

RECEIVED

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

\$50 fee

Received by YSHRecpt No. 099953Date 2-23-15**FEB 23 2015****REQUEST FOR EXTENSION OF TIME****DEPT OF WATER RESOURCES**

Provide additional time in which to submit proof of beneficial use for a water right permit

The Idaho Department of Water Resources will consider this form a request that the permit holder(s) be granted an additional period of time under the provisions of Section 42-204, Idaho Code, in which to complete development of a water right and file proof of beneficial use of water. There is a **FILING FEE** of \$50.00 to be included with this form when filed with IDWR.

Permit no. 25-14199-25-14236 Date proof is due February 1, 2015
 Name(s) of permit holder(s) Morningview Water Co.
 Mailing address P.O. Box 598 City Rigby State ID Zip 83442
 Telephone no. 208 745-8780 Email newdawn62@gmail.com

Describe what work has been completed toward the development of this water right:

If no work has been completed, show "none".

A new 600-900 gallon per minute well has been constructed. It will be powered up on March 1, 2015. Meters have been installed and are already metering for all customers

Costing \$ 369,269.75 (See ATTACHMENT AA)

The permit holder(s) has been unable to complete the remainder of the work for the following reasons:

see attached no I

Permit holder(s) request an extension for Maximum permit year(s). We request gov't. handship delay order
Molan A. Weitzing Feb 12, 2015
 Signature (If other than permit holder, Power of Attorney must be supplied) Date

ACTION OF THE DEPARTMENT OF WATER RESOURCES

The Department has reviewed the explanation for delay and concludes the reason(s) for delay meets the requirements for approval of the Request for Extension of Time as provided by Section(s) 42-204 and/or 42-218, Idaho Code.

☒ **IT IS HEREBY ORDERED** that the permit is **REINSTATED** with the priority date advanced to August 21, 2007.

☒ **IT IS HEREBY ORDERED** that the above request for extension of time is **APPROVED**, and the time within which to submit proof of beneficial use is extended to November 19, 2017.

Signed this 26th day of March, 2015

Jeff Peppersack, Chief
Water Allocation Bureau

Water Resources Request for Extension of Time **February 20 2015**
Permit no. 25-14199 and Permit no. 25-14236 Attachment I Work not completed
On August 30, 2007, the Idaho Public Utilities Commission issued a consent Order, order no. 30420, Case no. MNV-W-0601 (Attachment A) placing a moratorium on the system.

Robert Harris, attorney with Holden Kidwell Hahn and Crapo, has represented us at an expense of over 15,000 dollars to resolve the issues. We have worked with Aspen Engineering at a cost of over 7,000 dollars for assessment and plans. Neither of these fees were reimbursable and I have had to borrow these monies and monies for land taxes given that I could not sell my property. It has been a considerable hardship during this SIX year limbo. (Attachment B shows application by Mr. Harris for loans to drill the well)

On July 8, 2008 the engineer's facilities plan was completed (Attachment C). Since that time it has been reviewed, amended, and refined by numerous government agencies. **On November 9, 2012**, the Department of Environmental Quality approved the loan (Attachment D). Since that time there have been revisions and reviews by numerous agencies. The final okay to begin the actual new well construction did not happen until the fall of 2014. Finally, after many frustrating and expensive years to resolve the problems, construction began.

Projected Plans

In a conversation with Terri Carlock, of IPUC, on February 17, 2015 we were assured that the moratorium will be lifted with project completion. The new well is completed and will be powered up on March 1, 2015 but the two earlier wells still need to be upgraded with variable speed drives. The two well properties will be fenced. Scheduled completion is July 1, 2015.

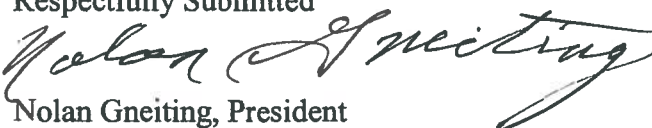
Personal Hardships

In addition to government delays and financial devastation I have experienced the following personal and management hardships:

Nov. 2012 Life threatening illness, sepsis with 37 day hospital stay and 6 mo. recovery
July 2013 Secretary absconded with office records and was fired when she refused to share the only office data from her laptop computer. She had eliminated the office computer during my illness. Records were never retrieved. My family has spent the last eighteen months trying to reconstruct records, billing and to create functional filing and reporting systems. Aug. 2013 Relapse of sepsis, 1 week in hospital with 2 mo. Recovery. Nov. 2014 Relapse of sepsis and contracted pneumonia, back to work in January 2015

Thank you for consideration and assistance in extending the time for these matters. We look forward to the active development of the properties and are so pleased to finally have the new well and upgrades. If you have questions please call 208 745 0029.

Respectfully Submitted



Nolan Gneiting, President
Morning View Water Co

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	)	
OF MORNING VIEW WATER COMPANY	)	CASE NO. MNV-W-06-01
INC. FOR AUTHORITY TO INCREASE ITS	)	
RATES AND CHARGES FOR WATER	)	ORDER NO. 30420
SERVICE IN THE STATE OF IDAHO	)	

On December 8, 2006, Nolan Gneiting, president of Morning View Water Company, Inc. (Morning View; Company) filed a letter with the Commission requesting a 40% increase in rates. The Company stated an increase was necessary to pay for back payroll taxes, property taxes, increased costs of operation and back wages. The Company issued a notice to its customers with its March 2007 bills notifying them that it was seeking a 35% increase to meet its continued operation needs (i.e., increased cost of power, taxes, salaries, repairs, maintenance, general operation costs, and to recover the depleted contingency fund). Current authorized tariff rates for Morning View utilize a flat rate design based on lot size, i.e., one quarter acre \$22.00 per month; one half acre \$28.85 per month; one acre \$35.75 per month. Customers also pay a \$5.00 per month surcharge to fund a separate contingency reserve account (Order No. 29104 – capped at \$10,000). Base rates have not been changed since September 1, 2002.

In this Order the Commission approves an annual revenue requirement for Morning View of \$41,436 (a 24.59% increase) and a uniform percentage increase in commodity rates, i.e., one quarter acre \$27.41 per month; one half acre \$35.94 per month; one acre \$44.48 per month. We authorize continuance of the contingency reserve account surcharge. The Commission also takes notice of the Company's problems with water pressure (Idaho Department of Environmental Quality) and water rights (Idaho Department of Water Resources) and establishes a moratorium on new connections pending the metering of the Company's customers and acquisition of sufficient water rights to serve existing customers and additional growth.

On March 15, 2007, the Commission suspended implementation of the Company's proposed rate increase (Order No. 30276), issued a notice of the Company's Application, and established a Modified Procedure comment deadline of June 13, 2007. On April 12, 2007, Commission Staff held a public workshop for Morning View customers providing an overview of the Company's rate case Application, dispensing information and answering questions.

Comments and recommendations were filed by Commission Staff and approximately two-thirds of the Company's customer base. On June 20, 2007, the Company filed a reply to Staff comments. On July 30, 2007, the Company filed a supplemental reply.

The Commission has reviewed and considered the filings of record in Case No. MNV-W-06-01 including the Company's initial filing, Staff's investigative report and recommendations, the Company's related reply and supplemental reply and customer comments. Based on additional information provided by the Company in its supplemental reply the Commission is informed that the areas of disagreement between Staff and Company have been significantly reduced. We resolve those differences in this Order. Based on the Commission's review of the record, we continue to find it reasonable to process the Company's rate filing pursuant to Modified Procedure, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

The comments and recommendations of Commission Staff and customers and the Company's initial and supplemental replies can be summarized as follows together with Commission discussion and findings:

The comments and recommendations of Commission Staff are based on a field audit conducted in April 2007 at the Company offices in Rigby, Idaho. Staff found the Company's financial records for the years 2002, 2003 and 2004 to be incomplete. Staff used the Company's financial records for 2005 and 2006 and its review of 2002 rate case data as the basis for determining the Company's history of revenues, expenses and rate base. In its comments Staff includes an analysis of the Company's results of operations, rate base, capital structure, depreciation, revenue requirement, rates and system design. Staff proposes use of 2006 as the test year and provides a schedule of pro forma adjustments.

As modified following the Company's supplemental reply and additional information provided therein, Staff recommends an annual revenue requirement increase of \$7,929 (or 23.84%).

Two Staff adjustments to Company annual expense remain in contention.

As reflected in the Company's supplemental reply, Staff eliminated a \$500 payment for vehicle insurance paid by the water company for a vehicle owned by an affiliated company. The Company addresses this contention as follows:

This is the only vehicle expense incurred by the water company. Staff's adjustment assumes that the water company has neither need for a vehicle nor any vehicle expenses. Staff is correct that the water company does not own any vehicles. However, it is inappropriate to assume there is no need. Numerous trips to deliver water samples to laboratories in Idaho Falls, pick up materials and supplies, make bank deposits, inspect the service area water lines, check wells and deliver notices to customers are required. The Company's insurance payment for an affiliate company's vehicle of only \$500 is a small price to pay. At the federal mileage allowance of \$.47/mile this translates to 1,064 miles per year. The Commission should reject this Staff adjustment and acknowledge that the Company cannot possibly function without incurring some transportation expenses.

We find it reasonable to authorize \$250 in annual vehicle expense. In so doing, we note the absence of documentation to support the expense item. Payment of insurance is not the appropriate mechanism to reflect vehicle costs. The Commission in future rate cases expects the Company to maintain a mileage log and records if it expects to receive an acknowledgement of transportation expense.

The Company also contests the amount allowed by Staff for office space rent. As set forth in the Company's supplemental reply.

The Staff addressed the Company's office space rent expense and recognized that the Company did not actually pay any rent during the 2006 test year. The Company's affiliate company has been subsidizing the water company in this regarding. To the Staff's credit it did proform a rent allowance back into its recommendations for the total revenue requirement. Staff allowed the rent expense included in the Company's 2002 rate case of \$950 and stated "the rent circumstances and expenses of \$950 included in the 2002 rate case has not changed . . ." circumstances certainly have changed. Real estate values and therefore rental values have escalated over a period of five years. Escalating the 2002 value of \$950 for a period of 5 years at a very conservative compound rate of 3% per year would produce a rental value of \$1,123. Escalating for an additional year (when new rates will be in effect) would produce a rental value of \$1,156.

The Commission finds Staff's proposed rent allowance to be reasonable, in the absence of any actual expense incurred by the Company. A different rental amount cannot be reasonably established absent knowledge of the rental or ownership situation.

Morning View in its supplemental reply informs the Commission that the pump for the Company's backup well was installed and declared functional and in service as the Company's backup source of supply on July 20, 2007. The pump was installed pursuant to an Idaho Department of Environmental Quality (DEQ) letter dated July 6, 2007, giving ten days' notice to comply with Idaho rules for public drinking water systems. On Monday, July 23, 2007, an e-mail was sent to the DEQ informing them of the completion of the required improvements. Copies of the DEQ letter and Company e-mail are attached to the Company's reply.

The Company notes that it has incurred additional costs of \$5,014 to comply with the DEQ requirements. An itemized schedule of costs incurred was provided. As represented by the Company, these expenditures were required for DEQ compliance, do not produce any additional revenues for the Company, have been completed within eight months of the end of the test year in this case and were not a known event at the time the Company's Application was filed. The Company requests given the emergency nature of these unanticipated costs that the Commission consider the effect on the Company in its deliberations in this case. Staff concurs with the Company's recommendation. The Commission agrees that this is a valid adjustment in this rate case.

In its supplemental reply Morning View also notes that the Company determined that it needed the assistance of an outside consultant to properly respond to Staff's comments. The Company did not seek outside assistance initially in this case due to cash flow constraints but now believes it needs such assistance. The Company requests that the Commission recognize the value of this assistance and allow the Company to amortize its costs for this case over a two-year period. Total costs are expected to be \$1,000 and when amortized over two years would increase the Company's revenue requirement by \$500. Staff recommends that the cost be amortized over five years. The Commission is informed that the Company agrees with this proposed amortization period. The Commission authorizes the expense and Staff proposed amortization.

The resultant rate base approved by the Commission in this case is \$8,994. The depreciation expense on these assets is \$869 annually. Using a 12% return on the rate base which we continue to find reasonable for a small water company and a tax gross-up of 1.27, the total revenue requirement increase is \$8,179. The annual revenue requirement we approve is \$41,436 (a 24.59% increase). The revenue requirement figure includes a rate basing of the

Company's recent investment in its backup well (connecting the pump, etc.) and an amortized allowance for rate case expense.

Contingency Reserve Account

Staff in its comments provides specific detail regarding the Company's contingency reserve account. As noted by Staff,

The Company was authorized by the Commission in the 2002 Rate Case to charge each customer a surcharge of \$5.00 per month to fund a contingency reserve account. In Order No. 29104, the Commission stated the following finding concerning this contingency reserve account:

The reserve account will assure the Company's ability to provide more reliable service by providing a fund for extraordinary and unforeseen major repairs and replacements. It may also be used for payment of the Company's outstanding bill of \$4,213 for pump replacement. The surcharge is to be separately identified on billing statements. The surcharge revenue is to be deposited into a separate account. A surcharge report is to be filed with the Company's annual report providing detail of all surcharge funds collected and disbursed. The detail provided should also include a description and justification for all monies disbursed. The surcharge is subject to annual adjustment and reauthorization. The surcharge is to cease when the reserve account balance reaches \$10,000 and may be reactivated with the Commission's approval when the account falls below \$5,000."

The Company has been collecting the surcharge since January 2003. The Company does separately identify the surcharge on the billing statement. It has not filed any report or accounting on the funds collected or disbursed, except as requested as part of this audit. Staff found that the Company did maintain good records of the contingency fund account, and was able to audit the funds collected and disbursed. Since January 2003, the Company has collected and deposited \$15,735 and the account has earned \$10.02 in interest through May 31, 2007. The Company has spent \$14,646.50, leaving a balance of \$1,098.52 in the account as of May 31, 2007. The proceeds from the account were disbursed for the following purposes:

Capital Expenditures		
5/20/2003	Pump purchase	\$ 1,357.10
9/2/2003	Pulling pump from casing	\$ 520.00
1/19/2005	Soft start of pumps	\$ 2,000.00
7/12/2005	30 hp pump motor	\$ 3,200.65
6/13/2006	Pump end for 30 hp pump	\$ 1,905.13
		\$ 8,982.88
		\$ 8,982.88
Loan Payments (See note below)		
	31 payments of \$145.00	\$ 4,495.00
	1 payment of \$157.50	\$ 157.50
	1 payment of \$971.12	\$ 971.12

Service Charges	\$ 5,623.62	\$ 5,623.62
8 service charges @ \$5.00 ea.	\$ 40.00	\$ 40.00
Total		\$14,646.50

- The Commission in the 2002 Rate Case approved the Company's payment of an outstanding obligation in the amount of \$4,213 for pump replacement. The Company borrowed the money from Wells Fargo Bank and paid the obligation in full. The Company then used the Contingency Account as the source of funds to repay the loan.

It appears from the Company's records and bank statements that the surcharge collected was regularly deposited in the Company's bank account and then once a month a check from the Company account was deposited in the contingency fund's separate account. This occurred through May 2006. Since May 2006, the Company has not deposited any of the surcharges collected even though it continued to collect the \$5.00 per month per customer through this same period.

Staff noted that when the Company was depositing the surcharge in the contingency fund account that the amount deposited monthly by the Company represents the surcharge collected from 83 to 91 customers. The Company now reports that it has 97 to 100 customers.

The Company has not deposited the surcharge amounts collected from June 2006 through May 2007. If the Company had an average of 97 customers that amount is \$5,335 (97 customers x \$5 x 11 months).

As reflected above, the Commission in Order No. 29104 approved a \$5.00 per month customer surcharge to fund a contingency reserve account. Use of the fund was restricted to unusual, extraordinary, unforeseen major repairs and replacements. The Company was also authorized to use the fund to retire its outstanding bill of \$4,213 for pump replacement. The Company was required to file a report annually with the Commission providing detail of all funds collected and details of each specific major repair paid for with surcharge funds. Reports were not filed. Beginning in 2006, contingency fund monies appear to have been used for unauthorized expenses. Staff's audit reveals that the Company has been under-earning. The monies diverted from the contingency fund appear to have been used for other Company operating expenses. Despite the Company's failure to file reports and maintain proper documentation for the contingency reserve fund, we find the Company has not intentionally misappropriated or misused the reserve funds. We also find that the purpose of the reserve fund is of continued benefit to the Company and its customers. We expect the Company to replace

monies not spent on authorized expenditures. We expect future adherence to the recordkeeping and reporting requirements and direct Commission Staff to more closely monitor same.

Metering

The Commission in Order No. 29104 (Case No. MNV-W-02-01) required the Company to submit an implementation plan for meter installation. Staff notes that the Company did not prepare a plan. The system is still unmetered. The Company's customers are experiencing low water pressure. Idaho DEQ on August 16, 2007, notified Morning View that it was not in compliance with minimum pressure requirements (40 psi). The Company's water system tests at 22 to 32 psi. The State's enforcement action will consist of a Notice of Violation (NOV) followed by a Consent Order between Morning View and IDEQ. The Consent Order will include a time schedule and plan to bring the water system back into compliance.

The Commission requires the Company to submit an implementation plan for meter installation (including time and estimated costs) within 30 days.

Water Rights

The Commission is also apprised that Morning View is serving more customers (97) than it has water rights to serve (54). The Company reports that it is working with the Idaho Department of Water Resources to acquire additional water. The Company indicates that it has a well (12-inch casing) sufficient to serve existing customers and provide for growth. The well is not connected and has no pump, equipment or housing. This is not part of the rate case and no cost estimates are available.

In light of the Company's water pressure (Idaho Department of Environmental Quality) and water rights challenges (Idaho Department of Water Resources) detailed above, the Commission finds it reasonable to establish a moratorium on new connections pending the metering of the Company's customers and acquisition of sufficient water rights to serve existing customers and additional growth.

Customer Comments

The Commission received a combination of letters, joint letters and petitions from approximately two-thirds of the Company's customer base. Customers expressed concern regarding inadequate water pressure, the repair and condition of the pumps and equipment, the slowness of repairs when there is a problem, the lack of notice when water is turned off during repairs, the presence of sand, mud and rust in the water -- the resultant wear and damage to ice

and water dispensers, water heaters and toilets, and the safety of the water supply – mice in the well. Customers also expressed concern regarding the Company's attitude towards its customers. Customers request a detailed accounting regarding the depleted contingency fund and believe that the Company should be held accountable.

Some of the concerns identified by customers are addressed above in this Order. Others will be remedied by metering. We encourage the Company to be more attentive to customer concerns. The Company is directed to provide advance notice of planned outages and to implement a system for advising customers about the status of repairs following unplanned outages.

A review of filed comments and information reveals that Morning View is out of compliance with prior Commission Orders reporting requirements and other state regulatory requirements. As we indicated in 2002, failure to file required reports is unacceptable and will no longer be overlooked. The reports provide the state agencies with a snapshot of utility operations, business health, and water quality. They also assist us in identifying potential problems before they become critical. We cannot properly perform our statutory duty and provide regulatory oversight without information from the Company. It is the Company's obligation to comply with Commission rules and regulations. *Idaho Code* § 61-406.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has authority and jurisdiction over the Morning View Water Company, Inc., a water utility, and the issues raised in Case No. MNV-W-06-01 pursuant to the Title 61 of the Idaho Code and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

ORDER

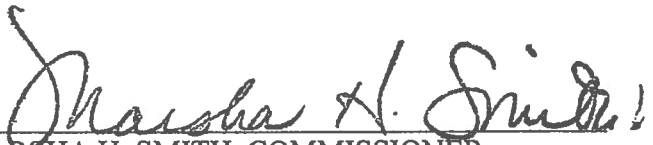
In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED and the Commission does hereby approve an annual revenue requirement for Morning View Water Company, Inc. of \$41,436 and a flat rate design based on lot size (one quarter acre \$27.41 per month; one half acre \$35.94 per month; one acre \$44.48 per month). The Commission also approves continuation of a \$5.00 per month customer surcharge to continue funding of a contingency reserve account. The Company is directed to file tariff sheets consistent with this Order for an effective date of September 1, 2007.

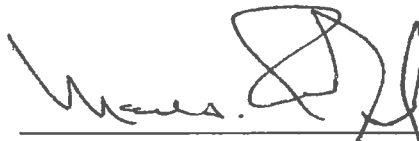
IT IS FURTHER ORDERED and the Commission hereby establishes a moratorium on new connections pending the Company's metering of customers and acquisition of adequate water rights for its water system.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

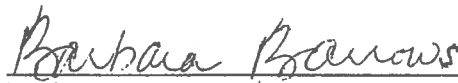
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30th day of August 2007.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Barbara Barrows
Assistant Commission Secretary

b1s/O:MNW-W-06-01_sw

Attachment AA

Morning View Water Project

January 20, 2015

Funding Sources		Expenses										
		Pay App #	Invoice Number	Date	Description	Budget Summary	Aspen Engineering	Administration ECIPIA	Legal	Construction 3H	Power	Contingency
						\$410,000.00	\$30,000.00	\$20,000.00	\$5,000.00	\$338,245.00	\$21,288.00	(\$4,533.00)
					CO #1 3H		(\$18,580.00) \$18,580.00					
DEQ Loan												
	\$410,000.00					\$410,000.00	\$30,000.00	\$20,000.00	\$5,000.00	\$319,665.00	\$21,288.00	\$14,047.00
	(\$7,500.00)	1	2	8/1/2013	Aspen-study	(\$7,500.00)	(\$7,500.00)					
	(\$14,300.00)	2	1	3/18/2014	Aspen	(\$14,300.00)	(\$14,300.00)					
	(\$2,000.00)	2	1	4/18/2014	ECIPDA	(\$2,000.00)		(\$2,000.00)				
	(\$21,288.00)	3	1	6/25/2014	RMP	(\$21,288.00)					(\$21,288.00)	
	(\$77,186.03)	4	1	8/26/2014	3H	(\$77,186.03)				(\$77,186.03)		
	(\$81,983.72)	5	2	9/19/2014	3H	(\$81,983.72)				(\$81,983.72)		
	(\$8,500.00)	5	2	10/1/2014	ECIPDA	(\$8,500.00)		(\$8,500.00)				
	(\$7,500.00)	6	3	11/5/2014	Aspen	(\$7,500.00)	(\$7,500.00)					
	(\$4,500.00)	6	3	11/10/2014	ECIPDA	(\$4,500.00)		(\$4,500.00)				
	(\$128,785.70)	6	3	10/28/2014	3H	(\$128,785.70)				(\$128,785.70)		
	(\$15,726.30)	7	4	1/19/2015	3H	(\$15,726.30)				(\$15,726.30)		



Holden Kidwell
Hahn & Crapo P.L.L.C.
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May 20, 2010

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

COPY

RE: Complete Application for State Revolving Loan.

Dear Ms. Bowser:

Enclosed please find a completed Form 2(a) Application for State Revolving Loan submitted on behalf of Morning View Water Company of Rigby, Idaho. We have completed the application and attached the attachments as best as we understand the application. Additionally, we felt that it may be useful to have this cover letter with some explanatory information for some of the items requested in the loan application. If you have any questions concerning any of the items we have provided, please let us know and we will respond immediately.

As an initial matter, we previously sent to you a letter of interest form with a number of attachments outlining the issues surrounding the Morning View Water Company. After reviewing the loan application, it appears that it will be useful to attach the letter of interest documents, along with my cover letter, to the form. To the extent it contains information that is requested in the loan application, I will refer to it in this cover letter.

Additionally, Morning View submitted an application to the Public Utilities Commission requesting authority to borrow funds in order to perform upgrades to its water system and to comply with IDEQ standards. We recently received Order No. 31061, dated April 22, 2010. A copy of this order is also enclosed for your reference and review.

Paragraphs A through H have been filled out with the appropriate information. We would note that Morning View has not hired a bond attorney, and did not pursue one as it is not a municipality.

Paragraph J(1) of the application requests a project description. This is best described in the PUC Order attached to this letter. As stated in that Order, we requested authority to borrow funds "in order to perform upgrades on its water system and ensure compliance with certain Idaho Department of Environmental Quality standards." If granted, the loan proceeds will be used to fund various projects associated with the water system, including installation of variable speed drives,

installation of water meters on every lot, pump testing of two existing pumps, installation of the backup generator, and the drilling a new municipal well to current IDEQ standards.

Paragraph J(2). While we have filled in the amounts on this particular part of the application, we would also refer you to page 1 of the PUC order, which outlines the projects and their anticipated costs.

Paragraph J(4) requests the applicant to explain why the project is needed and/or what benefits would be derived from the project. In the documents associated with our letter of interest form, I discussed the benefits that would be derived from the project in my letter dated January 13, 2010, at page 2 beginning at the paragraph entitled "Step 2".

Paragraph J(5) requests that we explain what public health regulation and enforcement action will be addressed by the project. Attached is the amended consent order executed between IDEQ and Morning View from January 2010.

Paragraph J(6). Morning View attempted to obtain financing from both public and private entities. Initially, Morning View was actually informed that it would not qualify under DEQ's revolving drinking water state revolving fund, and we therefore looked elsewhere. Morning View inquired with the Rural Development Alliance, but after discussing the specific needs of Morning View, was informed by RDA staff that Morning View would not qualify for funding under their guidelines. Morning View thereafter turned to private financing possibilities, but was unsuccessful in receiving private financing from a number of commercial banks. It was only after informing attorneys for the State of Idaho that the ability to obtain financing appeared to have ended, further inquiry was made into the State's drinking water state revolving fund, and it was determined that Morning View may qualify for the proceeds for such a loan.

Paragraph J(7). A public meeting was held on June 9, 2009, at 6:30 p.m. at the Rigby City Library to discuss the pressure issues that were facing Morning View Water Company. Due to a miscommunication from myself to Mr. Greg Eager of the DEQ office in Idaho Falls, he was not able to attend, but Morning View, myself, and Ryan Loftus of Aspin Engineering met to discuss the challenges facing the Morning View system and how we intended to move forward to bring the system into compliance. We discussed in that meeting that there were a number of possibilities, including an attempt to receive a loan or grant to improve the system, which could lead to a rate increase in the future. The meeting provided an opportunity for patrons to ask questions, make their own recommendations for improvement, and to lodge complaints with the system's operation.

Paragraph J(8). Morning View is not a municipality, and therefore did not seek a bond election, nor did it attempt to form a local improvement district.

Paragraph J(9)(b). Attached to the LOI was a final facility plan dated April 13, 2009. The plan appeared to generally comport with DEQ standards, although it did not contain a time line, and

therefore was deemed slightly deficient by DEQ staff. The final facility plan will be updated and submitted to DEQ on June 1, 2010.

Paragraph J(10). Morning View is in the process of reviewing an environmental clearance/determination. We will provide it to you as soon as we receive it. Preliminarily, there is a finding of no significant impact.

Paragraph J(11). The anticipated amounts are set forth in the application. However, as a narrative to how Morning View intends to move forward, we hope to install the meters and variable speed drives immediately. We anticipate that this could be done between July 1 and August 31, 2010, but this work may continue into the fourth quarter of 2010. Additionally, assuming the loan is granted, we intend to move forward with the drilling of the new well as soon as possible. We therefore would anticipate that with the meters, drilling of the new well, and installation of variable speed drives, we would anticipate drawing out \$210,000.00 by the end of 2010. We anticipate installation of the backup generator and followup work to be finished by June 30, 2011, where we would withdraw up to the final \$65,000.00, if necessary.

Paragraph K(1). Attached you will find financial statements from Morning View.

Paragraph K(2). Attached you will find the financial statement from Morning View which shows the capital budget.

Paragraph K(3). Attached is a summary of user rate charges prepared by Morning View.

Paragraph K(4). The engineering report is attached to the Letter of Interest documentation attached hereto.

Paragraph K(5). Morning View currently does not have any other loans, and therefore we have not provided any repayment schedule.

Paragraph K(6). This requests an operation and maintenance manual, which is best summarized by the engineering report attached to Letter of Interest form and provided hereto.

Paragraph K(7). Morning View Water Company does not have board members, and therefore this is not applicable.

Paragraph K(8). As stated above, Morning View Water Company does not have board members, and therefore does not have board governance policy.

Paragraph K(9). Morning View does not currently have a personnel policy, as it only currently has one part-time employee and one full-time employee, Mr. Nolan Gneiting. It is

anticipated that once the Morning View system comes into compliance, personnel policy will be prepared for Morning View.

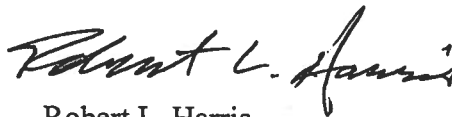
Paragraph K(10). The current operating and emergency plan is the engineering report attached to the Letter of Interest documentation.

Paragraph K(11). Morning View does not currently have a safety and/or risk management plan, but will endeavor to prepare such a plan once the Morning View water system is in and approved status.

Paragraph K(12). Morning View does not currently have a written customer service policy, however, its office is open on weekdays from 8:00 a.m to 5:00 p.m., and there is a 24 hour answering service for any emergencies. Morning View intends to prepare such a customer service policy in the near future.

If you have any questions or concerns regarding the above information, please let us know, and we will endeavor to respond as promptly as we can. We appreciate your kind assistance in this matter, and are hopeful that Morning View will receive the requested loan.

Best Regards,



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

c: ✓Nolan Gneiting
Greg Eager, Engineering Manager, DEQ
Terri Carlock, Public Utilities Commission

FACILITY PLAN

Morning View Water Company Jefferson County, Idaho

SUBMITTED BY

ASPEN ENGINEERING, INC.



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CHAPTER 1

Summary

Introduction

The Morning View Water Company (MVWC) has contracted with Aspen Engineering to complete a Facility Plan in accordance with the Consent Order from the Department of Environmental Quality. The consent order identified multiple deficiencies including insufficient pressure, significant amounts of sand, non-flushable dead end mains, and operator licensing. Each of the eight items listed in the consent order required action from Morning View Water Company. A detailed facility plan (this report) is listed as requirement 9d in the consent order. MVWC has completed most of the items listed in the consent order with several still requiring MVWC's attention.

The Major findings of this study are summarized below:

Water Requirements

The population serviced by MVWC is approximately 225 people via approximately 100 active individual connections. Morning View Water Company's historical average daily demand (ADD) for the years 2005 through 2007 was 167,000 gallons.

As an un-metered community, MVWC's ADD consumptive values are very high (2.6 to 3.0 times) in comparison with metered communities. MVWC should consider conservation measures such as customer meters as well as a tiered rate structure. The ADD water use for the current year (2008) is estimated at 165,000 gallons, with an MDD of 360,000 gallons and a peak hour demand (PHD) of 720,000 gallons. Water demand projections for the end of the 3-year study period (2011) are 184,000 gallons for ADD, 400,000 gallons for MDD, and 800,000 for PHD.

Supply

MVWC currently utilizes groundwater as its sole source of water. The groundwater is supplied by two wells. Both wells are located on a single lot and are separated by a distance of 100 feet. Both wells lie within the Company's platted service area. Total pumping capacity of the two active production wells is estimated at 600 gpm or 864,000 gallons per day.

The current firm capacity (largest well out of service) of the Company's production wells is 200 gpm or 288,000 gallons per day. Current firm capacity does not meet PHD or MDD flow requirements and an additional well is needed immediately.

Storage

The only storage in MVWC's water system provided in the two air over water pressure tanks

at the pump building and has no practical/useable quantity.

Distribution

The distribution system is composed of both 4 inch and 6-inch main lines. These mains are exclusively class 200 PVC. Future expansions should continue to incorporate similar materials throughout the distribution system. The water system does not have fire hydrants, and the distribution mains are adequate to supply domestic flows.

Water Quality and Regulations

All of Morning View's water is supplied by groundwater wells. Water quality is good, and compliance with both State and Federal regulations for contaminants is currently being maintained. Currently, There is no water treatment available or provided at the MVWC facilities. Lack of adequate pressure has been and still is a large concern for the system. Compliance with current regulations is also an issue as discussed in Chapter two.

Federal drinking water regulations proposed or promulgated by the Environmental Protection Agency (EP A) as part of the mandates of the Safe Drinking Water Act (SDWA) Amendments must be met and certain new regulations are in effect and future regulations are anticipated to be finalized within the next few years.

Capital Improvement Program

Currently there are no capital improvements planned for the system. However, a new well with adequate capacity to meet the firm ADD demand must be planned and completed within the next three years. The estimated cost to complete the new well and pump is \$150,000. Additionally it is recommended that backup power generation and/or storage be provided in order to prevent depressurization events during power outages.

Recommendations/Conclusions

Providing and maintaining adequate system pressure is the first priority for the MVWC water system. In order to maintain a minimum of 40 psi throughout the entire system, we recommend adjusting the operating pressures to 57 psi (low) and 67 psi (high) and then monitor the distribution system pressures. Also, all individual booster pumps must be eliminated from use within the system.

If adequate pressures are still not maintained then installation of variable frequency drives (VFD) should be installed first on the main well and secondarily on the smaller well. This will eliminate the need for the air over water pressure tanks and will provide a much tighter range for pressure fluctuation.

In summary the items requiring action by the Morning View Water Company (in order of priority) are listed below:

- Maintain a minimum of 40 psi throughout the system
 - a. Adjust pressure settings.
 - b. Eliminate all individual booster pumps.
 - c. Install VFD
- Install screening at end of discharge pipe from well house (west side) and provide a minimum clearance of 12 inches above the ground. (2003 Sanitary Survey Requirement).
- Clean out well house (2003 Sanitary Survey Requirement).
 - a. remove all hazardous materials.
 - b. remove all non-water related items.
 - c. organize items on shelves.
 - d. remove all old/used/worn out parts and equipment.
- Secure underground vault - provide locking cover to vault (1997 & 2003 Sanitary Survey Requirement).
- Remove the threads from sample tap located in well house (2003 Sanitary Survey Requirement).
- Cleanup well lot
 - a. mow/cut down all weeds
 - b. fill in hole next to well #2
 - c. remove trash, wood, and debris
 - d. fill in hole where sand separator is purged and pour concrete pad or provide rip rap to prevent future erosion.

After completion of the above listed items and a review by DEQ, the system should be able to obtain compliance with current rules.

Ultimately, the system cannot meet the firm pumping capacity requirements and an additional water source, including water rights, is needed to provide adequate capacity. Installation of backup power generation is also recommended in order to maintain system usefulness during outages from the primary power source.

CHAPTER 2

Introduction

The Morning View Water Company (MVWC) is a privately held public water system that is currently regulated by the Idaho Public Utilities Commission. The system services approximately 100 single family residences in an unincorporated area of Jefferson County Idaho. The intended purpose of this report is to provide an assessment of the existing water system and provide recommendations to maintain and improve the facilities.

The following topics are contained in the report:

- Existing System (Chapter 3)
- Water Requirements (Chapter 4)
- Water Supply and Storage (Chapter 5)
- Distribution (Chapter 6)
- Water Quality and Regulations (Chapter 7)
- Capital Improvement Plan (Chapter 8)

The report covers the current configuration of the water system as well as a projection of three years from now when the system will likely be completely finished - i.e. all interior lots sold and occupied. As a reference for construction time frame, in 2002 the system serviced approximately 65 connections.

History

In October 2007, MVWC entered into an agreement with the State of Idaho Department of Environmental Quality (DEQ) known as a consent order. The order made arrangements for MVWC to complete eight action items to come into compliance with current state and federal drinking water regulations. The eight items requiring MVWC action are:

- a. Correct and report deficiencies noted from the October 2003 sanitary survey and schedule a new sanitary survey with DEQ.
- b. Provide quarterly public notices to each residence on the system informing them of the DEQ's dis-approval of the system.
- c. Submit a written plan to DEQ detailing how MVWC will maintain 40 psi throughout the distribution system
- d. Complete a detailed facility plan in accordance with IDAPA 58.01.08.502
- e. Contract with a licensed operator.
- f. Submit a sampling plan addressing how MVWC will monitor the distribution system for bacteria.
- g. Sample four times for sand and report sampling results to DEQ or install a DEQ approved sand separator.
- h. Install adequate means of flushing dead-end mains.

MVWC has taken the following actions in response to the consent order action items. Records of such actions are included in Appendix A.

- a. Cleanup at the well lot and pump house has been started.

The other deficiencies still need to be corrected including; cross-connection control plan, placing screens on overflow piping, finish cleaning up the well lot and cleaning out the pump building, locking cover on well vault for well #1, remove threads from sample taps in pump building. Scheduling of a sanitary survey is also still outstanding.

- b. Initial notices to customers were sent in October 2007 with additional notices to be sent each quarter.
- c. Pump control settings have been changed to 43 psi (low) and 67 psi (high) to improve system pressures. DEQ pressure monitoring showing pressures above 20 psi included in Appendix A.

Written plan and MVWC pressure monitoring still need to be completed.

- d. Draft facility plan submitted by Aspen Engineering to DEQ on June 10, 2008. Final report to be submitted August 08, 2008.
- e. Nolan Gneiting completed the requirements to update and make current his Idaho Drinking Water Operators license.
- f. MVWC submitted a "System Sampling Plan" to DEQ in March of 2008.
- g. Installation of a sand separator in the pump building is complete and separator is currently in operation.
- h. Three flushing hydrants at dead-end mains have been installed on the distribution system. (See map in Appendix A.)

Current Assets

Current assets of MVWC include two deep wells, a 30' x 32' wood frame pump house, and 2.5 miles of distribution lines. The pump house encloses two 900 gallon tanks, a 40 gallon air compressor, meters, valves, and piping. Two Furnas brand pump controllers are also located in the pump house. The following table presents the various components and their anticipated useful life and replacement data.

Morning View Water Company - Capital Replacement				
Item	Date Installed	Anticipated Life Cycle	Replacement Date	Replacement Cost
30 well pump	July 2007	15 years	2022	\$12,000
10 well pump	July 2007	15 years	2022	\$8,000

900 gallon galvanized storage tanks	1998	30 years	2028	\$7,500 Ea
Motor Controllers	2002	10 years	2012	\$5,000 Ea
Well House	1998	40 years	2038	\$50,000
Flushing Hydrants	2007	20 years	2027	\$300 Ea

Operations/Administration

MVWC maintains an office located at 3996 East 200 N Rigby, Idaho. The office handles billings, customer service, complaints, notifications to its customers and correspondence with DEQ and the Idaho Public Utilities Commission (IPUC). Office personnel document each occurrence and have a complete recording of customers and correspondence. The office is operated Monday through Friday 8 am to 3 pm. In order to be responsive to customers needs, a 24 hour answering service (Ideal Answering -Roberts Idaho 228-2094) takes calls during weekends and off business hours. Their goal is to “keep our customers aware of what we are here for, and that is to serve them in the best way we can and to let them know the extent of the management of MVWC.”

In case of emergencies or outages, Nolan Gneiting, “Owner/Operator” is first contacted. If he is not available, Denise Kynoch, “Office Manager” is contacted. In the event the owner becomes incapable of carrying out his responsibilities, Dawn Gneiting would step in to handle the water system’s operation. Contracting with a certified Idaho Water operator would also be required.

Operations plans include a daily check of the well house with written record keeping of water pressure, pressure tank air levels, flow rate and flow totalization. The sand separator is flushed daily to minimize sand in the distribution system.

Rates

Currently, the MVWC rate structure is regulated by IPUC. The IPUC has recently conducted several audits of the company’s books and is in the process of completing an audit to support a either a rate increase or billing surcharge to help fund water service meters and installation of the meters.

CHAPTER 3

Existing System

The existing MVWC water system includes two wells and approximately 11,000 feet of six inch diameter class 200 PVC water main. 2,300 feet of four inch diameter, class 200 PVC is also included on the system. A map of the system and its features is shown in Appendix B.

The current service area for the MVWC includes 109 acres located in the Morning View Acres Divisions 1, 2, 3, and 4. Division No. 1 of Country Grove Estates Mobile Home Subdivision is also included on the system. There are currently 102 connections to single family residences. Residences include site constructed homes (stick built), mobile trailer homes, and manufactured homes on permanent foundations.

Lot sizes range from one quarter of an acre to just over one acre in area. The smaller lots are typically occupied by either mobile trailer houses or manufactured homes. Stick built single family residences generally occupy the larger lots.

Future growth within the existing service area boundary will include water service connections to sixteen lots in the stick built divisions, as well as an additional sixteen trailer lots in Division 4 of Morning View Acres. This will make a total of 134 individual connections to the system. It is estimated that the system will be fully developed within the next three years.

Supply

Well 1 - The main well for the MVWC water system is 12 inch diameter well approximately 120' deep. The well is located on "well lot" at the northwest corner of Division No. 3. The well lot comprises 1.64 acres. The well log for this well shows it was completed in July 1996 and is cased to a depth of 118 feet. This well has not been pump tested and the actual well capacity is unknown. Currently a 30 horsepower submersible pump is installed in the well.

Well 2 - The backup well is a six inch diameter well that is 120 feet deep. According to the well log, this well has a surface seal 18 feet deep and was constructed in June 1986. No pump test data is available and a 10 horsepower submersible pump services the well.

Both wells feed into a central pump house via separate pitless adapters and buried six inch diameter pipes. The pump building accommodates two 1,000 gallon, air over water, pressure tanks which then feed into the distribution system. Both well pumps are single speed pumps and are equipped with soft start motor controllers to prevent water hammer and extend the life of the pumps.

Water quantities are monitored using a totalizer/flow meter located in the pump house. The meter reads the instantaneous flow through the meter as well as providing the total quantity passing the meter (totalizer). No individual well meters are installed and it is not possible to determine individual well production, only total water production can be recorded. The water

quality of these two wells currently meets drinking water regulations. Chapter 7 includes dialog of compliance with drinking water regulations.

Two 900 gallon galvanized water tanks are installed in the pump house. The two tanks are maintained between half and two-thirds full of water with pressurized air occupying the top portion of the tanks. The tanks are about ten years old and are in good shape with no rust or leaks showing. The estimated useful life of the tanks is at least another ten years.

A third well is located on within the platted subdivision on Lot 5 in Division 3 of Morning View Acres. This well currently does not meet State Rules for Public Drinking Water Systems and is not connected to the distribution system. In order to use Well 3 in the system, the Company would need to conduct a 24-hour pump test on the well to verify long-term sustainable yield, compliance with water quality standards, and provide a satisfactory well seal thus meeting the current well construction standards. After completing the required tests and obtaining DEQ approval, the next step would be to construct a new well house using current construction standards.

Treatment

The only treatment currently in operation for the company's water supply is to separate sand from the well production water. The sand separator consists of a centrifugal type separator with raw water being fed into the unit, centrifugal action then separates the heavier sand particles which fall to the bottom of the unit and treated water is returned to the top of the unit and put into the distribution system. The unit operates manually and the only maintenance required is to purge the solids from the bottom chamber of the unit on a periodic basis. A determination of how often this is required can be made by flushing the solids into a bucket and then measuring the amount of sand produced per unit of water. It is likely the unit will operate at peak efficiency with only weekly or bi-weekly purging. No other treatment or treatment equipment is provided or necessary.

For emergency circumstances manual dosing of the individual wells would be required to treat a bacteriological outbreak, should one occur. The Company may want to purchase an emergency chlorination system to provide emergency disinfection capabilities.

Pressure Zone

The entire system is served by a single pressure zone. System pressures throughout the development are established by the pressure switch setting at the pump house building on the well lot. Most recently, the pressure settings have been adjusted to operate between 43 and 67 psi. This pressure is measured at the pump building and customer pressures at the point of use will vary due to friction losses and the variation in demand especially during peak demand hours. The pressure settings at the pump building could be adjusted to provide only a ten pound differential. This would increase the lowest pressures without compromising fittings and other equipment due to increased high end pressures. Monitoring of the well pumps to ensure the

minimum run time is still met would be required. Generally during the irrigation, water demands will easily provide for adequate pump run time.

Based on the information shown on DEQ's pressure monitoring, the system usually operates above the minimum pressure of 40 psi except at about 9:30 each evening. It appears that the system undergoes an abrupt change each day at this time. It is assumed that one or more of the individual booster pumps comes online and degrades the pressure to surrounding areas.

It is our understanding that there are at least eight different individual booster pumps on the system. Aspen Engineering is currently in the process of identifying the locations of the booster pumps. It is our recommendation that all individual booster pumps be eliminated from the system. If acceptable pressure ranges cannot be maintained, it is recommended that a variable frequency drive (VFD) be installed in the pump house for each of the submersible well pumps. The VFD can be set to maintain 60 psi and so long as the pumps can keep up with demand, operating pressures will remain constant within 3-4 psi.

Standby Power

Currently there is no standby power or emergency power generation equipment at the MVWC system. In the event of an area wide power failure, no water production is realized and the system pressures will drop to zero as users draw a limited amount (less than 500 gallons) of water supplied by the two pressure tanks.

It was estimated by MVWC personnel that power outages account for system shutdown 3-4 times per year. Typically outages occur during strong weather events such as high winds or heavy thunder showers. Loss of power for more than a couple of minutes during the irrigation season results in a depressurization of the system.

Storage

The only storage in MVWC's water system provided in the two air over water pressure tanks at the pump building and has no practical/useable quantity

Telemetry System

There is no telemetry system installed at the MVWC water system. The two wells are operated by an automatic pressure switch located in the pump house and both wells respond simultaneously.

Distribution System

Water distribution for the Morning View system includes approximately 11,000 feet of six inch pipe and 2,300 feet of 4" pipe. All of the pipe consists of class 200 polyvinyl chloride (PVC). A map of the existing water distribution system is presented in Appendix B. Recently, three

flushing hydrants at the dead end mains were installed . There are no fire hydrants on the system.

Service connections are exclusively one inch and are typically polyethylene. There are twelve control valves within the distribution system, four of which are four inch valves controlling flow to the two four inch diameter loops - one at the east end of the system and the other from the two cul-de-sacs on 3950 East. The maximum number of residents on one continuous, isolatable loop is at 178 North where there are 32 trailers on one loop. Generally there are adequate valves to isolate ten to twelve homes without interrupting water service to others.

Periodic flushing of the dead-ends should be completed. A written plan identifying when each location is/was flushed and the results of the flushing (i.e. water conditions, turbidity, etc) should be included in the operations. Dead end mains should be flushed at least twice per year.

Cross-connection contamination of the distribution system is controlled by the use of backflow prevention devices, generally consisting of a double-check valve. Check devices are required to be inspected and tested after the initial installation with written verification given to the either the owner/operator or the office manager. Periodic testing of the valves is not currently part of the operation plan and should be implemented. The cost of testing each device should be charged to the home-owner. Records showing the location of the device, along with the test date and results should be kept on a master plan at the office.

CHAPTER 4

Water Requirements

This chapter is to summarize the current water system demands and project future water use for 3 and 20-year planning horizons. This includes a description of historical water use and forecasting estimates developed to project future water use.

Definition of Terms

Demand

Demand refers to the total system demand, which is that quantity of water obtained from the water supply source during a given time period required to meet the needs of domestic use, lawn irrigation, system losses, and miscellaneous applications. Demands are normally discussed and quantified in terms of flow rates, such as gallons per minute (gpm) or gallons per day (gpd). Flow rates can be described in any terms involving a given volume of water delivered during a specific time. Flow rates pertinent for the analysis and design of water systems are as follows: Average Day Demand (ADD): the total volume of water delivered to the system in a year, divided by 365 days.

Maximum Month Demand (MMD): the average rate of water delivered to the system during the month of greatest demand during the year.

Maximum Day Demand (MDD): the rate of water delivered to the system during the day of highest demand during the year.

Peak Hour Demand (PHD): the rate of water delivered to the system during the hour of highest demand during the year.

These demands are typically presented in units of mgd. The following conversion factors may be used to express rate of demand in other terms:

1 mgd = 694 gpm = 1.55 cubic feet per second (cfs)

1 gpm = 60 gallons per hour (gph) = 1,440 gpd

1 cfs = 450 gpm = 0.648 mgd

Volumetric conversions are:

1 cubic foot (cf) = 7.481 gallons (gal)

1 gallon = 0.134 cubic feet (cf)

The concept of per capita demand provides a convenient method of comparing water use by different water systems or areas served by the system. The per capita demand is obtained by dividing the total system demand by the total population served. Differences in climate, type of development, and water use trends influence the per capita demand for different water systems.

Consumption

Consumption refers to the actual volume of water used by customers measured at their connections to the water distribution system. Consumption is typically measured in gallons. The MVWC water service connections are currently not metered. Customers pay a flat rate according to the size of the lot being serviced. One acres lots are charged \$49.48/month, one-half acre lot fees are \$40.94 and smaller lots are \$32.41. Each of the listed fees include a monthly fee of \$5.00 to establish a contingency fund for emergency repairs. The owners should consider adding customer meters to promote conservation and help leverage the available water supply to meet current demands. The addition of meters would also allow the Company to quantify unaccounted-for-water in the system, discussed later in this chapter. Metering in some cases is a requirement to obtain different sources of funding to finance improvements, including state and federal grants.

Peaking Factors

The relationships between the ADD and other demand parameters, such as the MDD, MMD, and PHD, are expressed as peaking factors. Typical peaking factors include the ratios of MDD to ADD, MMD to ADD, and PHD to ADD.

Water Production

Available historical water production data is presented in Appendix E. The available historical data includes limited readings for both Well 1 and 2 during the period.

TABLE 4-1 Average Day Demand - ADD for Morning View Water Company	
Year	ADD (gallons)
2006	171,306
2007	162,394
Average	166,850

Based on historical averages from Table 4-1 and using recent hourly well production data recorded on July 25, 2006, an MDD (PF_{MDD}) peaking factor of 2.5 will be used in this study. A value of 3.0 will be used as the PHD peaking factor (PF_{PHD}).

Per Connection Demand

The population serviced by MVWC is approximately 225 people via approximately 100 active individual connections. Morning View Water Company's historical average daily demand (ADD) for the years 2006 through 2007 was 167,000 gallons.

As an un-metered community, MVWC's ADD consumptive values are very high (2.9 to 3.4 times) in comparison with metered communities. MVWC should consider conservation measures such as customer meters as well as a tiered rate structure. The ADD water use for the current year (2008) is estimated at 165,000 gallons, with an MDD of 412,500 gallons and a peak hour demand (PHD) of 495,000 gallons. Water demand projections for the end of the 3-year study period (2011) when full build out is realized are 217,800 gallons for ADD, 544,500 gallons for MDD, and 653,400 for PHD. Comparing Morning View's ADD with the metered communities of Rexburg, Caldwell and Meridian shows the per connection water demand is quite high. In the referenced communities the average per connection ADD is 580 gallons compared with 1,668 gallons for MVWC.

Per capita ADD consumption for these communities ranges from 170 to 200 gpdpc. Assuming 225 people per connection as in Morning View, this equates to 742 gpd per connection. The state ADD as reported by USGS for public water systems in Idaho for the year 2000 was 260 gpdpc or using 2.9 people per connection, 754 gpd per connection. Morning View's average demand rate is 1668 gpd per connection.

Morning View's customer base is exclusively residential. Given the rather insignificant demand currently exerted by other uses, future water demand is estimated in this report solely on the residential growth projected for the area.

“Unaccounted-For” Water

“Unaccounted-for” water is the difference between the volume of water produced and the volume of water sold to customers. Because the system is currently not metered, a comparison of production and water sales cannot be made. Unaccounted-for-water in a metered community is typically the result of system leakage or unmetered customers.

Demand Projections

Population Projections

Land uses surrounding the MVWC system is generally residential, single family homes. The area immediately south of the platted subdivision has been platted and developed as single family homes with individual wells. Immediately north is undeveloped land that has a potential to be connected to the system if economic conditions are favorable. Economic variables include rate structure, cost of development, and prevailing land prices.

Under the current system layout, it has been estimated that an additional sixteen stick built homes will be added to the system as the remainder of the lots are sold and built on in Divisions one through three of Morning View Acres. Also, sixteen more trailer sites are in Morning View Acres, Division No 4. This will increase the total number of connections to 132 for the entire system. No other growth has been estimated.

Future Water Demands

Currently, the MVWC system accommodates 225 people via 100 connections. Ultimately it is conceived that the state average of 2.9 people per connection will be served via the same 100 connections plus the addition 16 lots in Divisions 1-3 and 16 more lots in Division 4 making a total of 132 connections and 383 people. It is anticipated that the 32 additional lots will be built out by the end of the year in 2011 - three years from now. Producing the following results:

• Current Estimated

ADD = 165,000 gpd

MDD = 412,500 gpd

PHD = 495,000 gpd

• 3- Year Planning Horizon

ADD in 2011 = 217,800 gpd

MDD in 2011 = 544,500 gpd

PHD in 2011 = 653,400 gpd

• 20- Year Planning Horizon

ADD in 2026 = 280,867 gpd

MDD in 2026 = 702,166 gpd

PHD in 2026 = 842,600 gpd

While these projected water demands provide a basis for planning purposes and are used in other portions of this report, they must be considered estimates. If growth from outside development is allowed, then significant increases from the predicted annual rates will occur and demands will be much higher than predicted. Unit demand patterns may also change and these patterns would influence water needs for the community. Therefore, the projected demands should be compared each year to actual demands. The timing for recommended improvements can then be adjusted as needed.

CHAPTER 5

Water Supply and Storage

Topics covered in this chapter include water rights, and anticipated water supply and storage needs for the 3-year and 20-year planning horizons.

Water Rights

Table 5-1 contains water rights information for the MVWC. Refer to Appendix C for a copy of the current water rights information. A water right permit is the authorization necessary from the Idaho Department of Water Resources (IDWR) to begin construction of withdrawal facilities and begin using water. A license is only issued once water has been used and documentation of use is submitted and approved by the IDWR. A water rights permit does not guarantee water for the appropriator. A decreed right is a water right that has been adjudicated by the court. Under the prior-appropriation doctrine, the water right authorizes diversions of water only to the extent that water is available.

TABLE 5-1
Mountain View Water Company - Water Rights

Source	Pump Rate (gpm)	Priority Date	Right No.	Stage	Water Right (cfs/gpm)
Both Wells	650	10-10-1995	25-7593	License	.79(355)

Water Supply and Storage Requirements

Currently the only storage provided in the MVWC system is in the two 900 gallon pressure tanks located in the pump house. This provides for a total storage capacity of 900 to 1200 gallons. However, this water is not immediately accessible to the distribution system because it requires pressurized air to push the tanks contents into the system. This could be done manually but an automatic air delivery system would make this water available during outages or emergencies, thus increasing the available water before complete depletion is realized.

Water Supply Criteria

The following is a list of key criteria outlined in the Idaho Rules for Public Drinking Water Systems used to determine the timing and development of new water supply wells, storage, and emergency power generation capability for the MVWC water system.

- The water system must have a sufficient number of water supply wells with backup power to satisfy ADD or emergency storage equal to one day's ADD.
- The water system must have enough firm pumping capacity to satisfy MDD.
- Firm pumping capacity combined with additional storage must be sufficient to supply Peak Hour Demand.
- Total system capacity including supply and storage must be sufficient to meet MDD while maintaining a 20 psi residual throughout the system.

In this report, **firm pumping capacity** is defined as the production capacity of the water supply wells in the system with the largest well out of service.

This chapter explores these criteria using the water demand projections listed in above, to

determine the capital improvements needed for the water system during the 3-year and 20-year plan horizons.

Criterion 1: Emergency Power Required to Satisfy ADD

The first criterion involving ADD is used as a means of determining the emergency power requirements for the MVWC water system during the 3-year and 20-year planning horizons. A comparison of the available supply capacity of Well 1 (720,000 gpd), which is not equipped with backup power, suggests that the MVWC water system currently does not have sufficient backup power to supply ADD requirements now or for the projected 20 year horizon.

Criterion 1 Summary: Anticipated Emergency Power Requirements

Emergency backup power is currently needed.

Criterion 2: Firm Well Production Capacity Required to Satisfy MDD

The second criterion involving MDD during the 20-year planning period is used to determine well supply requirements for the Morning View water system.

Current firm pumping capacity totals approximately 200 gpm or 288,000 gpd. MDD requirements for current, 3 year, and 20 year are 412,500, 544,500, and 702,166 respectively. Existing supply will not satisfy these MDD requirements. In order to meet this criteria, the Company will need an additional 90 gpm to meet current demands, 180 gpm to meet 3-year demands, and 287 gpm to meet the 20-year demands.

Criterion 2 Summary: Anticipated Firm Capacity Requirements to Satisfy MDD

The Company will need to obtain additional water rights and construct a new well immediately with a capacity of nearly 100 gpm similar to Well 1. Or, Well 3 will need to be upgraded immediately with a capacity of 100 gpm to meet the current demand.

Criterion 3 Well Capacity and Storage Must to Satisfy PHD

The following is a list of assumptions that are used to calculate required well capacity and storage volume required under these criteria:

- The PHD must be supplied for up to 8 hours.
- Firm well capacity is not less than MDD.

Using this set of assumptions in conjunction with the MDD and PHD values cited earlier, the storage needed to satisfy equalization, also referred to as peaking requirements:

0.17 MG of total storage required (Current).

0.22 MG of total storage required by 2011

0.28 MG of total storage required by 2026

CHAPTER 6

Distribution

This chapter describes the capacity of MVWC's water distribution system. The distribution system was evaluated under existing and future conditions.

Regulations

The Idaho DEQ has regulatory authority over public water systems in Idaho. In general, DEQ's rules govern the quality of water distributed, but not the manner in which it is distributed. However, the rules do contain basic construction standards and some of these apply to distribution systems.

Significant rules for the distribution system analysis are summarized as follows:

- Distribution piping and the supply system shall be designed and installed so that the pressure measured shall not be reduced below 40 pounds per square inch (psi) during maximum hourly demand conditions.
- Distribution piping and the supply system shall be designed and installed so that the pressure measured shall not be reduced below 20 pounds per square inch (psi) during maximum hourly demand conditions (including fire flow).
- Wherever possible, dead ends shall be minimized by looping. Where dead ends are installed, blow-offs of adequate size shall be provided for flushing.
- Wherever possible, booster pumps shall take suction from reservoirs to avoid the potential for negative pressures on the suction line, which could result when the pump suction is directly connected to a distribution main. Pumps that take suction from distribution mains shall be provided with a low-pressure cutoff switch on the suction side set at no less than 5 psi.

Peak Hour Demand Under Normal Operating Conditions

The PHD condition represents the average demand rate during the highest hour of water use for the entire year. This is an extreme condition, but one that the system must be able to supply. Since PHD has been estimated according to projected growth, the actual occurrence in the system may be higher. It is also true that demands greater than MDD and approaching the peak hour value will occur several times during a year.

The estimated 2008 PHD for the system is 495, 000 gpd. PHD can be provided in the system with adequate pressures (Adequate means that pressures are maintained above 40 psi). Pressures under the current PHD can be maintained above 40 psi. As water demand increases under peak conditions, pipeline velocity can begin to be a problem; however, no pipes in the system exhibited velocities significantly greater than 4 fps. In summary, no deficiencies were identified under current PHD.

Maximum Day Demand Under Normal Operating Conditions

The MDD condition represents the average demand rate over the highest day of water use during the entire year. The water system must be designed to equal or exceed the MDD on a firm capacity basis. When MDD is modeled under normal operating conditions, the distribution system can provide water at adequate pressures.

The estimated MDD for 2008 is 412,500 gpd. No pipeline velocities greater than 4 fps were identified and system pressures should remain above 40 psi.

Current System Evaluation

Current system demands have historically produced low pressures as shown by the DEQ pressure survey and the numerous customer complaints. Based on the information given by the operator and observation at the pump building. The system appears to be capable of producing the required flow at adequate pressures. It is recommended to monitor pressures at those residences experiencing low pressure for again after removing or preventing the use all of individual booster pumps.

CHAPTER 7

Water Quality and Regulations

This chapter includes relevant water quality regulation information for MVWC's reference, with an accompanying description of how pertinent regulations affects the administration and operation of the system. Surface water regulations are not discussed, as it is not anticipated that Morning View will be utilizing surface water to meet current or future demands. As discussed in previous chapters, the water system relies solely on groundwater as its source of water. Generally, the quality of the groundwater is good, meeting current Federal- and State-established regulatory limits for inorganic chemicals (IOCs), synthetic organic compounds (SOCs), volatile organic chemical (VOCs), lead and copper, coliform, arsenic, and fluoride.

Sand in the water has been the primary water quality complaint and the only consent order action item. Chapter 2 of this report identifies both DEQ's requirements and MVWC's compliance with the consent order. With the installation of the current sand separator, the sand problem appears to be taken care of. Continued monitoring as well as quantification of sand in the production water should be completed. Quantifying the amount of sand produced and determining the capacity of the sand separator will likely reduce the amount of operator maintenance required and provide tangible data for evaluation by the Company and regulators.

CHAPTER 8

Capital Improvement Program

Recommended improvements from previous chapters are shown below and summarized in this chapter, along with estimates of costs. Improvements are grouped chronologically according to 3-year, and 20-year planning horizons.

Cost Estimating

Cost estimates for proposed improvements presented are Order-of-Magnitude cost estimates. The American Association of Cost Engineers (AACE) defines Order-of-Magnitude cost estimates as estimates made without detailed engineering data. These estimates may be developed using cost curves, scale-up or scale-down factors, or an approximate ratio. AACE defines the accuracy for this level of estimate as plus 50 percent to minus 30 percent.

The cost estimates presented below have been prepared for guidance in project evaluation and implementation from the information available at the time of the estimate. The final costs of the project will depend on actual labor and material costs, competitive market conditions, final project costs, implementation schedule and other variable factors. As a result, the final project costs will vary from the estimate presented herein. Because of this, project feasibility and funding needs must be carefully reviewed prior to making specific financial decisions to help ensure proper project evaluation and adequate funding.

Water Meters

Purchase and installation of individual meters for each residence is based on a 3/4" meter, meter base and meter box. Administrative, engineering, contingency, and legal fees are expected to be an additional 25%. The anticipated cost of the installed meters for the MVWC is \$2,000 each x 100 customers = \$200,000.

Variable Frequency Drives

The cost to purchase and install VFDs for both of the two wells is based on three phase power and 10hp and 30 hp pumps for the wells. Estimated cost for the VFD's is \$10,000.

Backup Power Generator

Natural gas or diesel generated power to run the submersible pumps and controllers at the pump building will require an 80 to 100 KW generator. Anticipated cost for purchase and installation of the generator including concrete pad and weather enclosure is \$40,000.

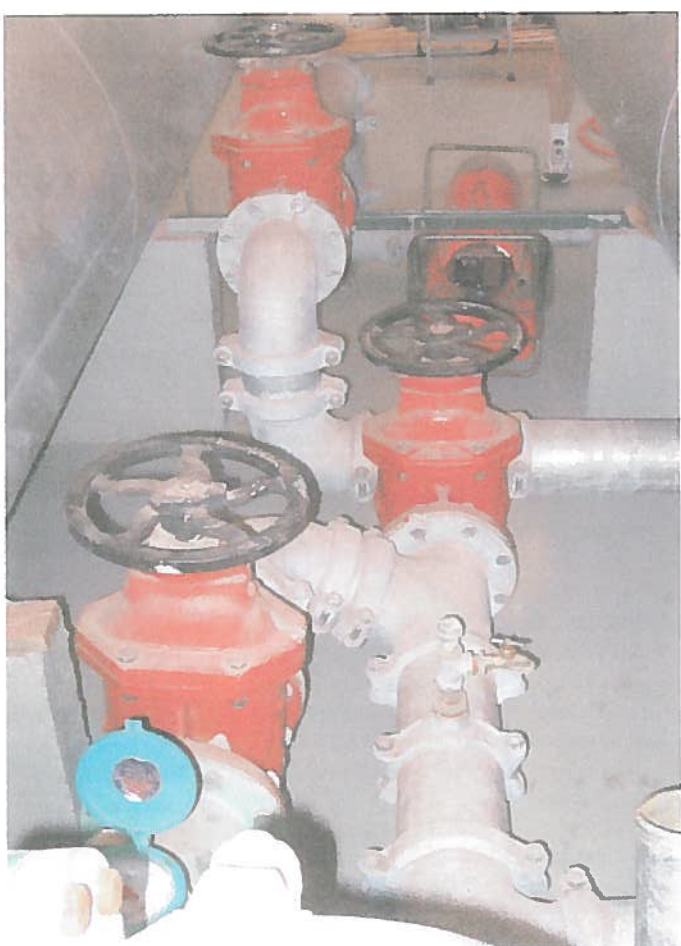
Drill Water Supply Well

The cost to drill a new well assumes 12-inch diameter open hole production well 200 feet

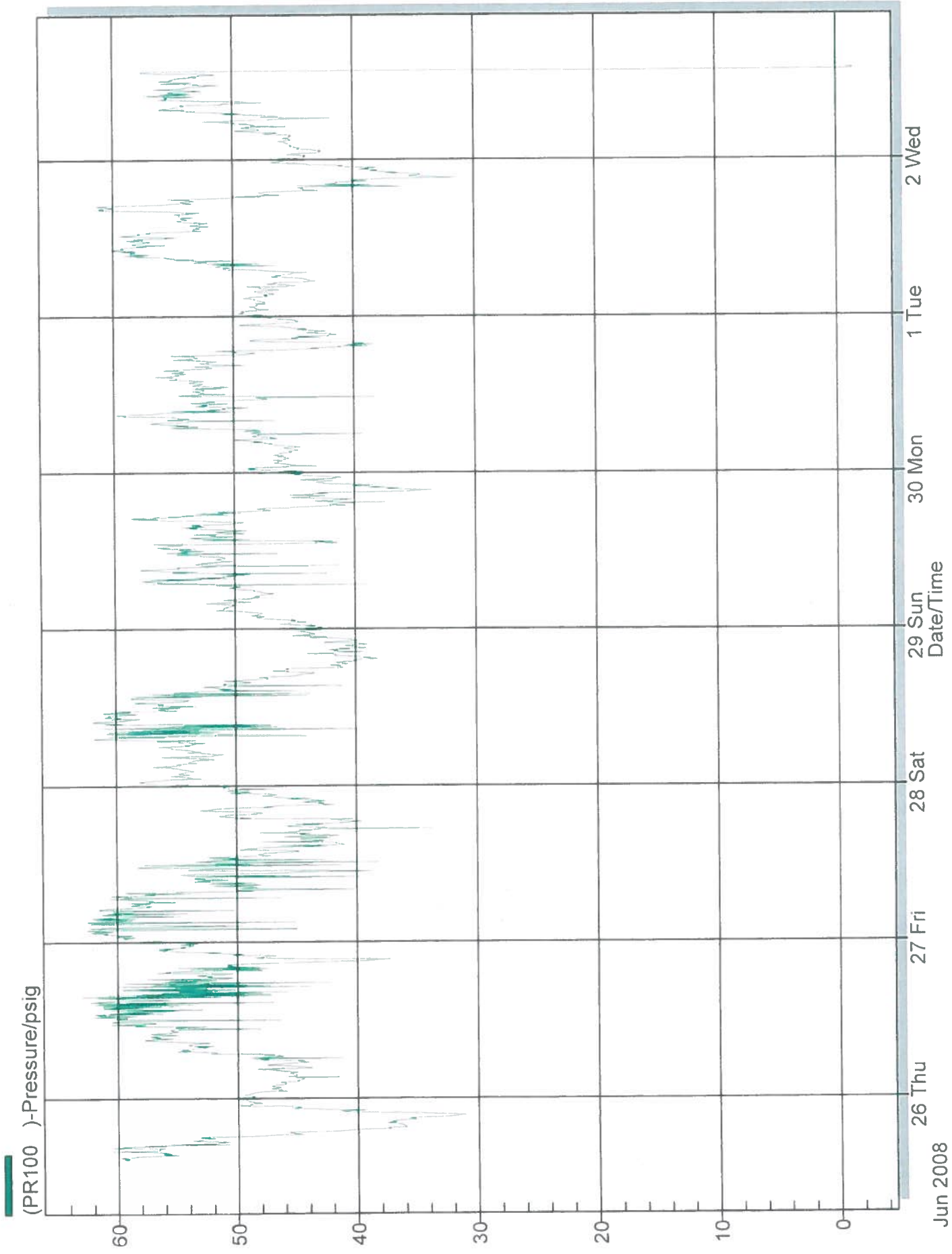
deep. The estimate includes costs for a pilot hole and final production well, and assumes the Company owns the well lot. A 30 percent allowance for contingency, engineering, administration, and legal cost is included in the estimate. The estimated cost to drill a new water supply well is \$150,000.

Appendix A

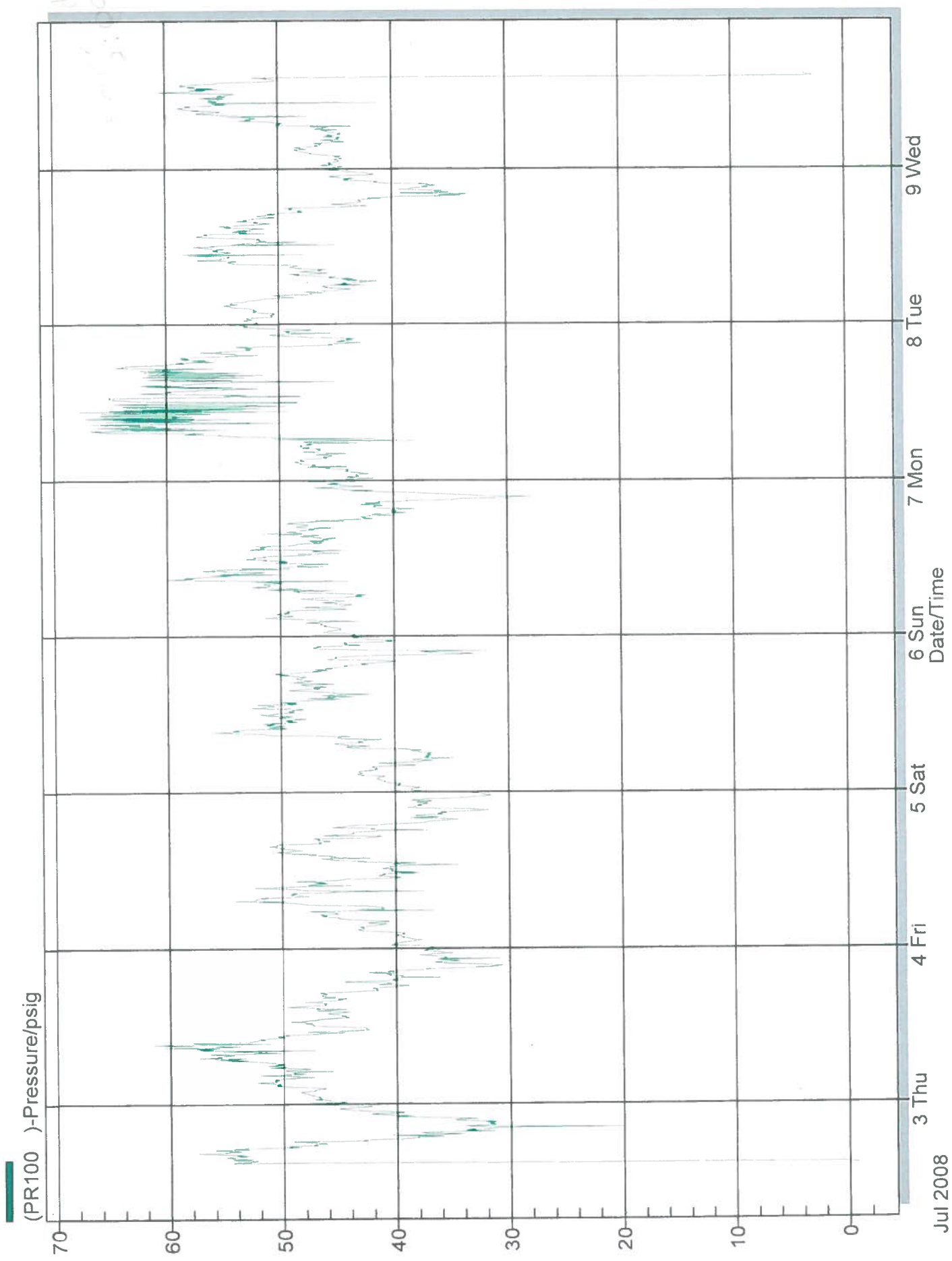
Consent Order Documents



Downloaded Data - Wednesday, July 02, 2008



Downloaded Data - Wednesday, July 09, 2008



February 29, 2008

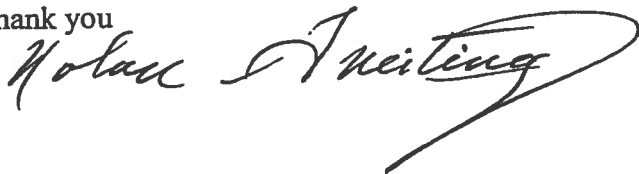
DEQ
900 N Skyline
Idaho Falls, ID 83402

As discussed in today's meeting with Rochelle Mason and Greg Eager, I am requesting a time extension to finish competing with the requirements of the Morning View Consent Order Items:

1. 9d. I am working with Ryan Loftus, PE, to contract out his engineering services to draft and complete a facility planning study per item 9d.
2. I made and sent payment of \$450 for the accessed penalty in the consent order on February 29, 2008 to the DEQ state office.
3. I set the well pump controls at 43 psi and 67 psi, respectively. I am taking pressure readings in the system to assess the water system improvements made last summer to make sure pressure requirements are being met. The study results will be incorporated into the facility planning study by my engineer, Ryan Loftus.
4. Five flushing valves were installed on the dead ends and I will take picture and send them to DE\Q for documentation.
5. As soon as the snow melts, I will contact Rochelle to arrange a sanitary survey.
6. I drafted a sample plan but forgot to bring it so I will sent it to DEQ next week.

Please extend my deadlines to April 15, 2008 so I can complete the requirements.

Thank you

A handwritten signature in black ink, appearing to read "Nolan Freiting". The signature is written in a cursive, flowing style with a large, sweeping loop at the end.

MORNING VIEW CO-IDAHO PUBLIC UTILITIES
PO BOX 598
RIGBY, ID 83442-0598

October 24, 2007

Karen Andrus
177 N 3950 E
Rigby, ID 83442

Dear Ms. Karen Andrus,

The purpose of this notice is to inform you that Morning View public drinking water system has been "disapproved" by the Department of Environmental Quality. Notice of Violation was issued September 12, 2007.

The violations cited by the DEQ are as follows.

1 – IDAPA 58.01.08.552.01.b.ii

- b. Pressure
 - ii. Any public water system constructed or significantly modified after July 1, 1985, shall maintain a minimum pressure of forty (40) psi throughout the distribution system, during peak hourly demand conditions. Excluding fire flow, measured at the service connection or along the property line adjacent to the consumer's premises.

2 – IDAPA 58.01.08.552.014.b.v (Idaho Rules for Public Drinking Water Systems)

- b. Pressure
 - v. When pressures within the system are known to have fallen below twenty (20) psi, the water system must provide public notice and disinfect the system.

3 – IDAPA 58.01.08.554.01.a (Idaho Rules for Public Drinking Water Systems)

- 01. Licensed Operator Required
 - a. Owners of all community and no transient non-community public drinking water systems must place the direct supervision of their drinking water system, including each treatment facility and/or distribution system, under the responsible charge of a properly licensed operator.

To let you know where we are with these violations.

Points 1. and 2. Water pressure has been restored. We check and record well reading no less than every other day. Our pressure readings are between 45 and 70 psi. When our pressure falls to 45 psi, the pump cycles and brings the psi back up to 70.

Point 3. Morning View Water has retained a licensed operator until we can get our license reinstated.

Morning View is working with DEQ to achieve full compliance with the Idaho Rules for Public Drinking Water Systems and will continue to keep customers informed.

We would like to assure you that we have been taking water samples throughout the time of low pressure, and the reports were all within normal range.

Sincerely,

Nolan Gneiting
Operator
MORNING VIEW CO-IDAHO PUBLIC UTILITIES

System Sampling Plan

Morning View Water Co., Inc. Community Water System

System Information

System Name

Morning View Water Co. Inc. Community Water System.

System Classification

Morning View Water Co., Inc. system is a Community Water System.

ID #

State System ID: 7260063

Source Type

The Morning View Water System is supplied by two separate groundwater wells, named wells #1 (Idaho ID AET030) and #2 (Idaho ID AET029).

Population Served

Morning View Water Co., Inc. Community System serves approximately 300 persons.

Service Connection

Morning View Water Co., Inc Community System presently has approximately 100 residential and 3 facility connections.

Daily Production

Typical production at Morning View Water Co., Inc is approximately 173,000 gallons per day.

Introduction

Morning View Water Co., Inc Community Water System serves all residents in the upper and lower neighborhoods of the Community.

Source

The Morning View Water Co., Inc Community system is supplied by two wells located on the site. Wells are relatively shallow (120-130 feet) in gravelly soils with high static levels (40-60 feet) affected by a high, variable water table and seasonal conditions.

Treatment - Disinfection

No Treatments or disinfectants required.

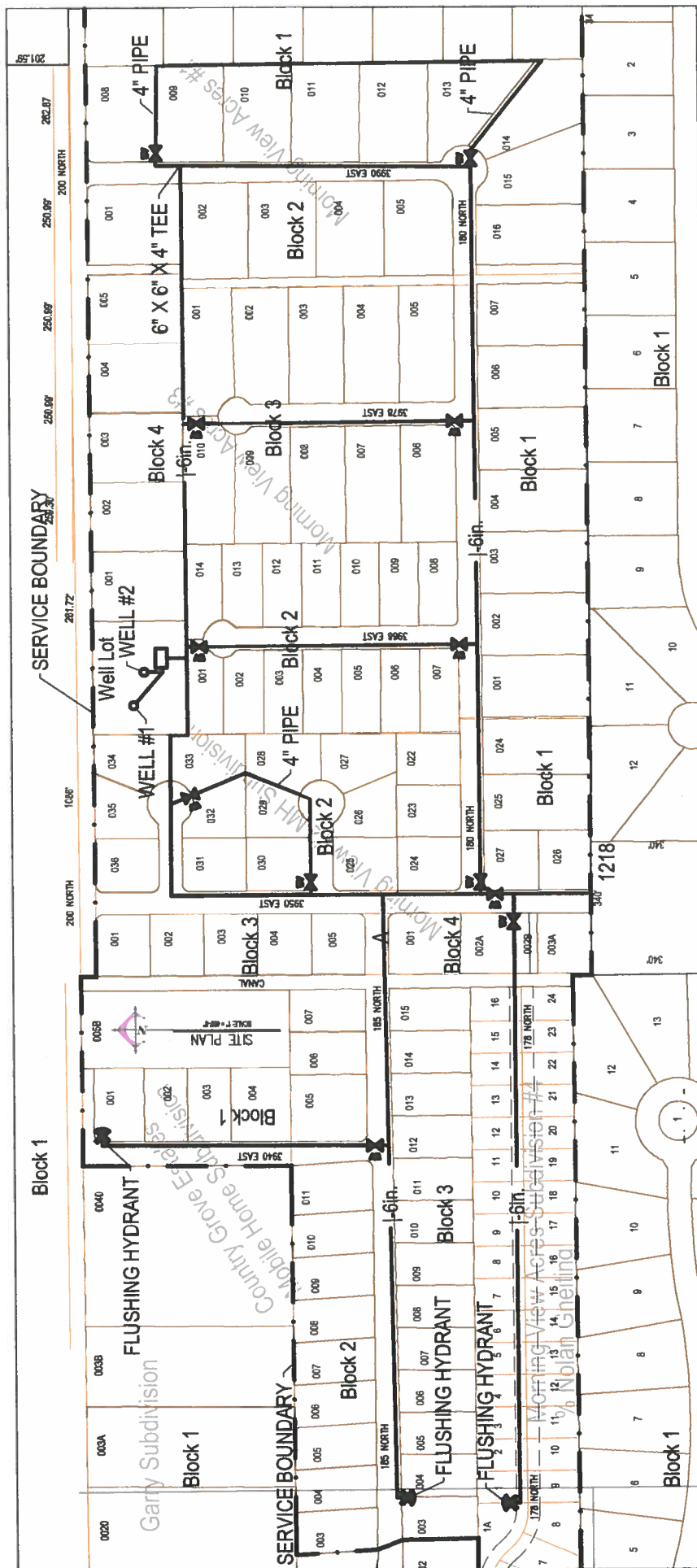
Treatment - Corrosion Control

Storage: Reservoirs

The 140,000 gallon concrete standpipe reservoir shows some external evidence of effervescence and seepage and has recently been repaired. A replacement reservoir is planned.

Special Note:

System pressures were reportedly quite low: 40-65 psi. This may be related to the reservoir conditions and/or operating levels. Action to identify the cause is being addressed.



Aspen Engineering, Inc.

10727 N. Yellowstone Hwy.
Idaho Falls, Idaho 83401
Phone (208) 542-1911



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ASPEN ENGINEERING, INC.
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any part of this work without written
permission of ASPEN ENGINEERING is
prohibited.
Violators will be prosecuted.

Nolan Gneiting

Morning View Water System

Bonneville County Idaho

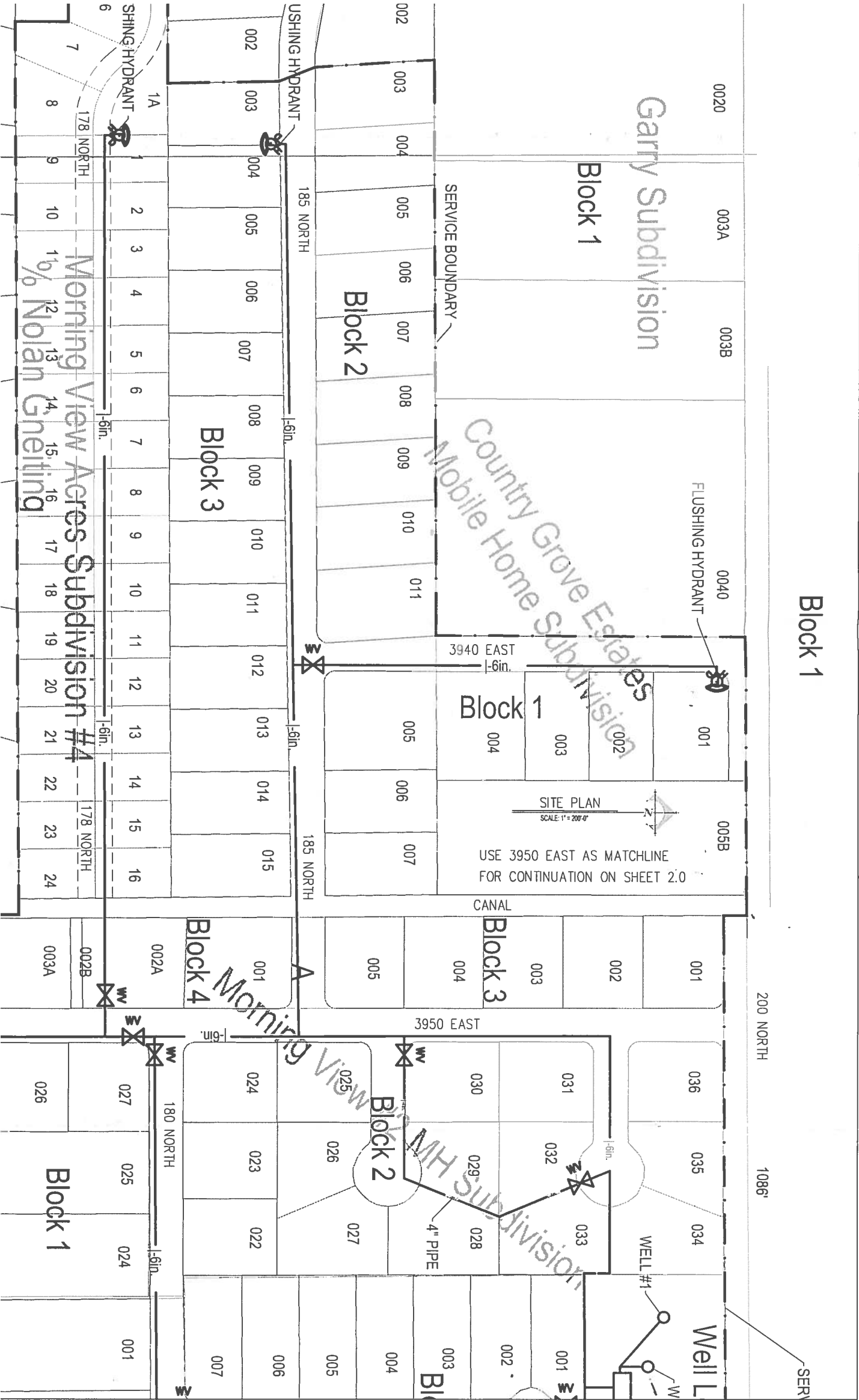
FLUSHING HYDRANTS

JOB NO.	2008.025
DATE	8/4/08
DRAWN BY	JZW
CHECKED BY	JRL
REVISIONS	DATE

SHEET NO.
1.0

Appendix B

Maps



NOLAN GNEITING

MORNING VIEW WATER SYSTEM

JEFFERSON COUNTY Idaho

V WATER SYSTEM

Aspen Engineering, Inc.

10727 N. Yellowstone Hwy.

Idaho Falls, Idaho 83401

Phone (208) 542-1911

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Violators will be prosecuted.

Appendix C

Water Rights

IDAHO DEPARTMENT OF WATER RESOURCES
Water Permit Report 25-7593

WATER RIGHT NUMBER: 25-7593

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	MORNINGVIEW WATER CO INC 462 12TH ST IDAHO FALLS, ID 83401 (208)745-0029

Priority Date: 10/10/1995

Basis:

Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u> <u>To</u>	<u>Diversion Rate</u>	<u>Annual Volume</u>
DOMESTIC	1/01 to 12/31	0.330 CFS	
IRRIGATION	4/01 to 11/01	0.460 CFS	
	<u>Total Diversion:</u>	0.790 CFS	

Location of Point(s) of Diversion

GROUND WATER	NE1/4NE1/4	Sec. 30, Twp 04N, Rge 39E, B.M.
JEFFERSON County		
GROUND WATER	NW1/4NE1/4	Sec. 30, Twp 04N, Rge 39E, B.M.
JEFFERSON County		

Place of Use

IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	39E	30	14.0	9.0															23.0

Total Acres: 23

DOMESTIC same as IRRIGATIONConditions of Approval:

1. 26A Project construction shall commence within one year from the date of permit issuance and shall proceed diligently to completion unless it can be shown to the satisfaction of the Director of the Department of Water Resources that delays were due to circumstances over which permit holder had no control.
2. 048 The use of water under this right shall not give rise to any claim against the holder of a senior water right based upon the theories of forfeiture, abandonment, adverse possession, waiver, equitable estoppel, estoppel by laches or customary preference.
3. 049 The Director retains jurisdiction of the right to incorporate the use into a water district, require streamflow augmentation or other action needed to protect prior surface water and groundwater rights.

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Water Permit Report

04/12/2007

WATER RIGHT NO. 25-7593

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	MORNINGVIEW WATER CO INC 462 12TH ST IDAHO FALLS, ID 83401

Priority Date: 10/10/1995
Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	4/01	11/01	0.46 CFS	
DOMESTIC	1/01	12/31	0.33 CFS	
Total Diversion			0.79 CFS	

Location of Point(s) of Diversion:

GROUND WATER	NENE	Sec. 30	Township 04N	Range 39E	JEFFERSON County
GROUND WATER	NWNE	Sec. 30	Township 04N	Range 39E	JEFFERSON County

Place(s) of use:

Place of Use Legal Description: IRRIGATION JEFFERSON County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
-----------------	--------------	----------------	------------	--------------	--------------	------------	--------------	--------------	------------	--------------	--------------	------------	--------------	--------------

04N	39E	30		NENE	14		NWNE	9											
-----	-----	----	--	------	----	--	------	---	--	--	--	--	--	--	--	--	--	--	--

Place of Use Legal Description: DOMESTIC same as IRRIGATION

Total Acres: 23

Conditions of Approval:

1.	26A	Project construction shall commence within one year from the date of permit issuance and shall proceed diligently to completion unless it can be shown to the satisfaction of the Director of the Department of Water Resources that delays were due to circumstances over which permit holder had no control.
2.	048	The use of water under this right shall not give rise to any claim against the holder of a senior water right based upon the theories of forfeiture, abandonment, adverse possession, waiver, equitable estoppel, estoppel by laches or customary preference.
3.	049	The Director retains jurisdiction of the right to incorporate the use into a water district, require streamflow augmentation or other action needed to protect prior surface water and groundwater rights.
4.	01C	A flow measurement port or other device as specified by the Department shall be installed by the right holder to provide for the installation of measuring equipment and the determination of the rate of diversion by the Department.
5.	03A	The rate of diversion of water for irrigation under this right and all other water rights on the same land shall not exceed 0.02 cubic feet per second for each acre of land.
6.	004	The issuance of this right does not grant any right-of-way or easement across the land of another.
7.		Domestic use is for 48 homes.
8.	046	Right holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code.

Dates:

Proof Due Date: 07/01/1994

Proof Made Date: 10/10/1995

Approved Date: 07/15/1991

Moratorium Expiration Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Application Received Date: 05/14/1991

Protest Deadline Date:

Number of Protests: 0

Field Exam Date: 7/29/1998

Date Sent to State Off: 4/30/2002

Date Received at State Off: 5/6/2002

Field Exam Remark:

Other Information:

State or Federal:

Owner Name Connector:
Water District Number:
Generic Max Rate per Acre:
Generic Max Volume per Acre:
Swan Falls Trust or Nontrust:
Swan Falls Dismissed:
DLE Act Number:
Cary Act Number:
Mitigation Plan: False
Close

Ident. No. 25-14199

74010

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR PERMIT

To appropriate the public waters of the State of Idaho

- 290-00
RECEIVED
JUL 31 2007
Department of Water Resources
Eastern Region
- Name of Applicant Morningview Water Company Inc Phone 208 745-0029
Mailing address 462 12th Street Idaho Falls Idaho
 - Source of water supply Ground Water which is a tributary of _____
 - Location of point of diversion is Township 4N Range 39E Sec. 30, in the _____ 1/4, NW 1/4, NE 1/4, Govt. Lot _____, B.M., Jefferson County;
additional points of diversion if any: 2 wells - NW NE Sec 30 T4N R39E
 - Water will be used for the following purposes:
 Amount 1.80 for Domestic purposes from 1 Jan to 31 Dec (both dates inclusive)
 (cfs or acre-feet per annum)
 Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
 (cfs or acre-feet per annum)
 Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
 (cfs or acre-feet per annum)
 Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
 (cfs or acre-feet per annum)
 Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
 (cfs or acre-feet per annum)
 Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
 (cfs or acre-feet per annum)
 - Total quantity to be appropriated is (a) 1.80 and/or (b) 808 gpm
 cubic feet per second acre feet per annum
 - Proposed diverting works:
 - Describe type and size of devices used to divert water from the source 3 wells - pumps - distribution system for 130 homes
 - Height of storage dam _____ feet; active reservoir capacity _____ acre-feet; total reservoir capacity _____ acre-feet
 - Proposed well diameter is _____ inches; proposed depth of well is _____ feet
 - Is ground water with a temperature of greater than 85°F being sought? N/A
 - If well is already drilled, when? _____; Drilling firm See attached well logs;
 Well was drilled for (well owner) _____; Drilling Permit No. _____
 - Time required for completion of works and application of water to proposed beneficial use is 5 years (minimum 1 year)
 - Description of proposed uses (if irrigation only, go to item 9):
 - Hydropower; show total feet of head and proposed capacity in kW.
 - Stockwatering; list number and kind of livestock.
 - Municipal; show name of municipality.
 - Domestic; show number of households.
 - Other; describe fully. 130 households 1/2 acre of lawn/garden per home.

SUN 7/30

AUG 29 2007

Appendix D

Well Logs

State law requires that this report be filed with the Director, Department of Water Resources within 30 days after the completion or abandonment of the well.

[illegible]

USE ADDITIONAL SHEETS IF NECESSARY — FORWARD THE WHITE COPY TO THE DEPARTMENT

Appendix E

Water Production Data

Morning View Water Co., Inc.

An Idaho PUC Regulated Company

3996 E. 200 North

P.O. Box 598

Rigby, Idaho 83442

Office: 208-745-0029

Fax: 208-745-0041

	Date	Start Reading	End Reading	Total	# of services	Gals. Per Household
January	12/31/05		245212000		89	
February	1/31/06		247856000	2644000	90	29378
March	3/1/06		250017000	2161000	91	23747
April	4/2/06		252361000	2344000	94	24936
May	5/31/06		261014000	8653000	95	91084
June	6/30/06		270303000	9289000	95	97779
July	7/31/06		283604000	13301000	97	137124
August	8/31/06		296210000	12606000	99	127333
September	10/2/06		303056000	6846000	99	691512
October	10/31/06		304775000	1719000	99	17364
November	11/30/06		30612000	1347000	98	13745
December	1/2/07		307739000	1617000	98	16500

MORNING VIEW WATER CO., INC
 AN IDAHO PUC REGULATED COMPANY
 3996 E. 200 NORTH
 RIGBY, IDAHO 83442
 208-745-0029

	Date	Start Reading	End Reading	Total	# of Services	Gallons per Household	Avg Gallons Daily
January	1/2/07	307,739,000	309,138,000	1,399,000	98	14,276	48,241
February	1/31/07	309,138,000	310,519,000	1,381,000	98	14,092	53,115
March	2/26/07	310,519,000	312,123,000	1,604,000	94	17,064	51,742
April	3/30/07	312,123,000	316,036,000	3,913,000	95	41,189	126,226
May	4/30/07	316,036,000	324,005,000	7,969,000	95	83,884	249,031
June	6/1/07	324,005,000	333,890,000	9,885,000	96	102,969	318,871
July	7/2/07	333,890,000	345,054,000	11,164,000	96	116,292	384,966
August	8/1/07	345,054,000	355,147,000	10,093,000	100	100,930	336,433
September	8/31/07	355,147,000	361,907,000	6,760,000	99	68,283	218,065
October	10/1/07	361,907,000	364,263,000	2,356,000	101	23,327	73,625
November	11/2/07	364,263,000	365,821,000	1,558,000	102	15,275	48,688
December	12/5/07	365,821,000	367,013,000	1,192,000	99	12,040	79,467
	12/31/07	367,013,000					
total		59,274,000		59,274,000	97.75	50,802	165,706

→ 1 Ac \$49.48
 → 1/2 Ac \$40.94
 → 1/4 Ac \$32.44
 → Includes \$5.00 Contingency Fund
 589-6033
 Robert Lu

Appendix F

Water Company Documents

1D7260063

RECEIVED

FEB 26 2008

DEQ-IDAHO FALLS

Morning View Water Co., Inc.
An Idaho PUC Regulated Company
3996 E. 200 North
P.O. Box 598
Rigby, Idaho 83442

Office: 208-745-0029

Fax: 208-745-0041

February 25, 2008

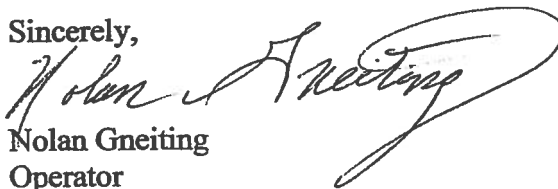
Rochelle Mason
Department of Environmental Quality
900 N. Skyline Dr.
Suite B
Idaho Falls, Idaho 83402

Dear Rochelle,

This letter is to inform you that the Rocky Mountain had a power outage on Sunday February 24, 2008. This outage affected over 1700 people in Jefferson County. We were one of the sites that lost power. It took just over one hour for the power company to complete repairs and restore power.

As soon as the power was restored, Nolan Gneiting went to the well house and flushed and reset the system.

Sincerely,


Nolan Gneiting
Operator

cc/file
faxed 2/25/08

SCANNED

FEB 26 2008

Morning View Water Co., Inc.
An Idaho PUC Regulated Company
3996 E. 200 North
P.O. Box 598
Rigby, Idaho 83442

RECEIVED
APR 11 2008
DEQ-IDAHO FALLS

Office: 208-745-0029

Fax: 208-745-0041

April 10, 2008

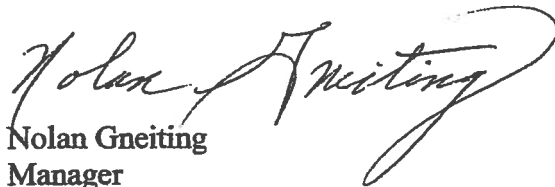
Department of Environmental Quality
900 North Skyline Dr.
Suite B
Idaho Falls, Idaho 83402

Rochelle Mason,

As you have requested, the pressure on the water system has been set-up to cycle and 50 pounds low and 75 pounds high. However, in the past this has blown out some of the water systems in the manufactured home addition. Most of these are plumbed with 3/8" diameter PEX pipe and the friction loss is really high, and the pipe is of extremely low quality. Because of this potential damage we are denying any liability on our part for water damage with-in the trailers.

Should you have any problem with this, please contact me at 745-0029

Regards,



Nolan Gneiting
Manager
Morning View Water Co., Inc.

cc/file

SCANNED
APR 11 2008

Morning View Homes

From: "Morning View Homes" <morningviewhomes@qwest.net>
To: "Rochelle Mason" <Rochelle.Mason@deq.idaho.gov>
Sent: Monday, July 23, 2007 8:51 AM
Subject: DEQ Mandate

RECEIVED

JUL 24 2007

DEQ-IDAHO FALLS

ATTENTION: Rochelle Mason

REGARDING: Morning View Water Co., Inc.

July 23, 2007

Please be advised that as of July 20, 2007 at 3:30 p.m., well #2 was fully functional.

The following was done to accomplish this:

1. The old pump and motor has been removed from the well casing.
2. The pump and the motor have been replaced.
3. The system has been converted to a three phase electrical system.
4. The leaks have been repaired and the well has been chlorinated.

We believe we are in compliance with the DEQ mandate, dated July 6, 2007, and inside the time frame allotted.

Thank You


Nolan Gneiting
Operations Manager

copy on file

cc - *Bob Smith*
cc - *Melinda Harper*
cc - *Idaho Public Utilities Commission*

SCANNED

JUL 24 2007

7/23/2007



STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY

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

C.L. "Butch" Otter, Governor
Curt Fransen, Director

November 9, 2012

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

RE: Environmental Determination for the Morning View Water Company Drinking Water Improvements
(DWG 112-2011-5)

Dear Mr. Gneiting:

The Department of Environmental Quality (DEQ) has completed a review of the Environmental Information Document for the Morning View Water Company Drinking Water Improvements. The potential impacts on a number of environmentally sensitive resources were evaluated in the environmental review. The system's project engineer consulted with a number of appropriate state and federal agencies regarding relevant issues. The project meets state and federal criteria for issuance of a Finding of No Significant Impact (FONSI) since the environmental review process indicated no significant environmental impacts would result from the proposed project.

A FONSI legal notice will be published in the *Idaho Falls Post Register*, newspaper of greatest distribution for the area. DEQ has requested the *Idaho Falls Post Register* publish the legal notice one (1) time, on one (1) day, on Tuesday, November 20, 2012. The legal notice will explain how the public can obtain a copy of the full FONSI for review and will give instructions on how they can submit comments. A 30 day public comment period will follow the FONSI legal notice publication. Should there be public comments and concerns related to the project or FONSI, DEQ may ask your help in preparing responses.

Following the 30 day public comment period, any significant comments or concerns will be considered and incorporated as appropriate into the *final* FONSI determination for the referenced project. After issuance of the *final* FONSI, and with approval of all technical considerations in the facility plan, DEQ will be able to close the DEQ planning grant and to proceed with the State Revolving Fund loan.

Gregory Eager, DEQ Idaho Falls Regional Office (208) 528-2650, is your local DEQ contact on the referenced project. Please keep him informed of progress on the project.

Sincerely,

Barry N. Burnell
Water Quality Division Administrator

BNB: MLM:dls

Enclosures

c: MaryAnna Peavey, DEQ State Office
Charlie Parkins, DEQ State Office
Gregory Eager, P.E., Idaho Falls Regional Office Engineering Manager
Ryan Loftus, P.E., Aspen Engineering, Inc., Ryan@aspeneng.net
Bryan Zibbell, DEQ State Office Drinking Water Program

FINDING OF NO SIGNIFICANT IMPACT

Date: November 9, 2012

To: All Interested Government Agencies, Public Groups, and Individuals

Subject: Environmental Determination for the Morning View Water Company Drinking Water Improvements, Jefferson County, Idaho

In accordance with the Rules for Administration of Planning Grants for Drinking Water Facilities (IDAPA 58.01.22) and the Rules for Administration of Drinking Water Loan Program (IDAPA 58.01.20), an environmental review has been performed and a Finding of No Significant Impact (FONSI) has been issued by the Department of Environmental Quality (DEQ) on the project described below:

Project:	Morning View Water Company Drinking Water Improvements
Location:	Jefferson County, Idaho
DEQ Grant Number):	DWG-112-2011-5
DEQ Grant Costs:	\$7,500
DEQ Loan Number:	TBD
Total Loan Project Cost:	\$260,000

PURPOSE/SUMMARY OF IMPACTS:

Purpose of Project: The purpose of the proposed project is to resolve problems with low pressure, high sand content and compliance with the Drinking Water Rules.

Description of the Project: The proposed project involves:

- Construction of a new drinking water well and pump house and approximately 300 feet of connecting buried water main in previously undisturbed ground;
- Installation of a natural gas or propane backup generator in the new pump house;
- Installation of variable-frequency drives on new and existing well; and
- Installation of individual water meters on existing service lines;

Direct and Indirect Impacts: An Environmental Information Document (EID) was prepared by Aspen Engineering, Inc. (Aspen), consulting engineer for Mountain View Water Company (MVWC). Aspen and DEQ consulted with appropriate state, federal and tribal agencies regarding relevant environmentally sensitive resources. Based on the consultation with agency experts, Aspen and DEQ evaluated the potential short-and long-term impacts, and the direct, indirect and cumulative impacts of the proposed drinking water improvements. The evaluation emphasized site-specific components of the environment that are most likely to be impacted by the construction and operation of the proposed project. The evaluation results indicate there will be environmental effects from the proposed project as described below.

Short term impacts may occur during project construction that includes temporary disruption of the distribution, system, increased noise, increased dust pollution, increased potential for stormwater runoff, and disruption of localized traffic conditions. The project contractor is responsible for managing the temporary disruptions of the system as follows:

- **Air Quality:** Temporary dust pollution impacts will be controlled as a condition of the construction specifications in accordance with the DEQ Rules for the Control of Air Pollution in Idaho, IDAPA 58.01.01.651 (rule). The rule states that reasonable precautions for dust control and suppression include using water or chemicals, applying dust suppressants, covering trucks, paving, and removing materials. In addition to the rule requirements, it is recommended that a dust prevention and control plan be implemented during construction of the project that includes DEQ Best Management Practices (BMPs) to minimize dust pollution for fugitive dust control.
- **Cultural Resources:** If archeological artifacts and human remains are inadvertently discovered during construction, ground disturbing activities shall cease and the State Historical Preservation Officer, the Shoshone-Bannock Tribe, and the Shoshone-Paiute Tribe shall be notified.
- **Stormwater:** Stormwater shall be avoided by having equipment available to put appropriate containment systems into service in a timely manner. Examples of containment systems include silt fences, temporary berms, and vegetative or mulch cover, and installing drains to control surface runoff and to minimize soil loss.
- Noise impacts from the project construction will be reduced by restricting work hours to reasonable times identified in the construction specifications.
- Any other appropriate BMPs, wherever possible, to avoid or minimize impacts from other construction activities.

Morning View Water Company will also obtain appropriate permits as required:

- Well drilling permit from the Idaho Department of Water Resources.
- Any other local, state or federal permit required for activities taking place during project construction.

Beneficial Impacts: Overall, the completion of the proposed project will have long-term positive effects to public health through the provision of safe drinking water."

Finding: The review process did not indicate significant environmental impacts would result from the proposed action. Consequently, a preliminary decision has been made that an Environmental Impact Statement does not need to be prepared for the proposed project. Instead, a FONSI is hereby issued by DEQ. This decision is made following a careful review of the *Morning View Water Company Environmental Information Document* and supporting documentation.

AVAILABILITY OF COPIES:

Copies of the notice of a FONSI, the facility plan, the *Morning View Water Company Environmental Information Document* and supporting documentation upon which it is based are available for public review on the DEQ web site at www.deq.idaho.gov/public-comment-opportunities or at the following locations:

Department of Environmental Quality State Office
Division of Water Quality
1410 North Hilton
Boise, Idaho 83706
Grant/Loan SERP Contact: Mike May – (208) 373-0406

Department of Environmental Quality Idaho Falls Regional Office
900 North Skyline Drive, Suite B
Idaho Falls, Idaho 83402
Regional Office Contact: Gregory Eager – (208) 528-2650

The public will be informed about the proposed project and their opportunity for comment through the *Idaho Falls Post Register*, one time in the November 20, 2012 publication.

Public Comments: Comments supporting or disagreeing with this decision must be submitted on the DEQ web site <www.deq.idaho.gov/public-comment-opportunities> or addressed to:

Department of Environmental Quality
Division of Water Quality
Grant and Loan Program
1410 North Hilton Street
Boise, Idaho 83706
Attention: Mike May, Grant/Loan SERP Staff

All comments must be postmarked or delivered on or before December 20, 2012. After an evaluation of public comment, DEQ will make a final decision. No administrative action will be taken on the project for at least thirty (30) calendar days after publication of the draft FONSI Notice.



Barry N. Burnell
Water Quality Division Administrator

LEGAL NOTICE OF FINDING OF NO SIGNIFICANT IMPACT

Date: November 9, 2012

To: All Interested Government Agencies, Public Groups, and Individuals

Subject: Environmental Determination for the Morning View Water Company Drinking Water Improvements, Jefferson County, Idaho

In accordance with the Rules for Administration of Planning Grants for Drinking Water Facilities (IDAPA 58.01.22) and the Rules for Administration of Drinking Water Loan Program (IDAPA 58.01.20), an environmental review has been performed and a Finding of No Significant Impact (FONSI) has been issued by the Department of Environmental Quality (DEQ) for the following project:

Morning View Water Company Drinking Water Improvements
Jefferson County, Idaho

This environmental determination was made as a result of the review process indicating no significant environmental impacts would result from the proposed project. There may be several environmental effects from the referenced project as described below.

Short term impacts may occur during project construction that includes temporary disruption of the distribution, system, increased noise, increased dust pollution, increased potential for stormwater runoff, and disruption of localized traffic conditions. The project contractor is responsible for managing the temporary disruptions of the system as follows:

- **Air Quality:** Temporary dust pollution impacts will be controlled as a condition of the construction specifications in accordance with the DEQ Rules for the Control of Air Pollution in Idaho, IDAPA 58.01.01.651 (rule). The rule states that reasonable precautions for dust control and suppression include using water or chemicals, applying dust suppressants, covering trucks, paving, and removing materials. In addition to the rule requirements, it is recommended that a dust prevention and control plan be implemented during construction of the project that includes DEQ Best Management Practices (BMPs) to minimize dust pollution for fugitive dust control.
- **Cultural Resources:** If archeological artifacts and human remains are inadvertently discovered during construction, ground disturbing activities shall cease and the State Historical Preservation Officer, the Shoshone-Bannock Tribe, and the Shoshone-Paiute Tribe shall be notified.
- **Stormwater:** Stormwater shall be avoided by having equipment available to put appropriate containment systems into service in a timely manner. Examples of containment systems include silt fences, temporary berms, and vegetative or mulch cover, and installing drains to control surface runoff and to minimize soil loss.
- Noise impacts from the project construction will be reduced by restricting work hours to reasonable times identified in the construction specifications.
- Any other appropriate BMPs, wherever possible, to avoid or minimize impacts from other construction activities.

Morning View Water Company will also obtain appropriate permits as required:

- Well drilling permit from Idaho Department of Water Resources.
- Any other local, state or federal permit required for activities taking place during project construction.

Beneficial Impacts: Overall, the completion of the proposed project will have long-term positive effects to public health through the provision of safe drinking water.

Description of the Project: The proposed project involves:

- Construction of a new drinking water well and pump house and approximately 300 feet of connecting buried water main in previously undisturbed ground;
- Installation of a natural gas or propane backup generator in the new pump house;
- Installation of variable-frequency drives on new and existing well; and
- Installation of individual water meters on existing service lines;

Copies Available: Copies of the draft FONSI, the facility plan, the *Morning View Water Company Environmental Information Document* and supporting documentation upon which it is based are available for public review on the DEQ web site at www.deq.idaho.gov/public-comment-opportunities or at the following locations:

Department of Environmental Quality State Office
Division of Water Quality
1410 North Hilton
Boise, Idaho 83706
Grant/Loan SERP Contact: Mike May – (208) 373-0406

Department of Environmental Quality Idaho Falls Regional Office
900 North Skyline Drive, Suite B
Idaho Falls, Idaho 83402
Regional Office Contact: Gregory Eager – (208) 528-2650

Public Comments: Comments supporting or disagreeing with this decision must be submitted on the DEQ website < www.deq.idaho.gov/public-comment-opportunities > or addressed to:

Mike May, Department of Environmental Quality, Water Quality Division, Grant and Loan Program,
1410 N. Hilton Street, Boise, Idaho 83706.

Such comments must be postmarked or delivered on or before December 20, 2012. Public comments will be considered in finalizing the planning phase of the project. No administrative action will be taken on the project for at least thirty (30) calendar days from the date of publication.

Barry N. Burnell
Water Quality Division Administrator