

SCH-W

# *ANNUAL REPORT*

OF

SCHWEITZER BASIN WATER LLC

**NAME**

PO Box 772  
Sagle, ID 83860

**ADDRESS**

TO THE

**IDAHO PUBLIC**

**UTILITIES COMMISSION**

FOR THE

YEAR ENDED 2016

IDAHO PUBLIC  
UTILITIES COMMISSION

2017 APR 17 AM 10:24

RECEIVED

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

FOR THE YEAR ENDING December 31, 2016

**COMPANY INFORMATION**

- 1 Give full name of utility Schweitzer Basin Water LLC
- 2 Date of Organization 20-Dec-02
- 3 Organized under the laws of the state of Idaho
- 4 Address of Principal Office (number & street) 94 Crystal Court Sandpoint ID 83864
- 5 P.O. Box (if applicable) PO Box 772
- 6 City Sagle
- 7 State Idaho
- 8 Zip Code 83860
- 9 Organization (proprietor, partnership, corp.) proprietor
- 10 Towns, Counties served part of Schweitzer Ski area residences:  
58N 02W Sec 20 SE 1/4 BM plus small  
portion of 58N 02W Sec 29 BM (SnowPlow rd)

11 Are there any affiliated companies? (yes or no)

no

If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

12 Contact Information	Name	Phone No.
President (Owner)	Mel Bailey	208 610 1768
Vice President	Marsha Bell	208 610 2318
Secretary		
General Manager		
Complaints or Billing		
Engineering		
Emergency Service		
Accounting		

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

13 Were any water systems acquired during the year of any additions/deletions made to the service area during the year? no

If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

14 Where are the Company's books and records kept?

Street Address

1532 Elliot Bay Rd

City

Sagle

State

Idaho

Zip

83860

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

NAME: Schweitzer Basin Water LLC For the Year Ended 12/31/2016  
 COMPANY INFORMATION (Cont.)

15 Is the system operated or maintained under a service contract? no  
 16 If yes: With whom is the contract? \_\_\_\_\_  
 When does the contract expire? \_\_\_\_\_

What services and rates are included? \_\_\_\_\_

17 Is water purchased for resale through the system? no

18 If yes: Name of Organization \_\_\_\_\_  
 Name of owner or operator \_\_\_\_\_  
 Mailing Address \_\_\_\_\_  
 City \_\_\_\_\_  
 State \_\_\_\_\_  
 Zip \_\_\_\_\_

Water Purchased	Gallons/CCF	\$Amount

19 Has any system(s) been disapproved by the Idaho Department of Environmental Quality? no  
 If yes, attach full explanation \_\_\_\_\_

20 Has the Idaho Department of Environmental Quality recommended any improvements? no  
 If yes, attach full explanation \_\_\_\_\_

21 Number of Complaints received during year concerning:  
 Quality of Service 0  
 High Bills 0  
 Disconnection 0

22 Number of Customers involuntarily disconnected 0

23 Date customers last received a copy of the Summary SWC Annual Report 2016 7/1/2016

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

of Rules required by IDAPA 31.21.01.701? \_\_\_\_\_

Attach a copy of the Summary

24 Did significant additions or retirements from the  
Plant Accounts occur during the year?

no \_\_\_\_\_

If yes, attach full explanation and an updated system map

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

NAME: Schweitzer Basin Water LLC

**REVENUE & EXPENSE DETAIL**

For the Year Ended 12/31/2016

SUB ACCT	DESCRIPTION		
<b>400 REVENUES</b>			
1 460	Unmetered Water Revenue	\$ 223,424.00	
2 461.1	Metered Sales - Residential	\$ -	
3 461.2	Metered Sales - Commercial, Industrial	\$ -	
4 462	Fire Protection Revenue	\$ -	
5 464	Other Water Sales Revenue	\$ -	
6 465	Irrigation Sales Revenue	\$ -	
7 466	Sales for Resale	\$ -	
8 400	<b>Total Revenue (Add Lines 1 - 7)</b>	<b>\$ 223,424.00</b>	
	(also enter result on Page 4, line 1)		
9 *	DEQ Fees Billed separately to customers	\$ -	Booked to Acct #
10 **	Hookup or Connection Fees Collected	\$ -	Booked to Acct #
11 ***	Commission Approved Surcharges Collected	\$ -	Booked to Acct #
<b>401 OPERATING EXPENSES</b>			
12 601.1-6	Labor - Operation & Maintenance	\$ 50,416.00	
13 601.7	Labor - Customer Accounts	\$ 7,554.00	
14 601.8	Labor - Administrative & General	\$ 62,630.00	
15 603	Salaries, Officers & Directors	\$ -	
16 604	Employee Pensions & Benefits	\$ 2,784.00	
17 610	Purchased Water	\$ -	
18 615-16	Purchased Power & Fuel for Power	\$ 4,000.00	
19 618	Chemicals	\$ 765.00	
20 620.1-6	Materials & Supplies - Operation & Maint.	\$ 10,349.00	
21 620.7-8	Materials & Supplies - Administrative & General	\$ 7,503.00	

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

22	631-34	Contract Services - Professional	\$	23,628.00
23	635	Contract Services - Water Testing	\$	2,520.00
24	636	Contract Services - Other	\$	-
25	641-42	Rentals - Property & Equipment	\$	60,000.00
26	650	Transportation Expense	\$	7,031.00
27	656-59	Insurance	\$	10,563.00
28	660	Advertising		
29	666	Rate Case Expense (Amortization)		
30	667	Regulatory Comm. Exp. (Other except taxes)		
31	670	Bad Debt Expense		
32	675	Miscellaneous		
33		<b>Total Operating Expenses</b> (Add lines 12 - 32, also enter on Pg 4, line 2)	\$	<b>249,743.00</b>

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

NAME: Schweitzer Basin Water LLC

**INCOME STATEMENT**

For the Year Ended 12/31/2016

SUB ACCT	DESCRIPTION	
1	Revenue (From Page 3, line 8)	\$ 223,424.00
2	Operating Expenses (From Page 3, line 33)	\$ 249,743.00
3	403 Depreciation Expense	\$ 29,043.00
4	406 Amortization, Utility Plant Acquisition Adj.	
5	407 Amortization Exp. - Other	
6	408.10 Regulatory Fees (PUC)	\$ 365.00
7	408.11 Property Taxes	\$ 2,666.00
8	408.12 Payroll Taxes	
9A	408.13 Other Taxes (list) DEQ Fees	\$ 515.00
9B		
9C		
9D		
10	409.10 Federal Income Taxes	
11	409.11 State Income Taxes	
12	410.10 Provision for Deferred Income Tax - Federal	
13	410.11 Provision for Deferred Income Tax - State	
14	411 Provision for Deferred Utility Income Tax Credits	
15	412 Investment Tax Credits - Utility	
16	<b>Total Expenses from operations before interest</b> (add lines 2-15)	\$ 282,332.00
17	413 Income From Utility Plant Leased to Others	
18	414 Gains (Losses) From Disposition of Utility Plant	
19	<b>Net Operating Income</b> (Add lines 1, 17 & 18 less line 16)	\$ (58,908.00)
20	415 Revenues, Merchandizing Jobbing and Contract Work	
21	416 Expenses, Merchandizing, Jobbing & Contracts	

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

22	419	Interest & Dividend Income	
23	420	Allowance for Funds used During Construction	
24	421	Miscellaneous Non-Utility Income	
25	426	Miscellaneous Non-Utility Expense	
26	408.20	Other Taxes, Non-Utility Operations	
27	409-20	Income Taxes, Non-Utility Operations	
28		Net Non-Utility Income (Add lines 20,22,23 & 24 less lines 21,25,26, & 27)	\$ -
<b>29</b>		<b>Gross Income</b> (add lines 19 & 28)	<b>\$ (58,908.00)</b>
30	427.3	Interest Exp. on Long-Term Debt	
31	427.5	Other Interest Charges	
<b>32</b>		<b>NET INCOME</b> (Line 29 less lines 30 & 31), (Also Enter on Pg 9, Line 2)	<b>\$ (58,908.00)</b>

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

NAME: Schweitzer Basin Water LLC

**ACCOUNT 101 PLANT IN SERVICE DETAIL**

12/31/2016

For the Year Ended

SUB ACCT	DESCRIPTION	Balance		Added		Removed		Balance	
		Beginning of Year	of Year	During Year	Year	During Year	Year	End of Year	Year
1 301	Organization							\$	-
2 302	Franchises and Consents							\$	-
3 303	Land & Land Rights							\$	-
4 304	Structures and Improvements	\$	162,552.00					\$	162,552.00
5 305	Collecting & Impounding Reservoirs							\$	-
6 306	Lake, River & Other Intakes							\$	-
7 307	Wells	\$	57,277.00					\$	57,277.00
8 308	Infiltration Galleries & Tunnels							\$	-
9 309	Supply Mains							\$	-
10 310	Power Generation Equipment							\$	-
11 311	Power Pumping Equipment							\$	-
12 320	Purification Systems	\$	921.00					\$	921.00
13 330	Distribution Reservoirs & Standpipes	\$	221,597.00					\$	221,597.00
14 331	Trans. & Distrib. Mains & Accessories	\$	313,417.00					\$	313,417.00
15 333	Services							\$	-
16 334	Meters and Meter Installations	\$	1,501.00					\$	1,501.00
17 335	Hydrants							\$	-
18 336	Backflow Prevention Devices			\$	826.00			\$	826.00
19 339	Other Plant & Misc. Equipment							\$	-
20 340	Office Furniture and Equipment	\$	1,098.00					\$	1,098.00
21 341	Transportation Equipment	\$	59,316.00	\$	-	\$	-	\$	59,316.00
22 342	Stores Equipment							\$	-

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

23	343	Tools, Shop and Garage Equipment	\$	8,565.00		\$	8,565.00
24	344	Laboratory Equipment	\$	2,800.00		\$	2,800.00
25	345	Power Operated Equipment	\$	26,808.00		\$	26,808.00
26	346	Communications Equipment	\$	2,929.00		\$	2,929.00
27	347	Miscellaneous Equipment	\$			\$	-
28	348	Other Tangible Property	\$			\$	-
29		<b>TOTAL PLANT IN SERVICE</b>	\$	<b>858,781.00</b>	\$	<b>826.00</b>	\$ <b>859,607.00</b>

(Add lines 1 - 28) Enter beginning & end of year totals on Pg 7, Line 1

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

NAME: Schweitzer Basin Water LLC

**ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL**

**For the Year Ended**

12/31/2016

SUB ACCT	DESCRIPTION	Depreciation Rate %	Balance		Increase or (Decrease)
			Beginning of Year	End of Year	
1 304	Structures and Improvements	2.5%	\$ 38,354.00	\$ 42,415.00	\$ 4,061.00
2 305	Collecting & Impounding Reservoirs				\$ -
3 306	Lake, River & Other Intakes				\$ -
4 307	Wells	3.1%	\$ 17,300.00	\$ 19,071.00	\$ 1,771.00
5 308	Infiltration Galleries & Tunnels				\$ -
6 309	Supply Mains				\$ -
7 310	Power Generation Equipment				\$ -
8 311	Power Pumping Equipment				\$ -
9 320	Purification Systems	5.0%	\$ 737.00	\$ 783.00	\$ 46.00
10 330	Distribution Reservoirs & Standpipes	2.0%	\$ 60,923.00	\$ 65,355.00	\$ 4,432.00
11 331	Trans. & Distrib. Mains & Accessories	2.0%	\$ 122,401.00	\$ 128,669.00	\$ 6,268.00
12 333	Services				\$ -
13 334	Meters and Meter Installations	5.7%	\$ 602.00	\$ 688.00	\$ 86.00
14 335	Hydrants		-		\$ -
15 336	Backflow Prevention Devices	5.0%	-	\$ 41.00	\$ 41.00
16 339	Other Plant & Misc. Equipment				\$ -
17 340	Office Furniture and Equipment	5.0%	\$ 714.00	\$ 769.00	\$ 55.00
18 341	Transportation Equipment	14.0%	-	\$ 8,474.00	\$ 8,474.00
19 342	Stores Equipment				\$ -
20 343	Tools, Shop and Garage Equipment	7.0%	\$ 4,728.00	\$ 5,332.00	\$ 604.00
21 344	Laboratory Equipment	6.7%	\$ 561.00	\$ 748.00	\$ 187.00
22 345	Power Operated Equipment	10.0%	\$ 16,372.00	\$ 19,053.00	\$ 2,681.00

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

23	346	Communications Equipment	11.7%	\$	2,119.00	\$	2,456.00	\$	337.00
24	347	Miscellaneous Equipment						\$	-
25	348	Other Tangible Property						\$	-
26		<b>TOTALS (Add Lines 1 - 25)</b>		\$	<b>264,811.00</b>	\$	<b>293,854.00</b>	\$	<b>29,043.00</b>

Enter beginning & end of year totals on Pg 7, Line 7

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

NAME: Schweitzer Basin Water LLC

**BALANCE SHEET**

For the Year Ended

12/31/2016

**ASSETS**

SUB ACCT	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 101	Utility Plant in Service (From Pg 5, Line 29)	\$ 858,781.00	\$ 859,607.00	\$ 826.00
2 102	Utility Plant Leased to Others			-
3 103	Plant Held for Future Use			-
4 105	Construction Work in Progress			-
5 114	Utility Plant Acquisition Adjustment			-
6	Subtotal (Add Lines 1 - 5)	\$ 858,781.00	\$ 859,607.00	\$ 826.00
7 108.1	Accumulated Depreciation (From Pg 6, Line 26)	\$ 264,811.00	\$ 293,854.00	\$ 29,043.00
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			-
11 110.2	Accum. Amort. - Utility Plant Lease to Others			-
12 115	Accumulated Amortization - Acquisition Adj.			-
13	<b>Net Utility Plant</b> (Line 6 less lines 7 - 12)	\$ 593,970.00	\$ 565,753.00	\$ (28,217.00)
14 123	Investment in Subsidiaries			-
15 125	Other Investments			-
16	<b>Total Investments</b> (Add lines 14 & 15)	\$ -	\$ -	\$ -
17 131	Cash	\$ 20,153.00	\$ 24,436.00	\$ 4,283.00
18 135	Short Term Investments			-
19 141	Accts/Notes Receivable - Customers			-
20 142	Other Receivables			-
21 145	Receivables from Associated Companies			-
22 151	Materials & Supplies Inventory	\$ 15,124.00	\$ 14,623.00	\$ (501.00)

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

23	162	Prepaid Expenses			\$	-
24	173	Unbilled (Accrued) Utility Revenue			\$	-
25	143	Provision for Uncollectable Accounts			\$	-
<b>26</b>		<b>Total Current</b> (Add lines 17 - 24, less line 25)	\$	35,277.00	\$	39,059.00
27	181	Unamortized Debt Discount & Expense			\$	-
28	183	Preliminary Survey & Investigation Charges			\$	-
29	184	Deferred Rate Case Expenses			\$	-
30	186	Other Deferred Charges			\$	-
<b>31</b>		<b>Total Assets</b> (Add lines 13, 16 & 26 - 30)	\$	629,247.00	\$	604,812.00
					\$	(24,435.00)

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

NAME: Schweitzer Basin Water LLC

**BALANCE SHEET**

For the Year Ended 12/31/2016

**LIABILITIES & CAPITAL**

SUB ACCT	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 201-3	Common Stock			
2 204-6	Preferred Stock			
3 207-13	Miscellaneous Capital Accounts	\$ 629,247.00	\$ 688,155.00	\$ 58,908.00
4 214	Appropriated Retained Earnings			
5 215	Unappropriated Retained Earnings			
6 216	Reacquired Capital Stock			
7 218	Proprietary Capital			
8	<b>Total Equity Capital</b> (Add Lines 1-5+7 less line 6)	\$ 629,247.00	\$ 688,155.00	\$ 58,908.00
9 221-2	Bonds			
10 223	Advances from Associated Companies			
11 224	Other Long - Term Debt			
12 231	Accounts Payable			
13 232	Notes Payable			
14 233	Accounts Payable - Associated Companies			
15 235	Customer Deposits (Refundable)			
16 236.11	Accrued Other Taxes Payable			
17 236.12	Accrued Income Taxes Payable			
18 236.2	Accrued Taxes - Non-Utility			
19 237-40	Accrued Debt, Interest & Dividends Payable			
20 241	Misc. Current & Accrued Liabilities			
21 251	Unamortized Debt Premium			
22 252	Advances for Construction			
	SWC Annual Report 2016			

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

23	253	Other Deferred Liabilities			
24	255.1	Accumulated Investment Tax Credits - Utility			
25	255.2	Accum. Investment Tax Credits - Non-Utility			
26	261-5	Operating Reserves			
27	271	Contributions in Aid of Construction			
28	272	Accum. Amort. of Contrib. in Aid of Const. **			
29	281-3	Accumulated Deferred Income Taxes			
30		<b>Total Liabilities</b> (Add lines 9 - 29)	\$ -	\$ -	\$ -
31		<b>TOTAL LIABILITIES &amp; CAPITAL</b> ( Add lines 8 & 30)	\$ 629,247.00	\$ 688,155.00	\$ 58,908.00

\*\* Only if Commission Approved

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

NAME: Schweitzer Basin Water LLC

**STATEMENT OF RETAINED EARNINGS**

For the Year Ended 12/31/2016

1	Retained Earnings Balance @ Beginning of Year	
2	Amount Added from Current Year Income (From Pg 4, Line 32)	\$ -
3	Other Credits to Account	
4	Dividends Paid or Appropriated	
5	Other Distributions of Retained Earnings	
6	Retained Earnings Balance @ End of Year	

**CAPITAL STOCK DETAIL**

7	Description (Class, Par Value etc.)	No. Shares		Dividends Paid
		Authorized	Outstanding	
				\$ -

**DETAIL OF LONG-TERM DEBT**

8	Description	Interest Rate		Year-end Balance		Interest Paid		Interest Accrued	

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

<u>Totals</u>	\$	-	\$	-	\$	-
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**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

NAME: Schweitzer Basin Water LLC

**SYSTEM ENGINEERING DATA**

1 Provide an updated system map if significant changes have been made to the system during the year.

2 Water Supply:

12/31/2016

Pump Designation or location	Rated Capacity (gpm)	Treatment: (None, Chlorine, Fluoride, Filter etc.)	Annual Production (000's Gal.)	Type of	
				Water Supply	Water Supply Source (Well, Spring, Surface Wtr)
P1 in well 1	47	none	see note	well	well
P2 in well 2	34	none	see note	well	well
P3 in well 3	24	none	see note	well	well
P4 in well 4	23	none	1,244	well	well
P5 in R1 to R5	25	none	transfer	res to reservoir	res to reservoir
P6 in R1 to R5	85	none	transfer	res to reservoir	res to reservoir
Note: P1+ P2 + P3 = 2223					
<b>TOTALS</b>			<b>1,244</b>		

3 System Storage:

Storage Designation or Location	Total Capacity		Usable Capacity		Type of Reservoir		Construction (Wood, Steel, Concrete)
	000's Gal.	Gal.	000's Gal.	Gal.	(Elevated, Pressurized, Boosted)	(Wood, Steel, Concrete)	
R1		90000	80000	hillside	hillside	concr lined	
R2		44000	40000	hillside	hillside	concr lined	
R3		137000	110000	hillside	hillside	concrete	

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

	5700	5000	hillside	poly
R4		5000	hillside	poly
R5	11000	10000	hillside	steel cyl

(Duplicate form and attach if necessary. Asterisk facilities added this year.)

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

NAME: Schweitzer Basin Water LLC

SYSTEM ENGINEERING DATA Continued

For the Year Ended

12/31/2016

4 Pump information for ALL system pumps, including wells and boosters.

Designation or Location & Type of Pump**	Rated		Discharge Pressure (psi)	Energy used this Year (Kwh)
	Horse power (hp)	Capacity (gpm)		
P1 in well 1	2	47 na		see note
P2 in well 2	1.5	34 na		see note
P3 in well 3	1.5	24 na		see note
P4 in well 4	1.5	23 na		877
P5 in R1 to R5	1.5	25 na		see note
P6 in R1 to R5	5	85 na		emergency only
note: P1, P2, P3 and P5 combined: 4060 KWh				

\*\* Submit pump curves unless previously provided or unavailable. Asterisk facilities added this year.

Attach additional sheets if inadequate space is available on this page.

5 If Wells are metered:

What was the total amount pumped this year? 000's gal. 3467

What was the total amount pumped during peak month? 000's gal. 508

What was the total amount pumped on the peak day? gal. 32300

6 If customers are metered, what was the total amount sold in peak month? 000's gal. no meter

7 Was your system designed to supply fire flows? no meter

If Yes: What is current system rating? 5

8 How many times were meters read this year? 0

During which months?

SWC Annual Report 2016

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

- 9 How many additional customers could be served with no system improvements except a service line and meter? 170
- How many of those potential additions are vacant lots? 136
- 10 Are backbone plant additions anticipated during the coming year? no
- If Yes, attach an explanation of projects and anticipated costs!
- 11 In what year do you anticipate that the system capacity (supply, storage or distribution) will have to be expanded? \_\_\_\_\_

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION**

NAME: Schweitzer Basin Water LLC

SYSTEM ENGINEERING DATA Continued

FEET OF MAINS

For the Year Ended

12/31/2016

1	Pipe Size	In Use		Installed		Abandoned		In Use	
		Beginning Of Year	End of Year	During Year	During Year	During Year	End of Year		
	2 in	2550	0	0	0	0	2550		
	3 in	600	0	0	0	0	600		
	4 in	5050	0	0	0	0	5050		
	6 in	23100	0	0	0	0	23100		
	8 in	900	0	0	0	0	900		

**CUSTOMER STATISTICS**

	Number of Customers		Thousands of Gallons Sold	
	This Year	Last Year	This Year	Last Year
2 Metered:				
2A Residential				
2B Commercial				
2C Industrial				
3 Flat Rate:				
3A Residential	442	442	3,467	1,153
3B Commercial				
3C Industrial				
4 Private Fire Protection	22	21	0	0

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

5	Public Fire Protection	0			
6	Street Sprinkling	0			
7	Municipal, Other	0			
8	Other Water Utilities	0			
TOTALS (Add lines 2 through 8)		464	463	3,467	1,153

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

CERTIFICATE

State of Idaho )  
 ) ss  
County of Bonner )

WE, the undersigned Mel Bailey, Owner  
and MARSHA Bell, ceo/water  
of the Schweitzer Basin Water LLC

utility, on our oath do severally say that the foregoing report has been prepared under our direction,  
from the original books, papers and records of said utility; that we have carefully examined same, and  
declare the same to be a correct statement of the business and affairs of said utility for the period  
covered by the report in respect to each and every matter and thing therein set forth, to the best of our  
knowledge, information and belief.

Melvin Bailey 04-13-2017  
(Chief Officer)

Marsha Bell 4-13-17

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 13<sup>th</sup> day of April, 2017

Melinda Stearns

NOTARY PUBLIC

My Commission Expires 9/25/2021



gdk/excel/jnelson/anulrpts/wtraannualrpt

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**Recurring Charges**

**Water Service Fee**

Single living unit 500 sq. ft. and under	\$39/mo. (\$117/qtr.)
Single living unit over 500 sq. ft.	\$41/mo. (\$123/qtr.)
Single living unit with additional guesthouse or attached living unit (no kitchen) which can be rented	\$65/mo. (\$195/qtr.)
Single living unit with second living area which can be rented	\$82/mo. (\$246/qtr.)

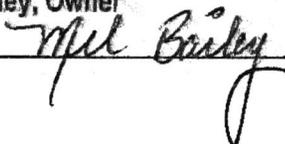
Customers are billed quarterly for service provided during the previous three (3) months.

The minimum charge for service shall be the appropriate water service fee designated for one (1) month.

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Issued August 9, 2016  
Effective July 1, 2016  
Order No 33543

Issued by Schweitzer Basin Water LLC  
Mel Bailey, Owner

  
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**Schweitzer Basin Water LLC**  
**Original Sheet 2**

**IDAHO PUBLIC UTILITIES COMMISSION**  
Approved **Aug 31, 2016** Effective **July 1, 2016**  
Per O.N. 33580  
Jean D. Jewell Secretary

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**Non-recurring Charges**

**Infrastructure Contribution Fee**

Each new single living unit	\$6950
Each additional single living unit which can be rented (no kitchen)	\$3475

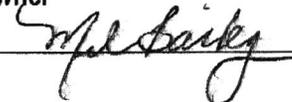
**Water Tap Fee**

Lots on Telemark Road (Formerly Fall Line Road) All Schweitzer Village 2nd Addition Block (Bk) 3 Lot 3, Bk 4 Lot 7, Bk 4 Lot 8, Bk 4 Lot 9, Bk 4 Lot 10, Bk 4 Lot 11, Bk 4 Lot 12, Bk 4 Lot 13, Bk 4 Lot 15	\$3000
Lots on Ullr Road All Schweitzer Village 2nd Addition Bk 8 Lot 7, Bk 8 Lot 9, Bk 8 Lot 11, Bk 8 Lot 23B, Bk8 Lot 23C	\$3500
All other lots	\$2000

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**Non-Recurring Charges (continued)**

**Late Payment Fee:** One percent (1%)

Applies to any unpaid balance owed more than 15 days after the bill's due date.

**Reconnection Fee:** \$300.00

Applies when a customer requests disconnection of service and subsequently requests reconnection at the same location on a later date. Does not apply to situations where the customer requests disconnection to make repairs or prevent water damage to the customer's property. Also does not apply when service was disconnected by the Company for its convenience.

**Reconnection Fee:** Actual cost of labor and equipment required to reconnect service.

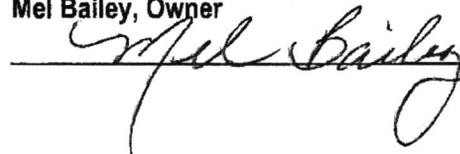
Applies when a customer requests reconnection following disconnection of service for non-payment.

**Fire Hydrant Installation Fee:** \$500.00

Applies when a fire hydrant is installed at a customer's request.

**Insufficient Funds Charge:** \$20.00

Applies when a customer tenders payment for utility service with a dishonored check or makes an electronic payment on an account with insufficient funds.



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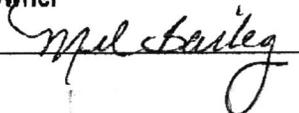
## General Rules and Regulations for Schweitzer Basin Water, LLC.

### 1. GENERAL

- 1.1 The customer, in receiving water service, and the Company, in providing water service, shall both agree to abide by these rules and regulations.
- 1.2 In the event that there is a conflict between these rules and regulations and the Utility Customer Relations Rules (UCRR), the Rules and Regulations of the Idaho Public Utilities Commission (Commission) shall take precedence unless an exception has been granted.
- 1.3 All recurring and non-recurring charges shall be approved in advance by the Commission.

### 2. DEFINITIONS

- 2.1 Applicant – a potential customer (person, business or government agency) applying for service to the Company and subject to the Commission's rules and regulations.
- 2.2 Billing Period the period of time between bills from the Company for normal services rendered.
- 2.3 Commission Idaho Public Utilities Commission.
- 2.4 Commodity Charge – a recurring charge based only on the quantity of water used.
- 2.5 Company – Schweitzer Basin Water, LLC.
- 2.6 Contribution in Aid of Construction – a nonrecurring charge paid by a customer or developer to help defray the cost of system expansion.
- 2.7 Customer a person, business or government agency responsible for paying bills and complying with the rules and regulations of the Company.
- 2.8 Fixed or Flat Rate – a recurring charge of a fixed amount, usually in an unmetered system.
- 2.9 Franchise Tax – the tax imposed on a Company by a governmental entity for the privilege of doing business within its boundaries.



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- 2.10 Infrastructure Contribution Fee – a nonrecurring charge paid by a customer requesting service for recovery of the Company's cost for previously-installed infrastructure.
  - 2.11 Late Payment Charge – the non-recurring charge levied against any delinquent balance.
  - 2.12 Minimum Charge – the minimum recurring charge for a billing period that may or may not include a specified quantity of water.
  - 2.13 Nonrecurring Charges – the charges that are not assessed each billing period.
  - 2.14 Premises – the customer's property including out buildings which are normally located on one lot or parcel of ground.
  - 2.15 Rate Schedule the schedules of all recurring and nonrecurring charges of the Company.
  - 2.16 Reconnection Charge – the charge paid by a customer to the Company to restore service after disconnection.
  - 2.17 Recurring Charges – the charges that are assessed each billing period.
  - 2.18 Tariff – the rate schedules and the rules and regulations which govern the Company's service.
  - 2.19 Utility Customer Relations Rules (UCRR) - Customer Relations Rules for Gas, Electric, and Water Public Utilities Regulated by the Idaho Public Utilities Commission (The Utility Customer Relations Rules) - IDAPA 31.21.01.000 et seq.
  - 2.20 Water Tap Fee - a non-recurring charge paid by customers for recovery of the Company's previously-incurred cost of tapping the main lines and installing service lines and curb stop valves to certain lots.

### 3. SERVICE FOR NEW CUSTOMERS

- 3.1 The Company shall furnish service to applicants within its certificated service area in accordance with rates and the rules and regulations approved by the Commission.
- 3.2 Applicants for water service may be required to sign a standard form of service application.



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- 3.3 The Company shall not be obligated to provide service at a service location until any required deposit has been received by the Company in accordance with the UCRR.
- 3.4 Special contracts may be required where large investments in special facilities are necessary to provide the requested service. The Company may require contribution toward such investment and establish such minimum charges as are deemed necessary. All such contracts shall be subject to the approval of the Commission.
- 3.5 The Company reserves the right to place limitations on the amount and character of water service it will supply and to refuse service if, in its opinion:
- a. the Company is required to refuse or limit service by regulatory authorities having jurisdiction over the Company;
  - b. the requested service installation is of larger size than is necessary to properly serve the premises;
  - c. the permanency of the building, structure, or institution requesting to be served is such that the Company's investment in such service is jeopardized;
  - d. the depth of the applicant's service line is less than the minimum depth required for frost protection;
  - e. the applicants' proposed service, main or other appurtenance does not conform to good engineering design or meet the standard specifications of the Company; or
  - f. if the applicant refuses to agree to abide by the rules and regulations of the Company.

If the Company denies service to an applicant for any reason, it shall immediately provide the applicant with a written explanation of its decision in accordance with the UCRR.

#### 4. DEPOSITS

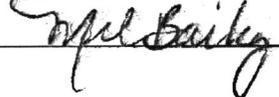
- 4.1 Rules and Regulations regarding deposits can be found in the UCRR.

#### 5. RATES

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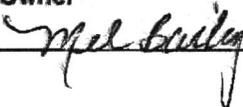
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- 5.1 Rates charged for water service and supply shall be those published in the Company's tariff and approved by the Commission.

**6. BILLING AND PAYMENT**

- 6.1 All customers shall be billed on a regular basis as identified on the applicable rate schedule.
- 6.2 All bills shall clearly indicate the balance due, and may be due and payable no less than 15 days after the date rendered. All bills not paid by due date may be considered delinquent and service may be disconnected subject to the provisions of the UCRR.
- 6.3 A Late Payment Charge may be levied against any delinquent account.
- 6.4 The minimum bill for one month's service shall apply when service is provided for less than one month.
- 6.5 If one or more condominiums, buildings, stores, apartments or any other divisions of like or similar character are served from one (1) service connection, the owner of the premises, Homeowners Association, or some other party will be responsible for all water charges. If the designated party desires to cease being responsible for water bills for such places and desires that the occupant of each division will be responsible for her or her respective bill, such transfer of responsibility will not be accepted or recognized by the Company until the plumbing arrangements of the building or premises are so changed to permit the Company, to its satisfaction, to serve each division or occupant separately from the other occupants.
- 6.6 Accounts shall be continued and water bills rendered regularly until the Company has been duly notified to discontinue service.

**7. METERING**

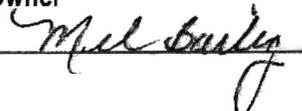
- 7.1 The Company recommends that customers install meters to allow for detection of leaks. The customer shall be responsible for installation and maintenance of the meter.
- 7.2 Meters will be installed at any reasonable location on the customer's premises that is mutually-agreed upon by the Company and the customer.



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- 7.3 The Company will have the right to set meters or other devices without notice to the customer for the detection and prevention of unauthorized usage or willful wasting of water.

**8. CUSTOMER PLUMBING AND APPLIANCES**

- 8.1 All plumbing, piping, fixtures and appliances on the customer's side of the service connection will be installed and maintained under the responsibility and at the expense of the Customer or owner of the premises.
- 8.2 The plumbing, piping, fixtures and appliances shall be maintained in conformity with all municipal, state and federal requirements. The nature and condition of this plumbing, piping and equipment will be such as not to endanger life or property, interfere with service to other customers or permit those with metered services to divert system water without meter registration.
- 8.3 A stop and waste valve will be installed on the customer's plumbing in a place always accessible and so located as to permit shutting off the water for the entire premises with the least possible delay.
- 8.4 All persons having boilers, water tanks or other equipment supplied by direct pressure from the Company's mains should install a pressure relief valve, or other device to serve the same purpose, so as to prevent excess pressure from forcing hot water and/or steam back into the water meter and mains of the Company. All damage to the Company's property resulting from the failure to properly equip plumbing with a relief valve will be billed to the customer.
- 8.5 The Company is not obligated to perform any service whatever in locating leaks or other trouble with the customer's piping.
- 8.6 When the premises served by the Company are also served in any manner from another water supply of any kind, an approved backflow prevention device shall be installed at the service connection. Water service for either standby or other purposes will not be furnished until piping and connections are inspected and approved by a representative of the Company.
- 8.7 Property owners will not be allowed to connect the water service of different properties together.
- 8.8 All of the customer's service pipes and fixtures must be kept in repair and protected from freezing at his or her expense. When there are leaking or



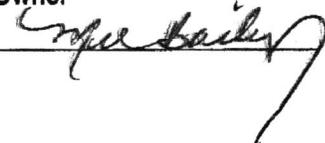
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defective pipes or fixtures, the water may be turned off at the option of the Company until the proper repairs are made.

- 8.9 The customer shall promptly repair all leaks inside the premises and in the customer's service line. Failure to repair leakage promptly may result in termination of service as allowed under the UCRR.

9. **INSTALLATION OF SERVICE CONNECTIONS**

- 9.1 The service connection is the property of the Company and as such, the Company is responsible for its installation and maintenance. It consists of piping, curb stop and valve or meter box and a meter, if the system is metered. The service connection transmits water from the Company's water main to a valve or meter box generally located near the customer's property line. All piping, valves or appliances beyond this point shall be the property and responsibility of the customer.
- 9.2 Each customer shall be supplied through a separate service line.
- 9.3 The Infrastructure Contribution Fee must be paid and an application submitted to the Company prior to construction on a lot. In some cases this fee has been prepaid by lot owners. Contact the Company for the status of fees paid on lots.
- 9.4 The Water Tap Fee must be paid and an application submitted to the Company prior to construction on a lot. In some cases, this fee has been prepaid by lot owners. Contact the Company for the status of fees paid on lots. The Company installed the main line, tapped into the main line and installed the service line and curb stop valve at the property corner for some lots on Telemark Road (formerly Fall Line road) and Ullr road, which are identified on Sheet 2.
- 9.5 The Company reserves the right to designate the size and location of the service line, curb stop, meter (if applicable) and meter or valve box and the amount of space which must be left unobstructed for the installation and future maintenance and operation thereof.
- 9.6 Where a service connection is desired for premises on which there is no permanent structure, the Company will install a service connection to said premises only upon payment by the applicant of the estimated cost of said service connection. If within a period of five (5) years from the installation of said service connection a permanent structure is erected on the premises, the Company will refund, with interest, the difference between



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any approved new customer charges in effect at the time of connection, and the applicant's advance.

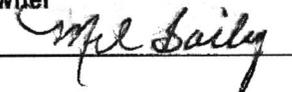
- 9.7 The Company has the right to inspect and test any newly-installed service line. The service line shall not be buried until it has been approved by the Company.
- 9.8 The extra costs of any outoftheordinary circumstances requiring additional equipment or special construction techniques involved in the installation of a service connection will be agreed to in advance by the customer and the Company.

#### 10. REPLACEMENT OR ENLARGEMENT OF SERVICE CONNECTION

- 10.1 Unless otherwise provided herein, the Company shall replace or enlarge service connections at its own expense as follows:
- a. whenever it is necessary to change the location of any service connection due to relocation or abandonment of the Company's mains; and
  - b. for commercial or industrial services where the type or volume of use has changed and the enlargement will result in sufficient increase in annual revenue to justify the enlargement.
- 10.2 The relocation, enlargement or reduction of service connections for the convenience of the customer will be at the expense of the customer. Prior to such relocation, enlargement or reduction, the customer will deposit the estimated cost thereof with the Company. Within fifteen (15) days, a refund will be made to the customer in the amount by which the estimated cost exceeds the actual cost. The amount by which the actual cost exceeds the estimated cost will be due and payable within fifteen (15) days after billing for such deficiency.
- 10.3 Enlargement of any service connection will be made only after such time as the customer's plumbing inside his or her premises have been enlarged sufficiently to accommodate the additional capacity.

#### 11. DISCONNECTION AND RECONNECTION OF SERVICE

- 11.1 When a customer desires to discontinue service, the customer shall give notice to the Company at least two (2) days in advance and be

  
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responsible for all water consumed for the two (2) days after the date of such notice.

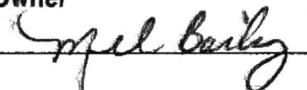
- 11.2 The Company shall discontinue a customer's service on an involuntary basis only in accordance with UCRR.
- 11.3 When it becomes necessary for the Company to involuntarily discontinue water service to a customer, service shall be reconnected only after all bills for service then due have been paid or satisfactory payment arrangements have been made.
- 11.4 A reconnection fee may be charged each time a customer is disconnected, either voluntarily or involuntarily, and reconnected at the same premises. The reconnection fee will be paid before service is restored. Reconnection fees shall not be charged for any situation or circumstance in which the customer's water supply is disconnected by the Company for its convenience.
- 11.5 The Company reserves the right at any time, upon notice, to shut off the water for maintenance or expansion and, in emergencies, may do so without notice. The Company shall at all times use reasonable diligence and care to prevent interruption of said water service.
- 11.6 Except in the case of an emergency, no one, except an authorized Company representative, shall turn on or turn off the water on the Company's side of the service connection.

12. **EXTENSION OF WATER MAINS**

- 12.1 The extension of system water mains for the purpose of providing new service shall be handled in accordance with the "Uniform Main Extension Rules for Small Water Companies" which is attached to these Rules and Regulations as an Appendix.

13. **MISCELLANEOUS**

- 13.1 No customer shall permit any person from another premises to take water from his or her water service or tap for more than (1) week without the written permission and consent of the Company.
- 13.2 No person acting either on his or her own behalf or an agent of any person, firm, corporation or municipality not authorized by the Company



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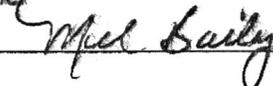
shall take any water from any fire hydrant on the Company's system except in the case of an emergency.

- 13.3 No one shall tamper or interfere with the Company's equipment or property, nor shall repairs, connections or replacements be made without Company authorization.
- 13.4 Whenever an applicant desires service of a character for which there is no available service classification, a contract may be executed in lieu of a tariff. Any such contract shall be subject to the approval of the Idaho Public Utilities Commission.
- 13.5 Copies of the Company's rates and summary of rules and regulations shall be available at the Company's office and provided to customers upon commencement of service, and annually thereafter in accordance with the UCRR.
- 13.6 When water is desired for filling a swimming pool, hot tub or other such uses which require abnormally large quantities of water, arrangements shall be made with the Company prior to the taking of such water.

14 **Special Provisions or Amendments**

14.1 **Fire Hydrants**

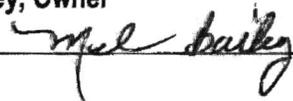
- a. The Company does not provide fire hydrants on the water system. All fire hydrants are owned by individual property owners or homeowners' associations.
- b. The water system was not designed to furnish fire protection; the Company's purpose is to furnish only domestic water service. Therefore, the Company shall not be responsible for loss or damage claimed to have occurred due to lack of adequate water supply, or water pressure, and merely agrees to furnish such quantity of water at such pressure as are available in its general distribution system. If a new installation or additional flows and pressure are required, it is the responsibility of the fire hydrant owner and the fire hydrant owner's engineer to determine, with the Company and DEQ's approval, a system design change that would provide such additional flows and/or pressures. These system changes, if agreed upon by the Company, shall be at the expense of the fire hydrant owner. The Schweitzer Fire District shall be



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- notified of the change and shall concur with the change prior to the start of work.
- c. An application for installing a new fire hydrant shall be completed by any customer desiring to install a new fire hydrant.
  - d. The customer is responsible for payment of the cost of the engineering evaluation for flow, location, hydrant, fittings, installation road repair and any fees. The pressure shall never drop below 20 psi during fire flow. The Company's Fire Hydrant Fee, which includes review of the application, inspection, pressure testing, bacteria testing and mapping, shall be paid prior to start of work by an approved contractor. The Schweitzer Fire District shall approve the fire hydrant location and calculated flow prior to start of work.
  - e. The Company is not responsible for fire flows from hydrants installed by customers. All maintenance and repairs to fire hydrants are the responsibility of the fire hydrant owner.
  - f. No unauthorized person shall open any fire hydrant, attempt to draw water from it or in any way tamper with a fire hydrant.
  - g. Fire hydrants are for fire emergencies only and not for temporary water supply.
  - h. If an owner desires to change the size, type, or location of an existing fire hydrant, the owner shall have an engineering evaluation completed and pay for all change costs. No change shall be made without the Company's approval.

#### 14.2 Cross Connections Control – Backflow Prevention Equipment

- a. The Company requires that an appropriate backflow prevention device be installed on any customer service connection whenever an actual or potential hazard is deemed to exist. Any such device shall appear on the State's list of approved backflow prevention devices and shall be approved by the Company prior to installation.
- b. In the event that a backflow prevention device is required, it shall be installed, maintained and tested at the customer's expense. Failure to install, maintain or test the required device shall result in termination of service to the customer in accordance with the UCRR.

  
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- c. The Company shall require that all backflow prevention devices connected to the water system be tested upon installation, and annually thereafter or when relocated or repaired. All testing shall be completed by a State of Idaho certified backflow assembly tester (BAT). The test results shall be reported to the Company within 30 days of the test. The submittal form shall be preapproved by the Company.
  - d. It is the sole responsibility of the customer to install, operate and maintain at all times their plumbing system in compliance with the current edition of the Uniform Plumbing Code.

  
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UNIFORM MAIN EXTENSION RULE FOR WATER UTILITIES  
Based on Order No. 7830 (Case No. U-1500-22)

A. GENERAL PROVISIONS AND DEFINITIONS

1. Applicability

- a. All extensions of distribution mains from the utility's existing distribution system, to serve new customers, except for those specifically excluded below shall be made under the provisions of this Rule unless specific authority is first obtained from the Commission to deviate therefrom. A main extension contract shall be executed by the utility and the applicant or applicants for the main extension before the utility commences construction work on said extension or, if constructed by applicant or applicants, before the facilities comprising the main extension are transferred to the utility.
- b. Extensions solely for fire hydrant, private fire protection, resale, temporary, standby, or supplemental service shall not be made under this Rule.
- c. The utility may, but will not be required to, make extensions under this Rule in easements or rights-of-way 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 the existing grade will be changed, the utility shall require that the applicant or applicants for the main extension deposit, at the time of execution of the main extension agreement, the estimated net cost of relocating, raising, or lowering facilities upon establishment of final grades. Adjustment of any difference between the amount so deposited and the actual cost of relocating, raising, lowering facilities shall be made within ten (10) days after the utility has ascertained such actual cost. The net deposit representing actual cost is not subject to refund. The entire deposit related to the proposed relocation, raising or lowering shall be refunded when such displacements are determined by proper authority to be not required.

2. Definitions

- a. ~~Bona Fide Customer~~, for the purposes of this Rule, shall be a customer (excluding any customer formerly served at the same location) who has given satisfactory evidence that service will be reasonably permanent to the property which has been improved with a building of permanent nature and to which service has commenced. The provision of service to a real estate developer or builder during the construction or development period shall not establish him as a bona fide customer.
- b. Real Estate Developer or Builder, for purposes of this Rule, shall include any individual, association of individuals, partnership, or corporation that divides a parcel of land into two (2) or more portions.
- c. Adjusted Construction Cost, for the purposes of this Rule, shall be reasonable and shall not exceed the costs recorded in conformity with generally accepted water utility accounting and sound engineering practices, and as specifically defined in the, Uniform System of Accounts

for Water Utilities prescribed by the Commission, of installing facilities, of adequate capacity for the service requested. If the utility at its option should install facilities with a larger capacity or resulting in a greater footage of extension than required for the service, the adjusted construction cost for the purposes of this Rule shall be determined by the application of an adjustment factor to actual construction cost of facilities installed. This factor shall be the ratio of estimated cost of required facilities to estimated cost of actual facilities installed.

d. Commission shall mean the Idaho Public Utilities Commission.

### 3. Ownership, Design and Construction of Facilities

- a. Any facilities installed hereunder shall be the sole property of the utility. In those instances in which title to certain portions of the installation, such as fire hydrants, will be held by a political subdivision, such facilities shall not be included as a part of the main extension under this Rule.
- b. The size, type, quality of materials and their location shall be specified by the utility and the actual construction shall be done by the utility or by a constructing agency acceptable to it.
- c. Where the property of an applicant is located adjacent to a right-of-way, exceeding 70 feet in width, for a street, highway or other public purpose, regardless of the width of the traveled way or pavement; or a freeway, waterway or railroad right-of-way, the utility may elect to install a main extension on the same side thereof as the property of the applicant and the estimated and adjusted construction costs in such case shall be based upon such an extension.
- d. When an extension must comply with an ordinance, regulation, or specification of public authority, the estimated and adjusted construction costs of said extension shall be based upon the facilities required comply therewith.

### 4. Estimates, Plans and Specifications

- a. Upon request by a potential applicant for a main extension, the utility shall prepare without charge a preliminary sketch and rough estimates of the cost of installation to be advanced by said applicant.
- b. Any applicant for a main extension requesting the utility to prepare detailed plans, specifications and cost estimates shall be required to deposit with the utility an amount equal to the estimated cost of preparation of such material. The utility shall, upon request, make available within 45 days after receipt of the deposit referred to above, such plans, specifications and cost estimates of the proposed main extension. If the extension is to include oversizing of facilities to be done at the utility's expense appropriate details shall be set forth in the plans, specifications and cost estimates.
- c. In the event a main extension contract with the utility is executed within 180' days after the utility furnishes the detailed plans and specifications, the deposit shall become a part of the advance, and shall be refunded in accordance with the terms of the main extension contract. If such contract is not so executed the deposit to cover the cost of preparing plans, specifications and cost estimates shall be forfeited by the applicant for the main extension and the amount of the forfeited deposit shall be credited

to the account or accounts to which the expense of preparing said material was charged.

- d. When detailed plans, specifications and cost estimates are requested the applicant for a main extension shall furnish a map to a suitable scale showing the street and lot layouts, and when requested by the utility, contours or other indication of the relative elevation of the various parts of the area to be developed. If changes are made subsequent to the presentation of this map by the applicant, and these changes require additional expense in revising plans, specifications and cost estimates this additional expense shall be borne by the applicant, not subject to refund, and the additional expense thus recovered shall be credited to the account or accounts to which the additional expense was charged.
5. Timing and Adjustment of Advances
- a. Unless the applicant for the main extension elects to arrange for the installation of the extension himself as permitted by Section C.1.c., the full amount of the required advance or an acceptable surety bond must be provided to the utility at the time of execution of the main extension agreement.
  - b. If the applicant for a main extension posts a surety bond in lieu of cash, such surety bond must be replaced with cash not less than ten (10) calendar days before construction is to commence; provided, however, that if special facilities are required primarily for the service requested, the applicant for the extension may be required to deposit sufficient cash to cover the cost of such special facilities before they are ordered by the utility.
  - c. An applicant for a main extension who advances funds shall be provided with a, statement of actual construction cost and adjusted construction cost showing in reasonable detail the cost incurred for material, labor, any other direct and indirect costs , overheads, and total costs; or unit costs or contract costs; whichever are appropriate.
  - d. Said statement shall be submitted within sixty (60) days after the actual construction costs of the installation have been ascertained by the utility. In the event that the actual construction costs for the entire installation shall not have been determined within 120 days after completion of construction work, a preliminary determination of actual and adjusted construction costs shall be submitted, based upon the best available information at that time.
  - e. Any differences between the adjusted construction costs and the amount advanced shall be shown as a revision of the amount of advance and shall be payable within thirty (30) days of submission of the statement.
6. Assignment of Main Extension Contracts - Any contract entered into under Sections B and C of this Rule, or under similar provisions of former rules, may be assigned after settlement of adjusted construction costs, after written notice to the utility by the holder of said contract as shown by the utility's records. Such assignment shall apply only to those refunds which become due more than thirty (30) days after the date of receipt by the utility of the notice of assignment. The utility shall not be required to make any one refund payment under such contract to more than a single assignee.

7. Interpretations and Deviations - In case of disagreement or dispute regarding the application of any provision of this Rule, or in circumstances where the application of this Rule appears unreasonable to either party, the utility, applicant or applicants may refer the matter to the Commission for determination.

## B. EXTENSIONS TO SERVE INDIVIDUALS

1. Free-Footage Allowance - The utility shall extend its water distribution mains to serve new bona fide customers at its own expense, other than to serve subdivisions, tracts, housing projects, industrial developments or organized commercial districts, when the required total length of main extension from the nearest existing utility facility is not in excess of fifty (50) feet per service connection.
2. Advances - If the total length of main extension is in excess of fifty (50) feet per service connection applied for, the applicant or applicants for such service shall be required to advance to the utility, before construction is commenced, that portion of the estimated reasonable cost of such extension which exceeds the estimated reasonable cost of 50 feet of the main extension per service connection, exclusive of the cost of service pipes, meter boxes and meters. Such estimated reasonable cost shall be based upon the cost of a main not in excess of six (6) inches in diameter except where a larger main is required by the special needs of the applicant or applicants. The amount of the advance is subject to adjustment in accordance with the provisions of Section A.5.e. of this Rule.
3. Refunds - The money so advanced shall be refunded by the utility, in cash without interest, in payments equal to the adjusted construction cost of fifty (50) feet of the main extension for which advance was made, for each additional service connection made to said main extension exclusive of that of any customer formerly served in a reasonable manner at the same location. At the request of the applicant, refunds shall be made within 180 days after the date of first service to a bona fide customer. If no request is received from applicant the utility shall, initiate refunds on an annual basis. No refunds shall be made, after a period of ten (10) years from the date of completion of the main extension and, the total refund shall not exceed the amount advanced.
4. Exceptions - Where a group of five (5) or more individual applicants requests service from the same extension, or in unusual cases after obtaining Commission authorization, the utility, at its option, may require that the individual or individuals advance the entire cost of the main extension as herein provided and the utility shall refund this advance as provided in Section C.2. of this Rule.

## C. EXTENSIONS TO SERVE SUBDIVISIONS, TRACTS, HOUSING PROJECTS INDUSTRIAL DEVELOPMENTS OR ORGANIZED COMMERCIAL DISTRICT

1. Advances -
  - a. Unless the procedure outlined in Section C.1.c. is followed, an applicant for a main extension to serve a new subdivision, tract, housing project or industrial development or organized commercial district shall be required to advance to the utility, before construction is commenced, the

estimated reasonable cost of the extension to be actually installed, from the nearest utility facility at least equal in size or capacity to the main required to serve both the new customers and a reasonable estimate of the potential customers who might be served directly from the main extension without additional extension. The costs of the extension shall include necessary service stubs, or service pipes, fittings, gates and housing therefore, and meter boxes, but shall not include meters. To this shall be added the cost of fire hydrants when requested by the applicant for the main extension or required by public authority, whenever such hydrants are to become the property of the utility.

- b. If, for any purpose, special facilities are required primarily for the service requested, the cost of such special facilities may be included in the advance, subject to refund, as hereinafter provided, along with refunds of the advance of the cost of the extension facilities described in Section C.1.a. above.
- c. In lieu of providing the advances in accordance with Sections C.1.a. and C.1.b., the applicant for a main extension shall be permitted, if qualified in the judgment of the utility, to construct and install the facilities himself, or arrange for their installation pursuant to competitive bidding procedures initiated by him and limited to qualified bidders. The cost, including the cost of inspection and supervision by the utility, shall be paid directly by applicant. The applicant shall provide the utility with a statement of actual construction cost in reasonable detail. The amount to be treated as an advance subject to refund shall be the lesser of (1) the actual cost, or (2) the price quoted in the utility detailed cost estimate. The installation shall be in accordance with the plans and specifications submitted by the utility pursuant to Section A.4.b.

## 2. Refunds

- a. The amount advanced under Sections C.1.a., C.1.b.; i and C.1.c. shall be subject to refund by the utility in cash, without interest, to the party or parties entitled thereto as set forth, in the following two paragraphs. The total amount so refunded shall not exceed the total of the amount advanced. Except as hereinafter provided, the refunds shall be made in annual, semiannual or quarterly payments at the election of the utility, and for a period not to exceed twenty (20) years after the date of the contract.
- b. Whenever costs of main extensions have been advanced pursuant to Sections C.1.a. or C.1.c., the utility shall determine the revenue received from customers other than residential, including fire protection agencies, supplied by service pipes connected directly to the extension for which the cost was advanced. The refund shall be 22 percent of the revenue so received. For residential customers connected directly to the extension for which the cost was advanced, the utility shall refund 22 percent of the average revenue per residential customer of the entire system for the immediately preceding 12-month period. (See Section C.2.d. and B.3.)
- c. Whenever costs of special facilities have been advanced pursuant to Sections C.1.b. or C.1.c., the amount so advanced shall be divided by the number of lots to be served by the special facilities. This advance per lot shall be refunded for each lot on which one or more bona fide customers are served by those facilities.

- d. With respect to a contract entered into on and after the effective date of this Rule, if, at any time during the 20-year refund period specified above 80 percent of the bona fide customers for which the extension or special facilities were designed are being served therefrom, the utility shall immediately notify the contract holder of that fact, and at that time shall become obligated to pay, in cash, any balance which may remain unrefunded at the end of said 20-year period. Such balance shall be refunded in five (5) equal annual installments, payable beginning 21 years after the date of the contract.
- e. Where a contract has been entered into under a former main extension rule, and where 80 percent of the bona fide customers for which the extension or special facilities were designed are being served therefrom, the utility may negotiate and enter into a new and substitute contract, identical in all respects, with the original contract, including the original termination date, except that said substitute contract shall include the following provisions: "Notwithstanding any other provisions hereof, any unrefunded balance remaining at the termination date of this contract shall be paid in five (5) equal annual , installments beginning one (1) year after, said termination date."

### 3. Termination of Main Extension Contracts

- a. Any contract entered into under Section C of this Rule, or under similar provisions of former rules may be purchased by the utility and terminated, after first obtaining the authorization of the Commission, at any time after the number of bona fide customers then receiving service from the extension for which the advance was made equals at least 60 percent of the total number of bona fide customers for which such extension was designed by the utility and the terms are otherwise mutually agreed to by the parties or their assignees and that, Section C.3.b. and Section C.3.c. hereof are complied with.
- b. The utility, in requesting authorization for such termination shall furnish to the Commission the following information in writing by an advice letter in the event the termination is to be accomplished by payment in cash, or by a formal application:
  - (1) A copy of the main extension contract, together with data adequately describing the development for which the advance was made and the total adjusted construction cost of the extension.
  - (2) The balance unpaid on the contract, as above defined, as of the date of termination and terms under which the obligation is requested to be terminated.
  - (3) The name of the holder of the contract when terminated.
  - (4) The total number of bona fide customers for which the extension was designed and the number of bona fide customers actually receiving service on said extension as of the proposed date of contract.
- c. Discounts obtained by the utility for contracts terminated under the provisions of this Section shall be accounted for by credits to Account 265 - Contributions in Aid of Construction.