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Attorneys For Schweitzer Water Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

APPLICATION OF SCHWEITZER WATER  
COMPANY FOR APPROVAL OF  
ACQUISITION OF THE ASSETS OF  
RESORT WATER CO. INC. AND FOR THE  
ISSUANCE OF A CERTIFICATE OF  
PUBLIC CONVENIENCE AND  
NECESSITY

Case No. \_\_\_\_\_

SCHWEITZER WATER COMPANY'S  
APPLICATION FOR APPROVAL OF  
ACQUISITION AND ISSUANCE OF A  
NEW CERTIFICATE OF  
CONVENIENCE AND NECESSITY

In accordance with Idaho Code § 61-328<sup>1</sup>, Schweitzer Water Company (f/k/a Husky Water Company) ("Schweitzer Water" or "Company"), seeks the Idaho Public Utilities Commission's ("Commission") approval of Schweitzer Water's acquisition of the assets of the water supply and distribution systems of Resort Water Co. Inc. ("Resort Water"), in accordance

<sup>1</sup> While Idaho Code § 61-328 applies to "Electric utilities – Sale of property to be approved by the commission" the legal requirements set out therein are being followed with respect to this Application.

with the Asset Purchase Agreement between Resort Water and Husky Water Company (now named Schweitzer Water Company), dated as of August 22, 2023 (the “Agreement”).

Pursuant to Idaho Code § 61-526 and IPUC Rules of Procedure, IDAPA 31.01.01.112 (IPUC Rule 112), Schweitzer Water also requests that a new Certificate of Public Convenience and Necessity (“CPCN”) be issued that will authorize service to the areas served by Schweitzer Water.

Finally, Schweitzer Water Company requests that this Application be processed by modified procedure.

Please serve all notices and communications with regard to this Application upon:

<p><b>Ronald L. Williams</b>, ISB No. 3034 <b>Brandon Helgeson</b>, ISB No. 11615 HAWLEY TROXELL ENNIS &amp; HAWLEY LLP 877 W. Main Street, Suite 200 P.O. Box 1617 Boise, ID 83701-1617 Telephone: 208.344.6000 Facsimile: 208.954.5253 rwilliams@hawleytroxell.com bhelgeson@hawleytroxell.com</p>	<p><b>Tom Trulock</b> Vice President c/o Schweitzer Water Company, 165 Village Lane, Suite A, Sandpoint, ID 83864 ttrulock@schweitzer.com</p> <p><b>Bradley Mullins</b> Principal Consultant MW Analytics Teitotie 2, Suite 208 Oulunsalo Finland, FI-90460 brmullins@mwanalytics.com</p>
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## INTRODUCTION AND PROCEDURAL HISTORY

### *Schweitzer Water Company*

1. Schweitzer Water is an Idaho corporation formed in May 2023 (under the original name of Husky Water Company) to acquire the water distribution assets that provide water service in and around the Schweitzer Mountain Resort in Boundary County, Idaho. On October 27, 2023, Husky Water Company filed Articles of Amendment with the Idaho Secretary of State

changing its name to Schweitzer Water Company. Schweitzer Water is a wholly owned subsidiary of Alterra Mountain Company U.S. Inc. (“Alterra”). A copy of the Articles of Incorporation and Articles of Amendment of Schweitzer Water is attached as Exhibit No. 0001.

2. On August 22, 2023, Alterra, through its wholly owned subsidiary Husky Mountain Acquisition Inc., acquired the Schweitzer Mountain Resort assets from Schweitzer Mountain LLC. Resort Water, a subsidiary of Schweitzer Mountain LLC, sold its water company assets to Schweitzer Water as of the same date.

3. Alterra currently owns and operates 17 ski resorts in North America. More information about Alterra can be found at its website: <https://www.alterramtnco.com/>. In conjunction with Alterra’s ownership and operation of its various resorts, Alterra also operates water systems and wastewater water treatment plants at various resort properties.

4. Alterra intends to retain the employees of Resort Water to continue to operate the water utility assets at Schweitzer Mountain Resort that are being transferred from Resort Water to Schweitzer Water. Alterra, and by extension, Schweitzer Water, has substantial experience in operating resort water systems and wastewater systems. Alterra and its subsidiaries have acquired water utilities in Vermont, California, Utah, and Washington. These acquisitions and the continued operation of these water utilities were seamless, with no interruptions to customers’ service. This experience has carried over to Schweitzer Water’s acquisition of the Resort Water assets.

5. For additional information regarding Alterra’s water company operating experience, as well as an explanation as to why this asset transfer from Resort Water to

Schweitzer Water is in the public convenience and necessity,<sup>2</sup> please see the accompanying prefiled testimony of Jennifer Brownlie, Alterra’s General Counsel and Vice President of Schweitzer Water, and Tom Trulock, Vice President, Schweitzer Water, and former President of Resort Water.

6. Alterra has financial resources and access to capital markets to sufficiently capitalize Schweitzer Water to acquire Resort Water’s water systems and to provide sufficient working capital to Schweitzer Water so that it can operate the water utility. Schweitzer Water has the bona fide intent and financial ability to continue to provide safe and reliable water utility service and to operate and maintain the water system in the public service,<sup>3</sup> as is demonstrated by the accompanying testimony and exhibits of Ms. Brownlie. As further discussed in the testimony of Ms. Brownlie, Alterra will make additional cash infusions in Schweitzer Water in order to finance the future construction and expansion of the Water Utility.<sup>4</sup>

***Resort Water***

7. Resort Water owns two water supply and distribution systems that serve more than 550 customers in Bonner County, Idaho. The first system is owned and operated by Resort Water under CPCN No. 445 issued by the Commission on June 16, 2005 (the “Resort System”). The Resort System has 770 total ERUs, with 538 ERUs currently active, 89 inactive committed, and 143 available. *See* T. Trulock Di, p. 2.

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<sup>2</sup> Commission Rule 112.01.

<sup>3</sup> Idaho Code § 61-328(3)(c).

<sup>4</sup> Commission Rules 112.02 and 112.04.

8. The second system that Resort Water owns and operates was originally owned and operated by Acme Water Works, Inc. under CPCN No. 518 issued by the Commission on February 18, 2015 (the “Ridge System”). *Id.* The Ridge System was acquired by Resort Water in a federal tax sale in 2016 and quiet title action in late 2017. *Id.* It has been operated by Resort Water since January 1, 2018, but without amendment to or transfer of Acme’s CPCN No. 518. *Id.* The Ridge System has 118 total ERUs with 28 active, 60 inactive committed, and 30 available. *Id.*

### **THE TRANSACTION AND COMMISSION REQUIREMENTS**

9. Schweitzer Water (then known as Husky Water Company) and Resort Water entered into an Asset Purchase Agreement (“Agreement”) which is attached to the testimony of Jennifer Brownlie<sup>5</sup> as Confidential Exhibit No. 0004. The Agreement and the actions it contemplates are referred to as the “Transaction.” The Agreement specifically acknowledges that Schweitzer Water shall be subject to all rules and regulations of the Commission applicable to water companies operating as a public utility. *See* Agreement § 4.3.

10. Under the Agreement, Schweitzer Water acquired Resort Water’s assets related to water service (“Purchased Assets”). The Purchased Assets, which are identified in Schedules 3.9 and 3.10 and Exhibits A, B and C of the Agreement, include all real property interests and personal property used to operate the Water Utility, including all water rights.

11. Resort Water has Commission-approved tariffs relating to the Resort System but does not have tariffs relating to the Ridge System on file with the Commission. Tariffs for the Ridge System were included as part of the Application for a CPCN by Acme in Case No. AWW-

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<sup>5</sup> The Agreement has been filed as “Confidential” under the Commission’s rules.

W-13-01.<sup>6</sup> The two water systems do not charge the same rates to their respective customers. For a more detailed description of the rates for each water system, see the accompanying testimony and exhibits of Mr. Trulock.

12. The cost of and rates for supplying water service by the Company will not be increased by reason of the purchase of the assets of Resort Water.<sup>7</sup> See J. Brownlie Di, p. 7. Schweitzer Water will work with the Commission and Commission Staff to update tariffs to reflect both the Resort System and the Ridge System existing tariff rates.

13. Schweitzer Water submits that the Transaction is in the public interest. Through this Transaction, Schweitzer Water will come into full compliance with Idaho law regarding water service to former customers of Resort Water and the Ridge System. The Transaction will provide access to capital that is not currently available to Resort Water via Schweitzer Water's parent company, Alterra. Schweitzer Water will continue to maintain the current expertise in operating a regulated water utility by retaining the same key employees, procedures, and licensed officials of Resort Water. See J. Brownlie Di, pp. 6 - 7. Schweitzer Water also will maintain the existing rates and other charges and will maintain or improve the level of services currently provided.

14. As noted above and as further explained in the accompanying testimony of Ms. Brownlie, Schweitzer Water, via Alterra, has the financial resources and access to capital to purchase the assets of Resort Water and to fund its future infrastructure needs.

15. Resort Water employees and associated contractors and operators will maintain their same roles for Schweitzer Water. *Id.* Schweitzer Water will continue operations with the

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<sup>6</sup> See pages 54 – 66, [puc.idaho.gov/Fileroom/AWWW1301/CaseFiles/20130624Application.pdf](http://puc.idaho.gov/Fileroom/AWWW1301/CaseFiles/20130624Application.pdf).

<sup>7</sup> Idaho Code § 61-328(3)(b)

existing management structure of Resort Water, including the former President of Resort Water, Tom Trulock, and without any known or expected turnover in the personnel who maintain the operations of the Water Utility.

16. Robert Lesniewski, the current licensed water system operator for Resort Water, will continue to serve as the licensed water system operator for the water systems once transferred to Schweitzer Water. *Id.* Robert Lesniewski holds license numbers DWT2 – 21755 and DWD2 – 22079, and his business address is: 165 Village Lane, Suite A, Sandpoint, ID 83864. *Id.*

17. Schweitzer Water will operate as a regulated public utility subject to the jurisdiction of the Commission.

18. Schweitzer Basin Water LLC, and Spires Water Company, two unrelated and regulated water utilities, also provides water service in an around the service area of Resort Water.<sup>8</sup> If there is an expansion of the water distribution system of the Schweitzer Water, this expansion may compete with a future expansion of Schweitzer Basin Water LLC and/or Spires Water Company.

19. Maps and a legal description showing the distribution systems of Resort Water, Schweitzer Basin Water and Spires Water are attached as exhibits to the testimony of Mr. Trulock.<sup>9</sup>

20. Schweitzer Water, with capital supplied by Alterra, intends to make additional infrastructure investments in Schweitzer Water plant and equipment. Additionally, and in light of

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<sup>8</sup> Commission Rule 112.02.

<sup>9</sup> Commission Rule 112.04.

this expected investment in rate base, Schweitzer Water will consider the future filing of a general rate case to recover rates that are fair, just and reasonable, both to customers and to Schweitzer Water. Schweitzer Water will work with Commission Staff before and during future rate proceedings to also consider possible consolidation of rates, rate structure, rate design and other tariff charges as reasonable and appropriate.

### **REQUEST TO ISSUE NEW CPCN**

21. Schweitzer Water requests that the Commission grant a new CPCN to Schweitzer Water that authorizes service to the area previously served by Resort Water and the Ridge System. The issuance of a new CPCN that covers the area served by the Company is necessary to effectuate the Transaction and to realize the public benefits discussed above. The issuance of the CPCN is in the public interest for the same reasons as the Transaction.

### **REQUEST FOR TARIFF APPROVAL**

22. Schweitzer Water requests that the Commission approve new Tariffs for water service to former customers of Resort Water, a draft copy which is attached hereto as Exhibit 0002 and shows Tariff changes in legislative format. The proposed Tariff changes the name from Resort Water Company, Inc. to Schweitzer Water Company, and adds a new Schedule 6 for customers of the former Ridge System.

### **ADDITIONAL INFORMATION**

23. Additional information that may facilitate the Commission's consideration of the Transaction is identified below.

24. Transaction-related costs related to the acquisition have been incurred by Alterra, not by Schweitzer Water. These costs are related to activities including due diligence,



environmental and water consultants, research, legal, travel and negotiations. The costs will not be passed to Schweitzer Water and will not be included in any future rate case filings.

25. Physical records, such as accounting, financial, and customer records will be kept in the local office of Schweitzer Water, which shall be the same local office formerly held by Resort Water, dba Mountain Utility Company, at 165 Village Lane, Suite A, Sandpoint, Idaho 83864. Schweitzer Water's local office also will be the location for Resort Water's former customers to make requests, and otherwise correspond with Schweitzer Water. Financial and accounting operations moved to Alterra's Denver office, located at 3501 Wazee St., Ste 400, Denver, CO 80216-3787, so accounts payable and accounts receivable operations, including bill pay are provided by the Shared Services team of Alterra Mountain Company as Schweitzer Water's parent. *See* Trulock Di, p. 5.

26. Schweitzer Water currently intends to maintain the same billing schedule for customers as used by Resort Water.

27. As described further in the testimony of Mr. Trulock, Schweitzer Water will continue to provide 24-hour response to repairs or water quality issues. *Id.* Customers can call the Schweitzer Water's office phone number, 208-255-3045 / 208-255-3046, and the call will be forwarded to an answering service after hours or whenever the line is not able to be answered during office hours *Id.* Alternatively, customers may also e-mail [muctrouble@schweitzer.com](mailto:muctrouble@schweitzer.com) or submit a "Report Trouble" form online with Schweitzer Water at Schweitzer's website at: <https://www.schweitzer.com/schweitzer-life/schweitzer-utility-company/>. *Id.*

28. Concurrent with the filing of this Application, or immediately thereafter, Schweitzer Water will provide a letter, either by regular or electronic mail, to each customer of

the Water Utility notifying them of the Transaction, a copy of which is attached hereto as Exhibit No. 0003. Schweitzer Water will also publish a notice to customers in the local newspaper, regarding the Transaction and the Application.

### **MODIFIED PROCEDURE**

29. Schweitzer Water believes a hearing is not necessary to consider the issues presented in this Application and respectfully requests that it be processed by modified procedure, using written submission rather than a hearing, under the Commission's Rules of Procedure 201 through 210.


### **CONCLUSION**

Schweitzer Water respectfully requests that the Commission enter an order:

1. Authorizing this matter to be processed by modified procedure.
2. Approving the Transaction, finding: that it is consistent with the public interest, that the cost and rates for supplying service will not be increased by reason of the Transaction, and that Schweitzer Water has the bona fide intent and financial ability to operate and maintain the Purchased Assets in the public service.
3. Granting a new CPCN to Schweitzer Water Company that will authorize service to the area currently served by Resort Water.
4. Approving new tariffs for water service in Schweitzer Water Company's name.
5. Granting such other relief as the Commission deems just and reasonable.

Dated: December 27, 2023.

HAWLEY TROXELL ENNIS & HAWLEY LLP

By   
\_\_\_\_\_  
Ronald L. Williams, ISB No. 3034  
Brandon Helgeson, ISB No. 11615  
Attorneys For Schweitzer Water Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I caused to be served a true copy of the foregoing SCHWEITZER WATER COMPANY'S APPLICATION FOR APPROVAL OF ACQUISITION AND ISSUANCE OF A NEW CERTIFICATE OF CONVENIENCE AND NECESSITY by the method indicated below, and addressed to each of the following:

Commission Staff  
Commission Secretary  
Idaho Public Utilities Commission  
11331 W. Chinden Blvd., Bldg. 8, Suite 201-A  
Boise, ID 83714  
[secretary@puc.idaho.gov](mailto:secretary@puc.idaho.gov)

- U.S. Mail, Postage Prepaid
- Hand Delivered
- Overnight Mail
- E-mail
- Facsimile
- iCourt

Tom Trulock, Vice President  
c/o Schweitzer Water Company  
165 Village Lane, Suite A  
Sandpoint, ID 83864  
[ttrulock@schweitzer.com](mailto:ttrulock@schweitzer.com)

- U.S. Mail, Postage Prepaid
- Hand Delivered
- Overnight Mail
- E-mail:
- Facsimile
- iCourt

Brad Mullins  
Principal Consultant  
MW Analytics  
Teitotie 2, Suite 208  
Oulunsalo Finland, FI-90460  
[brmullins@mwanalytics.com](mailto:brmullins@mwanalytics.com)

- U.S. Mail, Postage Prepaid
- Hand Delivered
- Overnight Mail
- E-mail:
- Facsimile
- iCourt

Dated: December 27, 2023.



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Ronald L. Williams, ISB No. 3034  
Brandon Helgeson, ISB No. 11615

**EXHIBIT**

**0001**

**Schweitzer Water  
Articles of  
Incorporation**



0005250469



**STATE OF IDAHO**  
 Office of the secretary of state, Phil McGrane  
**ARTICLES OF INCORPORATION (GENERAL BUSINESS CORPORATION)**  
 Idaho Secretary of State  
 PO Box 83720  
 Boise, ID 83720-0080  
 (208) 334-2301  
 Filing Fee: \$100.00

For Office Use Only  
**-FILED-**  
 File #: 0005250469  
 Date Filed: 5/24/2023 3:41:56 PM

Articles of Incorporation (General Business Corporation)  
 Select one: Standard, Expedited or Same Day Service (see descriptions below) Expedited (+\$40; filing fee \$140)

Article 1: Corporation Name  
 Type of Corporation General Business Corporation  
 Entity name Husky Water Company

Business Type:  
 If this corporation is a Benefit Corporation, Insurance Company or Trust, select here: Not Applicable

Article 2: Effective Date  
 The corporation shall be effective when filed with the Secretary of State.

Article 3: Shares  
 The number of shares the corporation is authorized to issue: 100

Article 4: The mailing address of the corporation shall be:  
 Mailing Address: LEGAL  
 3501 WAZEE ST  
 STE 400  
 DENVER, CO 80216-3787

Article 5: Registered Agent Name and Address  
 Registered Agent: CORPORATION SERVICE COMPANY  
 Commercial Registered Agent  
 Physical Address  
 1305 12TH AVE RD  
 NAMPA, ID 83686  
 Mailing Address  
 1305 12TH AVE RD  
 NAMPA, ID 83686

I affirm that the registered agent appointed has consented to serve as registered agent for this entity.

Article 6: Incorporator Name(s) and Address(es)

Name	Incorporator Address
Julie Bodden	3501 WAZEE ST STE 400 DENVER, CO 80216-3787

Article 7: Director Names and Addresses

Full Name	Title	Director Address
Adam Knox	Director	3501 WAZEE ST STE 400 DENVER, CO 80216-3787
Karen Hamilton-Smith	Director	3501 WAZEE ST STE 400 DENVER, CO 80216-3787

B0803-7837 05/24/2023 3:43 PM Received by Office of the Idaho Secretary of State



The Articles of Incorporation must be signed by at least one Incorporator.

*Julie Bodden*

Sign Here

*05/24/2023*

Date

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0005450959



**STATE OF IDAHO**  
*Office of the secretary of state, Phil McGrane*  
**ARTICLES OF AMENDMENT (CORPORATION)**

Idaho Secretary of State  
PO Box 83720  
Boise, ID 83720-0080  
(208) 334-2301  
Filing Fee: \$30.00

*For Office Use Only*  
**-FILED-**  
File #: 0005450959  
Date Filed: 10/27/2023 2:20:49 PM

Articles of Amendment (Corporation)  
 Select one: Standard, Expedited or Same Day Service (see descriptions below)      Expedited (+\$40; filing fee \$70)

Existing Record Information  
 The current name of the corporation is:      Husky Water Company  
 The file number of this entity on the records of the Idaho Secretary of State is:      0005250469  
 Entity Type:      General Business Corporation (D)  
 Entity Subtype:      General Business Corporation

Corporation Name  
 Change Corporation Name?      I want to change the name of the corporation  
 Entity name      Schweitzer Water Company

Purpose  
 If this corporation is a Benefit Corporation, Insurance Company or Trust, select here:      Not Applicable

The number of shares the corporation is authorized to issue:  
 100

The mailing address of the corporation shall be:  
 LEGAL  
 3501 WAZEE ST  
 STE 400  
 DENVER, CO 80216-3787

Officer and/or Director Names and Addresses

Full Name	Title	Address
Adam Knox	Director	3501 WAZEE ST STE 400 DENVER, CO 80216-3787
Karen Hamilton-Smith	Director	3501 WAZEE ST STE 400 DENVER, CO 80216-3787

The date of adoption of the amendment(s) was:  
 Date of Adoption:      10/27/2023

Manner of Adoption:  
 Select one:      Approval by the shareholders is required and the shareholders duly approved the amendment(s) as required by either Title 30, Chapters 20, 21, and 29, Idaho Code or by the Articles of Incorporation.

The Articles of Amendment must be signed by the presiding officer of the board of directors or by an officer of the corporation.

*Laura Lawyer*      10/27/2023  
 Sign Here      **Exhibit No. 0001**

B0851-3162 10/27/2023 2:20 PM Received by Office of the Idaho Secretary of State





Job Title: Assistant Secretary

B0851-3163 10/27/2023 2:20 PM Received by Office of the Idaho Secretary of State

**EXHIBIT**

**0002**

**Schweitzer Tariffs**

~~Resort~~ Schweitzer Water Company ~~Inc.~~

~~Jean D. Jewell Secretary~~ Jan Noriyuki Secretary

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~~Resort~~ Schweitzer Water Company, ~~Inc.~~

Rate Schedule

And

Rules and Regulations

Governing the Rendering of Water Service

And Water Main Extensions

~~Resort~~ Schweitzer Water Company ~~Inc.~~

~~Jean D. Jewell Secretary~~ Jan Noriyuki Secretary

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~~Resort~~ Schweitzer Water Company ~~Inc.~~

~~Jean D. Jewell Secretary~~ Jan Noriyuki Secretary

**RATE SCHEDULE**

**Schedule No.1**  
**Flat Rate Service**

Availability:

To all residential, multi-family and commercial customers excluding bulk water for snow making or bulk water sold to contractors. Each housing unit is considered to be one (1) Equivalent Residential Unit (ERU). Commercial ERU's will be estimated using a contribution to peak week calculation as can reasonably be determined from actual usage or as estimated using IDAPA 58.01.03.007.08 (Wastewater Flows from Various Establishments in Gallons per Day), or some other method approved by the ~~Resort~~Schweitzer Water Company, the Idaho Public Utilities Commission and generally accepted engineering practices.

Customer Charges:

Based on the cost of providing water service, and providing a Return on Investment of 11% the yearly bill per ERU is \$537.44. Billed monthly, equals \$ 44.80.

Monthly Charge: \$ 44.80

Conditions of Contract:

The monthly charge will be prorated whenever the customer has not been a customer for the entire billing period.

**Schedule No.2**  
**Miscellaneous Fees and Charges**

1. Return check Charge

Application:

This charge is applicable to all customers where the customer's check or bank draft is returned by the Bank for insufficient funds, closed account, or some other appropriate reason.

Rate:

	<u>Each Occurrence</u>
Returned Check Charge	\$15.00

2. Reconnection Charge when disconnected for less than 30 days

Application:

This charge is applicable to all customers where water has been physically turned off for less than 30 days at the request of the rate payer or for nonpayment of a delinquent bill.

Rates:

	<u>Each Occurrence</u>
Reconnection charge (during normal business hours)	\$20.00
Reconnection Charge (other than normal business hours)	\$60.00

3. Reconnection Charge when disconnected for more than 30 days

Application:

This charge is applicable to all customers where water has been physically turned off for more than 30 days at the request of the rate payer or for nonpayment of a delinquent bill.

~~Resort~~Schweitzer Water Company ~~Inc.~~

~~Jean D. Jewell Secretary~~ Jan Noriyuki Secretary

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Rates:

Each Occurrence

Reconnection charge shall be calculated based on the tariffed charge for four months of service.

(during normal business hours)

Reconnection charge shall be equal to the tariffed charge for four months of service plus a \$60 after hours charge.

(other than normal business hours)

4. Field Collection Trip Charge:

Application:

This charge is applicable to all customers who pay outstanding bills for service at the time that Company personnel arrive at the customers' premises to terminate service.

Rates:

Each Occurrence

Field Collection Trip Charge

\$15.00

~~Resort~~Schweitzer Water Company ~~Inc.~~

~~Jean D. Jewell Secretary~~ Jan Noriyuki Secretary

**Schedule No.3**  
**Bulk Water Sold to Contractors**

1. Backflow Prevention Device Rental:

Application:

Any contractor needing to fill a water tanker of any kind shall do so at a location designated by the ~~Resort~~Schweitzer Water Company and each truck shall be equipped by an approved and inspected backflow prevention device as approved by the ~~Mountain Utility~~ Company. This charge is applicable to contractors that do not have an approved and inspected backflow prevention device.

Rates: Each Day

Backflow Prevention Device Rental: \$25.00

2. Bulk Water Charge:

Application:

Any contractor that needs to fill a water tanker of any kind or size.

Rates: Each Day

Bulk Water Charge: \$10.00



~~Resort~~Schweitzer Water Company ~~Inc.~~

~~Jean D. Jewell Secretary~~ Jan Noriyuki Secretary

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**Schedule No. 4**  
**Bulk Water Sold for Snowmaking**

**Snowmaking Bulk Water Rate**

Application – Snowmaking water usage shall be charged at a rate equivalent to residential usage. In accordance with Order No. 29732 snowmaking shall be considered 12 ERU's. The yearly charge for water shall be the number of ERU's multiplied by the current Yearly Rate per ERU as defined in Schedule 1 of these Rules and Regulations.

**Interruption of Service**

The ~~Mountain Utility~~ Company shall retain, at its sole discretion, the right to interrupt the water service for snowmaking for any reason and to determine the schedule and times that snowmaking will be allowed.

In general, snow making will only be allowed when it will not affect the ability of the ~~Mountain Utility~~ Company to serve potable water customers, and will generally not be allowed during peak hours of water use.

~~Resort~~Schweitzer Water Company ~~Inc.~~

~~Jean D. Jewell Secretary~~ Jan Noriyuki Secretary

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Schedule No. 5  
Temporary Service for Construction Purposes

Application:

Contractors, builders, or others who wish temporary service from an approved service connection shall apply to the Company for temporary service. This application may be made in writing, in person or over the telephone.

Rate:

The requesting party agrees to pay for water at 1/2 the approved flat rate.

~~Resort~~Schweitzer Water Company ~~Inc.~~

~~Jean D. Jewell Secretary~~ Jan Noriyuki Secretary

Schedule No. 6  
Ridge Water System ~~Residential~~ Fixed Rate Service

Application:

Availability

To all residential, multi-family and commercial customers located on the Ridge Water System excluding bulk water for snow making or bulk water sold to contractors. The Ridge Water ~~System~~ System currently includes 118 total ERUs and has a service area located on the southernmost portion of the development surrounding Schweitzer Mountain Resort. Each housing unit is considered to be one (1) Equivalent Residential Unit (ERU). Commercial ERU's will be estimated using a contribution to peak week calculation as can reasonably be determined from actual usage or as estimated using IDAPA 58.01.03.007.08 (Wastewater Flows from Various Establishments in Gallons per Day), or some other method approved by the Schweitzer Water Company, the Idaho Public Utilities Commission and generally accepted engineering practices. ~~Service under this Rate Schedule is available for all single family residential, multi-family residential such as apartments and/or condominiums, and commercial units within the Ridge Water System service area. The Ridge Water System service area is the area~~ [define]

Rates

All rates are based on equivalent residential units (ERU's). Example: A six (6) unit condominium would be six (6) ERU's.

Residential Water Usage (1 ERU)

Basic Fee	\$29.25/month
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Term

- Usage fees are billed monthly and are payable within 20 days.

Interest on past due amount is 1.0% per month.

Rules and Regulations Governing the Rendering of Service

Application For Service

1. Water service will be provided at all existing service locations after the prospective customer (or a properly authorized agent) makes application for service and the Company approves the application. The service request may be taken by telephone, in writing, or by personal visit to the company office. Each service request will be prepared on a separate order form specifically designed for this purpose.

2. On all new service applications requiring the installation of a service line and/or meter box, or connections necessary after a customer has altered their plumbing, service will be provided after a Utilities Application Packet has been completed, a Bonner County Building Location Permit has been approved, connections to the Company's water system have been approved by the Company, and the plumbing has been inspected and approved by the appropriate plumbing authority.

3. The application for new service or the connection request on existing services will state clearly the class, scope and type of use for each service. The application shall clearly state the number of bedrooms and bathrooms for each residential service. Any increase in number of bedrooms or bathrooms will require a new application.

4. Office hours are 8:00 a.m. to 4:30 p.m., Monday through Friday. Any request for service after regular office hours, weekends or holidays will result in a \$60.00 service charge.

5. The application for service and/or connection request and these rules and regulations constitute a contract between the customer and the Company. Each customer agrees to be bound by this contract after the service application is made, approved and/or service rendered. Copies of the Company's presently approved rules and regulations are on file at the Company's office and are available for public inspection.

Service Connection

6. Each customer shall be supplied through a separate service line.

7. The Company shall inspect all connections to its existing mains. The Applicant shall furnish and install water service lines from the main to and including the meter box or vault, meters and service setting. All service lines including meter and

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meter box shall be property of the Company and shall be accessible to and under its control. In instances where

the existing mains do not front the property to be served, the Applicant shall enter into the appropriate main extension agreement as provided under Company's Rules and Regulations Governing Main Extensions.

8. All service lines from the main to the customer's building or place of consumption shall be approved by the Company as to size, kind of pipe, and installation and shall be installed and kept in good repair by the customer at the customer's expense. All such service lines shall be placed at least four (5) feet below the surface of the ground.

9. No service lines shall be laid in the same trench with the sewer pipe.

10. When a meter is located within the customer's building, a positive shutoff valve easily accessible to the occupants shall be placed in the service line within the building supplied with water. Such valve shall be located so that it will be possible to drain the meter and all pipes in the building. When the meter is located outside the customer's building, a positive shut off valve shall be located between the customer's building and the meter.

11. All components and materials coming in contact with drinking water must meet ANSI/NSF 61 requirements.

12. A service connection valve has been installed near property line by Company. Notify Company prior to the start of construction or digging. A State of Idaho plumbing permit is required prior to the start of work.

13. For single family dwellings, one (1) inch (AWWA and NSF Approved) Poly pipe, minimum 200 PSI, shall be installed as service line to home. This pipe shall be one piece, not spliced. Other sizes are required for multi-family dwellings.

14. Minimum depth for line is 5 feet. Sand bedding is required for entire length of pipe.

15. Connections for each end of line: "Brass 1 inch, Pexmip Cplg Adp Pep Compression". Available at Consolidated Supply.

16. Poly pipe to run under foundation or through a sleeved opening in the foundation wall. One (1) inch threaded ball valve to be used as shut off, between supply line and homes internal plumbing.

17. Call Company to witness pressure check of line. Ensure that service valve at property line is shut. The line is to be pressured to 125 PSI or 125% of actual water pressure, whichever is greater, for 15 minutes. Line is to remain without leaks or pressure loss for the 15 minute interval.

18. Water line shall not be covered until all testing and inspection is completed and approved.

19. A pressure reducer is required for all service taps. Pressure reducers are to prevent pressures above 60 PSI. Within our water system, water pressures can easily exceed 60 PSI. Owner is to perform an actual pressure check of the home system. Actual water pressure should never exceed 60 PSI. A properly installed and maintained pressure reducer will protect your investment and ensure that your water pressure does not exceed 60 PSI.

20. The customer shall promptly repair all leaks inside the premises, in sprinkling systems and in the customer's service line. Failure to repair leakage promptly may result in termination of service as allowed under the IPUC's Rules and Regulations Governing Customer Relations.

21. The Company shall, at its own expense, replace or enlarge service connections whenever it is necessary to change the location of any service connection due to relocation or abandonment of the Company's mains. The Company will also furnish all work and materials that are necessary to connect to that service.

22. The use of water service by a customer shall be in accordance with the class, scope, type of use, number of bedrooms and purpose stated in the application. A customer shall not use or allow use of water service through the service facilities for others or for purposes other than those covered by the application. To make service available for other purposes of character of use, a new application and contract is required.

23. In accordance with its Cross Connection Control Program, as approved by the State Health Department, the Company shall require an appropriate backflow prevention device be installed on any customer's service connection whenever an actual or potential health hazard is deemed to exist. Any such required device shall appear on the State Health Department's list of approved backflow prevention devices and/or be approved by the Company prior to installation.

24. In the event a backflow prevention device is required, it shall be installed, maintained and tested at the customer's expense. Failure to properly

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install, maintain or test the required device will result in termination of service to the customer in accordance with the IPUC's Customer Relations Rules and Regulations.

25. When the premises served by the Company is also served in any manner from another supply of water public or private, the customer must install the appropriate backflow prevention device or maintain a physical separation between the two systems at all times. The type of device or separation and the installation of the device or separation shall be determined by the Company in accordance with its Cross Connection Control Program as approved by the State Health Department.

#### METERS

26. Though water is billed at a flat rate, it is strongly advised that all new water services for single family residences or duplex units, be rendered only through meters to allow for the location of leaks.

27. All new water services for multi-family units consisting of three or more units and commercial structures except water for fire fighting purposes will be rendered only through meters.

28. Each customer shall have a separate meter.

29. All meters will be furnished by the customer and shall be donated to the property of the Company. The Company reserves the right to establish the size and location of meter required by each customer.

30. Meters will be maintained by the Company for ordinary wear and tear. The costs of repair or replacement resulting from damages to the meter, meter box or setting, caused or allowed by the customer, will be charged to the customer. The customer will not permit anyone other than the Company to remove, inspect or tamper with the Company's meter or other Company property located on the customer's premises.

31. The customer shall notify the Company of any damage to the meter or of any malfunction in the registration, as soon as the customer is aware of the problem.

32. All meters shall be set at convenient locations, accessible to the Company, and subject to its control.

33. The final location of the meter must be approved by the Company.

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34. All meters shall conform to ANSI/NSF 61 requirements.

#### Bills

35. Each customer is subject to a customer charge, the amount of which is set forth in the Schedule of Rates.

36. Bills for water service will be rendered and are due and payable as specified in the IPUC's Customer Relations Rules and Regulations.

37. The presentation or non-presentation of a bill shall not be held to be a waiver of any of the rules and regulations.

#### Discontinuance Of Service

38. When a customer wishes to terminate their water service, the Company must be notified. This request for disconnection may be made in writing, by telephone or a personal visit to the Company office. The customer will be responsible for payment of all service rendered prior to the termination of water service.

39. The Company may deny or terminate water service under the provisions of the Rules and Regulations Governing Customer Relations of Gas, Electric and Water Public Utilities.

The customer has the right to file an informal or formal complaint with the IPUC concerning the denial or termination of service. If the customer files a complaint, the service will not be terminated providing the customer pays all undisputed charges.

Service that has been disconnected for nonpayment will not be restored until the amount due plus the applicable reconnect fee has been paid. Reconnection of service by anyone other than the Company is strictly prohibited and may result in an additional service charge(s).

40. In case of a break, an emergency or other similar situations, the Company shall have the right to temporarily discontinue the water supply in order to make necessary repairs, connections, etc. The company shall use all reasonable and practical measures to notify the customer in advance of discontinuance of service. The Company shall not be liable for any damage or inconvenience suffered by the customer, or for any claim for interruption in service, lessening of supply, inadequate pressure, poor quality of water, or any



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other cause. The Company may restrict or regulate the quantity of water used by customers in case of scarcity or whenever the public welfare may require it.

41. The right to discontinue service for any of the above reasons may be exercised whenever and as often as such reasons may occur, and neither delay nor omission on the part of the Company to enforce this rule at any one or more times shall be deemed a waiver of its right to enforce the same at any time, so long as the reason continues.

#### Customer's Deposits

42. The Company reserves the right to require a deposit according to Deposit and Guarantee Practices for Residential and Small Commercial Customers, of the IPUC Customer Relations Rules and Regulations. Reasonable deposits may be collected for customers not covered under the IPUC's Customer Relations Rules and Regulations.

43. The Company will refund said deposit when the customer (1) discontinues service (and all outstanding bills are paid), or (2) establishes and maintains good credit as defined by the IPUC's Customer Relations Rules and Regulations.

#### Temporary Service For Construction Purposes

44. Contractors, builders, or others who wish temporary service from an approved service connection shall apply to the Company for temporary service. This application may be made in writing, in person or over the telephone. The requesting party agrees to pay for water at 1/2 the approved flat rate.

45. The application for service and/or connection request and these rules and regulations constitute a contract between the requesting party and the Company. Each customer agrees to be bound by this contract after the service application is made, approved and/or service rendered. Copies of the Company's presently approved rules and regulations are on file at the Company's office and are available for public inspection.

#### Fire Protection

46. Water from fire hydrants or other fire fighting facilities shall be used only for fire fighting purposes, except for water sold to contractors and pursuant to existing Tariff Schedule No. 3.

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47. All private fire service connections from the main to the property line, including all valves, shall be furnished by the customer, and approved by the Company.

48. The Company reserves the right to require a meter and appropriate backflow prevention device to be furnished and installed by the customer on any fire service connection. The meter and required backflow prevention device shall be inspected and approved by the Company prior to the granting of service.

#### Miscellaneous

49. The authorized employees and agents of the Company shall have the right of access, between the hours of 9:00 a.m. and 4:30 p.m., Monday through Friday, and with approval of the customer, to the premises supplied with water for the purpose of reading meters, examining pipes and fixtures, observing manner of using water, and for any other purpose which is proper and necessary in the conduct of the Company's business. Such employees and agents shall carry proper credentials evidencing their employment by the Company.

50. Except in case of an emergency, no one other than Company personnel shall open or close any of the Company's curb stops or valves in any public or private line.

51. The Company reserves the right to alter or amend these Rules and Regulations in the manner provided by law.

52. If the customer's property is vacant and the Company is not notified to terminate service, the customer will be responsible for any damage to the property arising from freezing, water damage, injury to the water service or any other failure.

#### Definitions

53. "Company" as used herein shall mean ~~Resort~~Schweitzer Water Company, ~~Inc.~~ acting through its properly authorized officers, agents or employees, each acting within the scope of the particular duties entrusted to them.

54. "Customer" shall be the party contracting for supply of water through a single meter and service through each meter shall be considered, for billing purposes, as service to a separate customer.

55. Individual (s) shall mean a person or group of persons requesting a water main extension to make water service available to an existing or proposed single family residence (s) occupied by or to be occupied by the requesting party (ies).

56. Developer shall mean a person, firm or corporation who (1) sells two or more lots, parcels or tracts of land to others for the purpose of constructing thereon any type of building or (2) constructs any type of building, on land which is for sale, lease or rent by or to another party (ies).

57. Subdivision shall mean the legal dividing of a tract of land into two or more tracts, lots or parcels.

58. Multiple family housing development shall mean any building or buildings consisting of two or more living units.

59. Residential customer shall be designed as a building under one roof which is owned, leased or rented by one party and occupied as a residence, or each unit of a Condominium building where the Condominium units have the ability to be separately owned.

60. Commercial, Industrial and Municipal customers shall be designated by the following:

- Commercial Customer shall be defined as:
  - a. A building containing two or more apartments or family units where the building is owned by one entity and the units are or have the ability to be rented or leased to tenants.
  - b. A building or unit in a building occupied by a retail or service business whose primary business is not manufacturing.
  - c. A building or unit in a building that contains a restaurant, coffee shop, deli, or sells other packaged or non-packaged food products.
  - d. A business office, office complex, or office unit in a building.
  - e. Any building containing any combination of 'a', 'b', and 'c' above.
  - f. A hotel, motel, tourist court, trailer court or mobile home park.
  
- Industrial Customer shall be defined as:

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a. Any building or combination of buildings in the same compound whose primary use is for the manufacture, fabrication, and/or assembly of any product other than a food item.

• Municipal Customer shall be defined as:

a. A publicly owned building such as a school, city hall, court house, fire house, hospital, or other public institution.

The purpose of the foregoing rules and regulations and definitions is to preserve, to the maximum extent possible, the obligation and ability of the Company to furnish service. The rules and regulations and definitions contained herein shall be construed and applied in accordance with the spirit and intent of Title 61 of the Idaho Code.

General

61. Any individual or developer may request water service to be made available to any lot(s) or subdivision under these rules and regulations.

62. The minimum size of water main to be installed under these rules and regulations shall be 6-inch inside diameter.

63. The normal routing for water main extensions shall be in dedicated streets. The Company may, but will not be required to, allow extensions under this rule in easements or right-of-ways where final grades have not been established or where street grades have not been brought to those established by public authority. If extensions are made when grades have not been established and there is a reasonable probability that existing grade will be changed, the Company shall require the Applicant(s) to deposit the estimated cost for altering the facilities installed. This deposit shall be made at the time of execution of the agreement. Such alterations may be, but are not limited to, relocating, raising or lowering of facilities. Adjustment of any difference between the amount so deposited and the actual cost of relocating, raising or lowering facilities shall be made within the (10) days after the Company has ascertained such actual cost. The net deposit representing actual cost is not subject to refund. The deposit related to the proposed relocation, raising or lowering shall be refunded when such displacements are determined by proper authority not to be required.

64. Applicant shall provide a design prepared and stamped by a professional engineer licensed in the State of Idaho and in conformance with

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Company's requirements. Company shall be the sole judge as to the adequacy of any water main extension and appurtenances.

Water Main Extensions

65. In instances where the individual (s) shall need to extend the water distribution main to serve new individual residences, the individual(s) shall enter into an agreement with the Company of the type attached hereto and marked Exhibit A. The cost of the water main extension shall, as a minimum, be based on the use of a six-inch inside diameter main.

66. Construction plans and specifications must be prepared by a professional engineer licensed in the State of Idaho and submitted to the Company or designated representative for review and approval. All plans shall be construction quality, be prepared by a Professional Engineer, be to scale (1" = 100' maximum), have a north arrow, a title block, a legend, appropriate details showing existing utilities, existing and proposed buildings, fire hydrants and flow capacity of fire hydrants, connections, valves, backflow preventors, septic tanks, thrust blocks and any other necessary details, shall call out the make and style of conduit, connections, valves, backflow preventors, shall clearly specify minimum depth of utilities from existing elevation, and minimum cover, shall specify backfill material with maximum size aggregate, compaction requirements and compaction efforts. As a minimum, all construction requirements shall conform with the latest edition of the ISPWC. **All water main construction or extension, plans and specifications must be submitted to the DEQ for review and approval.**

Construction drawings, along with electronic drawing files (must be readable by ACAD 2002), must be submitted to Company or designated representative for review and approval.

67. In instances where more than one individual has requested a water main extension, any contribution shall normally be divided in proportion to distance of the residence from the existing water main. In unusual circumstances, other methods of dividing the deposit may be used, provided they are acceptable to all individuals and the Company.

68. A water main extension must extend to the extreme property lines of the building lot to be served.

69. The applicant shall contract for the installation of the water main to the Company's specifications. In addition, the applicant shall deposit with the Company the applicable overhead and direct labor costs incurred by the Company for such items as inspection, plan review, and as-built drawing

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preparation. The Company shall specify the material to be supplied by the Applicant with respect to size and type. In general, the material shall conform to the Company's standard material specifications and applicable AWWA/ANSI/NSF specifications. The Company may deny the right of Applicant to provide a contractor who has a documented history of poor performance.

70. Each separate water main extension to and/or within a development shall be subject to a separate agreement.

71. The Company with approval from the Idaho Department of Environmental Quality shall be the sole judge as to the design of and the time of construction and/or installation of any main extension.

**EXHIBIT**

**0003**

**Proposed Notice  
Letter To Customers**

Schweitzer Water Company  
c/o Tom Trulock  
165 Village Lane, Suite A  
Sandpoint, ID 83864

December \_\_\_\_\_, 2023

Re: Notice of Change in Ownership of Water Company Operating Assets and Water Rights

Dear Current Customer of Mountain Utility Company:

As you may have heard, Schweitzer Water Company (f/k/a Husky Water Company), an Idaho subsidiary company of Alterra Mountain Company (“Husky Water”), has purchased the assets of Resort Water Co., Inc. doing business as (dba) Mountain Utility Company (“Resort Water”).

Husky Water has filed an application with the Idaho Public Utilities Commission (“PUC”) for the issuance of a Certificate of Public Convenience and Necessity to operate the water system, subject to PUC oversight. You can view a copy of the application on the PUC website at: [REDACTED]. You may also comment on the application by accessing the PUC’s website at [puc.idaho.gov/Form/CaseComment](http://puc.idaho.gov/Form/CaseComment) and filling in the necessary identifying information or by mailing comments directly to:

Idaho Public Utilities Commission:  
P.O. Box 83720  
Boise, ID 83720-0074.

When filing comments, please reference Case No. [REDACTED].

As part of its application, Husky Water asserts that the cost of and rates for supplying water service will not increase by reason of its purchase of Resort Water. Husky Water also asserts that it will maintain the current expertise, key employees, and licensed professionals that previously operated Resort Water. Finally, Husky Water asserts that it will bring additional financial resources to fund future infrastructure needs of the existing water system.

In addition, this letter is sent to give you written notice, pursuant to Idaho Code § 42-248(6), that Schweitzer Water Company has purchased the water rights listed in the attached form Notice. All persons owning any of the land identified as the place of use for these water rights pursuant to the records of the county recorder are entitled to this notice.

Sincerely,

Schweitzer Water Company

Karen Hamilton-Smith, President  
Attachment: Notice of Change in Water Right Ownership