



Holden Kidwell
Hahn & Crapo P.L.L.C.
LAW OFFICES

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IDAHO PUBLIC
UTILITIES COMMISSION

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March 22, 2010

Terri Carlock
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074
Email: terri.carlock@puc.idaho.gov

MNV-W-10-01

RE: Request for Authority to Borrow Additional Funds for Necessary Work on Morning View Water Company's System.

Dear Ms. Carlock:

This letter concerns the Morning View Water Company, and its need to perform additional necessary upgrades to its water system to ensure compliance with Department of Environmental Quality standards. DEQ officials who have assisted in this matter brought it to my attention that authorization from PUC needed to be received in order for Morning View to qualify or receive a loan under the Department of Environmental Quality's Drinking Water Planning Grant or Drinking Water Loan Letter of Interest. I have since visited with you by phone, and appreciate your assistance in this matter.

Morning View has requested a loan of \$275,000.00 in order to address a number of issues raised by the Department of Environmental Quality in a recent amended consent order executed between the Department of Environmental Quality and Morning View Water Company. Attached to this letter is a copy of our January 13, 2010 letter to Nancy Bowser of the Idaho Department of Environmental Quality, along with its associated attachments, including the letter of interest submitted on behalf of Morning View. As set forth on page 2 of our letter, this loan is necessary in order to:

1. Complete installation of variable speed drives for both pumps on the Morning View system;
2. Installation of approximately 25 meters on one acre lots within the Morning View subdivision;
3. Performance of pump testing on Morning View's two existing pumps to determine whether or not a third well would be necessary for the Morning View water system;
4. Installation of a backup generator; and
5. If necessary, construction of a new municipal well.

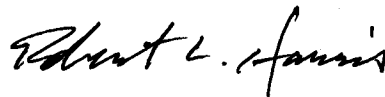
The above are deficiencies raised by the Department of Environmental Quality in response to inspections made by DEQ personnel on the Morning View system. Morning View is a small

system, and currently only has approximately 106 actual users, even though there are more connections than those that are currently connected.

Exhibit A to the letter includes the Consent Order Morning View recently executed with the Department of Environmental Quality, which sets forth in detail the concerns and violations assessed by DEQ. Due to current difficulty in obtaining financing for these projects, we have turned to DEQ for a loan under their LOI program, which will be the best way to address some of the system's current shortcomings. Without a loan approval from DEQ, we are uncertain as to where we could look next for financing to construct these improvements. It is therefore of utmost importance to Morning View that the loan and/or grant be granted in order to allow Morning View to move forward to correct its problems.

We are therefore specifically requesting authorization from the Idaho Public Utilities Commission to borrow up to \$275,000.00 to make the improvements set forth in our LOI and associated documents.

Best Regards,



Robert L. Harris
HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

Enclosures

c: Nolan Gneiting
Lisa Carlsen - DEQ w/o enclosures



COPY

January 13, 2010

Idaho Department of Environmental Quality
ATTN: Nancy Bowser
1410 N. Hilton
Boise, ID 83706

RE: Department of Environmental Quality Drinking Water Planning Grant or Drinking Water Loan Letter of Interest Submitted on Behalf of Morningview Water Company.

Dear Ms. Bowser:

Enclosed is a completed Department of Environmental Quality Drinking Water Planning Grant or Drinking Water Loan Letter of Interest submitted on behalf of Morningview Water Company of Rigby, Idaho. We have completed the attached form to the best of our understanding, and provide this letter in accordance with the form's instructions to submit additional explanation regarding various steps located on the letter of interest form. We have also enclosed exhibits, which we believe will help you understand the current difficult situation Morningview Water Company is in, and why we are applying for both a planning grant and a loan.

Attached at Exhibit A is a cover letter and consent order executed by Morningview Water Company on October 18, 2007. The consent order was necessary because of pressure problems Morningview faced in its system. The Morningview water system generally consists of two pumps and wells that divert into a common system. After various reports of pressure problems below 40 psi, IDEQ investigated Morningview, and ultimately the parties entered into the consent order to address some of the deficiencies identified by IDEQ in the system. To date, Morningview has met most of the requirements of the consent order, but there remain unresolved significant issues relating to capital improvements that need to be made on the system. After the consent order was entered into, IDEQ determined that there were additional violations, and had indicated its desire to proceed forward with the filing of a complaint against Morningview. A draft complaint is attached as Exhibit B.

In an effort to resolve the matter amicably, IDEQ has entered into additional negotiations with Morningview to chart a path forward to resolve these issues. In discussing the contents of that consent order, it became evident that Morningview needed to secure additional funding to perform the additional improvements. Unfortunately, with the recent downturn in the economy, and the tightening of banks in loaning money, Morningview has been unsuccessful in obtaining private financing to fund the capital improvements identified in its original facility plan. Additionally, Morningview is a private corporation, and due to the disapproved status of its system, was informed

that it does not qualify for any type of state or federal funding to improve its system. After additional investigation, and the provision of additional information by IDEQ to Morningview, it was determined that Morningview may qualify for a loan provided they submit the letter of interest attached hereto.

Morningview and IDEQ have recently negotiated an amended consent order, which we anticipate to be completed within the next seven (7) days. Once the amended consent order is agreed upon and executed, we will provide a copy of the amended consent order and request that it be attached as an addendum to the enclosed application in this letter.

Specifically regarding the various sections of the letter of interest, we provide the following descriptions and/or additional information.

Step 1: In discussing Morningview's situation with IDEQ loan officials, staff people, and their attorneys, it has been determined that Morningview should and is applying for both a construction loan and a planning grant. The grant is necessary for Morningview to complete some additional work on its facility plan in order to finally be approved by IDEQ. The grant would go toward paying of engineering costs, and environmental assessments that may be required in order for the facility plan to be implemented.

Additionally, Morningview seeks a construction loan to make, in order of the following priority, these improvements:

1. Installation of variable speed drives for both pumps.
2. Installation of approximately 25 meters on one acre lots within the Morningview subdivision.
3. Performance of pump testing on Morningview's existing two pumps, to determine whether or not a third well will be necessary for the Morningview water system.
4. Installation of a backup generator.
5. If necessary, construction of a new municipal well.

Step 2: SECTION 2: We have checked four boxes under Section 2 of Step 2 of the LOI form. The form requests that we provide documentation to support any statement for which the answer was yes. The first box checked yes is under the portion of the LOI stating that "no reports of water borne illness and low potential for such exists." The consent order attached at Exhibit A documents the pressure deficiencies the Morningview system has faced. Under IDAPA 58.01.08.552.01.b.v, the Idaho Rules for Public Drinking Water Systems, it requires that "when pressures within the system are known to have fallen below 20 psi, the water system must provide public notice and disinfect the system." Therefore, when pressures drop below 20 psi, there is the potential for contamination within the system. While all of Morningview's water quality samples have shown no water quality contamination, the low pressure issues experienced by Morningview would increase the potential for a public health hazard.

In addition, Morningview has checked all three boxes under the general condition of the system. Next to the heading of this section, it requests that we provide documentation, such as an engineer evaluation. Enclosed as Exhibit C is a final facility plan for Morningview Water Company prepared by Ryan Loftus of Aspin Engineering, Inc. The recommendations in the report have preliminarily been accepted by IDEQ, but IDEQ has found the report deficient in that it does not set forth a time line for the capital improvements. Other than this deficiency of a lack of time line, it appears that the facility plan meets IDEQ standards. Specifically regarding the general condition of the system, there are infrastructure deficiencies of pumping facilities, and insufficient capacity to meet pressure and customer demand, and other system deficiencies related to lack of meters on the system. As stated above, we have a priority list of five major capital improvements which we believe will significantly improve customer satisfaction and improvement of the system. Additionally, with the installation of variable speed drives, we believe that this will improve energy efficiency throughout the system, and be a major improvement over the current manual operation of the two wells.

Morningview has been subject to a consent order, a copy of which is attached at Exhibit A. The consent order does require mandatory public notification, and in particular, informing users on the Morningview system that they system is currently in a disapproved status. Under Section 2 of LOI, it requests a discussion if we are seeking funding for "a phased approach to your systems needs when if the phase in strategy has been discussed with the DEQ regional engineer." We have proposed a phased-in strategy to improve the system. Because Morningview is a private company and is subject to the regulations of the Public Utilities Commission, costs for capital improvements performed pursuant to loan proceeds will need to be recouped through fees charged to consumers on the system. As such, fiscal responsibility requires that it may be implemented in a phased in approach. We anticipate installing the variable speed drives immediately upon receipt of any loan proceeds, and securing the meters for the one acre lots within the Morningview subdivision, as water use on those lots have significantly strained the system. With these two immediate items addressed, the other prioritized capital improvements can be addressed in a fiscally responsible manner.

Lastly, there has not been an officially declared or designated public health hazard or emergency that has been certified by IDEQ. However, give the consent orders, and the multiple year process in resolving this issue between IDEQ and Morningview, we submit that the current situation is of immediate concern to IDEQ.

SECTION 3: Under Section 3, it requests information relative to management based efforts to determine the costs of our efforts. Anticipated costs of our proposed improvements is generally outlined in the final facility plan, with the one exception that we are not proposing meters for all of the lots within the Morningview system. The Morningview subdivision consists of a number of one acre lots, half acre lots, quarter acre lots, and much smaller trailer lots. In an effort to be as cost effective as possible, Morningview is proposing to meter the high users, who significantly irrigate the one acre lots within the subdivision. If it is determined at a later date that the half acre and quarter acre lots need to be metered, then those meters could be installed at a later date in a fiscally responsible manner. Additionally, in an effort to prioritize those needs within the system, it is more

likely that a new well would be needed prior to installation of meters on the half acre and quarter acre lots.

Under Paragraph 2 of Section 3, it asks for an explanation of the management base sustainability initiative efforts that you will engage as part of the project. Notable, it mentions the installation of variable frequency drive pumps. Based upon the recommendations of our engineer, and comments from Morningview water users received at a meeting held in June 2009 to discuss the system deficiencies and how to improve them, the general consensus was to first install variable frequency drive pumps on both Morningview pumps. In addition to the savings received from the more energy efficient drives, the variable frequency drives would also allow the wells to "communicate" with one another to maintain a more constant pressure within the system. Additionally, we propose the installation of water meters on the approximate 25 lots within the subdivision that are one acre in size. Morningview's observations over the years has been that there has been significant water usage on these lots for irrigation purposes, and we believe metering such uses would encourage these homeowners to implement greater water conservation measures, which will lessen demand on the system, and improve pressure and service to other members of the subdivision. Section 3, Part 2 requests documentation supporting the technology based efforts. The benefits of the meters, are set forth in the final facility plan, and it is generally understood that from communications from IDEQ officials, this will substantially reduce water usage.

Under Paragraph 3 of Section 3, it requests that we explain the construction practices sustainability initiative efforts that we will engage in as part of our project. The construction efforts will be performed using generally accepted engineering principles for the installation of the variable speed drives and the meters. However, it is also proposed that Morningview explore the opportunity to use an existing capped irrigation well that was drilled in the late 1970s as an additional municipal well. While the well does not meet current IDEQ standards for casing for public water systems, Morningview hopes to explore potential use of the well as a third well for the subdivision. In effect, this would recycle or reuse the existing well on the property, which would potentially save costs to consumers. Obviously, if this well is used, it would need to be constructed in a manner that would protect the public health and safety of those within the Morningview system. Nevertheless, Morningview is committed to determine whether or not this well could be used.

SECTION 4. Paragraph 1. We estimate that the total cost to prepare a facility plan or engineering report, and to prepare any environmental information document, environmental assessments, or environmental impact statements, to be approximately \$30,000.00. Regarding our interest in receiving a planning grant, question 2 of Paragraph 1 of Section 4 asks if we would have our 50% required matched funds available within the next twelve months. We believe we would have the funds available, but would use the loan proceeds requested under this letter of interest to match the grant amount. In other words, we believe the 50% required match will be available if the loan is also granted. We have been informed by IDEQ officials that loan money could be used in this manner. Under Paragraph 2 of Section 4 it asks whether a facility plan or engineering report has been completed. The final facility plan has been preliminarily accepted by IDEQ, but has not been

formally approved because of additional planning regarding time lines that would need to be implemented into the plan.

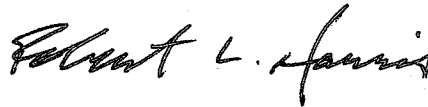
We estimate that approximately \$275,000.00 would be needed to correct the problems identified in the facility plan and engineering report. This amount would be for the totality of the capital improvements so requested, but as indicated previously in this letter, we must proceed in a fiscally responsible manner so as to not burden Morningview with excessive debt, or substantial increase in the rates of the Morningview consumers provided the public utilities commission approves a rate increase to offset the cost of the loan. We estimate the cost for the variable speed drives to be approximately \$10,000.00. We estimate that each meter would cost approximately \$2,000.00, and for 25 homes, estimate this to equal \$50,000.00. We anticipate testing of the existing tapped irrigation well to be approximately \$10,000.00. To the extent a new well is required to be drilled, we estimate this cost to be approximately \$150,000.00. And lastly, we anticipate a backup generator to cost approximately \$40,000.00. If we also include the \$15,000.00 that would be used for our grant match, the grand total for all of these improvements is \$275,000.00.

Regarding the community's interest to proceed on the project, attached as Exhibit D is a letter sent to all Morningview water customers to attend a June 9th meeting in the Rigby City Library to discuss the pressure problems with the Morningview system. A majority of those there were interested in cost effective solutions, but did express their frustration over the issues that were currently facing the system. Overall, the patrons seemed interested in improving the system in a cost effective manner.

Additionally, under Section 4, the LOI asks whether financial documentation is in place or does the system of legal authority to incur the debt associated with the proposed project. Morningview Water Company is a private company, and can therefore incur debt. The determination of how Morningview can repay the loan will be subject to PUC approval.

Summary: To the extent any additional information is required, we would be happy to provide it immediately. As indicated in the consent orders, the Morningview system has been a concern for IDEQ for a number of years. In our dealings with IDEQ officials, they have been patient and helpful in working towards a resolution, but at this point, all parties desire to improve the system. Financing has been the primary hurdle for making the improvements, but with a loan and grant from IDEQ, we believe that the system can be brought back to an approved status. We very much appreciate your consideration of this application. If it is deficient in any respect, please notify us immediately, and we will provide the necessary information as soon as possible. We look forward to receiving word of whether or not Morningview qualifies for the grant and/or loan requested in the LOI.

Best Regards,



Robert L. Harris

HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

Enclosures

c: Morningview Water Company
Lisa Kronberg, Deputy Attorney General

MNV-W-10-01

Department of Environmental Quality
Drinking Water PLANNING GRANT or
Drinking Water LOAN LETTER OF INTEREST

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FORM A

IDAHO PUBLIC UTILITIES COMMISSION

STEP 1. Decide if your community is interested in pursuing a DEQ Drinking Water PLANNING GRANT or a DEQ Drinking Water LOAN by answering the following questions. It is strongly recommended that you work closely with your engineering consultant to complete this form.

- Do you need to make improvements or upgrade your public drinking water system? YES NO
 - Proceed to QUESTION #2 if you answered YES and are interested in being rated and placed on the new fiscal year's planning grant or loan priority list for FY 2010.
 - If you answered NO, you will not be placed on the new fiscal year's priority list. DEQ will notify you next year when the grant and loan process begins. If you answered NO, please do not complete or submit this form to DEQ.
- Has your community completed a drinking water facility plan or engineering report (with a final environmental determination) in the last five (5) years or is one in progress now?

YES (we are interested in a construction loan)

NO (we are interested in a planning grant)

 - If you answered YES, are you ready to design and construct your project? If so, and you want your project rated and placed on the drinking water loan priority list, please proceed to STEP 2 and complete Sections 1, 2, 3 and 4B.
 - If you answered NO, you need to do some planning work. If you are interested in receiving a drinking water planning grant, please proceed to STEP 2 and complete Sections 1, 2, 3 and 4A.

STEP 2 PROJECT INFORMATION – Please provide complete and accurate answers to receive the highest possible rating for your drinking water system.

SECTION 1: SYSTEM IDENTIFICATION

System PWS No. ID 7260063

System Name MORNING VIEW WATER COMPANY

System Address P.O. BOX 598 City RIGBY State ID Zip 83442

Population Served 265 System Ownership (Check one): For Profit Not for Profit

Owner's Name NOLAN GNEITING Owner's Phone # 208-745-0029

Contact Person/Title (If different from owner) _____

Address _____ City _____ State _____ Zip _____

Phone No. _____ FAX No. 208-745-0041 Email Address morningviewhomes@qwestoffice.net

SECTION 2: DRINKING WATER SYSTEM PROBLEMS

Is your drinking water system experiencing any of the following problems? If so, check YES to ALL that apply. Then, describe the problem(s) and provide documentation to support any statement for which the answer was YES on a separate sheet of paper.

Public Health Emergency

- Waterborne illness outbreak
- Acute microbiological, chemical, radiological, nitrate or E-coli source contamination problems
- Failed primary water source

YES NO

YES NO

YES NO

Public Health Hazard

- Recorded evidence of waterborne illnesses
- Reported illnesses may be waterborne
- No reports of waterborne illnesses, but high potential exists
- No reports of waterborne illness and low potential for such exists

YES NO

YES NO

YES NO

YES NO

Water Quality Violations

- Ongoing chemical contamination violations
- Ongoing bacterial contamination violations
- Surface water treatment rules violations
- Identify constituents in violation: _____

YES NO

YES NO

YES NO

General Condition of System (provide documentation other than sanitary survey, e.g. engineer evaluation)

- Infrastructure deficiencies of pumping facilities, distribution lines, or treatment facilities,
- Inadequate or deficient storage, capacity to meet pressure or customer demand, etc.
- Other system deficiencies

YES NO

YES NO

YES NO

Has your public water system been subject to any of the following corrective measures recently?

Compliance Agreement: YES NO

Administrative or consent orders: YES NO

Drinking Water Advisory Issued (e.g. boil water advisories, mandated public notifications, etc.): YES NO

On a separate sheet, describe the issues that you have provided a "Yes" response to above, providing any support documentation that will assist in an understanding of the problem/s. Please discuss if you are seeking funding for a phased approach to your system's needs and if the phasing strategy has been discussed with the DEQ Regional Engineer. Describe the alternative selected to correct the identified problem(s). Use the selected alternative in the facility plan. Does an officially* declared or designated public health hazard or emergency exist? [*Certified by DEQ or Health Dept. Board.] Label this description as Section 2.

SECTION 3: BONUS POINTS QUESTIONS. (Check YES to all that apply):

- Is your source water assessment done?
- Have you established a protective zone around your well(s)?
- Have you established a drinking water system replacement fund?
- Do you have an active backflow protection program in place?
- Do you have a conservation-oriented rate structure (meters)?
- Do you have licensed operators for your system as required under IDAPA 58.01.08?
- Is your system current on monitoring requirements?

YES NO

YES NO

YES NO

YES NO

YES NO

YES NO

YES NO

Sustainable Infrastructure Initiatives ("Green Infrastructure")

1. Management-based efforts. Please explain the management-based sustainability initiative efforts your system will engage in as part of the project and the cost of the effort. Management-based efforts could include (but would not be limited to):

- Implementing a capital budget that is funded, and is supported by a capital improvement plan;
- Implementing a formal asset management system (using a tool such as EPA's CUPSS);

Implementing sustainable design principles, including energy efficiency and design for disassembly;
Implementing a formal environmental management system (exemplified by ISO 14001 Certification);
Implementing a system consolidation (i.e. public/private, small/large);
Implementing a SI benchmarking program;
Funding the provision of water efficient fixtures for the community;
Applicant has an energy audit and plans on implementing the suggestions of the audit;
Applicant is an EPA GreenPower partner.

Include documentation supporting the management-based efforts. Label the documentation as Section 3, Part 1. Some green infrastructure related websites include:

<http://www.epa.gov/cupss/>

http://en.wikipedia.org/wiki/ISO_14001

<http://www.iso14000-iso14001-environmental-management.com/>

http://www.iso.org/iso/iso_14000_essentials

http://www.energystar.gov/index.cfm?c=evaluate_performance.bus_portfoliomanager ;

http://www.energystar.gov/index.cfm?c=evaluate_performance.bus_portfoliomanager_benchmarking;

<http://www.epa.gov/region09/waterinfrastructure/benchmark.html> <http://www.epa.gov/greenpower/>

<http://www.nema.org/gov/energy/efficiency/premium/> ; <http://www.nema.org/stds/complimentary-docs/upload/MG1premium.pdf>.

<http://www.cee1.org/ind/mot-sys/mtr-ms-main.php3>

2. Technology-based efforts. Please explain the management-based sustainability initiative efforts your system will engage in as part of the project and the cost of the effort. Technology-based efforts could include (but would not be limited to):

On-site energy generation, such as:

- Fuel cells
- Solar
- Wind;

Installation of variable frequency drive pumps;

Installation of turbines/hydrogenerators in pipelines;

Installation of premium energy-efficient motors that exceed NEMA definition;

Construction/renovation of buildings that incorporate LEED criteria;

Installation of leak detection equipment;

Installation of water meters and water conservation measures that meet the EPA Green Project Reserve guidance document's requirements (Items A-7 and A-9). The guidance document is located at

<http://www.deq.idaho.gov/water/arra/green_project_reserve_q&a.pdf>;

Implementing energy efficiency savings of 20% or more;

Installation of green roofs;

Include documentation supporting the technology-based efforts. Label the documentation as Section 3, Part 2.

3. Construction practices. Please explain the construction practices sustainability initiative efforts your system will engage in as part of the project and the cost of the effort. Construction practices efforts could include (but would not be limited to):

Use of a brownfield site for the facility, use of recycled materials for facility construction and design for deconstruction.

Include documentation supporting the construction efforts. Label the documentation as Section 3, Part 3.

SECTION 4: SYSTEM READINESS TO PROCEED WITH PROJECT.

1. **Drinking Water Planning Grant** -- What's the estimated total cost (DEQ + your match) to prepare your facility plan/engineering report? \$30,000.00 Has the cost of preparing an Environmental Information Document, as one of the required elements of a facility plan/engineering report, been included in the price above?

If interested in receiving a planning grant, will you have the fifty percent (50%) required match funds available within the next twelve (12) months?

YES NO
 If loan is granted

2. **Drinking Water Loan** -- Has the facility plan/engineering report been completed (and a final environmental determination issued)?

YES NO

Title of Document FINAL FACILITY PLAN DEQ Approval Date Not yet approved

Describe the selected alternative to correct the problem(s) identified in the facility plan/engineering report.
 First to install variable speed drives to improve pressure and energy efficiency; Second to install meters on one-acre lots; Third to test existing well to determine feasibility of well for new well; Fourth, to install new well, if needed, to improve system; and Fifth, to install backup generator.

Estimated cost to correct the problems identified in the facility plan/engineering report \$275,000.00

Briefly describe indicators or actions that reflect the community's interest or readiness to proceed on this project (e.g. minutes from public hearings).

Morningview Water Company had a meeting with its patrons in June 2009 to discuss solutions to pressure problems. A majority of the patrons were interested in cost-effective solutions.

Monthly User Service Rate:

What is the current average monthly user service rate? \$40.94 (1/4 acre); \$41.66 (1/2 acre); \$49.48 (1 acre)

What is the projected average monthly user service rate impact from the change to operation and maintenance cost after implementation of this project? Rates would need to be increased to pay for improvements.

What is the number of equivalent dwelling units served by your system? 106

Is financial documentation in place or does the system have legal authority to incur the debt associated with the proposed project?

Choose one

The system does not yet have legal authority to incur this debt.

Bond council or financial consultant retained.

Date of proposed bond election (if applicable). _____

Legal instrument(s) in place (e.g., bond election, judicial confirmation, etc.).

What is the amount of debt that can be legally incurred? PUC approval (Morningview is a private company)

I understand that if awarded a grant, costs incurred prior to the awarding of the grant are not eligible for reimbursement.
Likewise if awarded a loan, costs incurred prior to the awarding of the loan are not eligible for reimbursement.

I certify that, to the best of my knowledge, all information provided here is valid and correct:

Authorized Signature *Nolan Swetney* Title *president - 2497* Date *1-13-10*

Return completed form to:
Idaho DEQ
1410 N. Hilton
Boise, ID 83706
Attn: Nancy Bowser

Exhibit A



STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY

1410 North Hilton • Boise, ID 83706-1255 • (208) 373-0502

C.L. "Butch" Otter, Governor
Toni Hardesty, Director

October 9, 2007

**CERTIFIED MAIL:
RETURN RECEIPT REQUESTED**

Mr. Nolan Gneiting
Morning View Water Company
P.O. Box 598
Rigby, ID 83442

RE: Consent Order for Morning View Water Company public water system, PWS ID7260063

Dear Mr. Gneiting:

Enclosed is a Consent Order outlining a compliance schedule for the Morning View Water Company public water system that was discussed during the compliance conference on September 26, 2007. The terms and conditions are those agreed upon by the participants attending the September 26 meeting. The steps outlined in the Consent Order are needed to protect the health and welfare of Morning View Water Company water users. We would like to advise you of the following clarifications to the document made during the internal review process:

- 1) Paragraph 9.b. has been modified for clarification. There is no substantive change.
- 2) Paragraph 9.g. has been modified to include language specific to methods of testing to identify sand content in drinking water. Additionally, this section discusses the potential for subsequent action to address sand content above 5 parts per million.

These additional elements are not intended to alter the purpose of the Consent Order but rather to clarify the intent. Please review the Consent Order, sign, date, and return the original document within fifteen (15) days of receipt to:

Bryan Zibbell, Drinking Water Enforcement
Department of Environmental Quality
1410 North Hilton (2nd Floor)
Boise, Idaho 83706

Upon receipt of the signed Consent Order we will obtain the Director's signature and mail a fully executed copy to you for your records. Thank you for your attention to this matter.

Sincerely,

Barry N. Burnell
Water Quality Division Administrator

BNB:jt

Enclosure

c: Courtney Beebe, Deputy Attorney General
Greg Eager, Idaho Falls Regional Engineering Manager
Rochelle Mason, Idaho Falls Regional Office
Enforcement File
COF

