well No.6 that have only one source, no standby power, or both. It is also possible that those wells could run into future quantity or quality problems. Allowing Eagle Water Company to reach full capacity in this area may provide options for these small public water systems should future problems occur.

In summary, DEQ understands that the Idaho Public Utilities Commission is considering other factors with regard to Covenant Hills Subdivision. However, we now believe that with regard to our rules and authorities, Eagle Water Company's Well No. 6 has capacity to serve Covenant Hill Subdivision and benefit the entire system at the same time by partially alleviating the capacity concerns stated in our September 7, 2005 letter. We will accept a Will Serve Letter for this project under the following conditions:

- 1. We understand that easements for main construction are being negotiated at this time. The letter must include documentation that a) all necessary easements have been secured and b) that funding is available or guaranteed in a manner consistent with a timetable for actual service to Covenant Hill Subdivision.
- 2. DEQ cannot accept additional Will Serve Letters until the issues mentioned in the September 7, 2005 are resolved.

Please call Monty Marchus with any questions at 373-0560 or via e-mail at monty.marchus@deq.idaho.gov. You may also contact me at 373-0550.

Sincerely,

Michael R. McGown

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Administrator

Boise Regional Office

MGM:ve: H:\Eagle Water Company\Production capacity 9-7-05 - update.doc

Mr. Robert DeShazo Eagle Water Company November 9, 2005 Page 3

cc: Mayor Nancy Merrill, City of Eagle
Charles W. Ariss, P.E., DEQ Regional Engineering Manager
Tiffany Floyd, DEQ Drinking Water Manager
Lance Nielsen, DEQ State Drinking Water Program Manger
Monty G. Marchus, P.E., DEQ Staff Engineer
Randy Lobb, PUC
Jim Rees, P.E., MTC Engineering
Reading File, Source File #1-eng

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