

Leslie Abrams-Rayner  
General Manager  
Gem State Water Company, LLC  
P.O. Box 3388  
Coeur d'Alene, ID 83816

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF GEM STATE  
WATER COMPANY LLC'S  
APPLICATION FOR AN ORDER  
AUTHORIZING AN INCREASE IN ITS  
RATES AND CHARGES FOR WATER  
SERVICE IN THE STATE OF IDAHO**

**CASE NO. GSW-W-22-01**

**COMPANY'S REPLY TO THE COMMENTS OF  
THE COMMISSION STAFF**

Gem State Water Company, LLC ("Gem State Water" or "Company"), provides the following reply to the Comments of the Commission Staff of the Idaho Public Utilities Commission ("Staff").

**GENERAL COMMENTS**

In the past several years, Gem State Water has acquired a number of small water systems that were in various states of disrepair. After years of minimal maintenance, investment and management under prior ownership, many of these systems were out of compliance with health regulations and posed significant safety and reliability risks to customers. The Company is working towards bringing these systems into compliance with regulatory requirements and, eventually, up to par with current best practices in the industry. As Staff notes, "many system deficiencies have been corrected by the Company since it assumed ownership." Staff Comments at 3. However, Gem State Water agrees that the work is far from over: "All of the systems will require substantial future investments to become fully compliant and reliable." Staff Comments at 3.

Staff and Gem State Water share the goal of bringing these systems into compliance with regulations, increasing reliability, and implementing industry best practices. To accomplish this goal, and to support additional acquisitions within the State, the Company must be able to obtain

reasonable rates, supported by the type of information and operations that are found in the water utility industry.

Gem State Water appreciates the work Staff has put into this proceeding, and is thankful for Staff's cooperation throughout the case. That said, Gem State Water respectfully disagrees with many of Staff's proposed adjustments.

Staff makes the following recommended adjustments in its comments.<sup>1</sup> Areas of agreement between Gem State Water and Staff are noted. Areas of disagreement are then discussed in more detail in the following section.

### STAFF'S PROPOSALS

1. **Allocation.** Staff allocated its adjustments over the different water systems using the number of customers for each system. Staff Comments at 4. Gem State Water agrees that this is the appropriate method to allocate expenses.<sup>2</sup> However, later in the comments, Staff uses this method to allocate a capital asset. Staff Comments at 11. Gem State Water did not propose, and does not agree, that this method should be used to allocate capital assets. This is discussed in more detail below.
2. **Revenue Requirement.** Staff recommends a total revenue requirement of \$682,248 (Staff Comments at 4), which is approximately \$294,000 less than requested by Gem State Water. Staff's proposed reduction in revenue requirement includes the following:
  - a. *Salary.* Staff recommends reducing overtime pay, an adjustment to actual salaries, reducing the workers' compensation premium calculation, and adjusting the Company's 401(k) matching expense to the actual expenses incurred during the test year. Staff Comments at 5. The Company agrees with the proposed adjustment to overtime pay, but does not agree with the other adjustments.
  - b. *Lease.* Staff proposes to reduce the rental property and equipment expense account by \$27,408, the difference in the pro forma lease amount requested and the actual lease amount. Staff Comments at 7. The Company agrees with this adjustment.

---

<sup>1</sup> Staff did not recommend any adjustments to the Company's proposals regarding non-recurring charges (*see* Staff Comments at 20-21), and the Company agrees with that resolution.

<sup>2</sup> Gem State Water notes that Pelican Point Water Company ("Pelican Point") has 515 customers and Gem State Infrastructure ("GSI") has 47 customers; these numbers are inverted in Staff's analysis. Staff Comments at 4. In addition, the Lynnwood Estates system has 24 customers rather than 47 customers as stated by Staff. *Id.*

- c. *Water Testing.* Staff proposes to increase the Company's water testing expenses by \$3,741. Staff Comments at 7. The Company agrees with this adjustment.
  - d. *Depreciation.* Staff proposes to reduce depreciation expense from \$114,917 to \$67,187 with three adjustments. Staff Comments at 7 and 11. The Company agrees with two of Staff's proposals: 1) to extend the depreciable lives of certain plant assets to better align with National Association of Regulatory Utility Commissioners ("NARUC") guidance and 2) with lowering depreciation expense to reflect moving certain pumps from plant to materials and supplies. The two agreed-upon adjustments amount to a \$42,460 reduction in depreciation expense. The Company does not agree with the third adjustment of \$5,270 regarding the Company vehicle (*see* Staff Comments at 11).
  - e. *Miscellaneous Expense.* Staff proposes to remove certain expenses from the Company's revenue requirement, asserting that these expenses purportedly were associated with the Pelican Point water system, which is in Washington. Staff Comments at 7-8. The Company does not agree with this adjustment.
  - f. *Geographic Information System ("GIS").* Staff recommends adjusting GIS-related expenses by capitalizing \$8,101 of Operator 1's salary, insurance benefits, worker's compensation premium, and payroll taxes, and recovering that amount after the GIS project is complete and functional. Staff Comments at 8. The Company agrees with this adjustment.
  - g. *Gross Revenue Conversion Factor.* Staff recommends using the current rates for the Commission assessment and the current tax rate. Staff Comments at 8-9. The Company agrees with this adjustment as applied to determine final revenue requirement.
- 3. Rate Base.** Staff proposes to reduce plant-in-service by \$275,107 and to reduce accumulated depreciation by \$1,118. The Company does not agree with most of the adjustments that make up this proposed reduction.
- a. *Prudence of Capital Projects.* Staff proposes to remove \$182,464 from rate base, in part because Staff indicates that some investments were not adequately described. Staff Comments at 9-10. The Company does not agree with these adjustments.
  - b. *Company Vehicle.* Staff proposes to remove \$9,058 from the purchase price of a recently acquired Company vehicle, and allocate the allowable cost of the vehicle across different systems using the number of customers of each system. Staff Comments at 10-11. The Company does not agree with these adjustments.
  - c. *Well Pump Depreciation Adjustment.* Staff proposes to reduce plant-in-service by \$55,753 and add \$55,753 to the materials and supplies inventory account, and to

reduce depreciation expense by \$2,230 and add \$1,118 in accumulated depreciation. Staff Comments at 11. The Company agrees with these adjustments.

- d. *Contributions in Aid of Construction (“CIAC”).* Staff proposes to add a total of \$243,300 to CIAC and place \$6,889 in total amortization expense in Account 407, which would reduce depreciation expense by \$6,889. Staff Comments at 12. The Company disagrees with these adjustments.
  - e. *Working Capital.* Staff proposes working capital of \$69,726, based on the 1/8 method. Staff Comments at 12-13. The Company agrees with this recommendation as to the methodology, which should be applied to the final expenses as proposed by the Company in these Reply Comments and, therefore, produce a higher working capital amount than proposed by Staff.
- 4. Rate of Return.** Staff proposes a Return on Equity (“ROE”) of 9.5%, using a hypothetical capital structure of 55% equity/45% debt. This results in a weighted average cost of capital of 7.41%. Staff Comments at 13-16. The Company does not agree with Staff’s proposed ROE.
- 5. Rate Design.** The Company agrees with Staff’s proposals regarding rate design and will work with staff to implement them on the final revenue requirement. *See* Staff Comments at 16-20.<sup>3</sup>

#### **AREAS OF DISAGREEMENT – DETAILED DISCUSSION**

##### **1. Response to Recommendation No. 2 – Revenue requirement.**

*Salary – Employee Time and Hiring Availability.*<sup>4</sup> Staff proposed to entirely remove the expense associated with a part-time seasonal employee because 1) the Company was not able to hire for this position in the summer of 2022 and 2) a significant part of this employee’s responsibility is to read meters, so the need for the employee purportedly will decrease as radio-read meters are installed. Staff Comments at 6.

---

<sup>3</sup> Staff recommends that “the irrigation rates for current irrigation customers be approved as filed and only be applied during the spring and summer months.” Staff Comments at 16. The Company interprets “the spring and summer months” to mean the period between April 1 and September 30, which will be easier to administer than the April 15<sup>th</sup> through October 15<sup>th</sup> period referenced in the Company’s response to Staff’s data request GSW-W-22-01 IPUC DR 31 (which is Attachment 1 to these Reply Comments, for ease of reference).

<sup>4</sup> Gem State Water agrees with a certain Staff proposal related to salaries, as noted above. The agreed-upon adjustment amounts to \$3,932, which reflects the decrease from 40 to 30 hours for a part-time office administrative assistant (\$3,653) plus the associated decrease in payroll taxes (\$279).



The Company does not agree with this adjustment. It is true that the Company was not able to hire this position for the summer of 2022. This was due to the unusually tight labor market, and the Company's relatively low wages.<sup>5</sup> The Company needs to fill this position in the summer of 2023 (i.e., within a few months of new rates becoming effective), as the work that would have been done by this employee in the summer of 2022 was largely deferred but still needs to be accomplished. Part of this employee's time will be spent reading meters. But only a part. The employee is also needed to perform safety functions such as confined space entry, to perform team lifts as necessary for maintenance, to serve as a climbing spotter as another employee climbs elevated storage tanks, to perform maintenance on the Company's grounds, to perform maintenance for meter access, to perform valve exercising, and for other similar tasks. Without a part-time seasonal employee, these tasks are either not done or are performed by the existing field worker, which pulls that existing field worker away from other responsibilities.

As the need for meter-reading decreases over time, the Company anticipates that the other job responsibilities will grow to a corresponding degree. Accordingly, Gem State Water requests that the salary and insurance benefits for a part-time, seasonal worker be included as the Company proposed in the Application.

*Workers' Compensation Premium.* Staff proposed to adjust workers' compensation rates such that the rate for field workers does not apply to office employees. Staff Comments at 6. The Company agrees with that particular adjustment. Staff also removed workers' compensation premiums for the part-time seasonal employee and the overtime adjustment. (This is not

---

<sup>5</sup> This presents a sort of chicken-and-egg problem: small water companies are often unable to hire or retain employees due to their low wages, which is partly driven by an inability to secure the rates necessary to provide competitive pay. If the Company's inability to hire is then used as justification to further reduce rates, this perpetuates rather than resolves the underlying problem. As the Commission has recognized, "[a]ttracting and retaining skilled employees will be to the long-term benefit of customers." Order No. 34925.

specifically discussed in the body of Staff's comments, but is part of the calculation shown in the attachment to Staff's calculations.) The Company requests that workers' compensation for this employee be included at the rate for field workers; this position involves field work and is needed for the reasons set forth above. Therefore, the Company agrees with \$884 of Staff's adjustment, as shown in Confidential Attachment 2 to these Reply Comments.

*401(k) Match Contributions.* As noted above, the Company generally agrees with Staff's approach to allow recovery of 401(k) contributions (*see* Staff Comments at 6), but disagrees with Staff's \$4,685 reduction to payroll expense. As shown on Confidential Attachment 3 to these Reply Comments, employees' actual 401(k) contributions are roughly 3.8% of payroll. The Company therefore requests \$9,083 in 401(k) contributions, to reflect the actual contribution rate rather than the \$9,561 requested in the Application, which results in a \$478 reduction to payroll expense.

*Depreciation expense.* Staff proposed three adjustments to depreciation expense (Staff Comments at 7 and 11), which reduce the proposed Company depreciation expense of \$114,917 to \$67,187, or a reduction of \$47,730.

As noted above, the Company agrees with two of these adjustments: 1) to extend the depreciable lives of certain plant assets to better align with NARUC guidance, and 2) to move two pumps from plant-in-service to materials and supplies. The agreed-upon adjustments reduce depreciation expense by \$42,460 and increase accumulated depreciation by \$1,118.

Staff's third proposed adjustment would reduce the value of Gem State Water's new truck by \$9,058, and allocate 33% of the vehicle's reduced value to Pelican Point and 3% of the vehicle's reduced value to GSI. Staff Comments at 11. The Company disagrees with this two-part adjustment, as explained in more detail below in the section related to rate base. As applied to

depreciation, the Company would agree to allocate 3% of the vehicle's value to Pelican Point (*see* footnote 2 of the Company's Reply Comments regarding the appropriate percentage), which would reduce the depreciation expense proposed by the Company by \$374, rather than Staff's proposed reduction of \$5,270.

*Miscellaneous expenses.* Staff proposes removing \$40,749 from miscellaneous expenses, based on Staff's understanding that these expenses were a double-counting of expenses for the Pelican Point water system in Washington. Staff Comments at 7-8.

There appears to have been a miscommunication on this point. These expenses were double-counted *as to Pelican Point*, and therefore need to be included as expenses for Gem State Water. Stated another way, Gem State Water erroneously charged approximately \$80,000 in certain overhead expenses to the Pelican Point water system. Gem State Water should have charged approximately half of this—\$40,749—to Gem State Water. When it discovered this error, the Company removed half of the total charge from Pelican Point and moved it to Gem State Water. The \$40,749 included within Gem State Water's expense does not reflect a charge to Gem State Water customers for expenses associated with the Washington system; it properly reflects a charge to Gem State Water customers for expenses associated with the Gem State Water system. Please see Attachment 4 to these Reply Comments for the transaction-level detail, which shows the original double-booking to Pelican Point and the reversal of half of the total charge. Details were provided in the Company's textual response to Staff's Production Request No. 55, which is provided as Attachment 5 to these Reply Comments.

## **2. Response to Recommendation No. 3 – Rate Base.**

Staff proposes to reduce Plant-in-Service by \$275,107 and to remove \$1,118 from accumulated depreciation. Staff Comments at 9. From the Company's perspective, this is a major

adjustment: it amounts to over 20% of the net Plant-in-Service. Large inappropriate reductions to rate base—particularly when combined with a low ROE and a hypothetical capital structure that does not reflect the actual 100% equity structure of the Company—calls into question the economic viability of operating or acquiring small water systems within the State. Specific areas of disagreement are noted below.

*Prudence of Capital Projects.* Staff proposes removing \$182,464 of the capital investments made since the last rate cases in 2010 for the Bar Circle “S” system and 2013 for the Spirit Lake East system but before Gem State Water’s acquisition of those systems, based upon lack of documentation of certain investments. Staff Comments at 9-10. In many instances, prior owners did not operate the systems as they should have. This includes prior owners’ failure to retain documentation of certain capital investments. The Company recognizes that prior owners did not retain documentation that the Company will maintain from this point forward. But the Company submits that it should not be punished for the mishaps of prior owners.

All that said, after receiving Staff’s Comments, Ms. Abrams-Rayner spent hours contacting all the pump and drilling contractors in the area, identified the contractors that performed the work in 2010, 2016 and 2017, and successfully obtained documents, including invoices, that verify and support the capital investments for the Bar Circle “S” system. These documents are summarized on the first page of Attachment 6 to these Reply Comments, and the invoices and related documents are provided in the subsequent pages of Attachment 6 to these Reply Comments. To explain in a bit more detail, for the Bar Circle “S” system, Staff proposed removing \$162,310 (*see* Staff Comments at 9-10) due to lack of invoices for investments made before Gem State Water’s acquisition of that system. Gem State Water has obtained the invoices, included within

Attachment 6 to these Reply Comments, that amount to \$166,518 invoiced for the well, backup generator and other related assets.

Despite similar best efforts by Ms. Abrams-Rayner, Gem State Water has not been able to track down the invoices supporting the Spirit Lake East system investments totaling the \$20,155 proposed to be disallowed by Staff (*see* Staff Comments at 10). For the reasons provided earlier in this section of its Reply Comments, Gem State Water respectfully asks that it should not be punished for legacy mistakes.

Gem State submits that all of the investments proposed to be disallowed by Staff are adequately supported given the unique circumstances of this case, and understands that recovery of future capital investments will need to be—and will be—supported by documentation consistent with best practices in the water utility industry.

*Company Vehicle.* Staff proposes to reduce the price of a Company vehicle by \$9,058, based on three truck prices from Edmunds and Carfax. Staff Comments at 10-11. The Company does not agree.

First, Staff's proposal is based upon the initial invoice amount. The final purchase price included a cash discount of \$1,402.<sup>6</sup> The Company agrees that the price of the vehicle should be decreased by this amount.

Second, the cost of the vehicle included an extended warranty and service contract. The Company submits that these costs (i.e., \$2,660 for the service contract and \$4,475 for the extended warranty) are reasonable to protect the value of the asset and not overpay for future services of the

---

<sup>6</sup> This cash discount was offered when the Company picked up the vehicle, which occurred after the Company filed the Application in this case. The final price of the vehicle is noted on the receipt attached as Attachment 7 to these Reply Comments, which was also provided in response to a production request. The receipt also identifies the costs of the extended warranty and the service contract and includes the cash discount of roughly \$1,400.

truck. The extended warranty and service contract are not reflected in the prices of the vehicles identified by Staff online.

Third, the online search was not conducted in a way to find comparable prices. The Company purchased its truck in May 2022. Staff's online searches appear to have occurred in October or November 2022.<sup>7</sup> The online search appears to have identified vehicles as far away as Salida, Colorado and Tacoma, Washington, rather than local listings. Staff does not state how many listings were reviewed, and whether the identified listings reflect the lowest prices, average prices, or other information that would be needed to truly determine whether the listings can be used as a reliable indicator of value.

Finally, the listings do not contain sufficient information to identify the condition of the vehicle. Simply put, three internet listing, conducted six months after the actual transaction, in different geographical areas, during the volatile used-vehicle market in 2022, do not accurately reflect the price of the used vehicle that was purchased. The Company paid a fair price for the vehicle at the time and place it was purchased, using the information known and available to it at the time. The Company was able to secure a favorable discount on price at the time of purchase (compared to the initial quote used in the Application) and therefore the amount should only be adjusted by \$1,402 to reflect actual cost.

Additionally, Staff proposes to allocate the reduced price of the truck to Pelican Point and GSI based on the number of customers of each system. Staff Comments at 11. The Company

---

<sup>7</sup> Staff does not state the date on which the internet searches were completed, but the provided screenshots indicate that the searches occurred in October or November 2022. The screenshot for Truck 1 states that a down payment "was \$0 on October 19, 2022." For Trucks 2 and 3, the graph that purports to show a "price drop" includes October and November 2022. The graphs also show significant price drops in recent months, further supporting the contention that the prices for used vehicles in October or November 2022, using nationwide internet quotes, does not equate to a reasonable price for local vehicles in May 2022.

proposes this allocation for expenses, which is appropriate and a common practice in the industry. However, allocation of capital assets should reflect the use of the capital asset. The vehicle was purchased to support Gem State Water's regulated operations. It has been overwhelmingly used for that purpose and has made only four trips to Pelican Point and is not used for GSI.<sup>8</sup> These four trips were an anomaly that the Company does not expect to be routine in the future. All four trips were completed by the Gem State Water employee who delivered chlorine to Pelican Point and read meters while he was there. Chlorine is now being delivered directly to Pelican Point, so these trips should not be necessary in the future.

That said, it is possible that sporadic trips to Pelican Point for other reasons could occur in the future. The four trips to Pelican Point would amount to approximately 3% of the truck's use to benefit Pelican Point. The Company submits that the price of the vehicle should be allocated to Gem State Water; however, out of recognition that trips to Pelican Point may sporadically occur, would not object to allocation of 3% of the total vehicle price, which amounts to \$2,615, to Pelican Point. The Company intends this year to purchase an additional vehicle that will be primarily used for GSI, which will limit incidental use of the vehicle at issue in this case by GSI or Pelican Point.

*Contributions in Aid of Construction (CIAC).* Staff proposes adjustments to CIAC of \$243,300, including \$173,250 to the Bitterroot/Rickel Water system and \$70,050 to Spirit Lake East system. Staff Comments at 12. The Company disagrees with these adjustments to CIAC and addresses the Bitterroot/Rickel Water system and Spirit Lake East system below.

---

<sup>8</sup> Please see Confidential Attachment 8 to these Reply Comments for the time-card entries supporting those four trips to Pelican Point.

*Bitterroot/Rickel Water (CIAC)*

The Bitterroot and Rickel Water systems were combined in 2018 under Order No. 34027 and acquired by Gem State Water in April 2020 under Order No. 34616. At the time of the acquisition, and as reported in the 2020 Annual Report for combined Bitterroot/Rickel Water system (please see Attachment 9 to these Reply Comments), the Net Utility Plant was \$26,147 and no CIAC was reflected. The net plant has further depreciated to \$16,363 since Gem State Water's acquisition and represents the plant in the rate case application. Please see Attachment 10 to these Reply Comments for further details.

Staff proposes that the Commission take the CIAC amounts from the 2018 Annual Report and apply \$173,250 of CIAC against \$26,147 of Net Utility Plant (*see* Staff Comments at 12), which would result in negative Net Utility Plant of \$156,887 for the combined Bitterroot/Rickel Water system. Staff does not state why it refers to the 2018 Annual Report, which reflects a large amount of CIAC, rather than the 2020 Annual Report, which reflects none. Because these were prior to the acquisition, the Company does not have insight into the different amounts in the annual reports. Although there were CIAC amounts in prior annual reports filed by former owners, Gem State Water believes that such CIAC amounts should not be reflected in this rate case and, if so reflected, they should also include a reasonable amortization of the CIAC.

In addition, an adjustment that results in such a large negative rate base, for such a small system, is unreasonable, punitive, and would have a large negative impact on the Company's overall return on this small water system. Under the circumstances, the Company submits that, at most, it would be prudent and reasonable to offset rate base by the percentage of CIAC to rate base, or 57%. This would result in net CIAC liability for the Bitterroot and Rickel Water systems of \$9,327.



*Spirit Lake East (CIAC)*

Gem State Water acquired the Spirit Lake East system in July 2019 under Order No. 34372. The Net Plant in Service at the time of acquisition was \$183,444. Staff proposes to impute \$70,050 in CIAC against Net Plant in Service. Staff Comments at 12. Spirit Lake East's annual reports from 1995 to 2014 show \$70,050 in CIAC. However, the CIAC was removed in the 2015 Annual Report, as a result of the prior bookkeeper's conversations with Staff and due to the lack of documentation or explanation in that amount of CIAC. As with the combined Bitterroot/Rickel Water systems, Staff proposes to take this CIAC amount from historical annual reports, without amortizing it, and without explaining why it is appropriate to use the annual reports from the 1995-2014 timeframe rather than the annual reports from the 2015-2022 timeframe. Without some indication as to the accuracy of the CIAC amount, or indication that the 1995-2014 annual reports are more accurate than the recent ones, the Company submits that it is not appropriate to adopt \$70,050 as the CIAC for the Spirit Lake East system's current ratemaking purposes.

In addition, imputing the \$70,050 against the Net Plant in Service would reduce Rate Base by nearly 40% for that system. This would significantly impact the economics of that system.

At the very least, even if the Commission were to adopt CIAC from 1995-2014 annual reports, the CIAC amounts need to be amortized. Based on the annual reports, it appears that the CIAC amounts have not been amortized since 1995. If the Commission is inclined to include some CIAC amount to offset net plant in service, the CIAC amount needs to be amortized. Amortization calculations are attached as Attachment 10 to these Reply Comments and result in a CIAC adjustment of \$16,160 for the Spirit Lake East system.

### *Summary of CIAC*

The Company's position is to reject the Staff CIAC recommendations. As an alternative to rejecting these positions, the Company would request imputing a reasonable level of accumulated amortization of the CIAC to reflect amortization as far back as the Company has been able to document the CIAC. Therefore, the Company would apply a CIAC of \$173,250 for the Bitterroot/Rickel system, partially offset by \$163,923 accumulated amortization, for a net Rate Base impact of \$7,036, and would apply a CIAC of \$70,050 for the Spirit Lake East system, partially offset by \$53,890 of accumulated amortization, for a net Rate Base impact of \$16,160. The Company would accept the annual amortization of \$6,889 of Other Amortization Expense if amortization of CIAC is imputed for the systems.

### **3. Response to Recommendation No. 4 – Rate of Return.**

Staff proposes a range of return on equity (ROE) from 4.75% to 9.89% and recommends an ROE of 9.5%.<sup>9</sup> Staff further recommends applying this ROE to the hypothetical capital structure proposed by the Company, which is 45% debt/55% equity. (The Company is, in fact, 100% equity.) This would result in a weighted average cost of capital of 7.41%.

The Company disagrees with the proposed ROE and the methodology used to derive it. Much can be said of Staff's analysis. Gem State Water is particularly concerned with Staff's reference to the ROE that Gem State Water's affiliated out-of-state natural gas utility, Northwest Natural Gas Company, dba NW Natural ("NW Natural"), settled on in its last two Oregon gas rate cases. It is not clear to Gem State Water that Oregon gas rate cases provide an appropriate guide for an ROE authorized by this Commission.

---

<sup>9</sup> Staff recommended an ROE of 9.9% in the most recent rate case for Falls Water Company. See Staff Comments in Case No. FLS-W-20-03 at p. 10 (filed June 30, 2020). This is somewhat puzzling—Gem State Water is significantly smaller than Falls Water Company, which would support a higher ROE rather than a lower one.

Second, NW Natural is a large natural gas company. The two cases cited by Staff resolved natural gas rate cases. And the ROE for those cases was only one component of those large natural gas rate cases. The ROE found in a settlement of an Oregon rate case, for a large natural gas company, is not a proper guide for the ROE of a small water company in Idaho. Rather, Gem State Water should—and, arguably, must—be treated similar to other small water companies in Idaho.<sup>10</sup>

Third, the Commission recently decided that it was not proper to base the ROE for an Idaho small water company on ROEs for out-of-state natural gas utilities. “The appropriate point of comparison to determine the authorized ROE for smaller water companies is first to other water companies, while also acknowledging Falls Water’s operating and financial benefits from its parent company.” Order No. 34925 at 5.

The Commission has consistently determined that ROEs of between 11% and 12% are appropriate for small water companies in Idaho. *See* Case No. GPW-W-017-01, Order No. 33910 at 8 (Oct. 13, 2017) (approving 11% return on equity on the basis that it “reflects a fair return in line with similar utilities.”); Case No. DIA-W-15-01, Order No. 33578 at 11 (Aug. 29, 2016) (“We find the agreed 12% rate of return to be fair and just and consistent with that which we have allowed in other small water company cases, and thus approve it.”); Case No. SPL-W-13-01, Order No. 32904 at 8 (Oct. 11, 2013) (“The Commission finds that a 12% return on equity and 11.42% overall rate of return is fair, just and reasonable return for the Company. This ruling is entirely consistent with past Commission precedent for small water companies and particularly for

---

<sup>10</sup> The Commission cannot discriminate against utilities based on the ownership status of their parent companies. *See In re PacifiCorp*, Case NO. PAC-E-99-1, Order No. 28213 (1999) (noting that the U.S. Constitution’s Commerce Clause and treaties “prohibit discriminat[ion] against service providers who are citizens of other states or foreign countries”).

water systems comparable to Spirit Lake.” (citing Case TRH-W-10-01, Order No. 32152; BCS-W-09-02, Order No. 30970; and Case No. CCH-W-12-01, Order No. 32662)); Case No. TRH-W-13-01, Order No. 32958 at 4, 10 (Dec. 21, 2013) (authorizing 12% return on equity for small water company, based in part on Staff’s recommendation that “the 12% return on equity (ROE) is consistent with the Commission-authorized ROE for many small water companies”).

The Commission has also recognized the benefits of NW Natural Water’s acquisition of small water companies: “The business model utilized by NW Natural Water Company when acquiring small water companies in Idaho is a model we want to encourage for providing safe and reliable service to water customers at reasonable rates. We find that a 10.2% ROE appropriately balances this smaller water utility’s need to earn a fair return on its property used and useful in providing water service while maintaining fair rates for customers.” Order No. 34925 at 5.

The Company also notes that Veolia Water Idaho (“Veolia Water”) filed its most recent rate case on September 30, 2022, VEO-W-22-02, and its expert consultant is recommending a 10.8% ROE. *See* Direct Testimony of Harold Walker, III at p. 36, Case No VEO-W-22-02. Gem State Water’s requested ROE of 10.2% is within the range of reasonableness, especially given its smaller size compared with Veolia Water. Gem State Water could have hired an expert ROE consultant for this rate case, but decided that it was more in the public interest to not incur such rate case expense to be amortized over a period of time and recovered from customers. Staff states that Gem State Water’s calculation of ROE is “limited.” Staff Comments at p. 13. It is true that Gem State Water did not hire an outside consultant to provide testimony on ROE. This is consistent with Gem State Water’s attention to restraining costs. The Commission has not indicated that hiring a consultant for ROE is required for small water companies, and it does not

appear that Staff has done so in other cases. Gem State Water submits that it has properly supported its request for ROE based upon Order No. 34925.

One final note: Staff states that the proposed hypothetical capital structure “does not justify special treatment in the ROE calculation.” Staff Comments at 13. Gem State Water does not suggest as much. The Commission’s orders with respect to small water companies would suggest that an ROE of 11-12% is warranted, and that this return could be based upon the true capital structure of 100% equity. The Company raises the hypothetical capital structure simply to note that the Company’s request—10.2% ROE with a hypothetical capital structure—is reasonable, and indeed quite modest. This is not determinative, but it is relevant.

Gem State Water respectfully submits that the approach taken by the Commission in Order No. 34925 should be taken here, and that the ROE for Gem State Water should be 10.2%. A 10.2% ROE is fair to both the Company’s investors and its customers and will enable the Company to successfully operate and attract capital. Gem State Water believes that, if anything, it should receive a slightly higher ROE due to Gem State Water’s smaller size and upward movement in interest rates in recent months and years. However, Gem State Water would not object to an ROE of 10.2%, and to applying this ROE to the proposed hypothetical capital structure.

#### **SUMMARY**

Below is a table summarizing Staff’s proposals and the Company responses for the convenience of the Commission. The numbers reflected in the Staff Adj refer to (reductions) or additions to the Application; the numbers in the Company Response reflect the agreement with (reductions) or additions, “TBD” for flow through adjustments that depend on other contested positions, or blank for proposing to maintain the Company’s original position in the Application.

<u>Note</u>	<u>Item</u>	<u>Company</u>		<u>Comment</u>
		<u>Staff Adj</u>	<u>Response</u>	
1	Salary Overtime	(6,255)	(6,255)	
2	Employee Time (lower hours and reduced FTE)	(27,169)	(3,653)	
3	Insurance Expense (related to reduced FTE)	(8,568)	-	
4	Workers Comp	(1,660)	(884)	
5	401(k) Match	(4,685)	(478)	
6	Geographic Information System ("GIS")	(7,657)	(7,657)	
7	Payroll Tax	(3,028)	TBD	Flow through of other adjustments
8	Lease	(27,408)	(27,408)	
9	Water Testing	3,741	3,741	
10	Depreciation (align with NARUC rates)	(40,230)	(40,230)	
11	Depreciation (move from Plant in Service to M&S)	(2,230)	(2,230)	
12	Depreciation (Vehicle cost)	(5,270)	(374)	
13	Depreciation (Annual Amortization)	(6,889)	-	Note CIAC section for alternative position
14	Miscellaneous Expense	(40,749)	-	
15	Gross Revenue Conversion Factor	(1,066)	TBD	Flow through of other adjustments
16	Rate Base (Prudency of Capital Projects)	(182,466)	(20,155)	
17	Rate Base (Company Vehicle)	(36,888)	(2,615)	
18	Rate Base ("CIAC")	(243,300)	-	Note CIAC section for alternative position
19	Rate Base (Working Capital)	(15,051)	TBD	Flow through of other adjustments
20	ROE	(3,684)	TBD	Flow through of other adjustments

### CONCLUSION

For these reasons, Gem State respectfully requests that the Commission approve an increase to rates and charges consistent with the Company's costs as set forth above.

DATED January 31, 2023.

Gem State Water Company

By \_\_\_\_\_  
Leslie Abrams-Rayner  
General Manager

Eric Nelsen  
Senior Regulatory Attorney  
NW Natural  
Representing Gem State Water Company

## CERTIFICATE OF SERVICE

I certify that on January 31, 2023, a true and correct copy of the foregoing was served upon all parties of record in this proceeding via electronic mail as indicated below:

### **Commission Staff**

Jan Noriyuki, Commission Secretary  
Idaho Public Utilities Commission  
11331 W. Chinden Blvd., Bldg. 8, Suite 201-A  
Boise, ID 83714

### **Via Electronic Mail**

jan.noriyuki@puc.idaho.gov

/s/

\_\_\_\_\_  
Eric W. Nelsen



**Rates & Regulatory Affairs**

GSW-W-22-01

Gem State Water Company, LLC Application for an Order Authorizing an Increase in its  
Rates and Charges for Water Service

**Data Request Response**

**Request No.:** GSW-W-22-01 IPUC DR 31

31. Please answer the following questions regarding irrigation meters:
- a. Who installs the irrigation meters (original connection)?
  - b. Who maintains the irrigation meters?
  - c. Who tests to insure accurate readings?
  - d. What months are they in-use?

**Response:**

- a. There are no records as to whom initially installed the irrigation meters (original connection). Gem State Water is requiring the new connections to purchase meters and the Company installs them. Meter loops and infrastructure were preinstalled by the Company at Diamond Bar.
- b. The irrigation meters are maintained by Gem State Water staff.
- c. The irrigation meters are tested by Gem State Water staff to ensure accuracy.
- d. The irrigation meters are installed and activated April 15<sup>th</sup> and turned off/removed October 15<sup>th</sup>.



CONFIDENTIAL

ATTACHMENT NO. 2 TO THE COMPANY'S  
REPLY TO THE COMMENTS OF THE  
COMMISSION STAFF

ATTACHMENT FILED UNDER SEPARATE COVER

CASE No. GSW-W-22-01

CONFIDENTIAL

ATTACHMENT NO. 3 TO THE COMPANY'S  
REPLY TO THE COMMENTS OF THE  
COMMISSION STAFF

ATTACHMENT FILED UNDER SEPARATE COVER

CASE No. GSW-W-22-01

Gem State Water Company, Company Response to Staff Report, Attachment 4

JE's Summary	<i>Initial JE</i>	<i>Double recorded</i>	<i>Simple Reversal</i>	
	12.21_GeneralOH	12.21_GeneralOH	YE ADJ (Per NWN)_B	
602 Payroll Expenses:Payroll Expenses_Contra	(5,589.69)	(5,589.69)		
602 Payroll Expenses:Payroll Expenses_Contra	(2,915.55)	(2,915.55)		
408.13 Payroll Expenses:Payroll Taxes_Contra	(703.62)	(703.62)		
650.1 Mileage Reimbursement	(120.21)	(120.21)		
427 Interest expense, net	(252.93)	(252.93)		
6010 Payroll Expenses:Benefits	(721.22)	(721.22)		
6015 Payroll Expenses:Benefits_	(11,342.98)	(11,342.98)		
615 Purchased power	(1,629.44)	(1,629.44)		
620.1 Supplies:Office Expenses / Supplies	(155.62)	(155.62)		
620.2 Supplies:Dues / fees / publications	-	-		
620.3 Supplies:Postage - freight	(246.89)	(246.89)		
620.21 Supplies:QuickBooks Payments Fees	(10.30)	(10.30)		
620.82 Supplies:Bank or Vendor Fees	(154.55)	(154.55)		
636 Other Business Expenses	(255.61)	(255.61)		
636.1 Other Business Expenses:Professional & Contract Fees	(9,714.18)	(9,714.18)		
636.11 Other Business Expenses:Locate Service	(15.98)	(15.98)		
636.2 Other Business Expenses:Laboratory Fees	(83.12)	(83.12)		
636.4 Other Business Expenses:Vendor	(49.87)	(49.87)		
636.5 Other Business Expenses:Technology	(229.10)	(229.10)		
636.7 Other Business Expenses:Parts and materials	(59.58)	(59.58)		
641.5 Rent or Lease of Buildings:Phones / communications	(59.40)	(59.40)		
641.6 Rent or Lease of Buildings:Taxes - property	(2,235.27)	(2,235.27)		
645.1 Lease Rent Expense:Lease Rent Expense - Interest	(15.26)	(15.26)		
646 Lease Rent Expense:Lease Rent Expense - Depreciation	(647.33)	(647.33)		
657 Insurance - general	(637.10)	(637.10)		
675.2 Drinking Water Fees (IDEQ)	(329.15)	(329.15)		
Shared Services NWN	(2,575.37)	(2,575.37)		
145.6 Intercompany Receivables Pelican	40,749.32	40,749.32	(40,749.32)	
699 General Operating Expenses (Wash)			40,749.32	
	-	-	-	
<b>P&amp;L Effect</b>	<b>(40,749.32)</b>	<b>(40,749.32)</b>	<b>40,749.32</b>	<b>Net of Journal Entries</b>
<b>InterCompany Receivable</b>	<b>40,749.32</b>	<b>40,749.32</b>	<b>(40,749.32)</b>	<b>(40,749.32)</b>
		<i>nets to zero</i>		<b>40,749.32</b>



**Rates & Regulatory Affairs**

GSW-W-22-01

Gem State Water Company, LLC Application for an Order Authorizing an Increase in its Rates and Charges for Water Service

**Data Request Response**

**Request No.:** GSW-W-22-01 IPUC DR 55

55. Please provide supporting documentation for every expense booked to the miscellaneous expense account for the test year. Please include invoices, workpapers, journal entries, and any additional documentation to support these expenses.

**Response:**

The transaction level details of the Account 675 Miscellaneous Expense are provided in GSW-W-22-01 IPUC DR 55 Attachment 1.

Account	Amount	Type	Description
699 Overhead Allocation	\$40,749.32	Journal Entry	Allocation of overhead costs to Pelican Point (PP) was inadvertently recorded twice. See GSW-W-22-01 IPUC DR 55 Attachment 2 (first charge is shown on rows 4-67 and the duplicate is shown on rows 70 – 133). The duplicate charge was then reversed against account 699 instead of all the credits in the journal entry.
Accounting Adjustment	(\$6,538.28)	Deposit	Largely offset from Acct. 426 below
620.82 Bank & Vendor Fees	\$7,080.36	Invoice & JE	Bank, merchant services fees, and vendor fees net of allocation to

GSW-W-22-01 IPUC DR 55

NWN Response

Page 2 of 2

			Pelican Point and Gem State Infrastructure
426 Uncategorized	\$7,729.91	Invoice & JE	Offset to adjustment above and emergency generator set rental for storm booked to uncategorized expense.

Invoices

Vendor	Invoice Date	Invoice Number	Amount
United Crown Pump & Drilling	5/3/2016	Progress Billing #1	\$ 43,486.00
United Crown Pump & Drilling	6/8/2016	Progress Billing #2	\$ 10,725.50
United Crown Pump & Drilling	11/30/2017	Progress Billing #3	\$ 26,961.98
United Crown Pump & Drilling	11/30/2017	Back-Up Generator Project	\$ 25,533.03
Norvell's Cat Works - Check 4014	10/11/2010	Old Hwy 95 Main Water Line Extension	\$ 5,400.00
Norvell's Cat Works - Check 4030	11/8/2010	Old Hwy 95 Main Water Line Extension	\$ 8,941.53
Horsley Drilling	11/30/2017	2233	\$ 45,470.00
			<b>166,518.04</b>

Recon of billings to the assets:

		Waterline - 370" Loop	Pump & Reservoir	Equipment Soft Start	Equipment	New Construction
<b>Progress Billing #1</b>						
6" Custom Pitless	\$ 5,362.00		\$ 5,362.00			
Top of Well, incl. Pump & Motor	\$ 32,799.00		\$ 32,799.00			
Flow Test	\$ 2,925.00			\$ 2,925.00		
Water Sampling	\$ 2,400.00			\$ 2,400.00		
	<b>\$ 43,486.00</b>					
<b>Progress Billing #2</b>						
Underground Plumbing - 90%	\$ 13,225.50					\$ 13,225.50
Previous Invoice Bill for pemp starting Panel	\$ (2,500.00)		\$ (2,500.00)			
	<b>\$ 10,725.50</b>					
<b>Progress Billing #3</b>						
Top of Well	\$ 2,500.00		\$ 2,500.00			
Underground Plumbing	\$ 14,695.00					\$ 14,695.00
Power to Well Pump	\$ 2,442.00		\$ 2,442.00			
Upgrade Electrical in Building to 400 AMPS	\$ 25,052.35		\$ 25,052.35			
Automatic Transfer Switch	\$ 2,502.33		\$ 2,502.33			
	\$ 47,191.68					
Less Amount Paid from 12/27/16 Invoice	\$ (5,500.00)		\$ (5,500.00)			
Less Amount already build 6/16	\$ (13,225.50)					\$ (13,225.50)
Underground Plumbing - 10% remaining	\$ (1,504.20)		\$ (1,504.20)			
	<b>\$ 26,961.98</b>					
<b>Back-Up Generator Project</b>						
Concrete Pad, Electrical, & labor	\$ 6,640.00		\$ 6,640.00			
Cummins Generator & Start Up	\$ 18,893.03				\$ 18,893.03	
	<b>\$ 25,533.03</b>					
Horsley Drilling	<b>\$ 45,470.00</b>					\$ 45,470.00
Norvell's Cat Works - Check 4014 & 4030	\$ 14,341.53	\$ 14,341.53				
	<b>\$ 166,518.04</b>	<b>\$ 14,341.53</b>	<b>\$ 67,793.48</b>	<b>\$ 5,325.00</b>	<b>\$ 18,893.03</b>	<b>\$ 60,165.00</b>
<b>Total from Fixed Asset Listing</b>	<b>152,378.20</b>	<b>14,341.53</b>	<b>67,029.55</b>	<b>5,500.00</b>	<b>16,768.21</b>	<b>48,738.91</b>
<b>Variance</b>	<b>\$ 14,139.84</b>	<b>\$ -</b>	<b>\$ 763.93</b>	<b>\$ (175.00)</b>	<b>\$ 2,124.82</b>	<b>\$ 11,426.09</b>





**UNITED CROWN**  
**PUMP & DRILLING**

3125 W. Hayden Ave. • Hayden, ID 83835  
(208) 772-7867 • (800) 682-9641 • Fax (208) 772-7229

# INVOICE

№ 27540

INVOICE DATE ORDER NO.

May 3, 2016

Progress Billing #1

New Well # 3

SOLD TO: Bar Circle "S" Water, Inc.

PO Box 1870

Hayden ID 83835

PHONE# 208-661-1560

INSTALLATION/SERVICE DATE		PROJECT CODE	F.O.B. POINT	TERMS	
April 14, 2016		Service: WC	Well # 3	Net 10	
QTY.	UNIT	DESCRIPTION	UNIT PRICE	TOTAL	
<b>"6" Custom Pitless"</b>					
1	ea.	Custom 6" Weld on pitless			
1	ea.	12" Baker Well Cap			
1	ls.	Labor to install and weld on pitless			
<b>Subtotal</b>			<b>\$ 5,362.00</b>	<b>\$ 5,362.00</b>	
<b>"TOP OF WELL"</b>					
1	ea.	550 GPM 60 HP 460 volt 3 phase pump & motor			
336	lf.	6" Galvanized drop pipe			
2	ea.	6" Flomatic DI VFD Check valves			
340	ea.	#2/4 Flat jacketed submersible pump cable			
1	ea.	Motor splice and tape probe conduit and probe conduit			
1	ea.	Pump starting panel			
1	ea.	Electrical permit			
1	ls.	Labor to install system to "top of well"			
<b>Subtotal</b>			<b>\$ 32,799.00</b>	<b>\$ 32,799.00</b>	
<b>"Flow Test"</b>					
1	ls.	7 Hour Flow test and recovery readings Mob and Demob	\$ 2,925.00	\$ 2,925.00	
<b>Water Sampling</b>					
1	ls.	VOC, IOC and SOC Full Analysis	\$ 2,400.00	\$ 2,400.00	
<b>Subtotal</b>				<b>\$ 43,486.00</b>	
<b>Idaho State Tax 6%</b>					
<b>Total Due This Invoice</b>				<b>\$ 43,486.00</b>	

This invoice due and payable upon receipt. Invoices not paid within 10 days will accrue interest at a rate of 1.5% per month.



# UNITED CROWN

## PUMP & DRILLING

3125 W. Hayden Ave. • Hayden, ID 83835  
(208) 772-7867 • (800) 682-9641 • Fax (208) 772-7229

# INVOICE

NR 27570

INVOICE DATE ORDER NO.

June 8, 2016

Progress Billing #2

Well #3

SOLD TO: Bar Circle "S" Water, Inc.

PO Box 1870

Hayden, ID 83835

PHONE# 208-661-1560

INSTALLATION/SERVICE DATE	PROJECT CODE	F.O.B. POINT	TERMS
May 5 - June 5	Service: WC	Well #3 Site	NET 10

QTY.	UNIT	DESCRIPTION	UNIT PRICE	TOTAL
<b>Underground Plumbing</b>				
1	ls	6" DI plumbing package		
1	ea	6" Flowmeter		
1	ls	Labor to install		
0.9	ls	<b>Subtotal</b>	\$ 14,695.00	\$ 13,225.50
<i>This portion of the project is 90% complete</i>				
1	ls	Previous invoice billed for pump starting panel, but, this has not been completed yet. Adjusting for this with a \$2,500 deduction on this invoice.	\$ (2,500.00)	\$ (2,500.00)
<b>Subtotal</b>				\$ 10,725.50
<b>Total Due This Invoice</b>				<b>\$ 10,725.50</b>



# UNITED CROWN

## PUMP & DRILLING

3125 W. Hayden Ave. • Hayden, ID 83835  
(208) 772-7867 • (800) 682-9641 • Fax (208) 772-7229

# INVOICE

NO 27355

INVOICE DATE                      ORDER NO.

December 27, 2016	
Material Received Invoice	
Well #3	

SOLD TO: Bar Circle "S" Water, Inc.  
PO Box 1870  
Hayden, ID 83835

PHONE#                      208-661-3082

INSTALLATION/SERVICE DATE		PROJECT CODE	F.O.B. POINT	TERMS	
		Service: WC	Well #3 Site	NET 10	
QTY.	UNIT	DESCRIPTION		UNIT PRICE	TOTAL
<b>Material On Hand &amp; Cancellation Charge</b>					
2	ea	60hp 3ph 460v IPS Soft Starter Panel		\$ 3,500.00	\$ 7,000.00
		Project had been placed on hold by Rob, but, we could not stop this special order product. Material is in United Crown Pump & Drilling shop.			
1	ls	200 amp panel 2/SPD order cancellation charge		\$ 535.35	\$ 535.35
		Charge to cancel special order that was in process.			
		Rob, the above are the charges per the contract amounts and actual cancellation charge. But, Rich said to pay \$5,500 now as that is what he communicated to you when you talked about the amounts on December 8th. The remainder can be paid when the project starts back up again.			
				<b>Subtotal</b>	<b>\$ 7,535.35</b>
				<b>Total Due This Invoice</b>	<b>\$ 7,535.35</b>

This invoice due and payable upon receipt. Invoices not paid within 10 days will accrue interest at a rate of 1.5% per month.  
 \\OFFICEMANAGER\Users\Office Manager\Documents\United Crown\Invoices\A-L\B\Bar Circle S Well 3 MOH and cancelation charge.xls





**UNITED CROWN**  
**PUMP & DRILLING**

3125 W. Hayden Ave. • Hayden, ID 83835  
(208) 772-7867 • (800) 682-9641 • Fax (208) 772-7229

# INVOICE

**N2 27088**

INVOICE DATE ORDER NO.

November 30, 2017	
Progress Billing #3	
Well #3	
Per 11/20/15 & 8/22/16 estimates	

SOLD TO: Bar Circle "S" Water, Inc.

PO Box 1870

Hayden, ID 83835

PHONE# 208-661-3082

INSTALLATION/SERVICE DATE		PROJECT CODE	F.O.B. POINT	TERMS	
Oct - Nov		Service: WC	Well #3 Site	NET 10	
QTY.	UNIT	DESCRIPTION	UNIT PRICE	TOTAL	
<b>Top of Well</b>					
1	Is	Pump starting panel - invoiced 5/16, then backed out on 6/16. Now complete.	\$ 2,500.00	\$ 2,500.00	
<b>Underground Plumbing</b>					
0.1	Is	Billed 90% of this portion of the project 6/16. Now complete.	\$ 14,695.00	\$ 1,469.50	
<b>Power to Well Pump</b>					
2/4 Wire in conduit controller to well & labor to install					
1	Is	Nothing previously billed on this portion of the project. Now complete.	\$ 2,442.00	\$ 2,442.00	
<b>Upgrade Electrical in Building to 400 AMPS</b>					
Portions of this have changed based on 8/22/16 recommendations - additional gear recommended. The difference in price is an additional \$9,475.					
0.9	Is	Total of items from original estimate - electrical gear, permit, controls & ETHM, Labor <i>Billing this at 90% complete.</i>	\$ 15,042.00	\$ 13,537.80	
1	Is	Changes approved from updated 8/22/16 estimate	\$ 9,475.00	\$ 9,475.00	
1	Is	Less material on hand charge paid from 12/27/16 invoice	\$ (5,500.00)	\$ (5,500.00)	
1	Is	Cancellation charge from 12/27/16 invoice	\$ 535.35	\$ 535.35	
<b>Automatic Transfer Switch</b>					
1	Is	Cummins automatic transfer switch	\$ 3,597.33	\$ 3,597.33	
1	Is	Less 200Amp manual transfer switch	\$ (1,095.00)	\$ (1,095.00)	
<b>Subtotal</b>				\$ 26,961.98	
<b>Idaho State Sales Tax 6%</b>					
<b>Total Due This Invoice</b>				<b>\$ 26,961.98</b>	

This invoice due and payable upon receipt. Invoices not paid within 10 days will accrue interest at a rate of 1.5% per month.  
\\OFFICEMANAGER\Users\Office Manager\Documents\United Crown\Invoices\A-L\B\Bar Circle S Well 3 Progress Bill 3.xls





Form 238-7  
6/07

## IDAHO DEPARTMENT OF WATER RESOURCES WELL DRILLER'S REPORT

1. WELL TAG NO. D 0069915

Drilling Permit No. \_\_\_\_\_

Water right or injection well # 95-9130

2. OWNER: Bar Circle S Water

Name Robert Turnipseed

Address PO Box 1870

City Hayden State ID Zip 83835

3. WELL LOCATION:

Twp. 52 North  or South  Rge. 4 East  or West

Sec. 26 1/4 NW 1/4 NW 1/4

Gov't Lot \_\_\_\_\_ County Kootenai

Lat. 47 ° 49.878 (Deg and Decimal minutes)

Long. -116 ° 47.867 (Deg and Decimal minutes)

Address of Well Site South West Corner of W. Garwood Rd

and N. Circle S Trl City Rathdrum

Lot. \_\_\_\_\_ Blk. \_\_\_\_\_ Sub. Name \_\_\_\_\_

4. USE:

Domestic  Municipal  Monitor  Irrigation  Thermal  Injection  
 Other Municipal water supply

5. TYPE OF WORK:

New well  Replacement well  Modify existing well  
 Abandonment  Other \_\_\_\_\_

6. DRILL METHOD:

Air Rotary  Mud Rotary  Cable  Other \_\_\_\_\_

7. SEALING PROCEDURES:

Seal material	From (ft)	To (ft)	Quantity (lbs or ft <sup>3</sup> )	Placement method/procedure
Bentonite Grout	0	65	6757.82 lbs.	Temp. Casing Pumped w/Tremie

8. CASING/LINER:

Diameter (nominal)	From (ft)	To (ft)	Gauge/Schedule	Material	Casing	Liner	Threaded	Welded
10"	+2	318	.365	Steel	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Was drive shoe used?  Y  N Shoe Depth(s) Ring @ 340'

9. PERFORATIONS/SCREENS:

Perforations  Y  N Method \_\_\_\_\_

Manufactured screen  Y  N Type Stainless Steel Wire Wrapped

Method of installation Pulled Casing Back

From (ft)	To (ft)	Slot size	Number/ft	Diameter (nominal)	Material	Gauge or Schedule
318	338	.050	-	9.5"	Steel	

Length of Headpipe 1' Length of Tailpipe 2'

Packer  Y  N Type K-Packer

10. FILTER PACK:

Filter Material	From (ft)	To (ft)	Quantity (lbs or ft <sup>3</sup> )	Placement method
NA				

11. FLOWING ARTESIAN:

Flowing Artesian?  Y  N Artesian Pressure (PSIG) \_\_\_\_\_

Describe control device \_\_\_\_\_

12. STATIC WATER LEVEL and WELL TESTS:

Depth first water encountered (ft) 250 Static water level (ft) 250

Water temp. (°F) Cold Bottom hole temp (°F) Cold

Describe access port Steel Welded Cap

Well test:			Test method:			
Drawdown (feet)	Discharge or yield (gpm)	Test duration (minutes)	Pump	Bailer	Air	Flowing artesian
NA	100+	240	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Water quality test or comments: Clear, Clean and Cold

13. LITHOLOGIC LOG and/or repairs or abandonment:

Bore Dia. (in)	From (ft)	To (ft)	Remarks, lithology or description of repairs or abandonment, water temp.	Water	
				Y	N
15	0	3	Top Soil and Gravel		X
15	3	10	Sand, Gravel and Cobbles		X
15	10	47	Boulders, Sand and Gravel		X
15	47	65	Sand and Large Gravel		X
12	65	180	Sand and Gravel		X
12	180	250	Sand, Gravel and Tan Clay		X
12	250	280	Coarse Sand	X	
12	280	340	Coarse Sand and Gravel	X	

We gave an estimate of \$67,879.00 for the well, but, they had Horsley drill it (lower price)

Completed Depth (Measurable): 340'

Date Started: 2/26/2016

Date Completed: 3/15/2016

14. DRILLER'S CERTIFICATION:

I/We certify that all minimum well construction standards were complied with at the time the rig was removed.

Company Name Horsley Drilling, Inc. Co. No. 632

\*Principal Driller C. Mark Horsley Date 3/15/2016

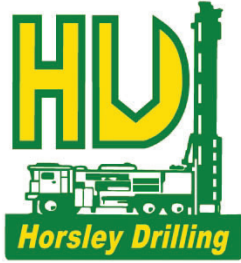
\*Driller Steve C. Horsley Date 3/15/2016

\*Operator II \_\_\_\_\_ Date \_\_\_\_\_

Operator I \_\_\_\_\_ Date \_\_\_\_\_

\* Signature of Principal Driller and rig operator are required.

# Invoice



54399 N. Old US Hwy 95  
Athol, ID 83801  
(208) 687-0798  
info@horsleydrilling.com  
www.horsleydrilling.com

BILL TO
Robert Turnipseed Double T Estates, LLC PO Box 1870 Hayden, ID 83835

SHIP TO
Bar Circle "S" Water System N. Circle "S" Trail Rathdrum, ID 83858

INVOICE #	DATE	TOTAL DUE	DUE DATE	ENCLOSED
2233	03/17/2016	\$0.00	03/17/2016	

**SHIP DATE**  
03/17/2016

DESCRIPTION	QTY/#OF FEET	RATE/PER FOOT	AMOUNT
			0.00
14" Steel Casing Installed for Surface Seal	65	110.00	7,150.00
65' Surface Seal	1	3,100.00	3,100.00
10" Casing Installed	340	88.00	29,920.00
20' Stainless Steel Sand Screen, K-Packer, Head Pipe, Tail Pipe and Pulling back of the 10" Steel Casing.	1	5,100.00	5,100.00
Idaho State Permit Tag # D0069915	1	200.00	200.00

PAID

PAYMENT	45,470.00
BALANCE DUE	<b>\$0.00</b>

BAR CIRCLE S WATER, INC.

10-11-10

4014

DID HWY 95 MAIN WATER LINE EXTENSION

\$ 5,400.00

PAID TO NORUELL'S CAT WORKS.

FOR HALF OF CONTRACT

CONTRACT AMOUNT FOR WORK IS \$ 10,800.00



BAR CIRCLE S WATER, INC.  
PO BOX 1870  
HAYDEN, ID 83835  
208-665-9200

PANHANDLE STATE BANK  
P.O. Box 2559, 200 W. Neider Ave.  
Coeur d'Alene, ID 83816

4014  
92-360/1231  
08

PAY TO THE  
ORDER OF

NORVELL'S CAT WORKS

\$ 5400.00

DOLLARS

FIVE THOUSAND FOUR HUNDRED & 00/100

MEMO

BID HWY 95 MAIN WATER LINE EXTENSION

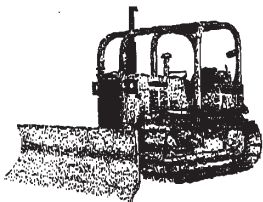
*Robert C. Turnipseed*  
AUTHORIZED SIGNATURE

⑈004014⑈ ⑆123103606⑆ 08310567⑈

Reseller and Bank  
Coversation, Enclosure Includend

10/06/2010 15:26 2086873563

NORVELLS CAT WORKS



**NORCAT, LLC**  
**NORVELL'S "CAT" WORKS**  
N. 19645 COTTAGEWOOD LANE  
RATHDRUM, IDAHO 83858  
(208) 687-9211

\*\*\*\*\*  
\* I N V O I C E \*  
\*\*\*\*\*

Document Number: 009798

Document Date: 10/06/10

Page: 1

Sold Bar Circle S Water Company  
To: P. O. Box 1870  
Hayden Lake, Id.  
83835

Cust I.D.....: Bar Ci  
P.O. Number...: Old Highway 95  
P.O. Date....: 10/06/10

Ship Date: 10/06/10  
Due Date.: 10/06/10  
Terms.....:

Salesperson...: Jim

Item I.D./Desc.	Ordered	Shipped	Unit	Price	Net	TX
Proposal 50% of proposal dated 9-14-10	0.50	0.50	BID	10800.0000	5400.00	E

Due and payable upon receipt.

*Please sign & return the proposal*  
*Thanks Wendy*

Subtotal: 5400.00  
Tax.....: 0.00  
Payments: 0.00  
Total....: 5400.00

2049870



**NORCAT, LLC  
PROPOSAL**

September 14, 2010

**To:**  
BAR CIRCLE S WATER COMPANY  
P. O. BOX 1870  
HAYDEN LAKE, IDAHO 83835  
(208) 665-9200

**From:**  
NORVELL'S CAT WORKS  
19645 COTTAGEWOOD LANE  
RATHDRUM, IDAHO 83858  
(208) 687-9211

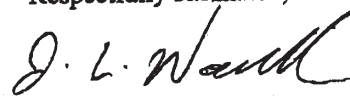
Norcat, LLC dba Norvell's Cat Works will furnish all the equipment and materials necessary for the completion for the water main extension per the plans by T.O. Engineers. We will install approximately 370' of 6" C900 water line that will connect the water lines from the fire station to the Garwood Business Center. Time plus materials will be charged as an extra if at the fire station the fire hydrant is on the end of the existing 6" pipe. Any fees or permits are not included in this proposal.

All work is guaranteed to be as specified and completed in a substantial workman like manner for the sum of Ten Thousand Eight Hundred and 00/100 (10,800.00) Dollars with half to be paid at the beginning of the job and the balance to be paid at the completion of the job.

Any changes to this agreement will be executed only upon written orders and will be charged as an extra as agreed to by Rob Turnipseed and Norvell's Cat works. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire and other necessary insurance upon above work. Workman's compensation and Liability Insurance on above work to be take out by Norvell's Cat Works.

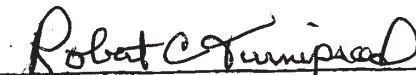
SEE ATTACHMENT.

Respectfully submitted,



Jim Norvell

Accepted By:

  
Rob Turnipseed

**Attachment to Contract:**

All compaction to be tested by All West and reports sent to Lakes Highway Dist. and DEQ and Bar Circle "S" Water Co. that it mets their standards.

Accepted By: Robert C. Turpin

Accepted By: \_\_\_\_\_

BAR CIRCLE S WATER, INC.

Norvell's Cat Works  
1508 · waterline - 370' Loop

11/8/2010

old hwy 95 fire station to garwood business center

4030

8,941.53

Checking-PSB

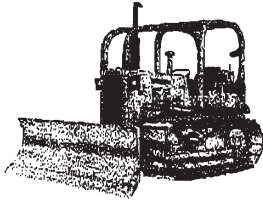
old hiway 95 300' looping system

8,941.53

10/29/2010 14:03 2086873563

NORVELLS CAT WORKS

PAGE 03



**NORCAT, LLC**  
**NORVELL'S "CAT" WORKS**  
N. 19645 COTTAGEWOOD LANE  
RATHDRUM, IDAHO 83858  
(208) 687-9211

\*\*\*\*\*  
\* I N V O I C E \*  
\*\*\*\*\*

Document Number: 009802

Document Date: 10/29/10

Page: 3

Sold Bar Circle S Water Compan  
To: P. O. Box 1870  
Hayden Lake, Id.  
83835

Cust I.D.....: Bar Ci  
P.O. Number...: Old Hwy 95  
P.O. Date.....: 10/29/10

Ship Date: 10/29/10  
Due Date.: 10/29/10  
Terms.....:

Salesperson...: Jim

Item I.D./Desc.	Ordered	Shipped	Unit	Price	Net	TX
0-20-10 Materials Valve, adaptors and Risers	1.00	1.00		434.9000	434.90	E

Due and payable upon receipt.

*Circle with check*

*Not OK 1489.13*

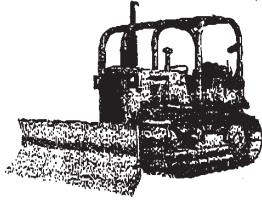
*7231.73*

*7231.73  
- 5400.00  
1831.73*

*14341.53  
- 777.50  
13564.03*

Subtotal: 8941.53  
Tax.....: 0.00  
Payments: 0.00  
Total....: 8941.53

*#7452 40*



**NORCAT, LLC**  
**NORVELL'S "CAT" WORKS**  
 N. 19646 COTTAGEWOOD LANE  
 RATHDRUM, IDAHO 83858  
 (208) 687-9211

\*\*\*\*\*  
 \* I N V O I C E \*  
 \*\*\*\*\*

Document Number: 009802

Document Date: 10/29/10

Page: 2

Sold Bar Circle S Water Compan  
 To: P. O. Box 1870  
 Hayden Lake, Id.  
 83835

Cust I.D.....: Bar Ci  
 P.O. Number...: Old Hwy 95  
 P.O. Date.....: 10/29/10

Ship Date: 10/29/10  
 Due Date.: 10/29/10  
 Terms.....:

Salesperson...: Jim

Item I.D./Desc.	Ordered	Shipped	Unit	Price	Net	TX
Change of Orders - Firehydrant						
10-13-10 Backhoe Dig to move firehydrant	3.00	3.00	HOUR	85.0000	255.00	E
10-13-10 Installer	4.00	4.00	HOUR	35.0000	140.00	E
10-13-10 Materials Tee, Valve, Riser, and concrete	1.00	1.00		1094.1300	1094.13	E
Change of Orders Install 2" Valve on exisiting water line.						
10-20-10 Backhoe 9:30 - 4:30 Dig for 2" that was suppose to be 4' from the end of the line but was 12' from end of the line and on the south side of the instead of the north.	7.00	7.00	HOUR	85.0000	595.00	E
10-20-10 Installer 9:30 - 4:30	7.00	7.00	HOUR	35.0000	245.00	E

Continued ....

Subtotal:

8506.63  
 840.00  


---

 7666.63  
 -434.90  

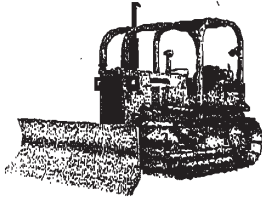

---

 \$ 7231.73

10/29/2010 14:03 2086873563

NORVELLS CAT WORKS

PAGE 01



**NORCAT, LLC**  
**NORVELL'S "CAT" WORKS**  
 N. 19645 COTTAGEWOOD LANE  
 RATHDRUM, IDAHO 83858  
 (208) 687-9211

\*\*\*\*\*  
 \* I N V O I C E \*  
 \*\*\*\*\*

Document Number: 009802

Document Date: 10/29/10

Page: 1

Sold Bar Circle S Water Compan  
 To: P. O. Box 1870  
 Hayden Lake, Id.  
 83835

Cust I.D.....: Bar Ci  
 P.O. Number...: Old Hwy 95  
 P.O. Date.....: 10/29/10

Ship Date: 10/29/10  
 Due Date.: 10/29/10  
 Terms.....:

Salesperson...: Jim

Item I.D./Desc.	Ordered	Shipped	Unit	Price	Net	TX
Proposal Final 50% of proposal dated Sept 14, 2010.	0.50	0.50	BID	10800.0000	5400.00	E
Change of Orders Hammer out concrete slab						
10-11-10 Operator 8:00 - 4:30 Hammer out slab of concrete	8.50	8.50	HOUR	35.0000	297.50	E
10-12-10 Operator 7:00 - 12:00 Hammer out concrete	5.00	5.00	HOUR	35.0000	175.00	E
Hammer	1.00	1.00		130.0000	130.00	E
Generator	1.00	1.00		75.0000	75.00	E
Fuel	1.00	1.00		15.0000	15.00	E
Backhoe Dig and haul away concrete	1.00	1.00	HOUR	85.0000	85.00	E

Handwritten note: 777.50 with a bracket grouping the last four rows of the table.

Continued ....

Subtotal: 6177.50  
 - 777.50  
5400.00



**Rates & Regulatory Affairs**

GSW-W-22-01

Gem State Water Company, LLC Application for an Order Authorizing an Increase in its  
Rates and Charges for Water Service

**Data Request Response**

**Request No.:** GSW-W-22-01 IPUC DR 62

62. Please provide supporting documentation for the truck purchased in 2022. Please include in your response a copy of the invoice, the year, make and model, mileage, and fuel type. Also include the intended use of the asset, estimated yearly mileage, and primary users. Please include any cost benefit analysis for the truck.

**Response:**

See *GSW-W-22-01 IPUC DR 62 Attachment 1* for the invoice for the 2022 truck purchase in the amount of \$85,746.94. The original estimate of \$87,149.64 used in the application is included as *GSW-W-22-01 IPUC DR 62 Attachment 2*.

The truck is diesel fuel and a 2019 Ford F-350 with 36,095 miles.

The considerations that went into the decision to purchase the truck were provided in response to *GSW-W-22-01 IPUC DR 3* and reflect the management decision to own the utility truck rather than rely on employee reimbursements.

**MIKE WHITE FORD OF COEUR D'ALENE**  
**315 W CLAYTON AVENUE**  
**COEUR D ALENE, ID 83815**  
**(208) 664-9211**

**DEAL# 21052**  
**CUST# 81703**  
**STK# 158091**

<b>GEM STATE WATER COMPANY, LLC</b>			
PURCHASER'S NAME			
<b>250 NORTHWEST BLVD STE 203</b>		<b>COEUR D ALENE</b>	
STREET ADDRESS		CITY	STATE
<b>208/929-1045</b>		<b>83814</b>	
RESIDENCE PHONE		BUSINESS PHONE	
VEHICLE BEING PURCHASED		PRICE OF VEHICLE	
PLEASE ENTER MY ORDER FOR THE FOLLOWING:		<b>73850.00</b>	
<input type="checkbox"/> NEW <input type="checkbox"/> CAR <input checked="" type="checkbox"/> SALE <input checked="" type="checkbox"/> USED <input checked="" type="checkbox"/> TRUCK <input type="checkbox"/> LEASE <input type="checkbox"/> DEMO <input type="checkbox"/> OTHER		Accessories	
YEAR <b>2019</b> MAKE <b>FORD</b> MODEL <b>F-350</b>		Manuf. Rebate (If Any)	
BODY TYPE <b>PU</b> TRANS. <b>10-SPEED AUTOMATIC</b>			
STK. NO. <b>158091</b> MILES <b>36095</b>			
VIN NO. <b>1FT8W3DT1KEG17243</b>			
TO BE DELIVERED ON OR ABOUT <b>05/25/2022</b> LIC. NO. <b>11RGJ</b>		<b>Vehicle Service Contract</b>	
TITLE TO: <b>CASH DEAL</b>		<b>4475.00</b>	
SALESPERSON <b>DANIEL FORSLOF</b>			
INSURANCE: Full insurance coverage is required by Seller only when Purchaser is financing vehicle through bank, credit union, etc., OR when Dealer has security interest in vehicle. Buyer may choose Insurance Co. and Agent. INS. CO.		<b>LIMITED MAINTANENCE</b>	
		<b>2660.00</b>	
		<b>* DOCUMENTATION FEE</b>	
		<b>299.00</b>	
AGENT			
ADDRESS			
PHONE		COVERAGE	
VERIFIED BY		DATE	
USED VEHICLE TRADE-IN INFORMATION		<b>* Taxable Item(s)</b>	
YEAR		<b>74149.00</b>	
MAKE		Total Price of Vehicle & Access	
MODEL		<b>\$ 81284.00</b>	
BODY TYPE		Trade Allowance	
TRANS.		<b>N/A</b>	
COLOR		<b>74149.00</b> x <b>6.00%</b> Sales Tax =	
VIN.		<b>4448.94</b>	
MILES		Doc and Title Transfer	
LIEN		<b>14.00</b>	
BAL.		Other Charges	
YEAR		<b>N/A</b>	
MAKE		TOTAL CASH DELIVERED PRICE	
MODEL		<b>85746.94</b>	
BODY TYPE		C Trade-in Allowance	
TRANS.		<b>N/A</b>	
COLOR		R Less Bal. Owing	
VIN.		<b>N/A</b>	
MILES		D Net Trade-in Allowance	
LIEN		<b>N/A</b>	
BAL.		I Cash Down	
YEAR		<b>N/A</b>	
MAKE		S Manuf. Rebate	
MODEL		<b>N/A</b>	
BODY TYPE		TOTAL DOWN PAYMENT	
TRANS.			
COLOR		TOTAL CASH OR CONTRACT DUE ON DELIVERY	
VIN.		<b>85746.94</b>	
MILES		MANUFACTURER'S SUGGESTED RETAIL PRICE IS SUBJECT TO CHANGE BY THE MANUFACTURER.	
LIEN			
BAL.			
Purchaser agrees to furnish Seller title and current registration to trade-in. Purchaser also agrees to pay any difference in payoff. Dealer will refund any credit balance to Purchaser.			
PURCHASER			

**TERMS: The total cash price is payable in full on or before delivery. The Seller retains a security interest in the above described vehicle to secure payment of the total cash price until paid in full.**

ALL WARRANTIES, IF ANY, BY A MANUFACTURER OR SUPPLIER OTHER THAN DEALER ARE THEIRS, NOT DEALERS', AND ONLY SUCH MANUFACTURER OR OTHER SUPPLIER SHALL BE LIABLE FOR PERFORMANCE UNDER SUCH WARRANTIES, UNLESS DEALER FURNISHES BUYER WITH A SEPARATE WRITTEN WARRANTY OR SERVICE CONTRACT MADE BY DEALER ON ITS OWN BEHALF, DEALER HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE (A) ON ALL GOODS AND SERVICES SOLD BY DEALER, AND (B) ON ALL USED VEHICLES WHICH ARE HEREBY SOLD "AS IS" - NOT EXPRESSLY WARRANTED OR GUARANTEED." THE INFORMATION YOU SEE ON THE WINDOW FORM FOR THIS VEHICLE IS PART OF THIS CONTRACT. INFORMATION ON THE WINDOW FORM OVERRIDES ANY CONTRARY PROVISIONS IN THE CONTRACT OF SALE.

The front and back of this Order comprise the entire agreement affecting this purchase and no other agreement or understanding of any nature concerning same has been made or entered into, or will be recognized. I hereby certify that no credit has been extended to me for the purchase of this motor vehicle except as appears in writing on the face of this agreement.

I have read the matter printed on the back hereof and agree to it as a part of this order the same as if it were printed above my signature. I certify that I am of legal age or older, and hereby acknowledge receipt of a copy of this order.

Purchaser's Signature *[Signature]* Date **05/25/2022**

Salesperson **DANIEL FORSLOF** Manager **MICHAEL HEDDEN**  
THIS AGREEMENT NOT VALID UNLESS SIGNED BY MANAGER.

Credit Approved By \_\_\_\_\_ Lien Holder **CASH DEAL**

Address \_\_\_\_\_ Loan Officer \_\_\_\_\_ Phone \_\_\_\_\_

**THANK YOU - WE APPRECIATE YOUR BUSINESS.**

**32499\*1\*FI**



# NATIONAL VEHICLE SERVICE CONTRACT APPLICATION, TERMS & CONDITIONS

(Excludes Medium Duty, Incomplete and Diesel EngineCARE plans)



Vehicle Identification Number ("VIN") (17 Digits) 1FT8W3DT1KEG17243			Signature Date 05/26/2022	Warranty Start Date 09/24/2019	<b>FBA/L-CPO Upgrade Plans</b>
Internet Sale <input type="checkbox"/>	IPP <input type="checkbox"/>	IPP Term	Current Mileage 36095	<input checked="" type="checkbox"/> FBA (Gold) <input type="checkbox"/> FBA (Blue) <input type="checkbox"/> L-CPO	
<b>Surcharges:</b> <input type="checkbox"/> 12 Months/12,000 Miles <input type="checkbox"/> Snowplow <input checked="" type="checkbox"/> Commercial Use <input type="checkbox"/> 36 Months/36,000 Miles (Ford Competitive Make) or 48 Months/50,000 Miles (Lincoln Vehicles) <input type="checkbox"/> Specialty - Emergency (Fire, Ambulance, Police [Non-Ford], Limo, Livery, Shuttle, Tow Truck)				<b>Non-CPO Wraps</b> <input type="checkbox"/> Powertrain	

- New Plan Coverage:** (Coverage begins at Warranty Start Date and Zero Miles)
- Core or FBA Gold (Ford) Upgrade - PowertrainCARE, BaseCARE, ExtraCARE, PremiumCARE (Standard Deductible is \$100)
  - L-CPO (Lincoln) - PremiumCARE (Standard Deductible is \$100)
  - PowertrainCARE Wraps - (Standard Deductible is \$100)
  - LeaseCARE - New PremiumCARE with Wear Items (Standard Deductible is \$0)
  - RentalCARE - (Standard Deductible is \$0)
- Used Plan Coverage:** (Coverage begins at Signature Date and Current Miles)
- Core - PowertrainCARE, BaseCARE, ExtraCARE, PremiumCARE (Standard Deductible is \$100)
  - FBA(Blue) Upgrade (3 months/4,000 miles) - PowertrainCARE, BaseCARE, ExtraCARE, PremiumCARE (Standard Deductible is \$100)

PLAN COVERAGE	Deductible	Plan Term		Plan Expiration - (Earliest of)		Purchase Price	Sales Tax	Total Purchase Price with Sales Tax
		Month	Mileage	Date	Mileage			
<input checked="" type="checkbox"/> New <input type="checkbox"/> Used PremiumCARE	\$100	72	140000	09/24/2025	140000	4475	0.00	\$4475.00

Options     Enhanced Rental     Pick Up & Delivery     Key Services Delete     Interior/Exterior Lighting Delete     First Day Rental Delete

**DISCLOSURE INFORMATION:**

**THIS IS NOT AN INSURANCE CONTRACT. THE PURCHASE OF THIS AGREEMENT IS NOT REQUIRED IN ORDER TO PURCHASE, OR OBTAIN FINANCING FOR A MOTOR VEHICLE. YOU MAY PURCHASE THE SERVICE CONTRACT BY CASH OR UNSECURED CREDIT CARD. IF YOU ELECT TO PURCHASE THIS AGREEMENT, IT GIVES YOU SPECIFIC LEGAL RIGHTS, WHICH MAY VARY FROM STATE TO STATE.** I acknowledge receipt of a complete copy of this Application and Terms and Conditions (the "Agreement") at signing and agree to all the terms and conditions. I agree to maintain the covered vehicle in accordance with the manufacturer's stated periodic maintenance recommendations as a condition of receiving coverage under this Agreement, except as otherwise provided by law.

**SERVICE CONTRACT HOLDER/PURCHASER**

Name GEM STATE WATER COMPANY LLC	
Signature (Not Valid without Signature) <i>[Signature]</i>	Signature Date 05/26/2022
Address (City/State/Zip Code) 250 NORTHWEST BLVD STE 203 COEUR D ALENE ID 83814	
Customer's E-Mail Address COLE@GEMSTATE-WATER.COM	
Service Contract Lienholder Name CASH	

**DEALERSHIP INFORMATION**

Dealership Signature <i>[Signature]</i>	
Dealer Name Mike White Ford Of Coeur d'Alene	Telephone No
Address (City/State/Zip Code) 315 Clayton Avenue Coeur D Alene ID 838159293	
Employee Stars Id 0 0 2 3 0 7 3 6 6	P&A Code 0 4 0 3 1

## TERMS AND CONDITIONS

### 1A. INTRODUCTION & PARTIES (FORD MOTOR SERVICE COMPANY):

All service contract obligations, including the Application (this "Agreement") are between Ford Motor Service Company, the Service Contract Provider (hereinafter referred to as "We", "Us" or "Our") and the Service Contract Holder (hereinafter referred to as "You" or "Your"). You may contact Us at the following address:

**Ford/Lincoln Protect Headquarters**  
**P.O. Box 6045**  
**Dearborn, Michigan 48121**  
**Toll-free number 800-521-4144**

**FULL FAITH AND CREDIT STATEMENT:** In all states except as provided in 1B and 1C below, all service contract obligations under this Agreement are backed by the full faith and credit of Ford Motor Service Company and are not guaranteed under a service contract reimbursement policy.

**1B. INTRODUCTION & PARTIES (FORD MOTOR COMPANY):** If You live in ND, NE, or WA, and Your vehicle is a Ford, Lincoln or Mercury, all service contract obligations under this Agreement, are between Ford Motor Company, the Service Contract Provider (hereinafter referred to as "We", "Us", or "Our") and the Service Contract Holder (hereinafter referred to as "You or "Your"). You may contact Us at the address listed above in 1A

**FULL FAITH AND CREDIT STATEMENT:** In 1B, all service contract obligations under this Agreement are backed by the full faith and credit of Ford Motor Company.

**1C. INSURED AGREEMENT STATEMENT:** In the states of IA, IN, MD, ND, NE, WA and WI, all service contract obligations on Competitive Make Products are fully insured and guaranteed by a policy of contractual liability insurance or service contract reimbursement insurance. The policy is issued by:

**The American Road Insurance Company**  
**P.O. Box 6045**  
**Dearborn, Michigan 48121**  
**Toll-free number: 800-233-5819**

**1D. INSURER GUARANTEE:** In the states of IA, IN, MD, ND, NE, WA and WI, Our obligations are guaranteed under a service contract reimbursement insurance policy (policy # 81-3101-2021-001) issued by The American Road Insurance Company, which is identified in Section 1C of this Agreement. If We do not provide, or reimburse, or pay for, a service that is covered by this Agreement within sixty (60) days after You file a claim and provide Us proof of loss, or if We become insolvent or otherwise financially impaired, or issue a refund under this Agreement, You may file a claim directly with The American Road Insurance Company using the contact information listed in Section 1C. Any claim You file under this Agreement with The American Road Insurance Company will be subject to the exclusions, deductibles, and limitations set forth in this Agreement.

**1E. ADMINISTRATORS:** We use the following Administrators in all states except Florida and Utah:

**Percepta Philippines (TX Lic. #SCP(a)-172)**  
**Percepta LLC (TX Lic. #SCP(a)-171)**  
**P.O. Box 6045**  
**Dearborn, Michigan 48121**  
**Toll Free Number: 800-233-5819**

**2A. ENTIRE AGREEMENT:** This Agreement, which includes the Application, is the complete and exclusive statement of the agreement and understanding between You and Us regarding the extended service contract and related benefits for Your vehicle.

**2B. WHEN COVERAGE BEGINS AND ENDS: For NEW PLAN AGREEMENTS,** Coverage begins at the New Vehicle Limited Warranty

Start Date and Zero Miles. Coverage ends at the earliest of the Number of Months Purchased or the Number of Miles purchased from the New Vehicle Limited Warranty Start Date or Zero Miles.

**USED PLAN AGREEMENTS ON ELIGIBLE FORD, LINCOLN OR MERCURY VEHICLES THAT HAVE NEW VEHICLE LIMITED WARRANTY REMAINING AT THE TIME OF PURCHASE,** Coverage begins at the Signature Date and Current Mileage. Coverage ENDS the earlier of the Number of Months Purchased or the Number of Miles Purchased from the expiration of the New Vehicle Limited Warranty.

**USED PLAN AGREEMENTS ON ELIGIBLE FORD, LINCOLN OR MERCURY VEHICLES THAT HAVE NO NEW VEHICLE LIMITED WARRANTY REMAINING AND ELIGIBLE USED COMPETITIVE MAKE VEHICLES (REGARDLESS OF WARRANTY STATUS),** Coverage BEGINS at the Signature Date and Current Mileage. Coverage ENDS at the earlier of the Number of Months Purchased or the Number of Miles Purchased from the Signature Date and Current Mileage.

**3. DEFINITIONS:** In this Agreement, the following capitalized terms have the meanings assigned to them:

**Branded Vehicle** means a vehicle that has a valid certificate of title that indicates: (i) a salvage title, (ii) that the vehicle was stolen or (iii) that an insurance carrier insuring the vehicle determined that the physical damage to the vehicle exceeded the value of the vehicle.

**Commercial** A vehicle is employed in a "Commercial Use" and subject to applicable surcharge if:

- a) it is used primarily for business purposes, or for government purposes, including by an individual or multiple drivers of any government agency or municipality;
- b) it is used in a farm, delivery, or construction business;
- c) it is designated by the selling Dealer as a vehicle for "Commercial Use" when the sale is reported to the vehicle's manufacturer as a Commercial unit

**Competitive Make Vehicle** means any vehicle other than a Ford, Lincoln, or Mercury vehicle.

**Disappearing Deductible** means a deductible option under which there is no deductible charged for each Eligible Repair Visit when repairs or services are performed by the Selling Dealer.

**Emergency Repair** means necessary service or repair to an inoperable Vehicle at a dealer or repair provider other than a Ford or Lincoln dealership due to covered Failure

**Failure** means a cessation of normal mechanical or electrical functioning of the Vehicle components covered by this Agreement that arise from defects in materials or workmanship or caused by normal wear and tear covered by this Agreement

**Ford Blue Advantage (FBA) Upgrade Coverage** means core coverage purchased for an additional price providing additional component coverage with longer term and/or mileage benefits on Ford (Gold or Blue) and Competitive Make vehicles (Blue only).

**Internal Lubricated Parts** means parts within the engine block that are part of the reciprocating/moving assembly including crankshaft, camshaft, pistons, connecting rods, valve train components (i.e. valves, springs, keepers, rockers, lash adjusters, tappets/lifters, piston rings, oil pump, oil pressure regulator and piston wrist pins).

**L-CPO (Lincoln) Upgrade Coverage** means PremiumCARE coverage purchased for an additional price providing longer term and/or mileage coverage on Lincoln vehicles.

**New Vehicle Limited Warranty** means the manufacturer's original limited bumper-to-bumper warranty covering a new Vehicle or the parts and components of the new Vehicle.

**Retail Value of the Vehicle** means the retail value of the Vehicle at the time immediately prior to the breakdown requiring repair or service, as determined by "National Auto Dealers Association

## TERMS AND CONDITIONS

(N.A.D.A.) Guide” or other nationally published vehicle valuation guide, taking into consideration the location, mileage and condition of the Vehicle.

**Scheduled Maintenance Services** means all scheduled maintenance services at the service intervals listed in the Scheduled Maintenance Guide for the Vehicle, including adherence to the normal or severe duty mileage and time requirements depending on vehicle usage.

**Selling Dealer** means the authorized Ford or Lincoln dealership that sold the service contract represented by this Agreement.

**Signature Date** means the date You signed the Application to this Agreement.

**Snowplow** means any new or used F-150 (except 2011-2012 model years), F-250, F-350, F-450 or equivalent Competitive Make pickup truck that is factory equipped with a Snowplow Prep Package and used to plow snow.

**Warranty Start Date, for the New Vehicle Limited Warranty**, means the date on which the Vehicle was placed into original service.

**Wear Items** means coverage for brake pads and linings, clutch disc, spark plugs, engine belts, coolant hoses, hose clamps and o-ring seals, wiper blades and shock absorbers/struts replaced due to normal wear and tear, not as part of a scheduled maintenance interval.

### 4. DEDUCTIBLES:

#### STANDARD DEDUCTIBLES

If You elected coverage with a Standard Deductible or Optional Deductible, We will charge You that deductible for each Eligible Repair Visit, regardless of the number of Failures to be repaired.

#### OPTIONAL DEDUCTIBLES

Deductible options are not available on LeaseCARE and RentalCARE Coverages. The \$0 Deductible Option is not available on Used Core Plan Coverages.

**5. WHAT THIS AGREEMENT COVERS:** Subject to the deductibles, exclusions and other limitations in this Agreement and depending on the Plan Coverage You elected, We will either: (a) repair or replace covered Failures (including parts, labor costs and applicable taxes) or (b) reimburse You in the event of an Emergency Repair. We have the right to review the requested repair or inspect the Vehicle prior to authorizing any repair or reimbursement.

#### 5A. COVERED ITEMS - “PowertrainCARE”

If You elected PowertrainCARE, the following items are covered Coverages.

**Engine** - Cylinder block and Internal Lubricated Parts, seals and gaskets, the cylinder heads, manifold (Exhaust, Intake and bolts), factory installed turbocharger/ supercharger units, timing chain (gears or belt), flywheel, valve covers, oil pan, timing chain cover, oil pump, water pump, thermostat, thermostat housing.

**(EXCEPTIONS: FUEL INJECTION COMPONENTS ARE NOT COVERED)**

**Transmission** - Transmission case and all internal parts including torque converter and transfer case (all internal parts), seals, gaskets and transmission control module

**Front-Wheel Drive** - Front drive housing and Rear Axle Housing for AWD (including all Internal parts), universal and constant velocity joints, axle shafts, locking rings (four-wheel drive vehicles), seals and gaskets, and automatic front locking hubs (four-wheel drive).

**Rear-Wheel Drive** - Drive axle housings and Front Axle Housing for 4X4 (including all Internal parts), universal and constant velocity joints, axle shafts, seals and gaskets, and driveshafts.

#### 5B. COVERED ITEMS - “BaseCARE”

If You elected BaseCARE, You have PowertrainCARE coverage and coverage for the following additional items:

**Odometer and Speedometer** - odometer and speedometer, including all cables and connectors.

**Engine** - Metal fuel lines, harmonic balancer and bolt, and diesel injector pump.

**Steering** - Power steering pump, cooler and metal lines, couplings, seals and gaskets, manual and power steering gear housing and all internal parts, including linkages, control valve, column lock (tilt wheel), pulley assembly for power steering pump, and the idler arm **(excluding Power Steering Control Module)**.

**Front Suspension** - MacPherson struts, Upper and lower control arms, stabilizer bar, linkage and bushings, tie rods, kingpins and bushings, spindle and spindle supports, and front axle I-beam.

**NOTE: This coverage includes only the items listed in this paragraph and does not include either frontend alignments or wheel balancing, unless the repair to such items is required in connection with the repair of a Failure.**

**Brakes** - Master cylinder, calipers and wheel cylinders, combination valve, all metal lines and fittings, power brake booster, backing plates, springs, clips and retainers, self-adjusters, parking brake linkage and cables, brake pedal shaft, brake chambers, air brake compressor, air brake foot valve, air brake quick release valve, air brake modulator relay valve, and air brake parking brake dash valve.

**NOTE: This coverage includes only the items listed in this paragraph and does not include brake drums, rotors, linings or pads, unless the repair to such items is required in connection with the repair of a covered Failure.**

**Air Conditioning** - Compressor, condenser **(excluding integral transmission cooler)**, evaporator, A/C compressor head, A/C compressor clutch switch, A/C clutch and clutch bearings, compressor seals, pulley and field coil.

**Electrical** - Alternator, starter motor, voltage regulator, manually operated electrical switches, ignition switch, wiper motors, electronic ignition module, radiator fan relay, fuel pump, starter motor solenoid, wiring harnesses **(excluding spark plug wires)**, and electrical components of a heated back glass. **NOTE: Heated back glass coverage is for electrical components only and does not include general glass damage or breakage.**

#### 5C. COVERED ITEMS - “ExtraCARE”

If You elected ExtraCARE, You have PowertrainCARE and BaseCARE coverage and coverage for the following additional items:

**Engine** - Flywheel ring gear, diesel lift pump and gas and diesel fuel injectors.

**High Tech** - Automatic temperature control, air conditioner accumulator, heater blower motor, heater control assembly, heater core assembly, radiator **(excluding integral transmission cooler)**, radiator fan, radiator fan clutch or motor, ETA pump hose assembly, electronic instrument cluster **(excluding the dash pad, clock, audio and visual equipment)**, keyless entry system **(excluding door handles)**, power seat motors, power window motors and regulators, power antenna, power door locks **(excluding door handles and electronic key fobs)**, power door lock retainer clip, cruise control components, anti-lock brake module and sensor, electronic air suspension **(excluding air-lift bags)**, engine mounts, transmission vacuum module and mounts, and transmission module, distributor cap and rotor, fuel tank and lines, diesel injectors and line.

#### 5D. COVERED ITEMS - “PremiumCARE”

If You elected PremiumCARE, all Failures are covered **EXCEPT for those items excluded in the Provision titled: “WHAT IS NOT COVERED BY THIS AGREEMENT.”**



## TERMS AND CONDITIONS

### 5E. COVERED ITEMS - "LeaseCARE"

If you elected LeaseCARE, You have PremiumCARE coverage with Wear Items.

### 5F. COVERED ITEMS - "Powertrain Wrap Coverage"

If You elected Powertrain Wrap Coverage, You have new PremiumCARE coverage for all components **except components covered under PowertrainCARE**. Powertrain Wrap Coverage applies only to the original Service Contract Holder for the selected coverage and is not transferable to any subsequent vehicle owner.

### 5G. COVERED ITEMS - "RentalCARE"

If You elected RentalCARE coverage, We will reimburse You for the actual charges up to \$35 per day (including tax) on Ford and Competitive Make vehicles and \$45 per day (including tax) on Lincoln vehicles (\$72 per day on Aviator, MKT, Navigator) that You incur to rent a motor vehicle for up to (3) days while Your Vehicle is being repaired as long as the service or repair is: (1) covered under the terms of this Agreement (2) covered by the New Vehicle Limited Warranty or (3) the result of a manufacturer's recall or customer satisfaction program and (4) the vehicle is rented from a Ford or Lincoln dealership or other commercial agency that rents or leases motor vehicles as its principal business. To determine the (3) day rental coverage period, the first day of coverage is the day You deliver Your Vehicle for repair or service. If You elected RentalCARE Coverage with a plan term beyond the 3 years or 36 months from the New Vehicle Limited Warranty, You will receive component coverage under our PremiumCARE plan upon expiration of the earlier of 3 years or 36 months from the New Vehicle Limited Warranty, for the additional plan term You selected.

### 6. ADDITIONAL BENEFITS

**6A. ROADSIDE ASSISTANCE COVERAGE** - For questions or inquiries, You should address correspondence to Ford/Lincoln Roadside at P.O. Box 9145, Medford, MA 02155. Roadside Assistance includes:

(i) Roadside Assistance Items, (ii) Emergency Travel Expense Reimbursement, and (iii) Destination Assistance. The Roadside Assistance benefits provided under this Agreement are available from Ford/Lincoln Roadside 24 hours a day, 7 days a week.

To request roadside assistance or for customer inquiries, call Ford Roadside at 800-241-3673 or Lincoln Roadside 800-521-4140.

Service providers who provide Roadside Assistance are independent contractors and not employees, agents or representatives of Ours or of Our subcontractors.

**1. ROADSIDE ASSISTANCE ITEMS COVERED:** Roadside Assistance provides coverage of up to \$100 in benefits for the following items (including the cost of the service call and labor costs for services performed at the site of the disablement): (a) lock-out assistance; (b) flat tire changes; (c) battery jump starts (electric Vehicle's main power cell batteries are not included in this coverage); (d) out of fuel assistance, which provides the delivery of gasoline or diesel fuel to You, including the cost of up to 2 gallons of fuel (5 gallons of diesel fuel for diesel engine vehicles), provided that coverage is limited to 3 "no charge" service calls during a 12 month period; (e) towing, when the Vehicle is disabled, provided this coverage is limited to one tow per disablement; and (f) winching, when the Vehicle requires standard service from a paved or country maintained road, and not for recoveries.

**ITEMS NOT COVERED:** Roadside Assistance does not provide coverage for: (a) replacement parts, (b) gasoline or diesel fuel (except as otherwise provided herein), (c) tire repair, (d) rental of towing equipment, (e) storage fees; (f) fees for labor performed at a garage or service facility; or, (g) any "out of fuel" service request if the Vehicle is located at Your residence or an operating

commercial fueling station; (h) impound towing or towing by a person other than a licensed service station or garage; (i) the assistance of any private parties or (j) alternative fuel (such as compressed natural gas or liquid propane gas). WHEN YOU CALL FOR SERVICE, YOU WILL BE CONNECTED WITH THE DISPATCHER AND A SERVICE VEHICLE WILL BE SENT TO YOUR LOCATION. PLEASE PROVIDE THE DISPATCHER WITH: 1) Your name, address and the VIN; 2) the exact location of the Vehicle; and 3) the nature of Your emergency.

**LIMIT OF LIABILITY:** If You prefer to arrange Your own roadside assistance or towing, We will reimburse You up to \$100 per disablement for the expenses You actually incur, provided that within twenty (20) days of the disablement You send a written request for Roadside Assistance benefits that includes a statement of Your loss and the original receipts for Your expenses to Ford or Lincoln Roadside at the address or email address shown herein.

**2. EMERGENCY TRAVEL EXPENSE REIMBURSEMENT** - If Your Vehicle is disabled 100 or more miles from Your residence (according to Ford Roadside records) as a result of a collision or a mechanical Failure covered by this Agreement or the New Vehicle Limited Warranty, We will reimburse You up to \$1000 for the actual Emergency Travel Expenses You incur within the first 5 days following the disablement.

**3. DESTINATION ASSISTANCE** - If the Vehicle is disabled because of a collision or Failure covered by this Agreement or a New Vehicle Limited Warranty and You require transportation to Your destination, We will reimburse Your transportation costs up to \$75.

To receive reimbursement expenses under EMERGENCY TRAVEL EXPENSE REIMBURSEMENT and DESTINATION ASSISTANCE, within twenty (20) days of the disablement, You must send to Ford/Lincoln Roadside at the address shown here-in a written request for benefits that includes: (i) a statement of Your loss; (ii) the original receipts for Your expenses; (iii) a copy of the accident report filed with the state or local police (if the disablement is caused by a collision); (iv) a copy of the repair order indicating the service or repairs performed under this Agreement or the Vehicle(s) New Vehicle Limited Warranty (if the disablement is due to a Failure).

**4. TOWING REIMBURSEMENT** - If towing is necessary because a Failure occurs or services provided by Your coverage are required, Ford or Lincoln Roadside will pay the towing if the Vehicle is towed to the Selling Dealer or other Ford or Lincoln Motor Company franchised dealer. The amount of the cost to be reimbursed will depend upon the coverage You select in the Application. The towing reimbursement is limited to \$100 per incident on all Ford and Lincoln vehicles up to E, T, and F-250 vehicle series and \$200 per incident on E, T, and F-350 vehicle series and higher.

### 5. KEY SERVICES OPTION:

**5.1.A.** If You purchased the Key Services option and Your eligible vehicle keys and/or key fobs are lost, stolen, damaged or destroyed, You must return to Your selling dealer or other franchise dealer for replacement. The maximum benefit for Key Services will not exceed \$500 per year (including keys and fobs, labor charges, programming, registration, and taxes).

**5.2.B.** If You are a resident of CT, MA, PA, and WI, You will receive the Roadside Assistance Coverage and the key service described in this Section 6A as a motor club membership benefit at no additional charge to You. The motor club membership is provided for the benefit of Us by Cross Country Motor Club, Inc. in these States, except in WI where it is provided by Cross Country Motor Club of California, Inc. You may access Your membership brochure at <http://www.crosscountrymotorclub.com/fordlincolnkey-terms>.

## TERMS AND CONDITIONS

If you would like a copy mailed to you, contact Ford and Lincoln Roadside at 800-241-3673 and request a membership brochure. To receive Key Services coverage, You must return to Your selling dealer or other franchise dealer for key replacement.

**6B.1. RENTAL CAR REIMBURSEMENT:** For a covered Failure under this Agreement; the Manufacturer's Limited Warranty; or a Ford Motor Company Powertrain, Safety, Emissions coverage or recall/customer satisfaction program, You may be eligible for reimbursement of receipted expenses for a rental car or for alternate public transportation (including but not limited to Uber, Lyft, or other modes of public transportation). If you rent a vehicle, it must be from a Ford or Lincoln dealership or other commercial agency. If You meet all eligibility requirements set forth herein, We will reimburse You for vehicle rental charges or alternate public transportation costs You actually incur up to \$35 per day (including tax) on Ford and Competitive Make vehicles and \$45 per day (including tax) on Lincoln vehicles (\$72 per day on Aviator, MKT, Navigator) for up to 10 days (3 days for RentalCARE coverage plans) or until the repair is complete, whichever occurs first. Rental Car Reimbursement starts when the Vehicle is delivered to the Selling Dealer or other Ford Motor Company franchised dealer for service and the vehicle is inoperable or continued operation would result in additional damage to the vehicle. Rental Car Reimbursement ends when the repair is completed.

**2. FIRST DAY RENTAL DELETE** - If You elect the First Day Rental Delete Option, an additional eligibility term for Rental Car Reimbursement is the Vehicle must be kept overnight by the repair facility because it was inoperable or would become inoperable due to continued operation.

**3. ENHANCED RENTAL OPTION:** If You elected to purchase Enhanced Rental Option, We will reimburse You for vehicle rental charges You actually incur up to \$60 per day (including tax). **Not available on Lincoln Aviator, MKT and Navigator.**

**6C. INTERIOR/EXTERIOR LIGHTING DELETE** - If You elect this option on PremiumCARE, Powertrain Wraps and LeaseCARE Coverages, You will not receive Interior/Exterior Lighting coverage for electrical failures on incandescent bulbs, halogen bulbs, High Intensity Discharge (HID) and LED lamp assemblies.

**6D. PICK UP & DELIVERY OPTION:** This option is available on New PremiumCARE, Ford Blue Advantage - GOLD PremiumCARE, L-CPO PremiumCARE for Lincoln vehicles and LeaseCARE Coverages on eligible vehicles with a covered Failure under this Agreement; the Manufacturer's Limited Warranty; or a Ford Motor Company Powertrain, Safety, Emissions coverage or recall/customer satisfaction program. If You elected the Pick Up & Delivery Option You must contact your selling dealership for pick-up and delivery. Your vehicle location must be within a 20 mile radius of Your selling dealer to be eligible for coverage.

**Pick Up & Delivery excludes non-covered repairs, Scheduled Maintenance Services, car washes, detailing, lease or vehicle returns or First Day Rental benefits (unless this option is included).**

**7. WHAT IS NOT COVERED BY THIS AGREEMENT:** Unless stated otherwise (see STATE SPECIFIC provisions for additional exclusions or changes) the following are excluded from coverage:

- a) Repairs covered by manufacturer recalls, insurance or in-force warranty or warranty provided by an insolvent manufacturer or insurer, even if repair coverage has been denied;
- b) Repairs to any engine, transmission and final drive components for damages caused by an after-market (non-factory installed) part including but not limited to: turbocharger, supercharger, Compressed Natural Gas (CNG), Liquid Propane Gas (LPG),

Nitrous Oxide fuel system modification or any other performance enhancing powertrain components including but not limited to racing parts or accessories;

- c) Repairs caused by loss of lubricants or fluids or contamination of oil, fluids or fuel. Repairs caused by continued operation of the vehicle after loss of lubricant or fluids or contamination of oil, fluids or fuel;
- d) Repairs caused by: (1) improper or unauthorized service procedures, collisions or other physical damage to the Vehicle; (2) damage caused by a foreign object; (3) unreasonable use (including driving over curbs, overloading, or using the Vehicle as a stationary power source); (4) continued use with an obvious failure; (5) damage from fire or explosions, road hazards, other casualty losses; or (6) losses due to negligence, including racing
- e) Failures caused by: (1) alterations or modifications of the Vehicle, including the body, chassis, or electronic components, after the Vehicle leaves the control of the manufacturer (2) any part designated for "off road only" that is not installed by the manufacturer, including, but not limited to, lift kits, oversized tires, roll bars, and performance enhancing powertrain components; (3) tampering with the Vehicle or the emissions system and components; (4) installation or use of any mechanical or electrical part not approved, certified or authorized by the Vehicle's manufacturer or any Failure caused by after-market (non-factory approved) PCM reprogramming;
- f) All repairs that are required due to a condition that existed prior to the Signature Date of this Agreement;
- g) Repairs or services caused by lack of required or recommended maintenance, per the manufacturer's guidelines;
- h) Scheduled Maintenance Services;
- i) Repairs needed to a covered part caused by the Failure of a non-covered part;
- j) Repairs to the Vehicle if the odometer is altered, broken, repaired or replaced so that We cannot determine the actual mileage on the Vehicle;
- k) Repairs to the Vehicle necessary due to operation outside of the United States, Guam, Mexico, Puerto Rico, Virgin Islands, American Samoa, or Canada;
- l) Loss of use of the Vehicle, loss of income, special or consequential damages, and personal expenses, such as motels, food, gas and mileage (except as provided by Roadside Assistance);
- m) Rental vehicle charges or fees such as mileage charges, drop-off fees, insurance, or gasoline;
- n) Shop supplies and disposal of environmental wastes from the Vehicle or fuel used during the repair of Your Vehicle or storage fees;
- o) Electrical failures on incandescent bulbs, halogen bulbs, High Intensity Discharge (HID) and LED lamp assemblies (except when Interior/Exterior Lighting Option is purchased.
- p) Service adjustments and cleaning/lubricating procedures, fixed (non-moving) body parts, bumpers, glass, moldings, ornamentation, paint, rust, sheet metal, structural underbody framework, side and rear view mirrors (glass and housing), rattles/squeaks/wind noise/odors/water leaks, tires, tune-ups, wheel balancing, wheel alignment, fogging/moisture of lamp assemblies, weather strips, wheels, wheel studs, wheel covers, convertible top and bow, fabric, liners, fasteners, carpets, dash pad, knobs, trim, upholstery, physical damage or cosmetic issues.



## TERMS AND CONDITIONS

- q) Damage caused by the environment and pollution, including airborne fallout, corrosion, chemicals, debris, tree sap, salt, hail, windstorm, lightning, freezing, flooding, earthquake, snow or ice;
- r) Damage caused by theft, vandalism, terrorism, riot or acts of war;
- s) All Wear Items are excluded except when LeaseCARE is purchased.
- t) Batteries of all types and cables, brakes (front hub, drums, shoes, linings, disc rotors, pads), exhaust system (includes catalytic converter), and software upgrades
- u) Costs or expenses of Failures not covered by this Agreement including teardown, rental expense, inspection or diagnosis.
- v) The following vehicles/manufacturers and/or usage is not covered by this Agreement: Alpha Romeo, Aston Martin, Bentley, Bugatti, Ferrari, Fisker, Hummer, Lamborghini, Land Rover, Lotus, Maserati, Maybach, McLaren, Porsche, Rolls Royce, Saab, Suzuki, Tesla and Wheego. Acura: NSX; Audi: A8, A8 L, R8, R9, R20, RS6, RS7, RS Q8, S8, SQ7 and SQ8; BMW: 6 series, 7 series, 8 series, i8, M series, Alpina, and Z8; Cadillac: V series, and XLR; Chevrolet: Camaro ZL1, Corvette 427, Corvette Z06, and Corvette ZR1; Chrysler: SRT, Dodge: Charger R/T Scat Pack, Challenger R/T Scat Pack, SRT, Stealth, and Viper; Ford: Foos F-150, GT, Mustang All Roush Performance Modified Vehicles (except Stage 1 and Stage 2), Shelby GT500KR, GTS, Supersnake, Tonka and any other Shelby Performance Modified Vehicles, all Saleen modified vehicles, and Transit Connect Electric; Honda: Civic Natural Gas and Fuel Cell X Clarity; Jaguar: F-Type, XJ series and XK series; Jeep: SRT and TrackHawk; Lexus: F, GS-F, LF-A and RC F; Mercedes-Benz: AMG, CL Class, EQC, G Class, GL Class, GLC Class, Kompressor, S Class, SL Class, and SLR Class; Nissan: GT-R; and Volkswagen: Phaeton and any model with a W12 engine, taxis, vehicles used for competitive driving/racing/off-road use, all performance modified vehicles (including Hennessey), Fuel cell vehicles, 4X2 equipped vehicles modified with 4X4 AWD capabilities and incomplete vehicles (e.g. chassis cabs, cutaways, stripped chassis).
- w) Branded Vehicles or any vehicle that does not have a valid or recognizable VIN, or the New Vehicle Limited Warranty is voided, in whole or part by the manufacturer.
- x) Vehicles manufactured for sale outside the United States, or Canada
- y) Used Core Plans and Powertrain Wrap Plans exclude all emergency vehicles (fire/ambulance), all police vehicles, limousines, livery, shuttles, and tow trucks.
- z) Coil-over shock sometimes defined as a strut, unless MacPherson style suspension component.

### 8. REPAIR INFORMATION

**8A. WHERE TO GO FOR REPAIRS:** (1) To obtain repairs or services under this Agreement on Ford, Lincoln and Mercury products, We require that You return to Your Selling Dealer or any other Ford or Lincoln franchised dealership in the United States, Canada or Mexico. On Competitive Make products, We recommend that You return to Your Selling Dealer or other repair facility to obtain repairs or services to Your vehicle. If Your Vehicle is a Ford or Mercury, call 800-392-FORD to find the nearest Ford dealership. If the Vehicle is a Lincoln, call 800-521-4140 to find the nearest Lincoln dealership. Call 800-521-4144 to determine if repairs or services to Your Competitive Make Vehicle are covered by this Agreement. (2)(a) In an Emergency Repair, You may use other repair or service facilities if all local Ford and Lincoln dealerships within a 25 mile radius are closed (b) To request reimbursement, You must provide a copy of the repair order and proof of payment to Your Selling Dealer or contact

1-800-321-7790. You have one year from the repair order open date or payment receipt date to request Your reimbursement. You are responsible for transporting the Vehicle to a repair facility and no at-home services will be provided.

**8B. REPAIRS ARE MADE WITH AUTHORIZED NEW OR REMANUFACTURED PARTS:** All repairs will be made with Ford authorized new or remanufactured parts or other products We authorize, including parts not produced by the manufacturer of Your Vehicle. If parts are unavailable, We may offer You a cash settlement equivalent to the cost of parts or repair.

**8C. LOSS LIMITS:** Our liability for any one (1) repair or service visit shall not exceed the current Retail Value of Your vehicle immediately prior to the break down. We will only participate in a repair and have no obligation to remit payment in lieu of repair. All benefits are subject to this limit of liability.

**9. YOUR RESPONSIBILITIES FOR CARE OF THE VEHICLE:** To obtain coverage or reimbursement under this Agreement, You must: (i) properly operate the Vehicle and (ii) provide proof of Scheduled Maintenance Services. Proof of Scheduled Maintenance Services includes maintenance records that show mileage, date of maintenance service, VIN, and the maintenance that was performed. Please review the Owner's Guide for Your Scheduled Maintenance Service requirements that are provided to You at the time of vehicle purchase. If You perform Your own Scheduled Maintenance Services, You must maintain a log including date, mileage and description of each maintenance service and provide corresponding receipts for purchases of parts and fluids.

**10. INELIGIBLE OR EXCESS COVERAGE:** If You were charged for coverage for which Your Vehicle is ineligible or coverage in excess of the maximum allowed under this Agreement, We will refund the excess charge. If You financed Your Agreement, We will send the refund to Your lender with instructions to credit Your loan. You will be notified of the refund and the termination of any ineligible or excess coverage.

**11. CONTRACT MODIFICATIONS & CHANGES:** If Your coverage under this Agreement has not expired or been otherwise limited, it may be modified or changed by You, as shown below:

**NEW CORE COVERAGE:** For all Ford, Lincoln or Mercury Vehicles, You may change Your coverage under this Agreement: (i) before the expiration of the New Vehicle Limited Warranty; or (ii) within the first 90 days after the Signature Date.

For all Competitive Make Vehicles, You may change Your coverage under this Agreement: (i) before the expiration of the first 3 years from the Warranty Start Date or within the first 36,000 miles from Zero Miles; whichever occurs first. or (ii) within the first 90 days after the Signature Date.

On New Core Coverages purchased beyond 12 months or 12,000 miles, whichever comes first, within the New Vehicle Limited Warranty coverage, We will charge a \$100 fee for changes to coverage ("12/12 Surcharge"). On New Core Coverages purchased beyond the 5 months or 5,000 miles of the 3 year or 36,000 miles New Vehicle Limited Warranty coverage expiration on Ford and Competitive Make Vehicles or beyond the 5 months or 5,000 miles of the 4 years or 50,000 miles New Vehicle Limited Warranty coverage expiration on Lincoln vehicles, We will charge a \$200 fee (includes the 12/12 Surcharge) for changes to coverage.

**USED CORE COVERAGE PLANS:** You may change Your coverage under this Agreement within the first 90 days after the Signature Date.

**11A. TRANSFERABILITY:** You may transfer this Agreement, subject to a \$75 transfer fee. You or the transferee of this Agreement must initiate the transfer process by providing the following items to any

## TERMS AND CONDITIONS

Ford or Lincoln dealership or to Us at P.O. Box 6045, Dearborn, Michigan 48121 within 180 days of the vehicle sale:

(i) a letter, signed by You, transferring this Agreement to the transferee; (ii) a statement of the mileage on the Vehicle at the time of transfer; and (iii) the name and address of the transferee.

**You may not transfer coverage if the Vehicle becomes a Branded Vehicle or is repossessed. Transferred Agreements may not be cancelled.**

### 12. CANCELLATION AND REFUND

#### (A) YOUR RIGHT TO CANCEL THIS AGREEMENT AND RECEIVE A REFUND:

You may cancel this Agreement at any time and for any reason and You will be entitled to a refund from Us, described below.

(1) If We or the Selling Dealer receive a written cancellation request, on or before the 30th day from the Signature Date and no claim has been filed under this Agreement, this Agreement will be void, and You will be entitled to a refund equal to the full Purchase Price You paid for this Agreement. This right is not transferable and is limited to the original contract holder. (2) If We or the Selling Dealer receive a written cancellation request, including a copy of Your Application, proof of payment and statement of the odometer reading, after the 30th day from the Signature Date or if a claim has been filed at any time during the term of this Agreement, We will divide the Purchase Price You paid for the Agreement by the number of miles or months of coverage provided by this Agreement, whichever is greater. We will multiply this dollar amount by the remaining unused miles or months, whichever is less, and refund this amount ("Pro Rata basis" or "pro rata") to You or Your lender, minus a \$75 cancellation fee. In all instances if You cancel this Agreement, We will issue a refund or credit Your account no more than 45 days from the date We or the Selling Dealer receive notice of Your request to cancel this Agreement.

(3) If the Selling Dealer is no longer in business, then You may submit a written request to Us or one of the Administrators at the address referenced in Section 1. We are responsible for all refunds under this Agreement.

(4) You may not cancel the options You purchased without canceling the entire Agreement. If this Agreement expires under the time or mileage limitations, You are not entitled to a refund.

(5) If You have financed this Agreement, (a) any refund due under this Agreement will be made payable to the lienholder, up to the amount of the lien; and (b) only that portion of a refund due under this Agreement in excess of the amount of the lien will be paid to You. If this Agreement was not financed, any refund due under this Agreement will be paid by check issued in Your name. If Your lienholder cancels this Agreement, the refund amount will be calculated in accordance with 12(A)(1) and (2), or as amended in the state specific section applicable to You. Strictly for purposes of determining refund obligations for lienholder cancellation, "You" shall be defined to include the lienholder in this Agreement.

**(B) OUR RIGHT TO CANCEL THIS AGREEMENT AND PROVIDE A REFUND:** We may cancel this Agreement if You fail to comply with this Agreement. If We cancel this Agreement, We will refund the Purchase Price on a Pro Rata basis. We may cancel this Agreement if You fail to comply with this Agreement. If We cancel this Agreement before the end of the 30th day from the Signature Date, and if no claims have been filed, We will return to You the full Purchase Price that You paid for this Agreement. If We cancel this Agreement after the 30th day from the Signature Date, or if You have filed a claim, We will refund the Purchase Price You paid on a Pro Rata basis. We will not deduct a cancellation fee from Your refund if We cancel.

If We cancel this Agreement, We will issue a refund or credit Your account no more than 45 days from the effective date of cancellation.

**(C) RENEWABILITY.** This Agreement is not renewable.

**13. DISPUTE RESOLUTION & ARBITRATION:** Either You or We may choose to have any dispute related to this Agreement or the Application decided by non-binding arbitration administered by the Better Business Bureau (BBB). You agree not to consolidate or group Your dispute with other arbitration or disputes concerning this Agreement or Application. You agree that You will not participate in any class arbitration concerning this Agreement or Application. We do not agree to class arbitration. To learn about or begin arbitration, or get a copy of the Arbitration Rules, You may contact BBB at 800-955-5100 or [www.auto.bbb.org/extendedserviceplan](http://www.auto.bbb.org/extendedserviceplan). If there is a conflict between the Rules and this Agreement, this Agreement shall govern. If You initiate the arbitration process, BBB will charge You an arbitration filing fee of \$50.

You may employ an attorney to represent You in the arbitration, but an attorney is not required. We will not pay Your attorney fees if You use an attorney. This Agreement is subject to the Federal Arbitration Act, 9 U.S.C. §§1 et seq. The arbitration decision shall be in writing with a supporting opinion.

**14. STATE SPECIFIC PROVISIONS:** The following provisions are applicable in the states set forth below and modify only those specific terms referenced. The state specific provisions shall replace only those conflicting terms in the main body of this Agreement; however, if the state specific section does not conflict with the main body Agreement, the state specific language should be considered in addition to the main body of this Agreement.

[OTHER STATE SPECIFIC ENDORSEMENTS WILL BE INCLUDED WHERE REQUIRED BY LAW]



**MAINTENANCE PLAN APPLICATION,  
TERMS & CONDITIONS  
NEW AND USED VEHICLES**

Vehicle Identification Number ("VIN") (17 Digits) 1FT8W3DT1KEG17243		Signature Date 05/26/2022	Warranty Start Date 09/24/2019	<input type="checkbox"/> Gas/Hybrid
Internet Sale <input type="checkbox"/>	IPP <input type="checkbox"/>	IPP Term	Current Mileage 36095	<input checked="" type="checkbox"/> Diesel
Premium Maintenance (PMP) <input type="checkbox"/> 12 Months/12,000 Miles		Extra Maintenance (XMP) <input type="checkbox"/> 36 Months/36,000 Miles (Ford/Competitive Make) or 48 Months/50,000 Miles (Lincoln Vehicles only)		<input type="checkbox"/> Electric
Surcharges* <input type="checkbox"/> Snowplow		<input type="checkbox"/> Specialty - Emergency (Fire, Ambulance), Police, Limo, Livery, Shuttle, Tow Truck		<input type="checkbox"/> CPO
*Not Applicable for CPO				<input type="checkbox"/> Incomplete
				<input type="checkbox"/> Medium Duty

**PREMIUM MAINTENANCE PLANS (PMP):** Gas/Hybrid/Diesel, Electric, Lincoln, Black Label, Incomplete (Cab/Chassis), Medium Duty, CPO - (Standard \$0 Deductible)

**EXTRA MAINTENANCE PLANS (XMP):** Gas/Hybrid/Diesel (Excludes Lincoln Vehicles)- (Standard \$0 Deductible)

For PMP and XMP, Coverage **BEGINS** at the New Vehicle Limited Warranty Start Date and Zero Miles. Coverage **ENDS** at **THE EARLIER OF** the Number of Years Purchased, the Number of Miles Purchased or upon completion of the Maximum Number of Service Intervals Purchased from the New Vehicle Limited Warranty Start Date or Zero Miles.

**LIMITED (LMP), BASIC (BMP), AND ENGINE MAINTENANCE (EMP) PLANS:** Gas/Hybrid/Diesel - (Standard \$0 Deductible)

Coverage **BEGINS** at the Signature Date and Current Mileage. Coverage **ENDS** at **THE EARLIER OF** the Number of Years Purchased, the Number of Miles Purchased or upon completion of the Maximum Number of Service Intervals Purchased from the Signature Date or Current Mileage.

**PLAN COVERAGE**

Plan Name	Plan Term		Plan Expiration (Earlier of)		Purchase Price	Sales Tax	Total Purchase Price with Sales Tax
	Months	Mileage	Date	Mileage			
Limited Maintenance	72	100000	05/26/2028	136095	2660	0.00	\$ 2660.00

Premium Maintenance (PMP) <input type="checkbox"/> First Day Rental (Not available on Incomplete or Medium Duty)	Limited Maintenance (LMP) <input type="checkbox"/> Full Synthetic Oil Option
Extra Maintenance (XMP) <input type="checkbox"/> Full Synthetic Oil Option (Not available on XMP)	
Plan Options <input type="checkbox"/> Pick Up and Delivery Option	
Service Intervals <input type="checkbox"/> 3,000* <input checked="" type="checkbox"/> 5,000 <input type="checkbox"/> 7,500 <input type="checkbox"/> 10,000(Required for PMP Electric)	Service Visits 20
*Not available on PMP Plans	

**DISCLOSURE INFORMATION:**

**NOTE: THE PURCHASE OF THIS MAINTENANCE PLAN IS NOT REQUIRED IN ORDER TO PURCHASE, OR OBTAIN FINANCING FOR A MOTOR VEHICLE.** I acknowledge receipt of a complete copy of this Maintenance Plan (the Application, Terms and Conditions constitute the "Entire Maintenance Plan") at the time of signing and agree to all the terms and conditions. I agree to maintain the covered vehicle in accordance with the manufacturer's stated periodic maintenance recommendations as a condition of receiving coverage under this Maintenance Plan except as otherwise provided by law.

**MAINTENANCE PLAN/PURCHASER**

Name GEM STATE WATER COMPANY LLC	E-Mail Address COLE@GEMSTATE-WATER.COM
Signature (Not Valid without Signature) 	Signature Date 05/26/2022
Address (City/State/Zip Code) 250 NORTHWEST BLVD STE 203 COEUR D ALENE ID 83814	
Maintenance Plan Lienholder Name CASH	

**DEALERSHIP INFORMATION**

Dealership Signature 	
Dealer Name Mike White Ford Of Coeur d'Alene	Telephone No
Address (City/State/Zip Code) 315 Clayton Avenue Coeur D Alene ID 838159293	
Employee Stars Id 0 0 2 3 0 7 3 6 6	P&A Code 0 4 0 3 1



## TERMS AND CONDITIONS

This is either a Premium Maintenance Plan for Ford and Competitive Make gas/hybrid vehicles (PMP F), Premium Maintenance Plan for Ford and Competitive Make Diesel vehicles (PMP D), Premium Maintenance Plan for Electric vehicles (PMP E), Premium Maintenance Plan for Lincoln gas/hybrid vehicles (PMP L), Premium Maintenance Plan for Black Label vehicles (PMP BL), Premium Maintenance Plan - Incomplete Transit, F-250 through F-550 and E-250 through E-450, and Equivalent Chevrolet, Dodge and GMC vehicles (PMP INC), Premium Maintenance Plan on Medium Duty F-650 and F-750 vehicles (PMP MD), Premium Maintenance Plan - Certified Pre-Owned for Ford and Mercury vehicles (PMP CPO-F) and Premium Maintenance Plans - Certified Pre-Owned for Lincoln vehicles (PMP CPO-L), Extra Maintenance Plan for Ford and Competitive Make gas/hybrid vehicles (XMP F), Extra Maintenance Plan for Ford and Competitive Make Diesel vehicles (XMP D), Limited Maintenance Plan (LMP), Engine Maintenance Plan (EMP) or a Basic Maintenance Plan (BMP) (hereinafter known as "PMP F," "PMP D," "PMP E," "PMP L," "PMP BL," "PMP INC," "PMP MD," "PMP CPO-F," "PMP CPO-L," "XMP-F," "XMP-D," "LMP," "EMP," or "BMP" or collectively known as "Maintenance Plan(s)" unless specified otherwise) between the Maintenance Plan Purchaser ("You" or "Your") and Ford Motor Company, the Provider ("We" or "Us").

### WHAT THIS PLAN COVERS: If You elected:

- PMP F, PMP L, PMP BL, PMP D, PMP INC, PMP MD, PMP CPO-F, or PMP CPO-L, XMP F or XMP D Coverage, You have Original Equipment Manufacturer's required scheduled maintenance services and coverage for Wear Items (brake pads and linings, clutch disc, spark plugs, engine belts, coolant hoses/hose clamps/hose o-ring seals, wiper blades, shock absorbers/struts) and diesel exhaust fluid (DEF) refill or top off at the time of the scheduled maintenance interval purchased under this agreement.
- PMP INC Coverage is only applicable to Ford vehicles that have the first three VIN position of 1FC, 1FB, 1FD, 1F6, 2L1, 2LJ, 3FR and SLD, Chevrolet, Dodge and GMC vehicles, and cab and chassis (incomplete vehicles).
- PMP E, You have Original Equipment Manufacturer's Required scheduled maintenance services for the earlier of selected time, mileage or maximum number of service visits purchased and coverage for Wear Items (wiper blades, brake pads and linings, engine belts, coolant hoses/hose clamps/hose o-ring seals, shock absorbers and struts). For PMP E, You have Original Equipment Manufacturer's Required scheduled maintenance services consist of tire rotation, multi-point inspection, washer fluid top off at every service interval and cabin air filter replacement at every 20,000 mile service interval.
- For all PMP and XMP coverages, maintenance requirements published by the Manufacturer of the vehicle must be followed. Deviations from maintenance requirements and/or intervals published by the Manufacturer in the Owner's Manual, scheduled Maintenance Guide, or equivalent are not eligible for reimbursement. If the purchased intervals are utilized prior to expiration by time or mileage, You will continue to have wear items coverage only until the coverage expires at the earlier of the selected time or mileage.
- LMP coverage, You have Original Equipment Manufacturer's Required scheduled maintenance services for engine oil and filter changes, a multi-point inspection, rotation of tires, and diesel exhaust fluid (DEF) refill or top off at the time of the scheduled maintenance for the selected time, mileage or maximum number of service visits purchased.
- BMP coverage, You have Original Equipment Manufacturer's Required scheduled maintenance services for engine oil and filter changes, a multi-point inspection, and rotation of tires for the selected time, mileage or maximum number of service visits purchased.
- EMP, You have Original Equipment Manufacturer's Required scheduled maintenance services for engine oil and filter changes only for the selected time, mileage or maximum number of service visits purchased.
- Any coverages, You are not entitled to a refund if You do not use all the services provided. Repairs needed to a non-covered part caused by the failure of a covered PMP F, PMP L, PMP BL, PMP D, PMP INC, PMP MD, PMP E, PMP CPO, XMP F or XMP D Wear Item are covered under the terms of this agreement. All coverages expire at the earlier of the selected time, mileage, or numbers of service visits selected.

**DEDUCTIBLES:** The Standard Deductible is \$0 for all Maintenance Plans. If You elected a Maintenance Plan, We will charge You that deductible for each Eligible Maintenance Visit.

**ELECTRIC VEHICLES:** A vehicle that uses one or more electric motors for propulsion and powered by rechargeable battery packs.

**FIRST DAY RENTAL OPTION:** If You purchased First Day Rental Option with PMP F, PMP D, PMP E, PMP CPO-F, XMP F or XMP D coverage, We will reimburse You up to \$35 per day (including tax) on Ford and competitive vehicles and, on PMP Land PMP CPO-L up to \$45 per day (including tax) on Lincoln vehicles (\$72 on Aviator, MKT, Navigator) for up to 2 days of rental coverage. We will not reimburse You for any vehicle rental charges incurred before the Signature Date of the Maintenance Plan.

**FULL SYNTHETIC OPTION:** If You purchased the Full Synthetic Option with PMP F, PMP D or LMP coverage, You will receive engine oil changes with Full Synthetic Oil at Your Scheduled Maintenance Visits. If You purchased a PMP on a competitive make vehicle. On all Maintenance Plans, We will not reimburse You for any Scheduled Maintenance Services incurred before the Signature Date of the Maintenance Plan.

**SEVERE DUTY VEHICLE:** A Severe Duty Vehicle will be provided services based on Your vehicle's Owner/Scheduled Maintenance Guide recommendations if Your vehicle meets the vehicle Original Equipment Manufacturer's Severe Duty definition and You have purchased the Severe Duty (5,000 miles) service interval.

**SURCHARGES:** On PMP F, PMP L, PMP BL, PMP D, PMP E, PMP INC, PMP MD, XMP F and XMP D coverages, purchased beyond 12 months after the Warranty Start Date or 12,000 Miles from Zero Miles, whichever occurs first within the New Vehicle Limited Warranty ("12/12 Surcharge"). We will charge a \$100 fee for changes to coverage. For those same Coverages purchased within 5 months and 5,000 miles of the 3 year or 36,000 miles New Vehicle Limited Warranty coverage expiration on Ford and Competitive Make Vehicles or within the 5 months and 5,000 miles of the 4 years or 50,000 mile New Vehicle Limited Warranty coverage expiration on Lincoln vehicles, We will charge a \$200 fee (including the 12/12 Surcharge) for changes to coverage. For PMP F, PMP D, PMP L, PMP INC, PMP MD, XMP F and XMP D coverages, We will charge a Snowplow and/or Specialty Surcharge on applicable vehicles.

**PICK UP DELIVERY OPTION:** This option is available on PMP E, PMP F, PMP L, PMP BL, PMP D, PMP CPO-F, or PMP CPO-L, XMP F or XMP D coverages on eligible vehicles for Original Equipment Manufacturer's scheduled maintenance services and coverage for Wear Items under this Agreement. If You elected the Pick Up & Delivery Option You must contact your selling dealership for pick-up and delivery. Your vehicle location must be within a 20 mile radius of Your selling dealer to be eligible for coverage.

**Pick Up & Delivery excludes non-covered repairs, car washes, detailing, lease or vehicle returns or First Day Rental benefits (unless this option is included).**

**5. WHAT IS NOT COVERED BY THIS AGREEMENT: Unless stated otherwise this Maintenance Plan does not cover:**

- a) Repairs or services covered by manufacturer recalls, insurance or in-force warranty or warranty provided by an insolvent manufacturer or insurer;
- b) Repairs or services caused by: (1) improper or unauthorized service procedures, collisions or other physical damage to the Vehicle; (2) damage caused by a foreign object; (3) unreasonable use (including driving over curbs, overloading, or using the Vehicle as a stationary power source); (4) continued use with an obvious failure; (5) damage from fire or explosions, road hazards, other casualty losses; or (6) losses due to negligence, including racing

### c) Repairs and services made to the Vehicle that are required due to a condition that existed prior to the purchase or transfer of this Agreement;

- d) Repairs or services caused by lack of required or recommended maintenance;
- e) Repairs or services needed to a covered part caused by the failure of a non-covered part;
- f) Repairs to the Vehicle if the odometer is altered, broken, repaired or replaced so that We cannot determine the actual mileage on the Vehicle;
- g) Rental vehicle charges or fees such as mileage charges, drop-off fees, insurance, or gasoline;
- h) Shop supplies and disposal of environmental wastes from the Vehicle or fuel used during the repair of Your Vehicle or storage fees;
- i) Damage caused by the environment and pollution, including airborne fallout, corrosion chemicals, debris, tree sap, salt, hail, windstorm, lightning, freezing, flooding, earthquake, snow or ice;
- j) Damage caused by theft, vandalism, terrorism, riot or acts of war;
- k) Taxis, vehicles used for competitive driving/racing/off-road use, all performance modified vehicles (including Hennessey), Fuel cell vehicles, 4X2 equipped vehicles modified with 4X4 AWD capabilities
- l) Branded Vehicles or any vehicle that does not have a valid or recognizable VIN, or the New Vehicle Limited Warranty is voided, in whole or part by the manufacturer.
- m) Vehicles manufactured for sale outside the United States, or Canada
- n) Any service adjustment, cleaning, reprogramming, repair or replacement of a failed part not associated with a scheduled maintenance service or Wear Item (PMP or XMP only).
- o) Repairs or services to aftermarket performance enhancing powertrain components, including but not limited to, Ford racing parts or accessories
- p) All 2015 model year Ford F-650 and F-750 vehicles and older, and competitive make vehicles equivalent to Ford F-650 and higher.
- q) For XMP, BMP and EMP, all vehicles using full synthetic engine oil and all electric vehicles.
- r) For PMP, XMP and LMP, the addition of diesel exhaust fluid (DEF), if needed, between the maintenance interval frequency purchased under this Plan.

**WHERE TO GO FOR SERVICE AND REPAIRS:** For the performance of covered services and repairs under PMP F, PMP L, PMP BL, PMP D, PMP E, PMP INC, PMP MD, PMP CPO-F, PMP CPO-L, LMP, You may go to any other Ford or Lincoln franchised dealership in the United States or Canada for covered services. If You require assistance for covered services or locating the nearest Ford or Lincoln dealership on a Ford or Mercury vehicle, please contact Ford Customer Relations Center at 1-800-392-FORD.

If the vehicle is a Lincoln, please call 1-800-521-4140. For competitive make vehicles, a Ford or Lincoln dealership must be used for covered services unless the servicing dealership authorizes Your referral to another dealership or facility. If the Vehicle should need Emergency Service or Repair in the United States or Canada and the vehicle is inoperable, You may use other repair or service facilities if all local Ford or Lincoln dealerships within a 25-mile radius are closed. If the Vehicle should need Emergency Service or Repair in Mexico, We require that You return to a Ford or Lincoln Dealership for repairs or services. For XMP, BMP or EMP, You must return to the Selling Dealer to guarantee service under this agreement.

**REPAIRS AND MAINTENANCE SERVICE ARE MADE WITH AUTHORIZED NEW OR REMANUFACTURED PARTS** All repairs and covered maintenance services will be made with authorized new or remanufactured parts or other products that We authorize.

**LOSS LIMITS** Our liability for any one (1) repair visit shall not exceed the current Retail Value of Your vehicle immediately prior to the break down. We will pay up to the Retail Value of the vehicle, as determined by Ford Motor Company at its sole discretion, for all covered services or repairs by the contract. Ford Motor Company uses industry published guides to determine retail value (i.e. N.A.D.A., KBB, etc.). Unless otherwise dictated by state or local laws, Premium Maintenance (PMP) and Limited Maintenance (LMP) reimbursement for scheduled maintenance services are limited to: parts at 15% markup (Ford/competitive-make) or 40% (Lincoln) over the dealer cost, labor at 35% (Ford/competitive-make) or 70% (Lincoln) of the posted hourly retail rate or of the approved warranty hourly labor rate. Wear items repairs are reimbursed: parts at 40% markup over the dealer cost, labor at the posted retail hourly rate or approved warranty hourly rate. Part reimbursements for any service or repair cannot exceed MSRP. Labor time will be reimbursed according to labor times published by Ford Motor Company (Ford and Lincoln vehicles) or a nationally published labor time manual (competitive-make vehicles).

## TERMS AND CONDITIONS

**CONTRACT MODIFICATIONS AND CHANGES** You may change Your coverage at any time while this Plan is in force.

**TRANSFERABILITY:** PMP F, PMP L, PMP BL, PMP D, PMP E, PMP INC, PMP MD, PMP CPO-F, PMP CPO-L, XMP F, and XMP D may be transferred if You pay Ford Motor Company a \$75 transfer fee and You or the transferee of this Maintenance Plan initiates the transfer process and provides the following items to Ford Motor Company or Your Selling Dealer at P.O. Box 6045, Dearborn, Michigan 48121:

- (i) a letter, signed by You, transferring this Maintenance Plan to the transferee;
- (ii) a statement of the mileage on the vehicle at the time of transfer; and
- (iii) the name and address of the transferee.

BMP, LMP and EMP cover only the original Maintenance Plan Holder and may not be transferred or assigned.

**CANCELLATION - YOUR RIGHT TO CANCEL THIS PLAN & RELATED REFUNDS: IF A CANCELLATION REQUEST IS RECEIVED WITHIN THIRTY (30) DAYS FROM THE SIGNATURE DATE, AND NO SERVICES HAVE BEEN PERFORMED UNDER THE MAINTENANCE PLAN,** We will terminate the Maintenance Plan and refund the full purchase price of the Maintenance Plan.

**IF A CANCELLATION REQUEST IS RECEIVED AFTER THE 30TH DAY FROM THE SIGNATURE DATE OR IF ANY SERVICE OR REPAIR HAS BEEN PERFORMED AT ANY TIME DURING THE TERM OF THE MAINTENANCE PLAN,** We will terminate the Maintenance Plan and issue You a refund equal to the lesser of (a) the full purchase price minus claims paid, or (b) on a Pro Rata basis. A \$75 processing fee will be deducted from Your refund. Pro Rata means that the cost of the Maintenance Plan will be divided equally by the number of months in the term of the Maintenance Plan, or the number of miles scheduled in the Maintenance Plan, depending on which actual usage, months or miles, is greater. All cancellation requests must be submitted in writing by You. If the Selling Dealer is no longer in business, You may submit a written request to Ford Motor Company, Extended Service Plan Headquarters, P.O. Box 6045, Dearborn, Michigan 48121. A copy of the Registration Form and an odometer reading statement (that is, a true statement of the Vehicle's current mileage) must be included with Your request for cancellation. Your refund will be based on the purchase price You paid for the Maintenance Plan.

**DISPUTE RESOLUTION & ARBITRATION:** Either You or We may choose to have any dispute related to this Maintenance Plan decided by non-binding arbitration administered by the Better Business Bureau (BBB). You agree not to consolidate or group Your dispute with other arbitration or disputes concerning this Maintenance Plan. You agree that You will not participate in any class arbitration concerning this Maintenance Plan. We do not agree to class arbitration. To learn about or begin arbitration, or get a copy of the Arbitration Rules, You may contact BBB at 800-955-5100 or [www.auto.bbb.org/extendedserviceplan](http://www.auto.bbb.org/extendedserviceplan). If there is a conflict between the Rules and this Maintenance Plan, this Maintenance Plan shall govern. If You initiate the arbitration process, BBB will charge You an arbitration filing fee of \$50. You may employ an attorney to represent You in the arbitration, but an attorney is not required. We will not pay Your attorney fees if You use an attorney. This Maintenance Plan is subject to the Federal Arbitration Act, 9 U.S.C. §§1 et seq. The arbitration decision shall be in writing with a supporting opinion.

**CALIFORNIA STATE SPECIFIC DISCLAIMER: The following provisions are applicable in California and modifies only those specific terms referenced. All other terms and conditions are unchanged.**

### **INTRODUCTION & PARTIES (FORD MOTOR SERVICE COMPANY):**

In California, all Maintenance Plan obligations, including the Application are between Ford Motor Service Company, the Provider ("We" or "Us") and the Maintenance Plan Purchaser ("You" or "Your").

You may contact Us at the following address: Ford Motor Service Company  
Extended Service Plan Headquarters  
P.O. Box 6045

Dearborn, Michigan 48121  
Toll-free number 800-521-4144

**THE CALIFORNIA LICENSE NUMBER OF FORD MOTOR SERVICE COMPANY IS 0C41369. FULL FAITH AND CREDIT STATEMENT:** In California, all Maintenance Plans are backed by the full faith and credit of Ford Motor Service Company and are not guaranteed under a service contract reimbursement policy. Complimentary Plans are backed by the full faith and credit of Ford Motor Company.

**ADMINISTRATION:** All Maintenance Plans are administered by:

**Ford Customer Service Division**  
16800 Executive Plaza Drive  
Dearborn, Michigan 48126

**CALIFORNIA DEPARTMENT OF INSURANCE CONTACT INFORMATION:** If any promise made in this contract has been denied or has not been honored within 60 days after Your request, You may contact the California Department of Insurance at 1-800-927-4357 or access the department's Internet website ([www.insuranceca.gov](http://www.insuranceca.gov)).

### **CANCELLATION YOUR RIGHT TO CANCEL THIS PLAN AND RELATED**

**REFUNDS:** If the Selling Dealer receives a written cancellation request, including a copy of Your Application, proof of payment and statement of odometer reading, on or before the 60th day from the Signature Date and no services have been performed, the Selling Dealer will cancel this Plan and refund the purchase price You paid for this Plan. If the Selling Dealer receives a written cancellation request, including a copy of Your application, proof of payment and statement of the odometer reading, on or before the 60th day from the Signature date or a service has been performed, the Selling Dealer will provide a pro rata refund based upon dividing the purchase price You paid for this Plan by the number of miles or months of coverage provided by this Plan, whichever is greater. The Selling Dealer will multiply this dollar amount by the remaining unused months or miles, whichever is greater. The Selling Dealer will issue a Pro Rata refund to You or Your lender, minus a cancellation processing fee equal to the lesser of \$25 or 10% of the purchase price.

**OUR RIGHT TO CANCEL THIS PLAN AND PROVIDE A REFUND:** We may cancel this Plan at any time during the term of this Plan if You fail to pay the purchase price of this Plan or for any material misrepresentation or fraud. We will provide written notice, stating the specific grounds for cancellation, to You at Your last known address. This Plan will no longer be valid five days after the postmark date of the notice. If any refund is owed, a Pro Rata Refund will be issued to You or Your lender within thirty days of the cancellation date.

If We cancel this Plan for any of the reasons stated above, We will honor any claims for repair or reimbursement if submitted to Us prior to the effective date of cancellation, if eligibility requirements are met.

**DISPUTE RESOLUTION & ARBITRATION:** Either You or We may choose to have any dispute related to this Plan, or the Application decided by non-binding arbitration administered by the Better Business Bureau (BBB). To learn about or begin arbitration, or get a copy of the Arbitration Rules, You may contact BBB at 800-955-5100 or [www.auto.bbb.org/extendedserviceplan](http://www.auto.bbb.org/extendedserviceplan). We will pay Your reasonable arbitration fees and expenses that are in excess of \$125.

You may employ an attorney to represent You in the Arbitration, but an attorney is not required. We will not pay Your attorney fees if You use an attorney. If We request arbitration, We will pay the arbitration filing fee.

This Agreement is subject to California law applicable to consumer contracts and the California Arbitration Act (CCP section 1280 et. seq.). Any arbitration decision shall be in writing with a supporting opinion.

**TEXAS STATE SPECIFIC DISCLAIMER: The following provision is applicable in Texas and modifies only this specific term referenced. All other terms and conditions are unchanged.**

**12. (A). YOUR RIGHT TO CANCEL THIS AGREEMENT AND RECEIVE A REFUND:** (2). If the Selling Dealer receives a written cancellation request, including a copy of Your Application, proof of payment and statement of the odometer reading, after the 30th day or a claim has been filed at any time during the term of this Agreement from the Signature Date the Selling Dealer will divide the purchase price You paid for the Agreement by the number of miles or months of coverage provided by this Agreement, whichever is greater. The Selling Dealer will multiply this dollar amount by the remaining unused miles or months, whichever is less, and refund this amount ("Pro Rata basis") to You or Your lender, minus a \$50 processing fee for each plan cancelled. (6) The right to cancel this Agreement is not transferable to subsequent Service Contract Holders.

June 30, 2022



**IDAHO PROOF OF REGISTRATION (PLATES ON ORDER)**

PLATE NO.	TITLE NO.	STICKER NO.	REG ISSUED	REG EXP DATE	WEIGHT CLASS	VIN
KAM552	220395356		06/28/2022	06/30/2023	26000	1FT8W3DT1KEG17243
YEAR	MAKE	MODEL		DESCRIPTION		
2019	FORD	F350				

GEM STATE WATER COMPANY LLC  250 NORTHWEST BLVD STE 203 COEUR D ALENE, ID, 83814	I/We certify under penalty of law that this vehicle is and will be continuously insured as prescribed by law. (see reverse side)  _____ APPLICANT MUST SIGN TO BE VALID
RECEIPT NO.	REGISTRATION ALONE IS NOT PROOF OF OWNERSHIP AND MAY NOT DISPLAY ALL OWNERS AND LIENHOLDERS

**SECTION ONE:**  
CUT THIS DOCUMENT HORIZONTALLY BETWEEN THIS BOX AND THE BLUE AND ORANGE LOGO. DISPLAY THE BOTTOM HALF OF THIS DOCUMENT ON YOUR VEHICLE ACCORDING TO THE DIRECTIONS BELOW IN SECTION 1

Idaho Transportation Department | Division of Motor Vehicles | PO Box 7129 | Boise, ID 83707-1129



**IDAHO PROOF OF REGISTRATION (PLATES ON ORDER)**

VEHICLE IDENTIFICATION NO. 1FT8W3DT1KEG17243

Expires: 06/30/2023

Plate No:

**KAM552**

**SECTION TWO**  
DISPLAY THIS SECTION OF THE FORM SECURELY IN THE REAR WINDOW OF YOUR VEHICLE OR SOMEWHERE VISABLE ON YOUR MOTORCYCLE. (BE CAREFUL NOT TO OBSTRUCT YOUR VIEW)

**IMPORTANT CUSTOMER INFORMATION**

- Your new license plate is now on order. You should receive it in the mail in approximately four (4) weeks. This proof of validation will allow you to drive your vehicle until your new plates arrive. REMOVE ANY OTHER CLASSIC PLATE CURRENTLY ON THE VEHICLE.
1. The top portion of this form is the proof of validation document for your vehicle. Sign the form and keep this section in your glove box. Please DO NOT display this in your vehicles rear (back) window. This document has your personal information printed on it and should not be displayed.
  2. The bottom portion of this form will need to be displayed on the inside lower driver side of your rear (back) window in a way that does not obstruct your view. This portion does not reveal personal information and will allow you to drive your vehicle appropriately while you await your new license plate. For motorcycles the middle portion of the form should be placed somewhere safe and visible on your motorcycle.
  3. Once you have received your new plate remove the middle portion of this form from your vehicle. Please insure you sign your new validation document and keep it in your car.
  4. Once you have received your new plates put the new registration stickers on them and remove the middle portion of this form from your vehicle. Please insure you sign your new registration document and keep it in your car.



6/28/22, 9:55 AM

Point-of-Sale Payments



**PURCHASE RECEIPT**

**Kootenai County Assessor**

P.O. Box 9000  
Coeur d Alene ID 83816  
(208)446-1580  
OTC Local Ref ID: 71720802  
6/28/2022 09:55 AM

Your credit card or bank statement will show a charge from KootenaiDMV.

Status:	<b>APPROVED</b>
Customer Name:	RAYNER/LESLIE
Type:	MasterCard
Credit Card Number:	**** * 8090

Items	Quantity	TPE Order ID	Total Amount
Total	1	52670544	\$209.83
Note: <b>s6618274</b>			
Customer Phone Number: <b>1</b>			
Clerk's Initials: <b>cb</b>			
Total remitted to the Kootenai County Assessor			\$209.83
Access Idaho Fee	1	52670544	\$6.29
Total Amount Charged			\$216.12

Signature

To offer the convenience of using your bank card, a service fee of 3% has been added to your transaction. This fee goes to our third-party provider, Idaho.gov. The County does not keep any portion of this fee.



# Report Of Sale And Application for Certificate of Title

This is not a Certificate of Title

ITD 0502 (Rev. 09-14)  
Supply # 01-807050-1

DEAL 21052

Control Number

**- Must be Legible -** Idaho Transportation Department - Division of Motor Vehicles **CO7777268**

Any previous liens on the trade-in vehicle that is listed on this application for title will be satisfied in full by the dealer within 10 business days unless the owner relinquishing possession has signed below.

I, the owner relinquishing possession, acknowledge that I am responsible for satisfying all liens within 10 business days (Idaho Code 49-1609A)

X N/A

Rebuilt Salvage  Previous State Brand  Reconstruct  Repaired  Other

Section 1 Vehicle/Vessel Description	Previous Idaho Title No.		1st Vehicle or Hull Identification No. 1FT8W3DT1KEG17243			2nd VIN If Assigned		
	Year 2019	Make FORD	Body Type PU	Model F-350	Description	Color (Primary/Secondary) SILVER		
	Fuel Type	Wheel Base	Weight	Length	Width	Hull Material	Horsepower	Propulsion
	Odometer Reading 36095	Odometer Status <input type="checkbox"/> Actual <input type="checkbox"/> In Excess <input type="checkbox"/> Not Actual <input type="checkbox"/> No Device <input type="checkbox"/> Exempt		Odometer Reading Date 05/25/22	Previous State	Previous State Brand	Previous State Title No.	
Type of Sale	<input type="checkbox"/> New <input checked="" type="checkbox"/> Used <input type="checkbox"/> Demo <input type="checkbox"/> Courtesy Delivery <input type="checkbox"/> Lease <input type="checkbox"/> Rental							

Section 2 Purchaser - Owner	Owner #1 Full Legal Name (Last, First, Middle) or Business Name GEM STATE WATER COMPANY, LLC			Idaho Driver's License Number or SSN / EIN if Business 83-3494460		<input type="checkbox"/> Or <input type="checkbox"/> And	<input type="checkbox"/> LSR <input type="checkbox"/> DBA
	Owner #2 Full Legal Name (Last, First, Middle) or Business Name			Idaho Driver's License Number or SSN / EIN if Business		<input type="checkbox"/> Or <input type="checkbox"/> And	<input type="checkbox"/> LSE <input type="checkbox"/> DBA
	Owner #3 Full Legal Name (Last, First, Middle) or Business Name			Idaho Driver's License Number or SSN / EIN if Business			
	Physical Address of Owner's Current Legal Residence or Business 250 NORTHWEST BLVD STE 203			City COEUR D ALENE	State ID	Zip+4 83814	
Mailing Address if different from Owner's Current Legal Residence 250 NORTHWEST BLVD STE 203			City COEUR D ALENE	State ID	Zip+4 83814		

Section 3 Lienholder	Primary Lienholder Name CASH DEAL		Mailing Address		City	State	Zip+4
	Secondary Lienholder Name		Mailing Address		City	State	Zip+4

Section 4 Sales Tax Information	Dealer's Seller's Permit No. 004772403	Lessor's Seller's Permit No.	Delivery Date 05/25/22
	Gross Taxable Sales Price (Include Taxable Fees) \$		73850.00
	Rebates (Motor Vehicles Only) \$		.
	Adjusted Gross Sales Price \$		73850.00
	Trade-In Allowance \$		.
	Net Sales Price \$		73850.00
	Tax Collected \$		4448.94
<input type="checkbox"/> Tax Exempt - Enter the tax form number used			
<b>Trade-In Information</b>			
Year	Make	Body Type	Model
Vehicle or Hull Identification No. (VIN/HIN)			

If motorcycle/motorbike, the FMVSS sticker is present  Yes  No

Section 5 Dealer Information	Dealer Name MIKE WHITE FORD OF COEUR D'ALENE		Idaho Dealer No. 4981	
	Dealer Address 315 W CLAYTON AVENUE		Phone No. 2086649211	
	City COEUR D ALENE	State ID	Zip+4 83815	
	I certify under penalty of perjury pursuant to the law of the State of Idaho that I have physically inspected the vehicle/vessel described in Section 1, and the VIN/HIN and date of this application are correct. I have identified the person(s) signing this application and witnessed their signature. I further certify that all information contained herein is true and correct to the best of my knowledge and belief. I also release all interest in this vehicle/vessel unless I am listed as lienholder or owner on this application for title.			
	Authorized Signature X		Date 05/25/22	

Section 6 Applicant's Signature	By signing below, I certify under penalty of perjury pursuant to the law of the State of Idaho to all of the following statements: that the vehicle/vessel described above is owned by me and I hereby make application for a Certificate of Title for said vehicle/vessel; that this vehicle/vessel will not be subject to a lien prior to receipt of the title unless indicated; that all information contained herein is true and correct to the best of my knowledge and belief; that this vehicle will be continuously insured as prescribed by Idaho Code 49-1229; and that the signature below is my true and legal signature.		
	Applicant's Signature X	Date 05/25/22	Daytime Phone Number (208)929-1045

21052 158091 RECAL

## RECALL NOTICE AND LIABILITY RELEASE

**THIS NOTICE REQUIRES YOU TO WAIVE IMPORTANT LEGAL RIGHTS. READ IT CAREFULLY BEFORE SIGNING. YOUR SIGNATURE BELOW INDICATES THAT YOU UNDERSTAND AND AGREE TO THE TERMS OF THIS NOTICE.**

Seller Name: MIKE WHITE FORD VIN #: 1FT8W3DT1KEG17243  
GEM STATE WATER COMPANY, LLC 158091

Buyer(s) Name: \_\_\_\_\_ Stock #: \_\_\_\_\_

1. I understand and acknowledge that I am purchasing a vehicle that may be subject to a manufacturer's recall.
2. The recall repair may not have been performed and I understand and agree that it is my responsibility to have the recall repair performed at a dealership that is affiliated with the manufacturer of the vehicle that I am purchasing.
3. I understand that any unrepaired recall may present a serious safety hazard to the vehicle, the driver, and/or occupants.
4. I acknowledge that I have been informed that I may review recall information directly on the National Highway Safety Administration's www.safercar.gov/recall website.
5. I acknowledge that despite Seller giving me notice that the vehicle may be subject to a manufacturer's recall, I wish to purchase the vehicle and accept all risk that may arise from the recall.
6. I agree to release and hold harmless Seller, its officers, directors, employees, and agents from any and all claims, demands, obligations, and all causes of action, including, but not limited to, damages for bodily injury or death which may arise directly or indirectly from the operation of the vehicle I am purchasing.
7. I further agree to defend and indemnify Seller, its officers, directors, employees, and agents from and against all damages, claims, liabilities, causes of action, judgments, settlements, costs and expenses (including, but not limited to, all legal costs, attorney fees and damages) that arises directly or indirectly from the operation of the vehicle I am purchasing.

GEM STATE WATER COMPANY, LLC

N/A

Buyer's Printed Name

Co-Buyer's Printed Name

Signature

05/25/2022

N/A  
Signature

Date

Date

# MIKE WHITE FORD OF COEUR d'ALENE VEHICLE GET READY

21052 81703 49

Salesperson FORSLOF, DANIEL

Mgr MARSHALEK, SETH A

## PLEASE NOTE: IMPORTANT

All Financing Arrangements must be completed before this Servicing can be performed. Customer's Copy of Memo must be presented in order for work to be started and only on an appointment basis with the Service Dept. **License plates, registration and emission requirements are the responsibility of the buyer.**

TO <del>GEN STATE WATER COMPANY, LLC</del> <del>210 NORTHWEST BLVD STE 203</del> <del>COEUR D'ALENE ID 83814</del> <del>(208)922-1244</del>	Stock #: 158091 Model #: FK Year: 2019 Ext. Color: SILVER Int. Color:	DATE: 05/25/2022 Make & Model: FORD F-350 Mileage: 36095 VIN#: 1F18W3D1XEG17243
---	---	--

### VEHICLE SOLD AS IS - AS EQUIPPED! THANK YOU!

WORK PROMISED TO BE DONE:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rental  YES  NO Amount \_\_\_\_\_

BEST DAYTIME PHONE: \_\_\_\_\_  TEXT  CALL

Has anything been promised to you that is not in writing? YES \_\_\_\_\_ Initial \_\_\_\_\_ NO \_\_\_\_\_ Initial \_\_\_\_\_

All work must be completed within "30 days" from date of purchase. \_\_\_\_\_ Initial \_\_\_\_\_

REMARKS:

\_\_\_\_\_  
\_\_\_\_\_

Customer X [Signature]  
Type of warranty CERTIFIED  
Sales Manager X [Signature]

Chip Guard: YES \_\_\_\_\_ Initial \_\_\_\_\_ NO \_\_\_\_\_ Initial \_\_\_\_\_



**Quote # EH-2021-100**  
Quote valid for 30 days  
Quote Date: 5/24/2022

Quote Provided by:  
**Ed Heck**  
Sales  
Phone: 509-755-5037 Ext-1108  
Email: edh@titantruck.com



**Titan Truck Equipment Co., Inc.**  
605 N. Fancher Rd.  
Spokane Valley, WA 99212  
(509) 534-5010  
Toll Free: 1-800-445-4807  
Equipment Fax: (509) 755-5040

**Special Instructions**

Truck has hitch on it.

**Vehicle Information**  
2019 Ford F-350  
W, 56, Enter as e.g. = 21,000 GVW  
VIN # Enter  
Condition: Used

**Customer Information**  
Gem State Water  
Contact Name: Cole  
End User: Enter End User if Available

Qty	Item Description	Part Number	Serial Number	Part Charge	Exended Charge	HRS	Labor Charge	*Estimated* Freight Charges	Itemized Total
1	Prices subject to change based upon manufacturer price surcharge increases. Price increases from manufacturer will be added to this quote or final invoice if applicable. Price increases will be backed with manufacturer documentation.			\$	\$	0.00	\$	\$	\$
1	Knapheide 8 foot service body (White)	KNP696D54-2		8,285.33	8,285.33	10.00	990.00		\$ 9,275.33
1	Knapheide rear step bumper	KNP26053371		616.00	616.00	0.00			\$ 616.00
1	Knapheide install kit	KNP20094540		453.33	453.33				\$ 453.33
1	Camera relocation	Shop				2.00	198.00		\$ 198.00
1	Remove pick up box	Shop				2.00	198.00		\$ 198.00
1	Wilton 6 1/2 inch vise mounted to rear bumper	Wilton11128BH		381.00	381.00	2.00	198.00		\$ 579.00
1	SUPPLY			339.59	339.59				\$ 339.59
Subtotals				\$ 10,075.26	\$ 10,075.26	16.00	\$ 1,584.00	\$	\$ 11,659.26

ALL PRICING IS LESS ANY APPLICABLE TAX CHARGES UNLESS OTHERWISE NOTED.  
CREDIT, OR CERTIFIED CHECK ARE THE ONLY PAYMENT METHODS CURRENTLY ACCEPTED.





Date: **05/24/2022 9:58 AM**  
 Salesperson: **Daniel Forslof Brad Hathaway**  
 Manager: **Paul Kloepfer**

**FOR INTERNAL USE ONLY**

**BUSINESS NAME** *Gem State Water* Home Phone: **(208) 929-1045**  
**CONTACT** *Leslie and Cole Rayner*  
 Address : **719 N 7TH ST**  
**COEUR D ALENE, ID 83814-3034** Work Phone: **(208) 667-0726**  
**KOOTENAI CO**  
 E-Mail : **leslie@gemstate-water.com** Cell Phone: **(208) 929-1045**

**VEHICLE**  
 Stock # : **158091** New / Used : VIN : **1FT8W3DT1KEG17243** Mileage : **35977**  
 Vehicle : **2019 Ford F-350** Color : **SILVER**  
 Type : **XL 4x4 SD Crew** **W3D**

**TRADE IN**  
 Payoff : VIN : Mileage :  
 Vehicle : Color :  
 Type :

Selling Price	74,995.00
COMMERCIAL WARRANTY 5 YR	5,495.00
COMMERCIAL MAINT 5 YR	1,935.00
Total Purchase	82,425.00
Trade Allowance	
Trade Difference	
Doc Fee	199.00
Tax	4,511.64
Non Tax Fees	14.00
Trade Payoff	
Cash Deposit	
Balance	87,149.64

Customer Approval: \_\_\_\_\_ Management Approval: \_\_\_\_\_  
 By signing this authorization form, you certify that the above personal information is correct and accurate, and authorize the release of credit and employment information. By signing above, I provide to the dealership and its affiliates consent to communicate with me about my vehicle or any future vehicles using electronic, verbal and written communications including but not limited to eMail, text messaging, SMS, phone calls and direct mail. Terms and Conditions subject to credit approval. For Information Only. This is not an offer or contract for sale.

**CONFIDENTIAL**

**ATTACHMENT NO. 8 TO THE COMPANY'S  
REPLY TO THE COMMENTS OF THE  
COMMISSION STAFF**

**ATTACHMENT FILED UNDER SEPARATE COVER**

**CASE No. GSW-W-22-01**

Name: Bitterroot Water Company

**BALANCE SHEET**

For Year Ended 2020

		<b>ASSETS</b>		
ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	101 Utility Plant in Service (From Pg 5, Line 29)	\$ 289,770	\$ 4,997	\$ (284,773)
2	102 Utility Plant Leased to Others			\$ -
3	103 Plant Held for Future Use			\$ -
4	105 Construction Work in Progress			\$ -
5	114 Utility Plant Aquisition Adjustment			\$ -
6	Subtotal (Add Lines 1 - 5)	\$ 289,770	\$ 4,997	\$ (284,773)
7	108.1 Accumulated Depreciation (From Pg 6, Line 26)	\$ 261,525	\$ 4,997	\$ (256,528)
8	108.2 Accum. Depr. - Utility Plant Lease to Others			\$ -
9	108.3 Accum. Depr. - Property Held for Future Use			\$ -
10	110.1 Accum. Amort. - Utility Plant in Service	\$ 2,098	\$ -	\$ (2,098)
11	110.2 Accum. Amort. - Utility Plant Lease to Others			\$ -
12	115 Accumulated Amortization - Aquisition Adj			\$ -
13	<b>Net Utility Plant (Line 6 less lines 7 - 12)</b>	\$ 26,147	\$ 0	\$ (26,147)
14	123 Investment in Subsidiaries			\$ -
15	125 Other Investments			\$ -
16	<b>Total Investments (Add lines 14 &amp; 15)</b>			\$ -
17	131 Cash	\$ 99,120	\$ 30,378	\$ (68,742)
18	135 Short Term Investments			\$ -
19	141 Accts/Notes Receivable - Customers	\$ (1,205)	\$ -	\$ 1,205
20	142 Other Receivables			\$ -
21	145 Receivables from Associated Companies			\$ -
22	151 Materials & Supplies Inventory			\$ -
23	162 Prepaid Expenses			\$ -
24	173 Unbilled (Accrued) Utility Revenue			\$ -
25	143 Provision for Uncollectable Accounts			\$ -
26	<b>Total Current (Add lines 17 -24 less line 25)</b>	\$ 97,915	\$ 30,378	\$ (67,537)
27	181 Unamortized Debt Discount & Expense			\$ -
28	183 Preliminary Survey & Investigation Charges			\$ -
29	184 Deferred Rate Case Expenses	\$ -	\$ -	\$ -
30	186 Other Deferred Charges	\$ 2,019	\$ 2,019	\$ 0
31	<b>Total Assets (Add lines 13, 16 &amp; 26 - 30)</b>	\$ 126,081	\$ 32,397	\$ (93,684)

		Staffs Schedule					2021		
		Company's			Amort. Period	Amort. Expense	Years of Amort.	Accum.	Net CIAC
Average	Last Rate Case	Original Contributions	Booked CIAC	Staff Adj. to CIAC	Amort. in years	Schedule	Since rate case	Amort.	12/31/2022
	Troy Hoffman	(12,859)	(9,307)	-	35	367		12,859	-
	2011 SLE	(70,050)	-	(70,050)	35	2,001	10	20,014	(50,036)
	2001 2005/1997 BR/RW	(173,250)	-	(173,250)	35	4,950	20	99,000	(74,250)
		<b>(256,159)</b>	<b>(9,307)</b>	<b>(243,300)</b>	<b>15,019</b>	<b>7,319</b>		<b>131,873</b>	<b>(124,286)</b>
									<b>(66,399)</b>

Tracking Back CIAC to oldest Annual Report we have:

SLE - 1994 Annual Report	(A) (64,850)	35	1,853	27	50,027	(14,823)	27.3%
SLE - 1995 Annual Report Additions	(5,200)	35	149	26	3,863	(1,337)	
<b>SLE - 1995 Annual Report Total</b>	<b>(B) (70,050)</b>	<b>35</b>	<b>2,001</b>		<b>53,890</b>	<b>(16,160)</b>	

Spirit Lake East & Lynnwood									
	7/31/19	7/31/19		2021	Proposed		Staffs Adjusted	Maximum	Adjusted
	Spirit Lake East	Lynnwood	Combined	Test Year	Staff Adj.	% of	Rate Base	CIAC	Acquired Rate Base
Day 1:									
Plant in Service	1,143,905	123,815	1,267,719	1,272,651	-		1,272,651	-	1,272,651
Accum. Deprec.	(960,460)	(77,255)	(1,037,715)	(1,072,725)	-		(1,072,725)	-	(1,072,725)
<b>Net PP&amp;E</b>	<b>183,444</b>	<b>46,559</b>	<b>230,004</b>	<b>199,926</b>	<b>-</b>		<b>199,926</b>	<b>-</b>	<b>199,926</b>
CIAC	-	-	-	-	(70,050)		(70,050)	(70,050)	(70,050)
Accum. Amort. CIAC	-	-	-	-	-		-	53,890	53,890
<b>Net Plant in Service</b>	<b>183,444</b>	<b>46,559</b>	<b>230,004</b>	<b>199,926</b>	<b>(70,050)</b>		<b>129,876</b>	<b>(C) (16,160)</b>	<b>183,766</b>

Bitterroot & Happy Valley									
	7/31/19	7/31/19		2021	Proposed	% of	Staffs Adjusted	CIAC	Adjusted
	Bitterroot	Happy Valley	Combined	Test Year	Staff Adj.	Gross Plant	Rate Base	Adjustment	Acquired Rate Base
Day 1:									
Plant in Service	289,771	11,564	301,335	299,238	-		299,238	-	299,238
Accum. Deprec.	(263,624)	(11,565)	(275,189)	(282,875)	-		(282,875)	-	(282,875)
<b>Net PP&amp;E</b>	<b>26,147</b>	<b>(0)</b>	<b>26,147</b>	<b>16,363</b>	<b>-</b>		<b>16,363</b>	<b>-</b>	<b>16,363</b>
CIAC	-	-	-	-	(173,250)	-57%	(173,250)	(173,250)	(173,250)
Accum. Amort. CIAC	-	-	-	-	-		-	163,923	163,923
<b>Net Plant in Service</b>	<b>26,147</b>	<b>(0)</b>	<b>26,147</b>	<b>16,363</b>	<b>(173,250)</b>		<b>(156,887)</b>	<b>(D) (9,327)</b>	<b>7,036</b>

Combined									
	7/31/19	7/31/19		2021	Proposed	% of	Staffs Adjusted	CIAC	Adjusted
	Spirit Lake East	Lynnwood	Combined	Test Year	Staff Adj.	Gross Plant	Rate Base	Adjustment	Acquired Rate Base
Day 1:									
Plant in Service	1,433,675	135,379	1,569,054	1,571,889	-		1,571,889	-	1,571,889
Accum. Deprec.	(1,224,084)	(88,820)	(1,312,904)	(1,355,600)	-		(1,355,600)	-	(1,355,600)
<b>Net PP&amp;E</b>	<b>209,591</b>	<b>46,559</b>	<b>256,150</b>	<b>216,289</b>	<b>-</b>		<b>216,289</b>	<b>-</b>	<b>216,289</b>
CIAC	-	-	-	-	(243,300)		(243,300)	(243,300)	(243,300)
Accum. Amort. CIAC	-	-	-	-	-		-	217,813	217,813
<b>Net Plant in Service</b>	<b>209,591</b>	<b>46,559</b>	<b>256,150</b>	<b>216,289</b>	<b>(243,300)</b>		<b>(27,011)</b>	<b>(25,487)</b>	<b>190,802</b>

(C) In our diligence we looked at the previous few years of Annual Report filings with the IPUC. In those filings there was no CIAC listed, so none was recorded when we acquired these systems. Staff's proposed adjustments go back to the last filed rate case CIAC position, gross. The schedule also reflects that these balances should be amortized over 35 years. The CIAC pre-dates our ownership, but we did as much research as we could to try to get a listing of the assets that were contributed as CIAC. This would allow us to ascertain if the asset is still part of rate base, or if it has been disposed of as well as aligning the amortization of the CIAC Liability with the PP&E Asset. We have not been able track this listing down. The oldest annual report we have been able to track back to is 1994 where the system had \$64,850 of CIAC and an additional \$5,200 added in 2015 that together tie to Staff's proposed adjustment. We are not sure how much further the origination of all of the CIAC goes, but believe we should at a minimum amortize the balances from these start dates. In doing so Staff's adjustment goes from \$70,050 down to \$16,160. We feel there is a very real chance this should have been amortized even further if we had documentation going back further, but unfortunately do not have support to back this up, but feel like any adjustment greater than \$16,160 for Spirit Lake & Lynnwood CIAC would be improper.

(D) As previously outlined, for our purchase diligence we looked at the previous few years of Annual Report filings with the IPUC. In those filings there was no CIAC listed, so none was recorded when we acquired these systems. Staff's proposed adjustments go back to the last filed rate case CIAC position, gross. The schedule also reflects that these balances should be amortized over 35 years. The CIAC pre-dates our ownership, but we did as much research as we could to try to get a listing of the assets that were contributed as CIAC. This would allow us to ascertain if the asset is still part of rate base, or if it has been disposed of as well as aligning the amortization of the CIAC Liability with the PP&E Asset. We have not been able track this listing down. In the case of Bitterroot and Happy Valley, the initial book value recognized when we purchased the systems was only \$26,147. We have then amortized that balance to \$16,363 for our test year filing of \$16,363. If we used Staff's adjustment we would have negative rate base of \$156,887, which would be unreasonable. We would propose that if we are to recognize CIAC, since we don't have supporting schedules that we evaluate the CIAC balance as a proportion of the Gross Plant in Service [CIAC \$173,250 / Plant \$301,335 = 57%]. If we then extrapolate and apply that percentage to our filed rate base acquired, it would show that the net CIAC liability should be \$9,327.

Pictures of hard copies of annual reports found for Spirit Lake East:

**ANNUAL REPORT FOR WATER UTILITIES**  
YEAR ENDED OCTOBER 31, 1994

**BALANCE SHEET**

	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
<b>LIABILITIES AND CAPITAL</b>			
201 Common Stock	296,434	296,434	-0-
204 Preferred Stock			
211 Paid in Capital			
215 Retained Earnings	(522,768)	(559,741)	(36,973)
Total	(226,334)	(263,307)	(36,973)
221 Long-Term Debt			
224 Notes Payable to Banks			
232 Notes Payable to Others			
231 Accounts Payable - Trade			
231.1 Accounts Payable - Others			
235 Customer Deposits			
235.1 Revenue Billed in Advance			
236 Accrued Income Taxes			
236.1 Accrued Withholding Taxes - Other			
237 Accrued Interest			
238 Dividends Accrued			
252 Advances for Construction			
255 Investment Tax Credit			
262 Reserves for Contingencies			
263 Profit Sharing and Pension Funds			
265 Other Liabilities & Reserves	405,582	452,609	47,127
271 Cont. in Aid of Construction	42,900	A 64,850	21,950
Total	448,382	517,459	69,077
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<u>222,048</u>	<u>254,152</u>	<u>32,104</u>

/3158 4 Revised 12/93

**ANNUAL REPORT FOR WATER UTILITIES**  
YEAR ENDED DECEMBER 31, 19\_\_

**BALANCE SHEET**

	Balance Beginning of Year	Balance at End of Year	Increase or (Decrease)
<b>LIABILITIES AND CAPITAL</b>			
201 Common Stock	296,434	296,434	-
204 Preferred Stock			
211 Paid in Capital			
215 Retained Earnings	(559,741)	(591,174)	(31,433)
Total	(263,307)	(294,741)	(31,434)
221 Long-Term Debt			
224 Notes Payable to Banks			
232 Notes Payable to Others			
231 Accounts Payable - Trade			
231.1 Accounts Payable - Others			
235 Customer Deposits			
235.1 Revenue Billed in Advance			
236 Accrued Income Taxes			
236.1 Accrued Withholding Taxes - Other			
237 Accrued Interest			
238 Dividends Accrued			
252 Advances for Construction			
255 Investment Tax Credit			
262 Reserves for Contingencies			
263 Profit Sharing and Pension Funds			
265 Other Liabilities & Reserves	452,609	396,832	(55,777)
271 Cont. in Aid of Construction	64,850	B 70,050	5,200
Total	517,459	466,902	(50,557)
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<u>254,152</u>	<u>172,161</u>	<u>(81,991)</u>

4

Revised 12/95