

FEB 22 2019

Boise, Idaho

James M. Piotrowski
PIOTROWSKI DURAND, PLLC
P.O. Box 2864
1020 W. Main Street, Suite 400
Boise, Idaho 83701
Telephone: (208)331-9200
Facsimile: (208)331-9201
Email: James@idunionlaw.com

Attorneys for Intervenor
Citizens Allied for Integrity and Accountability

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT
APPLICATION OF SUEZ WATER
IDAHO AND EAGLE WATER
COMPANY FOR THE ACQUISITION OF
EAGLE WATER COMPANY

CASE NOS. SUZ-W-18-02
EAG-W-18-01

CITIZENS ALLIED FOR
INTEGRITY AND
ACCOUNTABILITY'S MOTION
FOR EXTENSION OF TIME TO
RESPOND TO DISCOVERY

COMES NOW Intervenor Citizens Allied for Integrity and Accountability (“CAIA”), by and through undersigned counsel and hereby moves the Commission pursuant to Rule 56 of the Commission’s Rules of Procedure for an order extending the time within which CAIA must respond to discovery requests served upon it by Petitioner Suez Water Idaho. Intervenor CAIA so moves for the reasons and on the bases set forth herein.

I. Facts and Background

Suez Water Idaho and Eagle Water Co. petitioned for approval of a sale of Eagle Water Co.’s water system to Suez. CAIA moved to intervene in the proceeding, which motion to intervene was granted by the Commission. Shortly before a January 15, 2019 prehearing meeting in the case, the City of Eagle gave notice to Eagle Water (and others) that it believed Eagle Water was in default of a contractual provision requiring Eagle Water to grant a right of first refusal to the City of Eagle before selling the water system. Since then, this case has been in

a state that can only be described as “on hold” while the implications of this contractual dispute between City of Eagle and Eagle Water are sorted out.

PUC Staff initially set a date of January 15, 2019 for a telephonic prehearing meeting to discuss the general outlines of a scheduling order in the case, including public information meetings, pre-hearing deadlines, and possible hearing dates. On or about January 14, 2019, the City of Eagle informed Eagle Water of its contention that Eagle Water was in breach of a contract requiring that the City have a right of first refusal before any sale of the water system to any other entity was completed. In light of these developments, at the January 15 prehearing meeting, it was decided that the prehearing meeting would be reconvened on January 30 so the parties would have time to consider the implications of this development.

At the January 30, 2019 status conference, there was very little new or additional information. The City of Eagle informed the other parties that it would be taking action to assert and enforce its contractual positions. PUC Staff, and several of the other parties, were adamant that issues relating to that contract dispute were outside the jurisdiction of the Commission. However, they also recognized that resolution of those issues could easily render the present Application moot. This is for the simple reason that if the City of Eagle has an enforceable right of first refusal then sale of the water system to Suez Water would be entirely conditional upon whether City of Eagle exercised that right.

The disputed contractual provision between City of Eagle and Eagle Water provide that in the event of a proposed sale to a third entity, City of Eagle is entitled to notice of the proposed sale, 30 days to determine if it wishes to pursue purchase of the system, and sufficient time to hold a revenue bond election to attempt to finalize such purchase. (Exhibit 1, Intertie Agreement between City of Eagle and Eagle Water Co., paragraph 6). Eagle Water Co. has taken the position that it is not required to comply with that right of first refusal. (Exhibit 2, Letter from Eagle Water Co. to City of Eagle). If City of Eagle attempts to exercise its claimed right of first refusal, it will almost certainly have to initiate an appropriate civil action for breach of contract. Resolution of that dispute could occur within a few months or could easily take in excess of 12 months. It is only after that process is concluded, that City of Eagle could undertake the steps to attempt to buy the water system. If it was successful in doing so, this Application would become moot since Suez Water would no longer have any legal authority to complete the sale for which

it seeks the Commission's approval. Even if the City of Eagle is not successful, it is highly likely that a sale taking place as much as one to two or even three years in the future would be on different terms than those presently under consideration and might well involve different considerations for the Commission as a result of the additional years of development and growth in the Treasure Valley.

Although resolving the contractual dispute is a matter outside the Commission's jurisdiction, its resolution could have serious consequences for any decision the Commission might reach. As a result, staff suggested and the parties largely agreed during their January 30 prehearing meeting that another delay was warranted and that the prehearing meeting would again be rescheduled, this time for March 4, 2019. It was and is expected that by that time more information would be available about how the City of Eagle and Eagle Water intend to go about resolving their dispute (i.e., whether they would be litigating or finding some alternative). Tellingly, the city of Eagle has apparently hired new counsel who has entered an appearance in this dispute. The firm Holland & Hart, and its partner Newall Squyres are known for their skills as litigators, suggesting but not confirming that the City intends to pursue its legal remedies.

In the meantime, Suez Water served discovery requests on multiple parties including CAIA. (Exhibit 3, Suez Water's Discovery Requests to CAIA). The requests were served via email on February 8, 2019. Suez demands that responses be served not later than March 1, 2019. (Id.).¹ Intervenor CAIA requested that Suez Water agree to an extension of the deadline for discovery responses, but counsel for Suez would not agree to the requested extension.

Intervenor CAIA is a not-for-profit, grassroots organization focused, as its name implies, on integrity and accountability in the use of Idahoans' natural resources. It operates on a very small budget and is funded entirely by donations and membership fees. Because the present application of Suez Water may become entirely moot, and, if it does not become moot, may necessarily be delayed for a period that could be counted in years, CAIA seeks leave of the Commission to delay answering the discovery requests until such time as it appears this matter will actually be set for a hearing and decision by the Commission. In the alternative, an extension of 60 days from the current March 1 deadline would allow for a more reasoned

¹ The Commission's rules leave some ambiguity as to whether objections to the requests, if any, must be served sooner than March 1. This motion seeks additional time in which to serve both objections and answers to the discovery requests.

decision about the appropriate timing for discovery proceedings. Granting either of these requests would prevent CAIA from wasting limited resources on discovery requests that may never be relevant to any contested case that the Commission has to decide. If the discovery requests do remain relevant, because Suez's application to approve the purchase of Eagle Water goes forward, then the Commission could easily set discovery timelines as part of the overall scheduling order that it will ultimately issue.

II. The Commission's Rules Provide the Basis for This Request.

The Commission's own rules call for a practical approach to their application. Rule 13 requires that the rules of procedure, including the rules governing discovery, "be liberally construed to secure just, speedy and economical determination of all issues presented to the Commission." IDAPA 31.01.01.13. The same rule provides that "the Commission may permit deviation from these rules when it finds compliance with them is impracticable, unnecessary or not in the public interest." *Id.* Finally, Rule 56 provides that a party seeking relief from the operation of the rules is to do so via a motion such as this one. IDAPA 31.01.01.56.

Under the present circumstances, a temporary delay of the discovery timeline in this case will not prevent, or have any impact whatsoever, on accomplishing a "just [or] speedy" determination of this case. Final resolution of the merits is almost certain to be delayed by the ongoing contractual dispute between City of Eagle and Eagle Water, and there is nothing the Commission can do to prevent that.² An extension of discovery deadlines would not affect the speedy determination of the merits of this Application. Nor is there any basis to claim it would affect the "just" determination of the application. If the Commission is actually able to proceed to addressing the merits of this Application (for instance because a Court rules against City of Eagle, or the City decides not to proceed with a purchase), there will be more than adequate time to allow for discovery.

Finally, the "economic" determination of the dispute calls for the discovery extension that CAIA is requesting here. Undergoing the time and expense of discovery proceedings in a case

² Suez Water may argue that it is entitled to proceed with its purchase of Eagle Water despite the contractual dispute with City of Eagle. Such an argument would be incorrect for several reasons. First, such an argument ignores the reality that the interests of rate payers would not be served by allowing a sale that could result in substantial liability for a regulated utility. Second, it ignores the fact that a Court could enter a preliminary injunction barring the sale pending the outcome of the contract dispute. Third, it would put the Commission in the position of deciding whether to approve a sale that a court may ultimately find to be unlawful. None of these outcomes would serve the goal of accomplishing a "speedy, just and economical determination" of the merits of Suez's Application.

that may never be heard on the merits would not be economical. Conserving resources such as the cost of attorney fees is the only economical choice in this instance. This applies both to the fees of counsel for CAIA, as well as the fees incurred by Suez Water. Encouraging Suez to spend money which may ultimately be reimbursed by consumers is not economical.

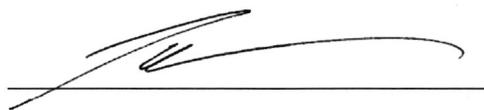
Rule 13 explicitly encourages the Commission to allow “deviation from these rules when it finds compliance with them is impracticable, unnecessary or not in the public interest.” IDAPA 31.01.01.13. Complying with discovery requests at this particular point in time, while the case is all but stalled pending the outcome of potential proceedings before a District Court is entirely unnecessary. There is simply no reason that Suez needs discovery responses now, rather than waiting until it is apparent that its Application will actually be decided by the Commission on the merits. Similarly, it is not in the public interest for either Suez or CAIA to be spending limited financial resources on undertaking discovery when this case may well become moot. The public interest is best served by requiring the parties to be efficient, rather than having them spend time and money in ways that may ultimately be entirely useless.

III. The Commission Should Extend the Deadlines for Responding to Discovery.

Intervenor CAIA requests, and the Commission should order, that it not be required to respond to discovery requests unless and until a scheduling order resulting in a final hearing on the merits is entered by the Commission. In the alternative, a 60-day extension of the deadline for responses to discovery should be granted. Such an extension would allow for some of the matters outside the Commission’s jurisdiction to develop such that the Commission would be better informed about when and if it is going to be able to proceed to the merits of the present Application.

DATED this 22nd day of February, 2019.

PIOTROWSKI DURAND, PLLC



James M. Piotrowski
Attorney for Petitioner CAIA

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 22nd day of February, 2019, a true and correct copy of the foregoing document was served on the following in the manner indicated:

Diane M. Hanian	Hand Delivered	<input type="checkbox"/>
Commission Secretary	U.S. Mail	<input type="checkbox"/>
Idaho Public Utilities Commission	Electronic Mail	<input checked="" type="checkbox"/>
472 West Washington Street	Fax	<input type="checkbox"/>
Boise, Idaho 83702		
secretary@puc.idaho.gov		
diane.hanian@puc.idaho.gov		

Commission

Brandon Karpen	Hand Delivered	<input type="checkbox"/>
Sean Costello	U.S. Mail	<input type="checkbox"/>
Deputy Attorneys General	Electronic Mail	<input checked="" type="checkbox"/>
Idaho Public Utilities Commission	Fax	<input type="checkbox"/>
472 W. Washington Street		
P.O. Box 83720		
Boise, Idaho 83720-0074		
brandon.karpen@puc.idaho.gov		
sean.costello@puc.idaho.gov		

Attorneys for Commission Staff

Michael C. Creamer	Hand Delivered	<input type="checkbox"/>
Preston N. Carter	U.S. Mail	<input type="checkbox"/>
Givens Pursley LLP	Electronic Mail	<input checked="" type="checkbox"/>
601 W. Bannock St.	Fax	<input type="checkbox"/>
P.O. Box 2720		
Boise, ID 83701-2720		
mcc@givenspursley.com		
prestoncarter@givenspursley.com		

Attorneys for Petitioner SUEZ Water Idaho Inc.

Marshall Thompson	Hand Delivered	<input type="checkbox"/>
Suez Water Idaho, Inc.	U.S. Mail	<input type="checkbox"/>
8248 W. Victory Rd.	Electronic Mail	<input checked="" type="checkbox"/>
Boise, Idaho 83709	Fax	<input type="checkbox"/>
marshall.thompson@suez.com		

Petitioner

Molly O'Leary
BizCounselor at Law
1775 W. State St. #150
Boise, ID 83702
molly@bizcounseloratlaw.com
Attorney for Petitioner Eagle Water Co.

Hand Delivered
U.S. Mail
Electronic Mail
Fax

Robert DeShazo, Jr., President
Eagle Water Company, Inc.
188 W. State St.
Eagle, ID 83616
eaglewateco@gmail.com
Petitioner

Hand Delivered
U.S. Mail
Electronic Mail
Fax

N.L. Bangle
H2O Eagle Acquisition, LLC
188 W. State St.
Eagle, ID 83616
nbangle@h2o-solutionsllc.net
Petitioner

Hand Delivered
U.S. Mail
Electronic Mail
Fax

B. Newal Squyres
Murray D. Feldman
Holland & Hart LLP
800 W. Main St., Ste #1750
P.O. Box 2527
Boise, ID 83702-2527
nsquyres@hollandhart.com
mfeldman@hollandhart.com
Attorneys for Intervenor City of Eagle

Hand Delivered
U.S. Mail
Electronic Mail
Fax

Brad M. Purdy
2049 N. 17th St.
Boise, ID 83702
bmpurdy@hotmail.com
Attorney for Intervenor CAPAI

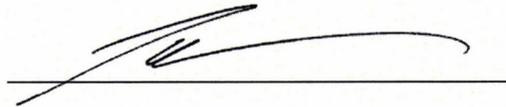
Hand Delivered
U.S. Mail
Electronic Mail
Fax

Abigail R. Germaine
Boise City Attorney's Office
150 N. Capitol Blvd.
P.O. Box 500
Boise, ID 83701-0500
agermaine@cityofboise.org
Attorney for Intervenor City of Boise

Hand Delivered
U.S. Mail
Electronic Mail
Fax

Norman M. Semanko
Parsons Behle & Latimer
800 W. Main St., Ste #1300
Boise, ID 83702
nsemanko@parsonsbehle.com
ecf@parsonsbehle.com
Attorney for Intervenor EWCG

Hand Delivered
U.S. Mail
Electronic Mail
Fax



James M. Piotrowski

INTERTIE AGREEMENT

This Intertie Agreement ("**Agreement**"), dated as of July 12, 2008, is between Eagle Water Company, Inc., an Idaho corporation ("**EWC**") and the City of Eagle, Idaho, an Idaho municipal corporation ("**City**").

Recitals

- A. City recently constructed and owns an approximate one million gallon water storage tank (the "**Storage Tank**").
- B. EWC owns and conducts a water utility supply and distribution business ("**Water System**") in and around Eagle, Idaho. EWC has water distribution lines in the vicinity of the Storage Tank and desires to temporarily connect such distribution lines to the Storage Tank in order to satisfy certain regulatory requirements for fire protection service to its customers.
- C. EWC intends to use the Intertie as a temporary measure until it completes a new well and DEQ determines the Intertie is no longer needed to meet regulatory requirements.

The parties agree as follows:

Agreement

1. **Water Storage Connection.** City hereby agrees that immediately upon the execution of this Agreement, City will allow EWC to construct, at EWC's sole expense, a connection and two manually-controlled gate valves with a meter spool for a future meter ("**Intertie**") between EWC's existing main distribution lines and the Storage Tank based upon engineering plans previously submitted by the City to and approved by the Idaho Department of Environmental Quality ("**DEQ**"). City shall have the right to approve the location and manner of constructing such Intertie and shall do so no later than 24 hours after EWC identifies its preferred location for the intertie. EWC shall ensure that all work is performed in a workmanlike manner and in compliance with all applicable codes and regulations. City makes no representations or warranties, express or implied, concerning the Intertie or any benefits to be derived by EWC therefrom. The City shall own the Intertie infrastructure save and except for the 12-inch Intertie tee and the attached 12-inch gate valve.
2. **Limitations On Use.** The parties agree that the sole purpose of the Intertie is to provide redundant fire flow protection capacity to EWC and is not intended to be a source of water for EWC's normal operating requirements.
3. **Payment.** In consideration of the City entering into this Agreement and allowing EWC to connect to the Storage Tank, EWC agrees to compensate the City as follows:

3.1. Lease of Water Rights. EWC agrees to grant the City the permanent Right of First Refusal to lease up to ten (10) cubic feet of water per second of certain municipal water rights currently owned by EWC, provided such water rights are not necessary to maintain the integrity of EWC's Water System, including compliance with all regulatory requirements and EWC engineering plans. This Right of First Refusal shall be permanent and shall survive any termination or other modification of this Agreement, save and except for a termination by the City other than for a non-cured default by EWC per Section 7, below.

3.2. Cash Payment. In addition, EWC shall pay City a fee for the connection to the Storage Tank of \$10,000.00 per month commencing on the date the interconnection is completed and approved by the Idaho Department of Environmental Quality (DEQ).

4. Duration. This Agreement shall commence upon acceptance by the City of Eagle and completion of the Intertie that is the subject of this Agreement ("Commencement"), and the Intertie Lease shall continue month-to-month so long as the Intertie connection is needed by EWC in its sole discretion. If the Intertie continues past 18 months from the Commencement date, the Intertie Lease Cash Payment shall increase five percent (5%) and every 18 months thereafter. The parties may mutually agree, in writing, to extend or modify this Agreement.

5. Moratorium. At EWC's reasonable request, City agrees to cooperate with EWC to assist EWC in its efforts to satisfy the conditions set forth in the current DEQ Consent Order establishing a moratorium on new connections in EWC's service territory and to cause the moratorium to be terminated. This Section 5 shall not require City to expend any funds or take any actions that it is not lawfully permitted to take. EWC shall reimburse the City for any costs incurred by the City related to this Section 5, provided the same have been pre-approved by EWC in writing.

6. Right of First Refusal. If EWC determines to sell or convey all or any part of its Water System, which shall be deemed to include, but not be limited to, water rights, wells and other infrastructure, and receives a bona fide offer for this Water System, before making any agreement to sell all or any portion of the Water System, EWC shall give notice to City stating EWC's desire to sell and the amount and terms of such offer in detail. City shall have the exclusive right for 30 days after receiving such notice to provide Notice of Intent to Purchase the Water System or portion thereof to which such bona fide offer refers at the amount of said offer; provided, that if the third party offer is for a consideration other than cash, the City shall have the right to pay the fair market value of such consideration in cash. Upon delivery of the Notice of Intent to Purchase, the City shall hold a revenue bond election for the purpose of securing voter approval of the purchase at the next available election date and/or utilize City funds directly available in a capital account, enterprise fund, general fund, or other readily available City fund or account to complete the purchase. For the purpose of this Section 6, "Next Available Election Date" shall mean the earliest possible election date based on the time required by law for legal notice of such an election and for the conduct of any required public hearings. If the bond is approved at said election, the City shall proceed in good faith to secure bonds to pay the purchase price ("Finance") as expeditiously as possible. Closing of the transaction between the City and EWC that is the subject of this Section 6 shall not extend more than 180 days from the date of the revenue bond election, or if the election is challenged in a legal proceeding, the

Closing shall occur no more than 90 days after final resolution of any such legal challenge. In the event that a revenue bond election is not required because the City has the necessary funds directly available in a capital account, enterprise fund, general fund, or other readily available City fund or account to finance the transaction in lieu of holding a revenue bond election, then the Closing of the transaction between the City and EWC that is the subject of this Section 6 shall occur no later than 60 days after the City provides EWC with its Notice of Intent to Purchase. For purposes of this Section 6, this Right of First Refusal applies solely to an "EWC Change of Control Transaction", which means one or a series of transactions in which (i) all or substantially all of EWC's Water System is sold to a third party, or (ii) there is a stock sale, merger, consolidation or similar transaction as a result of which said third party owns a majority of the outstanding voting and outstanding capital stock of EWC or any successor owner of EWC. This Right of First Refusal shall be permanent and shall survive any termination or other modification of this Agreement, save and except for a termination by the City other than for a non-cured default by EWC per Section 7, below.

7. **Termination.** EWC or the City shall have the right to terminate the Intertie connection upon 30 days prior written notice to the other party. In the event the City terminates the Intertie connection for any reason other than a non-cured default by EWC under Section 10 of this Agreement, then the Rights of First Refusal in Sections 3 and 6 of this Agreement shall likewise terminate.

8. **Authority.** Each individual executing this Agreement below on behalf of a party represents and warrants to the other party that the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate or municipal action by such party, that such individual is duly authorized to execute and deliver this Agreement on behalf of such party, and that this Agreement is a legal and valid obligation of such party, enforceable against such party in accordance with its terms.

9. **Force Majeure.** Except for obligations to make payment, nonperformance of either party shall be excused to the extent that performance is rendered impossible by strike, fire, flood, governmental acts, orders or restrictions, or any other reason where failure to perform is beyond the control and not caused by the negligence of the non-performing party.

10. **Default and Remedies.**

10.1. **Default.** Each of the following events shall constitute an event of default:

10.1.1. EWC fails to make, on or before the date which it is due, any payment to be made to the City pursuant to the provisions of this Agreement; or

10.1.2. Either party materially breaches this Agreement.

10.2. **Remedies.** If any default shall occur, the non-defaulting party shall give the defaulting party notice of default. Such default must be cured within fifteen (15) days of the Notice of Default unless such default is curable but cannot be reasonably cured within ten (10) days after giving the Notice of Default and the defaulting party commences within such ten (10) day period to cure such default and prosecutes the same to conclusion with reasonable diligence.

The foregoing remedy shall be in addition to and shall not exclude any other remedy available to the parties under applicable law.

11. **Attorneys Fees.** In the event an arbitration, suit or action is brought by any party under this Agreement to enforce any of its terms, or in any appeal therefrom, it is agreed that the prevailing party shall be entitled to reasonable attorney fees to be fixed by the arbitrator, or court of applicable jurisdiction.

12. **Notices.** All notices or other communications required or permitted hereunder, including notices to Mortgagees, shall, unless otherwise provided herein, be in writing, shall be personally delivered, delivered by reputable overnight courier, or sent by registered or certified mail, return receipt requested, and postage prepaid, addressed to the parties at the following addresses:

if to the City: City of Eagle
Office of the City Clerk
660 East Civic Lane
Eagle, ID 83616

If to Eagle Water: Eagle Water Company, Inc.
172 West State Street
Eagle, ID 83616

With a copy to: Molly O'Leary
Richardson & O'Leary, PLLC
P.O. Box 7218
Boise, Idaho 83707

Notices personally delivered shall be deemed given the day so delivered. Notices given by overnight courier shall be deemed given on the first business day following the mailing date. Notices mailed as provided herein shall be deemed given on the third business day following the mailing date. Notice of change of address shall be given by written notice in a manner detailed in this Section 12.

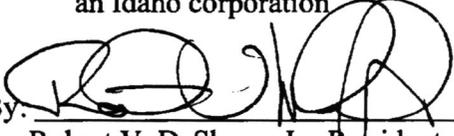
13. **Governing Law.** The parties intend that this contract shall be governed by and construed in accordance with the laws of the State of Idaho, without regard to choice of law rules.

14. **Counterparts.** This Agreement may be signed in counterparts, each of which shall constitute part of the original document.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

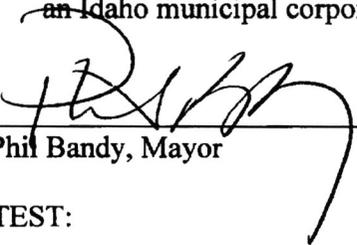
EWC:

EAGLE WATER COMPANY,
an Idaho corporation

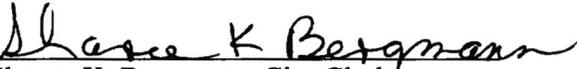
By: 
Robert V. DeShazo, Jr., President

City:

CITY OF EAGLE, IDAHO
an Idaho municipal corporation

By: 
Phil Bandy, Mayor

ATTEST:

By: 
Sharon K. Bergmann, City Clerk





7699 W. RIVERSIDE DRIVE
BOISE, ID 83714
TELEPHONE: (208) 331-1800
FACSIMILE: (208) 331-1202
WWW.MSBTLAW.COM

SHANNON M. ATWELL
STEPHANIE J. BONNEY≈
PAUL J. FITZER
JILL S. HOLINKA
CHERESE D. MCLAIN

ANTHONY M. PANTERA, IV
GEOFFREY A. SCHROEDER
FRANCES R. STERN
PAUL A. TURCKE

MICHAEL C. MOORE, *Of Counsel*
DENNIS L. RADOCHA, *Of Counsel*
≈ Also admitted in Utah

January 14, 2019

Submitted via U.S. Mail and electronically

Eagle Water Company
172 West State Street
Eagle, ID 83616

RE: Notice of Default

To Eagle Water Company:

On behalf of the City of Eagle, please be advised and take notice that Eagle Water Company (“EWC”) is in default of the Agreement between EWC and the City of Eagle dated July 12, 2008, a copy of which is attached hereto. This constitutes notice of default under Section 10 of the Agreement. EWC failed to continue to make payments due and failed to provide required notice to the City.

Section 6 of the Agreement is entitled “Right of First Refusal” and prescribes a clear intent and specific process by which the City shall have the “exclusive right” of first refusal triggered by a determination by EWC to “sell or convey all or any part of its Water System...” Agreement (attached hereto), Section 6. Upon receipt of such notice from EWC, the Agreement prescribes that the “City shall have the exclusive right for 30 days after receiving such notice to provide Notice of Intent to Purchase the Water System or portion thereof to which such bona fide offer refers at the amount of said offer...” *Id.*

The proceedings in Case Nos. SUZ-W-18-02 and EAG-W-18-01 before the Idaho Public Utilities Commission appear to reflect a triggering event under Section 6 of the Agreement – a Joint Application of Suez Water Idaho and Eagle Water Company for the Acquisition of Eagle Water Company. However, EWC did not provide notice to the City before making any such agreement and is therefore in violation of Section 6 and the City’s Right of First Refusal.

On behalf of the City, we hereby demand that you give notice stating EWC’s desire to

Exhibit

2

January 14, 2019

Page 2

sell all or specified part(s) of the EWC Water System and the amount and terms of such offer(s) in detail. Pursuant to Section 10 of the Agreement, you have fifteen (15) days to cure this default.

Upon your response, or lack thereof within the specified time period, the City will determine whether to pursue its rights under the Agreement. The City reserves its rights to seek alternative or additional remedies as may be applicable.

Sincerely,



Cherese D. McLain

cc: Molly O'Leary (via email)

Michael C. Creamer (ISB No. 4030)
Preston N. Carter (ISB No. 8462)
Givens Pursley LLP
601 W. Bannock St.
Boise, ID 83702
Telephone: (208) 388-1200
Facsimile: (208) 388-1300
mcc@givenspursley.com
prestoncarter@givenspursley.com
Attorneys for SUEZ Water Idaho Inc.
[30-174] 14525179.4

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT
APPLICATION OF SUEZ WATER
IDAHO AND EAGLE WATER
COMPANY FOR THE ACQUISITION
OF EAGLE WATER COMPANY

**Case Nos. SUZ-W-18-02
EAG-W-18-01**

**FIRST PRODUCTION REQUEST OF SUEZ
WATER IDAHO INC. TO CITIZENS
ALLIED FOR INTEGRITY AND
ACCOUNTABILITY**

SUEZ Water Idaho Inc. ("SUEZ") requests that Citizens Allied for Integrity and Accountability ("CAIA") provide the following documents and information by March 1, 2019. This Production Request is continuing, and CAIA is requested to provide additional documents that it or any person acting on its behalf may later obtain that will augment the documents produced. Please answer each question, provide the documentation requested, and provide supporting workpapers (if applicable). Responses must include the name and phone number of the person preparing the document, the name, location, and phone number of the record holder, as well as the name of the person who will sponsor the answer at a hearing if needed. IDAPA 31.01.01.228.

Request No. 1: Please provide copies of any and all organizational documents pertaining to CAIA, including (without limitation) any and all articles of association, bylaws, resolutions or minutes, and other documents related to CAIA's participation in this proceeding.

Request No. 2: Please provide the names and business addresses of the officers and directors of CAIA, indicate whether these persons are customers of Eagle Water Company, and indicate which schedule or tariff under which they take service.

Request No. 3: Please describe the process by which a person or entity is admitted to membership in CAIA.

Request No. 4: Please state the total number of persons or entities who are members of CAIA. Please indicate whether each member is a current customer of Eagle Water Company and, if so, under which schedule or tariff they take service.

Request No. 5: Please state the number of CAIA members that also are members of another intervenor in this proceeding. For each, please identify which other intervenor the CAIA member is also a member of.

Request No. 6: Please describe the source of funds by which the activities of CAIA are supported.

Request No. 7: Please describe, in detail, the factual basis for CAIA's statement in its Petition to Intervene that CAIA's participation in this case will further its interest "maintaining high quality water resources." Please provide any and all relevant analyses, studies, or other documents supporting your answer.

Request No. 8: Please describe, in detail, the factual basis for CAIA's statement in its Petition to Intervene that CAIA's participation in this case will further its interest "maintaining

local control” of water. Please provide any and all relevant analyses, studies, or other documents supporting your answer.

Request No. 9: Please describe, in detail, the factual basis for CAIA’s statement in its Petition to Intervene that there are “possible environmental harms stemming from the merger.” Please provide any and all relevant analyses, studies, or other documents concerning any possible environmental harms that you attribute to the proposed Eagle Water Company asset acquisition by SUEZ.

Request No 10: Please describe, in detail, the factual basis for CAIA’s statement in its Petition to Intervene that “the outcome of the proceedings regarding the Joint Application could also impact service to customers.” Please provide any and all relevant analyses, studies, or other documents concerning any impacts on service to customers that you attribute to the proposed Eagle Water Company asset acquisition by SUEZ.

Request No. 11: Please describe, in detail, the factual basis for CAIA’s statement in its Petition to Intervene that “the outcome of the proceedings regarding the Joint Application could also impact . . . water quality.” Please provide any and all relevant analyses, studies, or other documents concerning any impact to water quality that you attribute to the proposed Eagle Water Company asset acquisition by SUEZ.

Request No. 12: Please describe, in detail, the factual basis for CAIA’s statement in its Petition to Intervene that “the outcome of the proceedings regarding the Joint Application could also impact . . . chemical treatments.” Please provide any and all relevant analyses, studies, or other documents supporting your answer.

Request No. 13: Please describe, in detail, the factual basis for CAIA’s statement in its Petition to Intervene that “the outcome of the proceedings regarding the Joint Application could

also impact . . . environmental concerns.” Please provide any and all relevant analyses, studies, or other documents concerning any impact to environmental that you attribute to the proposed Eagle Water Company asset acquisition by SUEZ.

Request No. 14: Please describe, in detail, the factual basis for CAIA’s statement in its Petition to Intervene that Eagle Water Company has “many” customers who “are single parents, elderly, or living with disabilities on fixed and limited incomes.” As part of your answer, please provide an approximate estimate of the number of such customers. Please also provide any and all relevant analyses, studies, or other documents that form the basis of your estimate.

Request No. 15: Please identify any existing programs or other arrangement by which the City of Eagle can or does provide assistance on water bills to single parents, the elderly, those living with disabilities, or low-income customers.

Request No. 16. Please state whether CAIA is aware of SUEZ’s low-income assistance programs.

Request No. 17: Please provide copies of all informational materials, pamphlets, statements, or other communications that CAIA has provided to its members or to the public regarding the subject matter of this proceeding.

Request No. 18: Does CAIA contend that the phased-in rate increases proposed by SUEZ in the Joint Application are higher than any rate increases that would be necessary if the City of Eagle acquired Eagle Water Company? If so, please describe, in detail, the factual basis for this position and provide any and all relevant analyses, studies, or other documents supporting this position.

Request No. 19: Does CAIA contend that the City of Eagle would not seek to move water under Eagle Water Company water rights to other portions of the City's current or future service area if the City were to acquire Eagle Water Company?

Request No. 20: Does CAIA contend that the Idaho Department of Water Resources does not have jurisdiction and authority over the place and purpose of the use of the water rights that are currently owned by Eagle Water Company, even if those water rights are acquired by SUEZ?

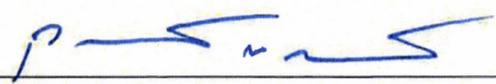
Request No. 21: Does CAIA contend that the City of Eagle would not chlorinate the water that would be provided to current Eagle Water Customers if the City were to acquire Eagle Water Company?

Request No. 22: Does CAIA contend that the City of Eagle does not currently chlorinate the drinking water provided to its current customers?

Request No. 22: Please identify each person or entity that CAIA intends to call as a witness in any technical hearing in this matter. For each, please state the subject matter of their testimony and provide any documents they considered or relied upon in forming their testimony.

DATED this 8th day of February, 2019.

SUEZ Water Idaho Inc.

By: 

Michael C. Creamer

Preston N. Carter

Givens Pursley LLP

Attorneys for SUEZ Water Idaho Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 8th day of February, 2019, a true and correct copy of the foregoing document was served on the following in the manner indicated:

Diane M. Hanian
Commission Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702
IPUC

by U.S. Mail
 by Personal Delivery (Original & 3 copies)
 by Facsimile
 by E-Mail secretary@puc.idaho.gov
diane.hanian@puc.idaho.gov

Brandon Karpen
Sean Costello
Deputy Attorneys General
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702
Attorneys for IPUC

by U.S. Mail
 by Personal Delivery
 by Facsimile
 by E-Mail brandon.karpen@puc.idaho.gov
sean.costello@puc.idaho.gov

Molly O'Leary
BizCounselor at Law
1775 W. State St. #150
Boise, ID 83702
Counsel for Eagle Water Company

by U.S. Mail
 by Personal Delivery
 by Facsimile
 by E-Mail molly@bizcounseloratlaw.com

Robert DeShazo
Eagle Water Company, Inc.
188 W. State Street
Eagle, Idaho 83616
Petitioner

by U.S. Mail
 by Personal Delivery
 by Facsimile
 by E-Mail

N.L. Bangle
188 W. State Street
Eagle, ID 83616
Petitioner

by U.S. Mail
 by Personal Delivery
 by Facsimile
 by E-Mail nbangle@h2o-solutionsllc.net

Stan Ridgeway, Mayor
City of Eagle
660 E. Civil Lane
Eagle, ID 83616
Intervenor City of Eagle

by U.S. Mail
 by Personal Delivery
 by Facsimile
 by E-Mail sridgeway@cityofeagle.org
sbergmann@cityofeagle.org

Cherese D. McLain
MSBT Law, Chtd.
7699 W. Riverside Drive
Boise, Idaho 83714
Attorneys for Intervenor City of Eagle

by U.S. Mail
 by Personal Delivery
 by Facsimile
 by E-Mail cdm@msbtlaw.com

Norman M. Semanko
Parsons Behle & Latimer
800 West Main Street, Suite 1300
Boise, Idaho 83702
*Attorneys for Intervenor Eagle Water
Customer Group*

by U.S. Mail
 by Personal Delivery
 by Facsimile
 by E-Mail NSemanko@parsonsbehle.com
ecf@parsonsbehle.com

Abigail R. Germaine
Deputy City Attorney
Boise City Attorney's Office
150 N. Capitol Blvd.
P.O. Box 500
Boise, Idaho 83701-0500
Attorneys for Intervenor, City of Boise

by U.S. Mail
 by Personal Delivery
 by Facsimile
 by E-Mail agermaine@cityofboise.org

James M. Piotrowski
PIOTROWSKI DURAND, PLLC
P.O. Box 2864
1020 W. Main Street, Suite 440
Boise, ID 83701
*Attorneys for Intervenor Citizens Allied for
Integrity and Accountability*

by U.S. Mail
 by Personal Delivery
 by Facsimile
 by E-Mail James@idunionlaw.com

Brad M. Purdy
Attorney at Law
2019 N. 17th Street
Boise, ID 83702
*Attorney for Community Action Partnership
Association of Idaho*

by U.S. Mail
 by Personal Delivery
 by Facsimile
 by E-Mail bmpurdy@hotmail.com



Preston N. Carter