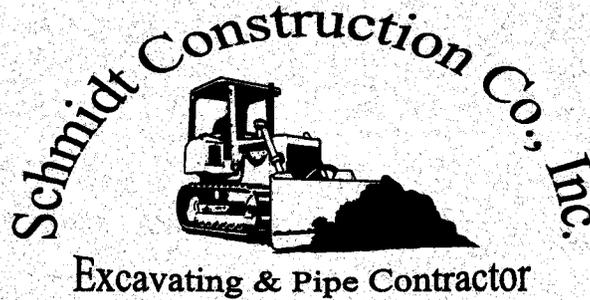


4662 Henry Street, Suite B
Boise, Idaho 83709



Office (208) 362-7227
Fax (208) 362-7286

May 14, 2008

Jean Jewell – Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

RE: Case No. UWI-W-08-01

Dear Ms. Jewell

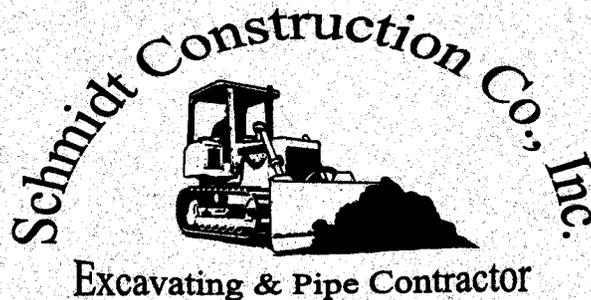
This letter is in response to the letter dated 5/6/08 by Dean Miller regarding my formal complaint against United Water. I have read Dean Miller's letter that was wrote on United Water's behalf and also reviewed the minutes from the April 15th Decision Meeting held at the PUC.

I believe United Water's response to my formal complaint is lacking many of the issues that I had brought up to the PUC in my first letter. United Water continues to stress the fact that ten contractors is a sufficient amount and they will incur additional administrative costs if new un-experienced contractors are allowed in the pool. The letter I sent to the PUC dated 2/14/08 listed several issues that gave me reason to believe that United Water in fact did not have a legitimate reason for keeping Schmidt Construction off the approved list.

First, United Water has stated in the past that the ten contractors on the list have been able to provide enough service with competitive prices during the recent building boom. I say to that, that during the recent and past building boom, developers were so anxious to finish projects and get their lots on the market, they didn't care who did the work or how much it cost as long as it got done. I believe today, in a building slump, qualified contractors should be able to give any private developer a bid for all public utilities. Without this, Schmidt for instance is at a financial disadvantage when bidding these projects. I don't think a private company like United Water that controls a public utility should be able to cause hardship for equally qualified contractors trying to make a living. I would like to see hard facts why United Water thinks they can discriminate, and not just another comment about the "labor in lieu" program.

RECEIVED
MAY 16 AM 8:18
IDaho PUBLIC UTILITIES COMMISSION

4662 Henry Street, Suite B
Boise, Idaho 83709



Office (208) 362-7227
Fax (208) 362-7286

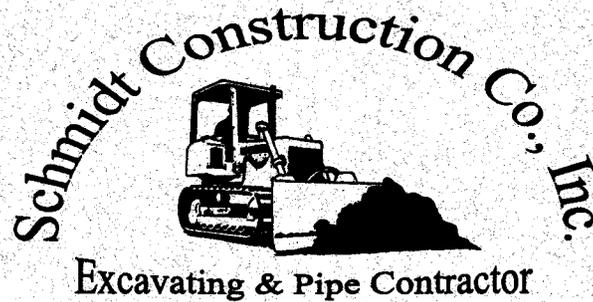
I need to explain some of my personal experience; I worked for Hubble Homes Land Development for two years, managing the construction of the subdivisions in Ada County. I used a large local construction company to do the majority of the site work on many subdivisions. This large company is a United Water contractor and if I had not contracted this company to do all of the pipe work for Hubble during the boom, I would not have been able to get all the subdivisions done. Most of this work was done at an inflated price because all the contractors were so busy. The ironic part of this whole complaint is that the large company that contracted all Hubble's pipe work would sub a large percentage of this sewer work to Schmidt Construction and then do the water work themselves. This scenario was great for Schmidt then, however today developers do not want to see two contractors on one job because it typically costs more to split up pieces of a project. While working at Hubble, Charter Pointe Subdivision was a huge ongoing project that was in United Water's jurisdiction. I personally have filled out United Water's, installed facilities form, and done final inspections and walkthrough's on various phases of that project. As you can see, I am already pre-trained for some of United Water's detailed documentation processes.

Second, United Water's claim that a new contractor will go through a two year learning curve and training process. How does Meridian, Kuna, Nampa, Caldwell, Eagle and every other Water District in the whole state deal with all these incompetent unqualified contractors doing water work in their towns. I would like to see detailed lists or requirements that prove that it would take Schmidt Construction two years to learn United Water's ways.

United Water has also listed reasons regarding extra costs related to these two years of training and administrative work. I am very much in agreement that times are tough and extra costs for anyone are not good. I do apologize to the PUC, Taxpayers and United Water for the internal cost of this ongoing formal complaint. At some point the costs that were incurred during this process will probably exceed the extra training and administrative costs that United Water would have had had they just let us on the approved list when I submitted the application in November 07'. With that said, I am willing to share or pay for some of United Water's extra costs relating to the training and administrative costs they would incur while setting Schmidt Construction up as an approved contractor.

I would like to point out that Mr. Miller, United Water's legal council, during the 4/15/08 PUC Decision Meeting was asked why United Water has decided to limit the number of contractors. Mr. Miller said that he had not been in any discussions previous to this

4662 Henry Street, Suite B
Boise, Idaho 83709



Office (208) 362-7227
Fax (208) 362-7286

meeting regarding this issue and was un-able to answer the question; he also said that the Company would respond fully to the Summons. I have a hard time believing that Mr. Miller, who is standing up defending United Water, did not meet with United Water officials either in person or on the phone before this meeting to get a quick summary of what was happening and what the reasons were for the complaint.

I would like to thank the PUC and its Commissioners for the continued assistance that they have given Schmidt Construction and me. Mr. Redford had stated in the 4/15/08 decision meeting that he felt like this was an issue regarding just United Water and the Construction Companies. I would like to stress to Mr. Redford that I am not a legal guru by any means but I do believe that the PUC does need to stay involved in this case for any justice to be done in the end. If the PUC chooses to remove themselves from this case, I am afraid that United Water will never come to a conclusion. I think it is important for a third party like the PUC to be involved as a mediator/decision maker until the final decision is made.

Respectfully,

Pete Wilson
Schmidt Construction
4662 Henry Street, Ste. B
Boise, ID 83709