

**FISHER PUSCH & ALDERMAN LLP**

ATTORNEYS AND COUNSELORS AT LAW

John R. Hammond Jr.

e-mail: jrh@fpa-law.com

February 5, 2008

***Via Hand Delivery***

Jean Jewell, Commission Secretary  
Idaho Public Utilities Commission  
472 W. Washington Street  
P. O. Box 83720  
Boise, Idaho 83720-0074

RECEIVED  
2008 FEB -5 AM 11:30  
IDAHO PUBLIC  
UTILITIES COMMISSION

Re: In the Matter of the Application of Idaho Springs Water Company, Inc.'s, Application for a Certificate of Public Convenience and Necessity and Request to Process the Application by Modified Procedure, Case No. ISW-W-08-01

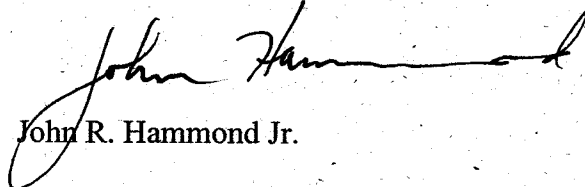
Dear Ms. Jewell:

Enclosed are the original and seven (7) copies of Idaho Springs Water Company, Inc.'s, Application for a Certificate of Public Convenience and Necessity and Request to Process the Application by Modified Procedure. Kindly return a file stamped copy of this letter and Application. In addition, we are filing an exhibit which is claimed by the Company as confidential under separate cover.

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

FISHER PUSCH & ALDERMAN LLP



John R. Hammond Jr.

JRH:  
Enclosures

John R. Hammond, Jr., ISB No. 5470  
Fisher Pusch & Alderman LLP  
U.S. Bank Plaza, 5th Floor  
101 S. Capitol Boulevard, Suite 500  
Post Office Box 1308  
Boise, ID 83701  
Telephone: (208) 331-1000  
Facsimile: (208) 331-2400

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2008 FEB -5 AM 11:32  
IDAHO PUBLIC  
UTILITIES COMMISSION

Attorneys for Applicant

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE  
APPLICATION OF IDAHO SPRINGS  
WATER COMPANY, INC., FOR A  
CERTIFICATE OF PUBLIC  
CONVENIENCE AND NECESSITY

**CASE NO. ISW-W-08-01**

**APPLICATION AND REQUEST TO  
PROCESS BY MODIFIED  
PROCEDURE**

COMES NOW Idaho Springs Water Company, Inc., an Idaho corporation, (the "Applicant" or the "Company") pursuant to *Idaho Code* § 61-526 and Idaho Commission Rule of Procedure 111, IDAPA 31.01.01.111, and hereby respectfully files this Application requesting that the Idaho Public Utilities Commission (the "Commission") grant it a Certificate of Public Convenience and Necessity ("CPCN") to provide water service to the general public as a public utility, authorize interim rates for water service and to begin the process of setting rates and charges for water service through Commission order. The Company has expedited its filing of this Application and as such it may need to be supplemented as this matter is processed.

The Applicant also respectfully requests that its Application be processed by Modified Procedure pursuant to Commission Rules of Procedure 201-204. IDAPA 31.01.01.201-.204.

## I.

Applicant is an Idaho corporation engaged in conducting a general water business in and about the Arrowrock Subdivision in Kuna, Idaho, Ada County, having its principal office and place of business at 660 E. Franklin Road, Suite 240, Meridian, Idaho 83642 and a mailing address of P.O. Box 344, Meridian, Idaho 83642. The Company's contact number is (208) 888-9946 x104. The water system in the Arrowrock Subdivision has been completed and is operational.

## II.

Communications in reference to this Application should be addressed to:

Idaho Springs Water Company, Inc.  
Attn. Trent Nieffenegger  
P.O. Box 344  
Meridian, Idaho 83642  
[trent@westparkco.com](mailto:trent@westparkco.com)

John R. Hammond, Jr.  
Fisher Pusch & Alderman LLP  
101 South Capitol Blvd., Suite 500  
Boise, Idaho 83701  
[jrh@fpa-law.com](mailto:jrh@fpa-law.com)

## III.

A certified copy of the Applicant's Articles of Incorporation is attached hereto as **Exhibit A.**<sup>1</sup> Applicant entered into a purchase and sale agreement to purchase the water system on February 4, 2008 which document has also been included in **Exhibit A.**

## IV.

Applicant has one affiliate, the Westpark Company Inc., an Idaho corporation, which is a development management company for the Applicant.

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<sup>1</sup> Initially one entity, Intermountain Sewer and Water, was formed to be responsible for both water and sewer service. Upon learning that it was not possible to run both operations together the water company was developed and built under the name of Arbor Ridge, LLC, a general development organization. The assets of the water company, including real property were transferred to Idaho Springs Water, Inc. due to the fact that Arbor Ridge LLC historically has been a real estate development firm and does not want to be in the water service business.

**V.**

The Applicant has attached hereto as **Exhibit B** a generalized map of the area which it proposes to serve that the Company will provide a legal description for as soon as it can be obtained. At this time all water service is being provided within the legal description which is also attached to **Exhibit B**. The area which the Applicant proposes to provide water service for is not within the authorized territory of any other public utility water corporation under the jurisdiction of the Commission and the provision of service to this area will not interfere with the operations of any other water utility corporation under the jurisdiction of the Commission.

**VI.**

Attached hereto as **Exhibit C** is documentation on the water system submitted to the Idaho Department of Environmental Quality which includes technical drawings and maps.

**VII.**

Applicant will submit under **Exhibit D** the cost for the construction of the water system and the anticipated annual maintenance costs as soon as it is compiled. The Applicant proposes to finance any new utility construction to provide service through all economically prudent means.

**VIII.**

Subject to modification the Applicant currently provides water service to 38 residential customers, 17 other connections which are taking service during construction of residential dwellings and 1 customer taking service to water common areas in the Arrowrock Subdivision during the summer months (April 1 to October 1). In the event

the Arrowrock Subdivision is fully built out the Company could have an estimated 100 residential customer connections and an additional 100 residential customer connections more if the larger proposed service territory is fully built out. The Company is submitting its current customer list as **Exhibit E** under separate cover and is asserting that this information constitutes a trade secret, is confidential or otherwise exempt from public disclosure, inspection, examination or copying pursuant to *Idaho Code* § 9-340D.

#### IX.

Applicant intends to file details regarding consumptive use as **Exhibit F** as quickly as that information can be assembled.

#### X.

Attached as **Exhibit G** is a description of the rates and charges which the Applicant is currently charging for water service. The Company respectfully requests that pending a final order being issued in this case establishing rates that it be allowed to charge its customers the rates contained in **Exhibit G** as interim rates. At this time the Company is still finalizing its analysis on what it believes will be just and reasonable charges for water service. Currently the Company believes that it will be proposing a rate for residential customers that contains a set monthly customer charge and a additional amount, or variable charge, to be determined by monthly consumption. The Applicant believes that this will result in residential charges for water service to be between \$50.00 and \$100.00 per customer.

#### XI.

Attached as **Exhibit H** is the form of the notice being mailed to the Applicant's customers which briefly describes the Company's proposed service area, the request to

approve the use of an interim rate and information concerning the possible rate structure which could result from a Commission final order. This notice also contains contact information for the Commission. In addition, **Exhibit H** also contains a sample bill statement<sup>2</sup>, reminder notice – termination of service, final notice – termination of service and a rules summary. In the event the Commission grants the Applicant a CPCN, it agrees to be bound by the Commission’s rules and applicable authorities and proposes to adopt the “General Rules and Regulations for Small Water Companies”, a copy of which is also contained in **Exhibit H**.

## **XII.**

The Applicant only has one year of financial data and is currently assembling a financial statement which will be submitted to the Commission as soon as it is complete under **Exhibit I**.

## **XIII.**

The Applicant submits that it is in the public interest to authorize the Applicant to provide water service to customers in the proposed area as a public utility and as such respectfully requests that it be granted a CPCN.

## **XIV.**

Applicant does not believe that the public interest requires a hearing on the issues presented hereby and requests that this Application be processed by Modified Procedure under the Commission’s Rules of Procedure 201-204. IDAPA 31.01.01.201-.204.

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<sup>2</sup> The format is correct but the name of the Company on the invoice will obviously be changed to Idaho Springs Water Company, Inc. A corrected sample invoice will be submitted once it is prepared by the Company.

**PRAYER FOR RELIEF**

WHEREFORE, Applicant respectfully requests of the Commission:

1. That the Commission find that a hearing is not required herein and process the Application by Modified Procedure;
2. That the Commission grant the Applicant's request for a CPCN;
3. That the Commission authorize the Applicant to continue to charge its customers the rates set forth in **Exhibit G** as an interim rate immediately and until such time as rates and charges for water service as set by Commission final order;
4. That the Commission grant such other and further relief as the Commission may determine proper herein.

DATED THIS 5<sup>th</sup> day of February, 2008.

IDAHO SPRINGS WATER COMPANY, INC.

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

  
John R. Hammond, Jr.  
Attorney for Applicant

**CERTIFICATE OF SERVICE**

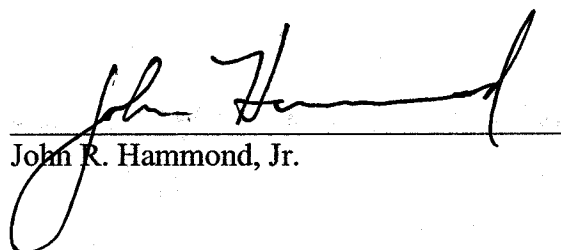
I HEREBY CERTIFY that on this 5<sup>th</sup> day of February, 2008, a true and correct copy of the foregoing document was served on the following individuals by the method indicated below:

Jean Jewell  
IDAHO PUBLIC UTILITIES COMMISSION  
472 W. Washington St.  
PO Box 83720  
Boise ID 83720-5983

- U.S. Mail
- Facsimile
- Overnight Delivery
- Messenger Delivery
- Email

Scott Woodbury  
IDAHO PUBLIC UTILITIES COMMISSION  
472 W. Washington St.  
PO Box 83720  
Boise ID 83720-5983

- U.S. Mail
- Facsimile (208) 342-3829
- Overnight Delivery
- Messenger Delivery
- Email



\_\_\_\_\_  
John R. Hammond, Jr.



# State of Idaho

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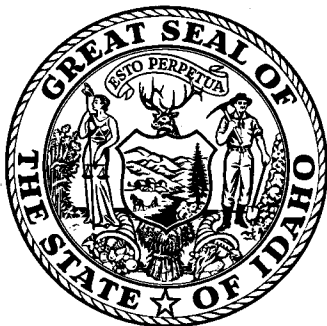
Office of the Secretary of State

IDAHO PUBLIC  
UTILITIES COMMISSION

I, BEN YSURSA, Secretary of State of the State of Idaho, hereby certify that I am the custodian of the corporation records of this State.

I FURTHER CERTIFY That the annexed is a full, true and complete duplicate of articles of incorporation of **IDAHO SPRINGS WATER COMPANY, INC.**, an Idaho corporation, received and filed in this office on April 2, 2007, under file number C 172311 , including all amendments filed thereto, as appears of record in this office as of this date.

Dated: February 1, 2008



*Ben Yursa*

SECRETARY OF STATE

By

*[Signature]*

EXHIBIT

*A*

tabbles

FILED EFFECTIVE

ARTICLES OF INCORPORATION

07 APR -2 PM 3:59

OF

SECRETARY OF STATE  
STATE OF IDAHO

IDAHO SPRINGS WATER COMPANY, INC.

1. Name. The name of the corporation is Idaho Springs Water Company, Inc. (the "Corporation").
2. Authorized shares. The aggregate number of shares the Corporation is authorized to issue shall be One Thousand (1,000), all of which shall be common voting stock.
3. Registered office and agent. The registered office of the Corporation is 660 E. Franklin Road, Suite 240, Meridian, Idaho 83642, and its registered agent at that address is Gregory B. Johnson.
4. Incorporator. The name of the incorporator is Michael T. Spink, and the incorporator's address is 251 E. Front Street, Suite 200, Boise, Idaho 83702.
5. Term of Existence. The term of existence of the Corporation is and shall be perpetual.
6. Voting Entitlement of Shares.
  - (1) Except as provided in sections (2) and (4) of this Article, each outstanding share, regardless of class, is entitled to one (1) vote on each matter voted on at a shareholders' meeting. Only shares are entitled to vote.
  - (2) The Corporation is not entitled to vote treasury shares. The shares of the Corporation are not entitled to vote if they are owned, directly or indirectly, by a second corporation, domestic or foreign, and the Corporation owns, directly or indirectly, a majority of the shares entitled to vote for directors of the second corporation.
  - (3) Section (2) of this Article does not limit the power of the Corporation to vote any share, including its own shares, held by it in a fiduciary capacity.
  - (4) Redeemable shares are not entitled to vote after notice of redemption is mailed to the holders and a sum sufficient to redeem the shares has been deposited with a bank, trust company, or other financial institution under an irrevocable obligation to pay the holders the redemption price on surrender of the shares.

IDAHO SECRETARY OF STATE  
04/02/2007 05:00  
CX: NONE CT: 39360 BH: 1044347  
1 @ 100.00 = 100.00 CORP # 2  
1 @ 20.00 = 20.00 EXPEDITE C # 3

C172311

7. **Corporate Purpose.** The purpose for which the Corporation is organized is the transaction of any and all lawful business for which corporations may be incorporated under the Idaho Business Corporation Act.

8. **Board of Directors.** All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of, its board of directors, subject to any limitation set forth in a shareholder agreement authorized under Idaho Code § 30-1-732. The number of directors constituting the initial board of directors shall be one (1), and the names and addresses of the persons to serve as directors until the first annual meeting of shareholders, or until their successors are elected and qualified, are:

<u>Name</u>	<u>Address</u>
Gregory B. Johnson	660 E. Franklin Road, Suite 240 Meridian, ID 83642

9. **Voting.** Each outstanding share entitled to vote shall be entitled to one (1) vote on each matter submitted to a vote at a meeting of shareholders. Shareholders do not have the right to cumulate their votes for directors.

10. **Terms of Classes or Series of Shares Determined by Board.** The board of directors may determine, in whole or in part, the preferences, limitations and relative rights, within the limits of Idaho Code § 30-1-601, of (a) any class of shares before the issuance of any shares of that class or (b) one (1) or more series within a class before the issuance of any shares of that series. Each series must have preferences, limitations and relative rights identical with those of other shares of the same series and, except to the extent otherwise provided in the description of the series, with those of other series of the same class. Before issuing any shares of a class or series created under this section, the Corporation shall deliver to the Idaho Secretary of State for filing articles of amendment, which are effective without shareholder action, that set forth the information required by Idaho Code § 30-1-602.

11. **Preemptive Rights.** The Corporation elects to have preemptive rights.

12. **Indemnification.** The Corporation shall indemnify the directors and officers of the Corporation to the fullest extent permitted by the Idaho Business Corporation Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than the Idaho Business Corporation Act permitted the Corporation to provide prior to such amendment).

13. **Limitation of Liability.** No director shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty except liability for: (i) the amount of a financial benefit received by a director to which he is not entitled; (ii) an intentional infliction of harm on the Corporation or the shareholders; (iii) a violation of Idaho Code § 30-1-833; or (iv) an intentional violation of criminal law.

IN WITNESS WHEREOF, I have subscribed these Articles of Incorporation this 2<sup>nd</sup> day of April, 2007.

  
Michael T. Spink, Incorporator

**PURCHASE AGREEMENT**  
**February 1, 2008**

**BUYER:** Idaho Springs Water Company Inc. (ISWCI)

**SELLER:** Arbor Ridge LLC

Property legal description: Lot 2 Block 1 Arrowrock Ranch Subdivision No. 1

**Purchase Price:**

Land:	\$100,000
Wells:	225,000
Pumps:	50,000
Water Rights:	50,000
Building:	<u>75,000</u>

Total Purchase Price: \$500,000

All distribution lines, meter boxes, etc. – No Charge

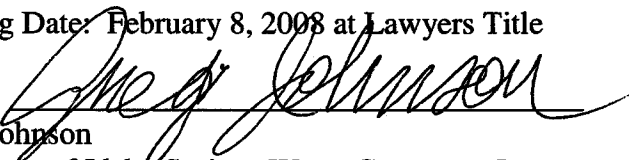
**Terms of Sale:**

Buyer shall pay \$50,000 at closing. The balance of \$450,000 shall be a note at 8% interest for twenty years and shall be paid at \$3,764 per month fully amortizing in twenty years.

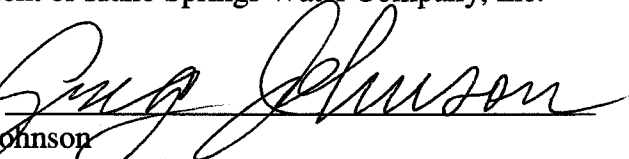
Transfer of Title: By Deed and by Bill of Sale

Closing: Lawyers Title – Kim Blasius (389-6936)

Closing Date: February 8, 2008 at Lawyers Title

Buyer:   
Greg Johnson  
President of Idaho Springs Water Company, Inc.

Date: 2/4/08

Seller:   
Greg Johnson  
Manager of Arbor Ridge LLC

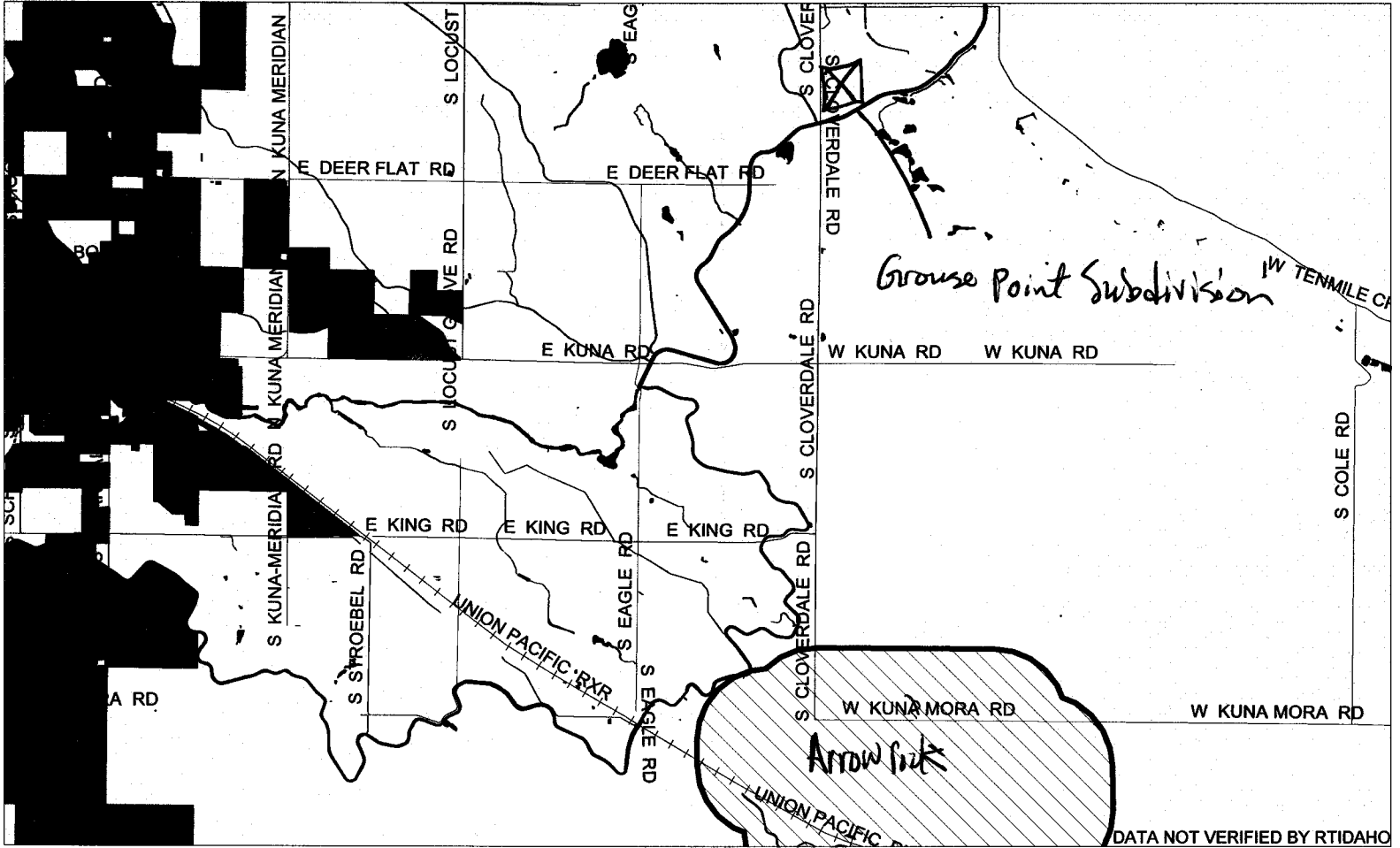
Date: 2/4/08

# Water Servicably Map

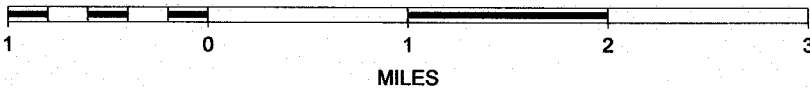
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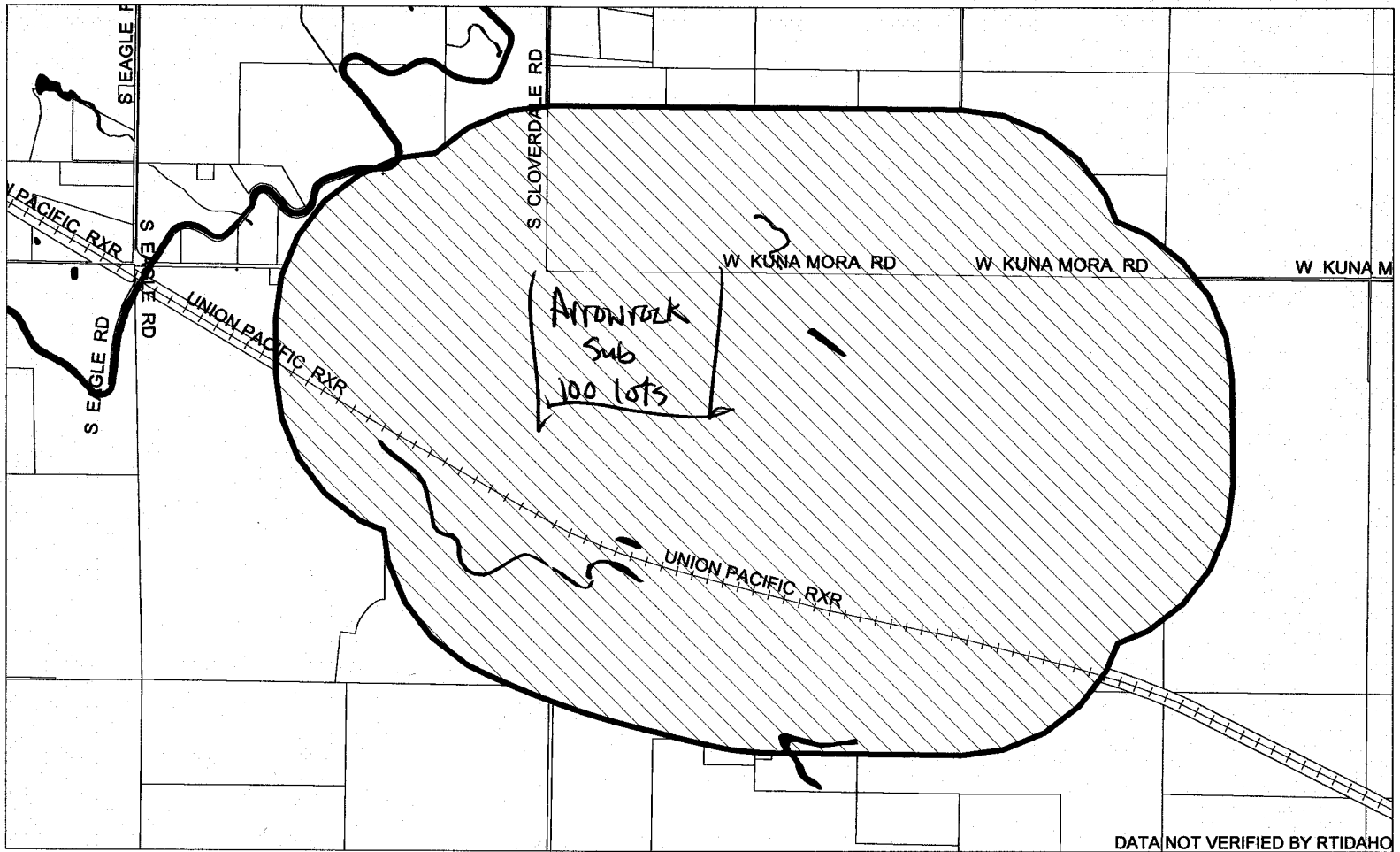
SCALE 1 : 60,593



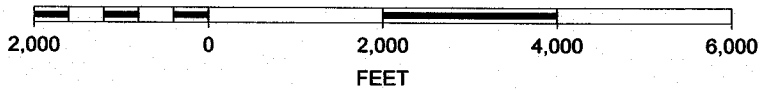
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**EXHIBIT**  
*B*

# Water Servicably Map



SCALE 1 : 26,327



\* 2 mile radius.





