JOHN R. HAMMOND, JR. DEPUTY ATTORNEY GENERAL IDAHO PUBLIC UTILITIES COMMISSION PO BOX 83720 BOISE, IDAHO 83720-0074 (208) 334-0357 IDAHO BAR NO. 5470 RECEIVED 2020 NOV 20 PM 3: 50 IDAHO PUBLIC UTALITIES COMMISSION

Street Address for Express Mail: 11331 W CHINDEN BLVD, BLDG 8, SUITE 201-A BOISE, ID 83714

Attorney for the Commission Staff

### **BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE COMMISSION'S ) INVESTIGATION INTO CDS STONERIDGE, ) LLC'S HOOK-UP FEE FOR NEW CUSTOMERS ) TO CONNECT TO ITS WATER SYSTEM )

CASE NO. SWS-W-20-02 REPLY COMMENTS OF THE COMMISSION STAFF

The Staff of the Idaho Public Utilities Commission ("Staff") submits the following reply comments.

### BACKGROUND

Based on evidence submitted by Staff and additional customer complaints the Commission issued emergency Order No. 34770. In the Order, the Commission directed CDS Stoneridge, LLC ("Company") to: (1) immediately cease all billing practices that conflict with the Company's tariff ("Tariff"), including charging new customers more than the Commissionapproved \$1,200 hook-up fee to connect to the Company's water system; (2) continue serving, and immediately reconnect customers who did not pay amounts that exceed the \$1,200 hook-up fee; (3) connect requesting new customers to the water system who pay the \$1,200 hook-up fee, consistent with the Company's Tariff; and, (4) within twenty-one (21) days of the service date of this Order, produce and provide the Commission true and correct copies of all records concerning new customer connections to the water system since November of 2018 through the present, including an itemization and description of the labor performed, equipment and

STAFF REPLY COMMENTS

materials installed and all charges the customer paid to connect to the Company's water system. Order No. 34770 at 4.

The Commission noted that the Company's failure to comply with Order No. 34770, could lead the Commission to penalize the Company under *Idaho Code* § 61-706. *Id.* at 4. The Commission also stated that its investigation in this case would include whether the Company violated *Idaho Code* § 61-313, Commission Order No. 34391 and the Tariff by charging or threatening to charge its customers more than a \$1,200 hook-up fee. *Id.* Finally, the Commission directed the Company to file a written response/answer to the Commission's initiation of this investigation within twenty-one (21) days of the service date of Order No. 34770 addressing the Commission's findings and Staff's allegations about the Company overcharging new customers to connect to the Company's water system. *Id.* The Company filed its response ("Response") to Commission Order No. 34770 on September 30, 2020. Separately, the Company provided certain documentation partially responsive to the requirements of Order No. 34770.

At the Commission's October 27, 2020 Decision Meeting, Staff requested an opportunity to reply to the Company's Response. The Commission found it reasonable to let Staff reply to the Company's Response within twenty-one days of the service date of Order No. 34828. The Commission also found it appropriate to let the Company to file a sur-reply within seven (7) days after Staff filed its reply.

### **COMPANY'S RESPONSE**

In its Response, the Company alleged it had been run unsustainably for years. *Response* at 1. The Company asserted that its rates had not been updated since 2007, the prior owner did not keep adequate records, and the Company's policies and procedures were not readily available. *Id.* at 1. The Company also claimed to not fully appreciate the depth and intricacy of the Commission's regulations. *Id.* at 2. The Company discussed its interpretation of the Tariff and that it did not clearly understand the labor and materials that should be included in the approved \$1,200 hook-up fee. *Id.* at 2 and 4-5. The Company believed the Tariff allowed it to charge additional fees for line extensions to customers' homes based on extraordinary circumstances. *Id.* at 2.

The Company represented it would comply with Order No. 34770 and proposed to work with Staff to create and file a compliance plan within 90 days addressing certain issues "after the Commission's order regarding [its] Response." *Id.* at 2 and 6.

### **STAFF'S REPLY**

Staff has reviewed the Company's Response and the additional information the Company provided. Based on its review, Staff believes the Company incorrectly interprets the difference between main line extensions and normal hook-ups. Staff also believes the Company's Response does not comply with Order No. 34770. Staff discusses each element of the Company's Response in relation to the requirements of Order No. 34770 in more detail below.

### Extraordinary Expenses that Allow for Extra Charges Under Section 9.4

Staff stated the Company provided no evidence of extraordinary circumstances that might justify the Company charging customers more than the Commission-approved \$1,200 connection charge. Furthermore, the information provided by the Company did not explain the cost variation between each connection. *See generally, Company's Additional Documentation submitted in Response to Order No. 34770* on October 26, 2020 ("Company "Documents")<sup>1</sup> and *Responses to Production Requests in Case No. SWS-W-20-01* attached as Attachment E.

The Company's maps show all residential lots are similarly situated and abut streets under which the Company's mains are located. The Company's invoices claimed connection costs ranged from \$800 to \$14,620 per lot.<sup>2</sup>

To determine whether the Company could support its extraordinary costs, Staff focused on whether the Company might have encountered extraordinary circumstances that might justify those costs. Staff's test used certain assumptions. Staff assumed the Company ordinarily

<sup>&</sup>lt;sup>1</sup> In an abundance of caution the Company Documents have been redacted to remove customer identifying information.

<sup>&</sup>lt;sup>2</sup> Staff's reviewed all connections for which the Company provided information about labor, equipment, and materials in this case and in Case No. SWS-W-20-01. These included all connections for which the Company provided invoices (both internal invoices and those from contractors), maps, and drawings. See generally, Company's Additional Documentation submitted in Response to Order No. 34770 and Responses to Production Requests Nos. 1-14 in Case No. SWS-W-20-02 (filed in pieces in Case No. SWS-W-20-02 on July 15, 2020, August 6, 2020, and September 4, 2020). In Case No. SWS-W-20-01 the Company has still not responded to Staff Production Requests Nos. 10, 15-19 which were served on the Company on June 29, 2020.

incurred costs for the following work when installing a basic service connection are: 1) locating the main, 2) installing a hot tap/corp stop on the main,<sup>3</sup> 3) installing a water meter and curb stop near the edge of the customer's property, 4) running a service line between the main and the water meter, and, 5) all excavation and horizontal boring necessary to perform this work. Staff also assumed the typical service line from the customer's property to the Company's water main was no more than 50 feet long. Staff determined the Company could reasonably incur extraordinary costs when installing a connection if the service line was longer, or the work was more complex, than that for an ordinary basic service connection in the Company's service area. In no instance was the service line for a customer's property more than 50 feet long, or work performed beyond the typical work referenced in 1-5, above. In other words, the Company provided no evidence suggesting extraordinary circumstances existed that might justify it incurring extraordinary costs for any connection. The mere fact that the Company's costs for a given connection may have exceeded the Commission-approved \$1,200 connection charge does not establish that the excessive costs reasonably represent a justified additional charge to the customer above a standard service line connection that is allowable under the Tariff.

In its Response, the Company states that it interpreted Tariff Sections 9.1 and 12 as "authorizing it to recuperate costs associated with extending the water system to serve particular customers." *Response* at 4. While Staff generally agrees that the costs of extending a main to benefit a particular customer should be borne by that customer, there is no evidence that the Company had to extend a main to serve a customer's property. None of the Company's invoices for materials or work suggest a water main was extended. *See generally Company Documents*.

Staff is also concerned by the number of instances in which the Company and its contractors provided invoices for identical work. Sometimes, contractor invoices that described all work necessary to connect a new customer to the Company's mains came with additional invoices indicating that the Company had performed additional excavation work. The Company gave no reason for this additional work.

<sup>&</sup>lt;sup>3</sup> The use of a hot tap allows the service line to be connected without depressurizing the main.

### <u>Compliance Plan</u>

In its Response, the Company proposed to work with its attorneys, Staff, and outside professionals to establish a compliance plan and file it with the Commission within 90 days of a Commission's order acknowledging the Response. The proposed compliance plan would include:

- An understanding of what circumstances are considered a customer connection subject only to the hook-up fee, and what circumstances are considered main extensions or extraordinary expenses allowing recoupment of costs under the Tariff;
- Identification of potential changes to the Tariff that will enable the Company to recuperate costs associated with adding new customers, consistent with Commission rules;
- Considering hiring or consulting with a water operator that is familiar with the Commission's rules and business practices of regulated water utilities; and
- Any other compliance issues or operational challenges identified while reviewing the Company's practices.

The Company also proposes, as part of the compliance plan, that changes be identified "… that will enable the company to recuperate costs associated with adding new customers." *Id.* at 6. Staff agrees that the Company's Tariff needs changes, which can be addressed in a current docket, Case No. SWS-W-20-01. The Company applied on June 4, 2020 to increase its charges to hook-up new customers to its water system. As discussed in footnote 1 above Staff is awaiting the Company's reply to outstanding Production Requests. As of November 20, 2020, the Company has not responded to those Requests.

### **Directives of Order No. 34770**

Staff has reviewed the Company's Response and operations as they apply to the specific directives in the Order No. 34770. Staff offers reply comments on each directive below.

### Cease Practices that do not Comply with the Tariff

Staff has received one new complaint of the Company charging more than \$1,200 since the Order was issued. Initially, the Company advised the customer that the customer had to pay \$4,000 for the new connection. But the Company did not cash the customer's check and

returned it to the customer. The Company then claimed the customer's service application was incomplete because it lacked a building permit. The Company cited Tariff Section 9.3, which states, "[f]ees and applications must be accompanied by an approved building location or building permit issued by Bonner County." In reviewing the complaint, Staff obtained land records from North Idaho Title Company. These records show the customer owns the lot, which is in a platted subdivision that was accepted by Bonner County. *See* Attachment A.<sup>4</sup> Staff believes that owning a platted lot within the certificated area of the Company could satisfy Section 9.3. The customer commented in this case on October 29, 2020 to request that the building permit provision be removed from the Tariff.

Staff has also reviewed a draft of the Company's revised customer Application for Water Service ("Revised Customer Application"). *See* Attachment B. The Revised Customer Application reflects the Commission-approved \$1,200 hook-up fee; however, Staff has other concerns. The Revised Customer Application cites Tariff Section 9.2 when inquiring if irrigation is required. But Section 9.2 does not mention irrigation. The Revised Customer Application also has a section on meter size stating that the hook-up fee for a <sup>3</sup>/<sub>4</sub> inch meter would be \$1,200. But for other size meters the amount is blank. The Company historically has connected every customer with a 1-inch meter, so the Revised Customer Application should specify the approved hook-up fee for a 1-inch meter as reflected in the Company's Tariff. The Revised Customer Application cites Tariff Section 9.4 and states that any extraordinary circumstances will require extra costs, not to exceed \$10,000, to be agreed in advance. However, there is no definition of which costs are included in the \$1,200 hook-up fee and what types of costs are considered extraordinary.

While Staff saw little evidence that the Company has attempted to charge more than the \$1,200 hook-up fee allowed by the Tariff since the Commission issued Order No. 34770, it appears the Company has interpreted the Tariff incorrectly in the past and does not understand what additional costs it may charge to customers lawfully.

<sup>&</sup>lt;sup>4</sup> The Amended Plat Map in Attachment A is similar to the map of the Stoneridge Subdivision provided by the Company in response to Staff's Production Requests Nos. 1-19 in Case No. SWS-W-20-01.

# Continue Service and Immediately Reconnect Customers Who Did Not Pay More Than the <u>\$1,200 Connect Fee.</u>

Staff has received no inquiries or complaints suggesting that service has been interrupted for nonpayment of a connection fee.

### Connect Requesting Customers to the Water System Who Pay the \$1,200 Hook-up Fee.

The Company has not yet connected some individuals who completed the Company's Application for Water Service before Order No. 34770 was issued. These new customers paid the Company's unauthorized \$4,000 hook-up fee and Staff does not know why the Company has not yet connected them. Staff believes the Commission should require the Company to explain to the Commission why the Company: 1) has not yet connected these customers to the water system; 2) has charged each customer more than \$1,200 for their pending connections; and, 3) when the customer will be connected to the water system.

### Within 21 Days of Service Date, Produce and Provide Commission True and Correct Copies of All Records About New Customer Connections to the Water System

When the Company responded to Order No. 34770, the Company provided to Staff under separate cover a one-page list of new connections. *See* Attachment C. Staff believes this information is inadequate, incomplete, and did not meet the requirements in violation of the Order. *Id.* The addresses or lot identifications, or both, often were incomplete. Some entries had "Have Not Paid" under the fee, and the internal costs were nearly all labeled with "Internal Cost being quantified." *Id.* 

On October 21, 2020, the Company provided Staff an updated one-page response. *See* Attachment D. The updated response included: (1) either an address or lot identification, (2) hook-up fees paid for each listing, and (3) the amount of costs incurred, either internally by the Company or externally through a contractor. The internal costs ranged from \$800 to \$10,020, and many listings included external costs, though the Company provided no supporting documentation, or an itemization of the labor or equipment installed. *Id.* While there was some breakout of the internal labor performed, the itemization was only by the employee class and lacked specificity for the labor performed.

On October 26, 2020, the Company provided Staff with additional supporting documentation. The Company also provided invoices for the external costs entered in the one-page response provide on October 26, 2020; however, these additional invoices lacked detail. *See generally, Company Documents.* The Order states that the Company must include "...an itemization and description of the labor performed, equipment and materials installed, and all charges the customer paid..." Order No. 34770 at 4. Staff believes the Company violated this requirement by failing to describe labor performed or equipment and materials installed.

The Company's Response also contained errors. For example, in one case the sum of the items used for the Company's internal costs did not reconcile with the total amount at the bottom of the invoice. Also, in 17 of the 33 new connections to the water system since 2018, the dates on the Company's internal invoices for the internal costs often were dated on the day the Application for Water Service was submitted. *See generally, Company Documents*. The internal costs reported on these entries ranged from \$800 to \$10,020.

Staff could not confirm the Company's hook-up list is complete and accurate. Staff has received inquiries and complaints from customers who had paid more than the approved hook-up fee. But Staff could not ascertain if those customers were included in the Company's Response. A complete list of customers, the date billing first commenced, and monthly billed amounts reconciled to the Company's revenue would suffice to show that the Company's Response was complete and accurate.

Another discrete issue has arisen from Staff's review of the Company's documents. Sometimes the Company charged new customers a \$1,200 hook-up fee even though the property already had a service connection because the Company appears to have previously served the prior owner. Staff isn't certain that a \$1,200 fee should have been assessed to these customers.

### <u>Refunds to Customers</u>

Staff appreciates the Company's representation that it is willing to provide refunds to customers who were charged more than the \$1,200. *Response* at 3. However, the Company still believes some of its excessive charges were justified. *Id.* at 3-5. As mentioned above, the Company's Response did not show any customer required extraordinary work to connect to the water system. Further, it appears from the Company's Response that the Company has not yet refunded anything to these customers. Unless the Company has additional information not given

to Staff, there is no reason for it to delay refunds to any customers who paid more than \$1,200. Staff thus recommends the Commission order the Company to make refunds to any customer on the Company's list, Attachment D, all funds paid above the \$1,200 hook-up fee. The Commission should require the Company to pay the refunds within 14 days of the service date of the Commission's order, and to provide evidence of each refund to the Commission. The Commission should also order the Company to provide the Commission with a list of any additional customers that the Company charged more than \$1,200 to connect to the water system.

Staff notes that the Idaho Public Utility Law authorizes the Commission to order a public utility to pay reparations to customers who were over-charged, with interest on such amount from the date on which the utility collected the excessive fee. *See Idaho Code* § 61-641. The Commission also may penalize a utility for failing to provide a Commission-ordered refund. Failure to repay the amounts to be refunded, or the Commission-imposed penalties, can also lead to actions being filed in court to recover each. *See Idaho Code* § 61-641, -706, -342, and -712.

### **CUSTOMER NOTICE AND PRESS RELEASE**

The Commission's Rules of Procedure do not require the Company to provide either a customer notice or press release. The Commission also did not issue a press release. Staff did provide the Commission's web address for case documents and for Order No. 34770 to some customers who had filed informal complaints. The single customer comment received to date resulted from Staff's follow-up with a customer who has an open informal complaint.

### **STAFF RECOMMENDATION**

Based on its review of all information provided in this case and Case No. SWS-W-20-01, Staff recommends the Commission order the Company to:

- 1. Respond to all current Production Requests in this case by the date set in such request.
- 2. File the annual report as required by § 61-405 within 14 days of the Final Order in this case.
- Provide refunds to all customers who paid more than the Commission-approved
  \$1,200 hook-up fee of any amount in excess of the \$1,200 stated in the Tariff within

14 days of the Final Order in this case and provide evidence of each refund to the Commission.

4. Provide the Commission with a complete list of all customers to whom the Company charged more than \$1,200 to connect to the water system.

Additionally, Staff recommends the Commission remind the Company, as it did in Order No. 34391, that the Company's failure to meet its specific or statutory reporting requirements in a timely manner will potentially subject the Company to penalties.

Respectfully submitted this day of November 2020.

John R. Hammond, Jr. Deputy Attorney General

Technical Staff: Joseph Terry Chris Hecht Michael Morrison

i:umisc/comments/swsw20.2jhjtchmm reply comments

RECORDING REQUESTED BY: CRANDALL LAW GROUP, PLLC		 
AND WHEN RECORDED MAIL TO: CRANDALL LAW GROUP, PLLC 8596 N. WAYNE DR., STE. B HAYDEN, ID 83835	Instrument # 888671 BONNER COUNTY, SANDPOINT, IDAHO 5-9-2016 01:23:59 PM No. of Pages: 2 Recorded for : CRANDALL LAW MICHAEL W ROSEDALE Fee: 13.00 Ex-Officio Recorder Deputy	

#### DEED

THIS INDENTURE, made as of this 29th day of April, 2016, between Larry A. Decker and Rosanne E. Decker, husband and wife, having an address at 444 Otts Basin Rd., Sagle, ID 83860, as the grantors hereunder (collectively hereinafter referred to as the "Grantor"), and Larry Alan Decker and Rosanne Eileen Decker, having an address at 444 Otts Basin Rd., Sagle, ID 83860, as Trustees of the Larry Decker and Rosanne Decker Living Trust dated April 29, 2016, and any amendments thereto, made by Larry Alan Decker and Rosanne Eileen E

WITNESSETH, that Grantor, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, convey and release unto Grantee and the heirs, personal representatives, executors, administrators, successors and assigns of Grantee forever,

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in Bonner County, Idaho, described as follows:

Lot 15B in Block 6, LAKE SANS SOUCI UNIT ONE, according to the plat thereof, recorded in Book 3 of Plats, Page 133 records of Bonner County, Idaho.

TOGETHER with the appurtenances and all the estate and rights of Grantor in and to said premises,

TO HAVE AND TO HOLD the premises herein granted unto Grantee and the heirs, personal representatives, executors, administrators, successors and assigns of Grantee forever.

IN WITNESS WHEREOF, Grantor has duly executed this Deed on the date first above written.

Decky

Larry A. Decke

n. Deckr

Rosanne E. Decker

Attachment A Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 1 of 5

### STATE OF IDAHO

### COUNTY OF KOOTENAI

On this day, April 29, 2016, before me personally appeared Larry A. Decker and Rosanne E. Decker, personally known to me (or proved to me on the basis of satisfactory evidence) to be the individuals whose names are subscribed to the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed for the purposes therein contained.

) ) ss.

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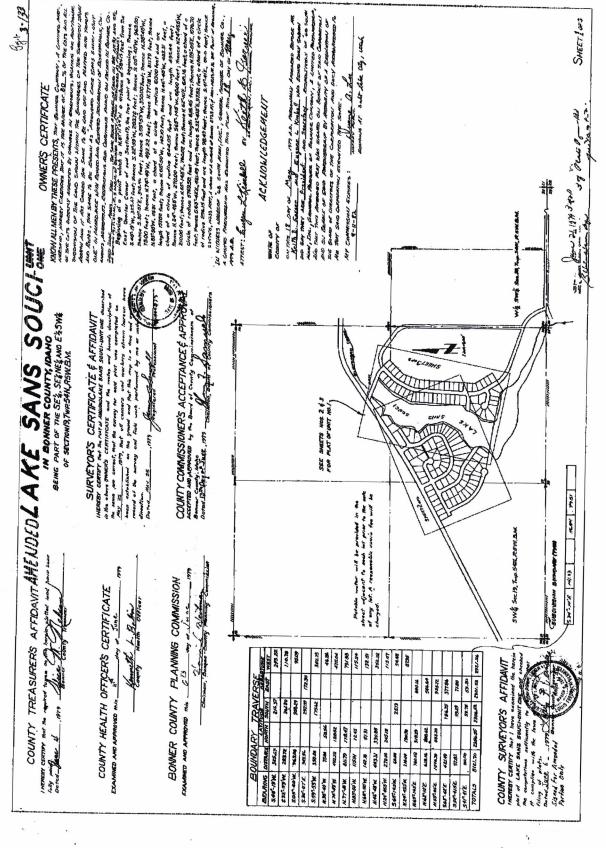
Witness my hand and official seal.

[Seal]



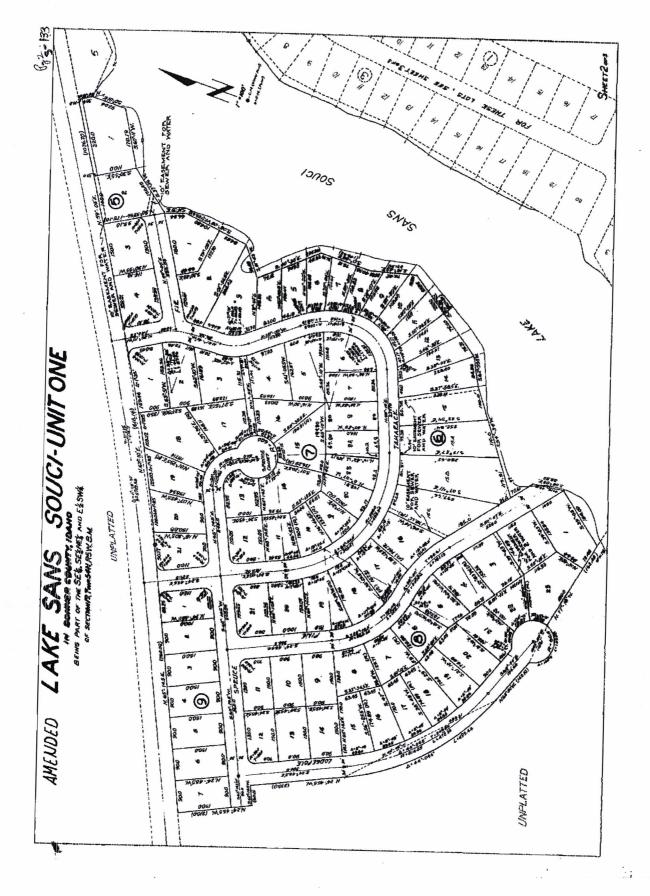
Notary Public 8596 N. Wayne Dr., Ste. B Hayden, Idaho 83835 My commission expires: 3/17/2020

> Attachment A Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 2 of 5

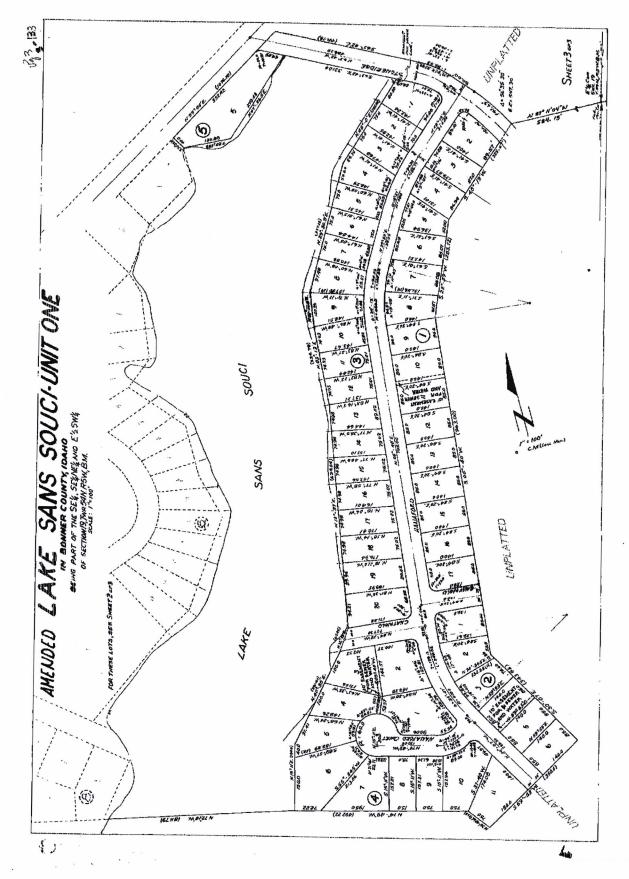


Attachment A Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 3 of 5

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Attachment A Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 4 of 5



Attachment A Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 5 of 5



StoneRidge Utility Co. PO Box 298 Blanchard, ID 83804 (208) 437-3148

## **APPLICATION FOR WATER CONNECTION**

BUILDING\_PERMIT\_YES\_\_\_\_NO\_\_\_\_

NAME	DATE
MAILING ADDRESS	
BLK:	
STREET ADDRESS	

WATER: PER SECTION	N 9.2 IRRIGATION R	EQUIRED? YESNO
PER SECTION 9.2:	METER SIZE:	¾ INCH \$1,200
		1INCH \$
occur requiring speci	al equipment or a spectrum and the spectrum of the service. These terms	ny out of the ordinary circumstances pecial construction technician involved s will be agreed upon in advance and
	FOR COMPAN	IY USE ONLY:
TOTAL CHARGES		\$
TOTAL PAYMENT		\$

Attachment B Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 1 of 2 RECEIVED DATE: \_\_\_\_\_

RESPONSE DATE:

PER SECTION 7.1 THE METERS WILL BE INSTALLED BY THE COMPANY NEAR THE PROPERTY LINE OR AT ANY LOCATION PREFERRED BY THE CUSTOMER AT THE CUSTOMERS EXPENSE.

PER SECTION 8.3 A STOP AND WASTE VALVE MUST BE INSTALLED BY THE CUSTOMER ON THE CUSTOMER SIDE OF THE METER.

### WATER CONNECTION:

Hookup fee includes the meter set with a supply line, a water meter and installation valve only.

Homeowners acknowledge that they are responsible for all costs associated with maintenance, repair and labor of all lines, pressure reducing and/or backflow prevention devices or parts and materials necessary for the water system to function properly from the meter to the home.

### Fees are subject to change until payment in FULL is received.

All fees must be paid prior to issuing "will serve" letter. Work will only be scheduled after receipt of fees. StoneRidge Utility must inspect all work prior to backfill and/or completion.

Note: There may be additional charges for variations on normal connection requirements, such as line to property, installation of meter set and service line to main, boring under roads and or fixing asphalt, etc. Work would be performed by licensed/bonded public works contractor. Documentation of contractor's license will need to be approved by StoneRidge Utilities. Work will need to be inspected and approved by StoneRidge Utilities.

CONTRACTOR LICENSE NUMBER\_\_\_\_\_BOND NUMBER\_\_\_\_\_

\_\_\_\_\_

Customer Signature

Signature

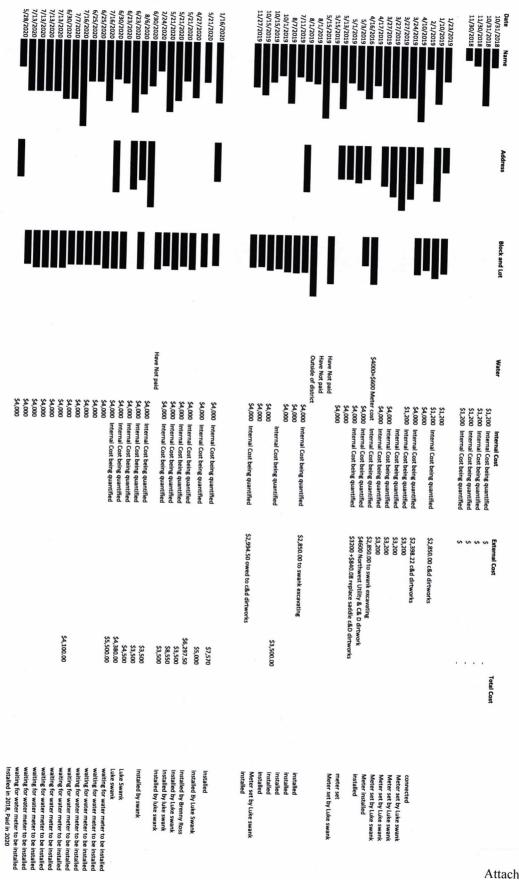
Date

Stoneridge Utility Inspection/commencing billing date

Signature\_\_\_\_\_

Date\_\_\_\_\_

Attachment B Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 2 of 2



Attachment C Case No. SWS-W-20-02 Staff Comments 11/20/20

No:

Total Cost	\$800 \$3.005	\$2,255	\$2,355	\$4 <b>,</b> 065	\$6,510	\$4,005	\$5,693	\$6,575	\$6,505	\$7,100	\$4,300	\$9,450	\$14,620	\$7,045	\$3,160	\$3,005	\$5,855	\$2,559	\$800	\$6,600	\$5,505	\$6,000	<b>\$10,650</b>	\$7,255	\$8,978	\$6,245	\$12,555	\$6,505	\$6,7 <b>3</b> 0	\$7,660	\$9,300	\$1,193
External Cost					\$2,850.00		\$2,398.22	\$3,500	\$3,500	\$3,500	\$3,500	\$4,125.00	\$4,600	\$4,040.08			\$2,850.00			\$2,850.00	\$3,500	\$2,994.50	\$7,570.00	\$5,000	\$6,297.50	\$3,500	\$8,550.00	\$3,500.00	\$3,500	\$4,500	\$5,500	
Internal Cost	\$800 \$3,005	\$2,255	\$2,355	\$4 <b>,</b> 065	<b>\$3,660</b>	\$4 <b>,</b> 005	\$3,295	\$3,075	\$3,005	\$3,600	\$80 <b>0</b>	\$5,325.00	\$10,020	\$3,005	\$3 <b>,</b> 160	\$3,005	\$3,005	<b>\$2,559</b>	\$800	\$3,750	<b>\$2,005</b>	\$3,005	\$3,080	\$2,255	\$2,680	\$2,745	\$4,005	\$3,005	\$3,230	<b>\$3,160</b>	\$3,800	\$1,193
	\$1,200 \$1,200	\$1,200	\$1,200	<b>\$1,200</b>	\$1,200	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4 <b>,</b> 600	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4 <b>,</b> 000	\$4 <b>,</b> 000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$1,200
block & Lot																																
address																																
Date name 10/31/2018	10/31/2018	11/30/2018	1/23/2019	01/10/01						3/27/2019				5/1/2019			2/11/2019				11/27/2019	1/16/2020			5/21/2020		5/21/2020	ŀ	Atta	chn	nent	

Attachment D Case No. SWS-W-20-02 Staff Comments 11/20/20 To whom it may concern,

RECEIVED 2020 August 6, PM 4:22 IDAHO PUBLIC UTILITIES COMMISSION

This is the response from Stoneridge utilities addressing requests 1 and 2 from the first production request Case NO. SWS-W-20-01.

Request # 1:

Maps of our service area have been forwarded.

Here is the break down of lots by Subdivision;

Happy Valley Ranchos units 2 and 3Total lots: 103Undeveloped: 23Happy Valley Ranchos Unit 1Total lots: 44Undeveloped: 8

Stoneridge Addition

Forest Subdivision Total lots: 88 Undeveloped: 46

Total lots: 19

Notes: Block 1,2 and 3 are not platted as of now, Block 5 lots 1 and 2 are for multi family units and have 4 hook up each, accounting for 8 of the undeveloped connections.

**Undeveloped: 4** 

Lake Neighbor Hood	Total lots: 60	Undeveloped: 28
Stoneridge road	Total lots: 50	Undeveloped: 21
Fairway Meadows	Total lots: 30	Undeveloped: 0
Stoneridge Resort timeshare	Total lots: 150 room	s plus pool/event center Undeveloped: 0
Vineyards	Total lots: 24	Undeveloped: 0

Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 1 of 24

Fairways	Total lots: 71	Undeveloped: 30
Motor Coach	Total lots: 77	Undeveloped: 0
Ironwoods	Total lots: 13	Undeveloped: 5

Notes: ironwoods is a total of 28 lots, but lots 8 through 22 where never completed and can not be developed at this time.

**Undeveloped: 5** 

Total number Stoneridge lots: 579 plus the timeshare Undeveloped lots: 165

Request No. 2:

- A) We became aware of the lack of lot connections after closing. It became more evident as we took responsibility for making the water and sewer connections for the undeveloped lots.
- B) The fact the most of the old subdivisions date back to the late 1960's and the lack of "as built plans" it is hard to answer why this information was not discovered.
- C) Lots with corp. stops: 44
- D) Lots without corp. stops: 121 Some of the lots in the Forest and lake neighbor hoods have inadequate water connections. What we are finding is ONE, 1 inch tap to the water main with the intent to hook up as many as FOUR homes, Two homes on each side of the road. This along with the products used does not meet state standards. So a new up to date connection is needed for each lot in these neighborhoods.

Request No. 3:

The \$9,375 charge would cover everything in lines A-F and I. H falls under the "contingency estimates" which is line J.

Request No. 11: Rejected bids were not used in the calculations to my knowledge. The information submitted from the three contractors is actual work preformed or a bid from Leo's excavation. Contractors are largely chosen by availability and capability.

Request No. 12: Stoneridge does allow owner to use their own contractors, but they must have a municipality license and their information (license, bond, insurance ect.) must be submitted to our office along with a cost estimate.

> Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 2 of 24

Request No. 13: No one to my knowledge has any financial interest in any of the companies that have bid for work at Stoneridge.

Request No. 14: No one to my knowledge has any financial interest in any of the companies that have performed work to connect new customers at Stoneridge.

Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 3 of 24 To whom it may concern,

### RECEIVED

This is a response to the First production request from the IPUC staff. Case# SWS-W-20-0120 SEP -4 PM 3: 39

IDAHO PUBLIC

### Answer to request #4.

- A) The complete break-down for the cost of parts is attached. Estimate E20252 from H.D. Fowler Dated 7/9/2020. Also attached is the current cost for the meter in the estimate from Consolidated Supply. The full cost of \$2273.52 and \$826.80 is for a connection that must be tied back to the water main. These costs do not reflect excavation labor. Parts costs can be reduced for connections that have curb stops in place by subtracting line items 1, 2 and 5 bringing the cost of parts to \$2038.64 plus the cost of the meter. These are approximate prices and the most up to date that we can provide at this time.
- B) To complete a road crossing a bore is achieved by the contractor exposing the water line and preparing a pit on both sides of the road. The contractor then pulls a 3-inch casing under the road to install the water connection in. exploratory excavation and labor (hand digging around underground utilities) takes time to accomplish safely. Boring prevents the need of closing the road and putting unneeded asphalt patches in our roads. Pavement cutting and patching falls in the contingency category and is not included in the cost estimate for a standard bore. Asphalt cutting and patching is based on the size of area effected and the cost of product at the time. This will be discussed in greater depth in request #9.
- C) The responsibilities of the operator, at the point that a person turns in their application for water service, the operator must do a preliminary survey of the lot for a will or will not serve letter. Next is a location plan, locate all utilities and the location of the new services. This can include reading maps and looking for valves and lines with a metal detector or other locating devices. Determining if a bore will be needed, do we have a curb stop or will we need to tap the main. Will a shut down of the neighborhood be needed. If so a 24-hour notice must be handed out, construction samples must be taken after wards. At this point the contractor is scheduled. The operator observes all phases of the work preformed by the contractor. The operator completes the documentation and returns it to the office staff for the setup of accounting. With the lack of verifiable information and the age of the subdivisions this can be a lengthy process.

### Request #5

- A) The bid from Leo's excavation. Leo was given the required parts list that was included in our application from consolidated supply dated 6/20/19. I can not speak for Leos excavation but I assume the \$2500.00 included all of the required parts.
- B) Leo did not give a breakdown of his estimates, but what was expected is the excavation of the water main, open a pit to bore from, open a pit to set the meter and perform the tie in, bore under the road. with appropriate backfill and compaction.
- C) Once again, I cannot speak for Leos excavation. The work expected is, hot tap the water main. Assemble all required parts and install the meter set. Test and back fill with proper compaction.

Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 4 of 24

- D) To my knowledge this bid did not include any permitting, traffic control or company administrative Costs.
- E) To my knowledge this bid did not include any contingency estimates.

### Request #6

- A) Swank Excavation was given the same required parts list as Leo's. this was included in the application and you can see the parts again in the "parts estimates' attached to this email. Due to the environment in this country at the moment prices are fluctuation regularly. These costs would be under the \$2462.27 parts and materials. The estimated cost of \$3708.00 to my understanding was for exploratory excavation to locate all unmarked utilities and the close proximity to the phone and power "hand work" that was required on both sides of the road. Also, reshaping of the ditch line after installation of the meter set that was required.
- B) The scope of work that was expected was the excavation of the water main, open a pit to bore from, open a pit to set the meter and perform the tie in, bore under the road. Install a 3-inch sleeve and finish with appropriate backfill and compaction.
- C) No patching was required
- D) Yes, this bid included traffic control
- E) No, to my knowledge this bid did not include any of the Stoneridge administrative costs.
- F) No, to my knowledge this bid did not include any contingency estimates.

### Request #7

as in response to the work preformed by C&D Dirtworks that was included in the application. That was completed prior to my employment with Stoneridge. I have no information to add to the invoices and the employees that were involved no longer work here. So I can not expand on the scope of work preformed or why the costs. That invoice was included to show actual cost being paid by Stoneridge for connections not just bids. But those costs reflect prices from 2019.

### Request #8

To my understanding C&D Dirtworks is no longer available to or will perform the work at those costs any longer.

### Request #9

Contingencies: are costs that accrue from abnormal conditions. Damage to unmarked or unknown utilities. Excessive exploratory excavation to locate utilities. Asphalt cutting and patching. Reconstruction of landscape or ditch lines due to excessive exploration. Or any other unforeseen issue. Each of these issues are priced on an individual basis by cost, size or time allotted.

> Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 5 of 24

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Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 6 of 24

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\*\* Ship Ticket \*\*

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CONSOLIDATED SUPPLY CO - CDA 155 EAST DALTON AVE DALTON GARDENS, ID 83815 Phone # : 208-762-2568

BILL TO: 130397

LUKE SWANK

1380 EWELL

POST FALLS, ID 83854

ORDER DATE	ORDER NUMBER
07/09/20	S009846881.001
	PAGE NO.
*C.O.D. C.O.	D.*
Printed: 40	1 of 1

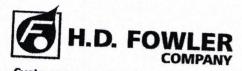
SHIP TO: LUKE SWANK 1380 EWELL POST FALLS, ID 83854 208-659-7008

SHIP DATE WRITER TERMS SHIP VIA ORDERED BY WAREHOUSE Shp Br 14 07/09/20 DOTJOH \*\*\*C.O.D. Only!\*\*\* WCN WC NOW Prc Br 14 PO NUMBER RELEASE NUMBER SALESPERSON Tat Weight FREIGHT Stoneridge HOUSE CDA Plumbing 0.0 Billable ORDER OTY SHIP OTY DESCRIPTION Unit Price Ext Price 1ea lea 1" METRON FARNIER SPECTRUM S50D W/ 780.000ea 780.00 INTERGRAL ANTENNA AND PIT MOUNT TOUCH PAD, 12FT LEAD Loc: BB02-07-1F Pn: 1315217 ORDER TOTAL 780.00 Sales tax 46.80 \_\_\_\_\_ Invoice Amount 826.80

Pieces:\_\_\_\_ Boxes:\_\_\_\_ Pallets:\_\_\_\_ Bags:\_\_\_\_ Bundles:\_\_\_\_ Shwrs:\_\_\_

Picked By:

Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 8 of 24



Customer:SWANK EXCAVATINGEstimator:Josh ShoreJob Name:STONERIDGE RESORTLocation:BLANCHARD IDAHO

Estimate: E420252 Bid Date: 7/9/2020

Line	Qt	y UoN	1 Description	Unit Price	Extended Price
			WATER SERVICE		
1		1 EA	9.05 X 1" IP 202 SADDLE BODY ONLY & 63 - 9 OF BONNE		
2		2 EA	9.80 S S STRAP WITH NUTS FOR SADDLE RANGE 8.63 - 9.05 - 9.80 ROMAC	42.86	42.86
3		1 FA		58.20	116.40
J		1 EA	FB1101-4Q-NL 1" MIP X PEP QUICK JOINT BALLCORP CORP STOP NO-LEAD	121.71	
4		1 EA		121./1	121.71
5		LEA	C86-44Q-NL 1" MIP X PEP QUICK JOINT COUPLING NO-LEAD FORD	48.27	49.27
6	14		B11-444-NL 1" FIP X FIP BALL VALVE CURB STOP NO-LEAD FORD	133.82	48.27
7	1		6" SDR35 3034 GASKETED PVC SEWER PIPE 14' LENGTH 6" PSM CAP SW FOR SEWER OR DRAIN	3.22	133.82
8	1		C16-44O-NI 1" FID Y DED OLIVOY AND	14.78	45.08
9	3		C16-44Q-NL 1" FIP X PEP QUICK JOINT COUPLING NO-LEAD FORD	41.55	14.78
	-		1" IPS QUICK JOINT STIFFENER #72Q ALSO CAN BE USED AS 1-1/4" CTS STIFFENER #53Q FORD	3.11	41.55
10	100			3.11	9.33
11	1	EA	1" IPS SIDR-7 250 PSI POLY PIPE 100' ROLL PE4710 ASTM D-2239	0.86	00.00
			PFCBHH-488-18-48-R-NL 1" COIL PIT SETTER BALL VALVE X CHECK VALVE 18" X 48" NO-LEAD FORD	1,423.25	86.00
12	1		CCID-18 18" CC INSULATING DISC FORD	-, .20.20	1,423.25
13	1	EA	PPSC-18-L 18" ONE PIECE FLAT LOCKING METER BOX COVER FORD	47.31	47.31
14	1	EA	1" SCH 40 GALVANIZED COUPLING IMPORT	125.98	125.98
15	1	EA	1" X 12" SCH 40 GALVANIZED NIPPLE A53 ERW	4.87	4.87
16	1	EA	1" SCH 40 GALVANIZED CAP IMPORT	9.31	9.31
			Section Subtotal:	3.00	3.00
					2,273.52
			YARD HYDRANT		
17	1	EA 1	" X 3/4" SCH 40 GALVANIZED TEE IMPORT		
18	2	EA 1	SCH 40 GALVANIZED MALE INSERT ADAPTER IMPORT	7.16	7.16
19	10	EA 1	3/16" - 1-3/4" SS WORM DRIVE HOSE CLAMP	2.56	5.12
20	1	EA 3	/4" X 6" SCH 40 GALVANIZED NIPPLE A53 ERW	0.64	6.40
21	2	EA 1	SCH 40 GALVANIZED 90 STREET EL ROW IMPORT	3.18	3.18
22	1	EA SI	IMMONS 4' BURY YARD HYDRANT 3/4" FIPT INLET 4804 LEAD FREE **78.5"	5.13	10.26
				124.60	124.60
		S	ection Subtotal:		
			날 동안 이 것 같아 <mark>.</mark>		156.72
3	1	EA 49	SEWER SERVICE		
4		EA 4	SCH 40 PVC COUPLING SXS		
5		EA 4"	SCH 40 PVC TEE SXSXS	10.95	10.95
5		EA 4"	X 2" SCH 40 PVC BUSHING SXS	35.40	35.40
<b>.</b>	1 1	EA 4"	PVC PRO SPAN EXPANSION REPAIR COUPLING IPS HUB X SPIGOT 150PSI	14.45	14.45
7	20			59.92	59.92
3		T 2"	SCH 40 IPS SOLVENT WELD PVC PIPE 20' LENGTH	2 00	
)		A 2"	SCH 40 IPS SOLVENT WELD PVC PIPE 20' LENGTH	2.89	57.80
)		A 2"	PVC BALL VALVE IPS SLIP X SLIP 150PSI E1310-20	0.98	39.20
	- 0	A 2 3	SCH 40 PVC 45 ELBOW SXS	12.62	25.24
				4.30	8.60
					Attachment E

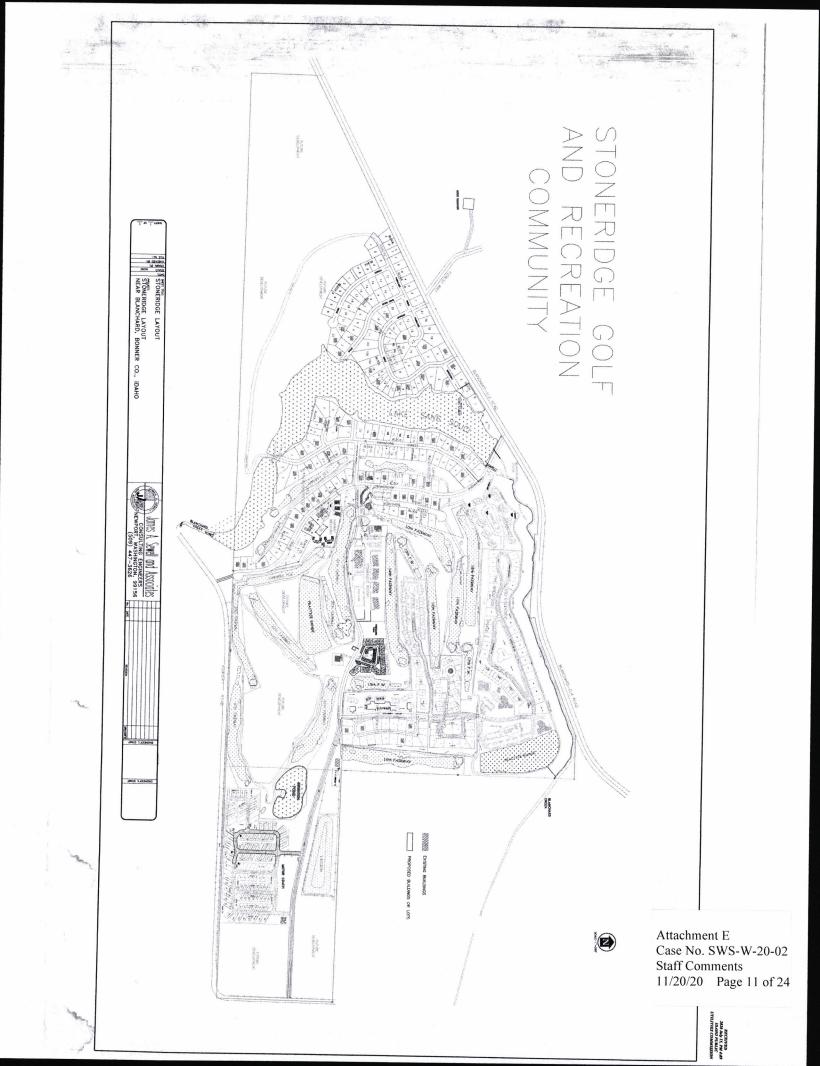
Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 9 of 24

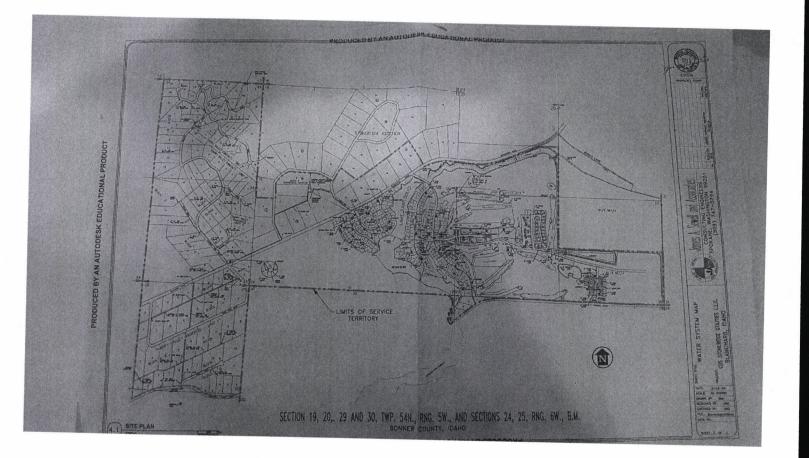
31	2	EA	2" SCH 40 PVC 90 ELBOW SXS		
32			6" 2729 SOLID SOLVENT WELD PVC DRAIN PIPE 10' LENGTH	3.65	7.30
33	2	EA	6" PSM CAP SW FOR SEWER OR DRAIN	1.93	19.30
			Section Subtotal:	14.78	29.56
					307.72
			Approximate Total		

2,737.96

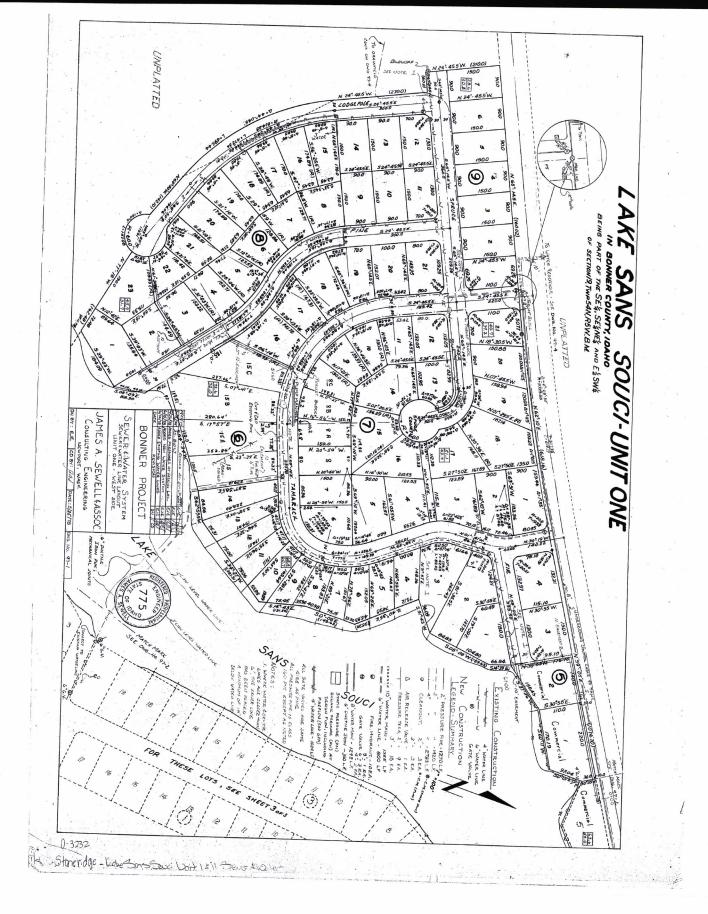
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Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 10 of 24





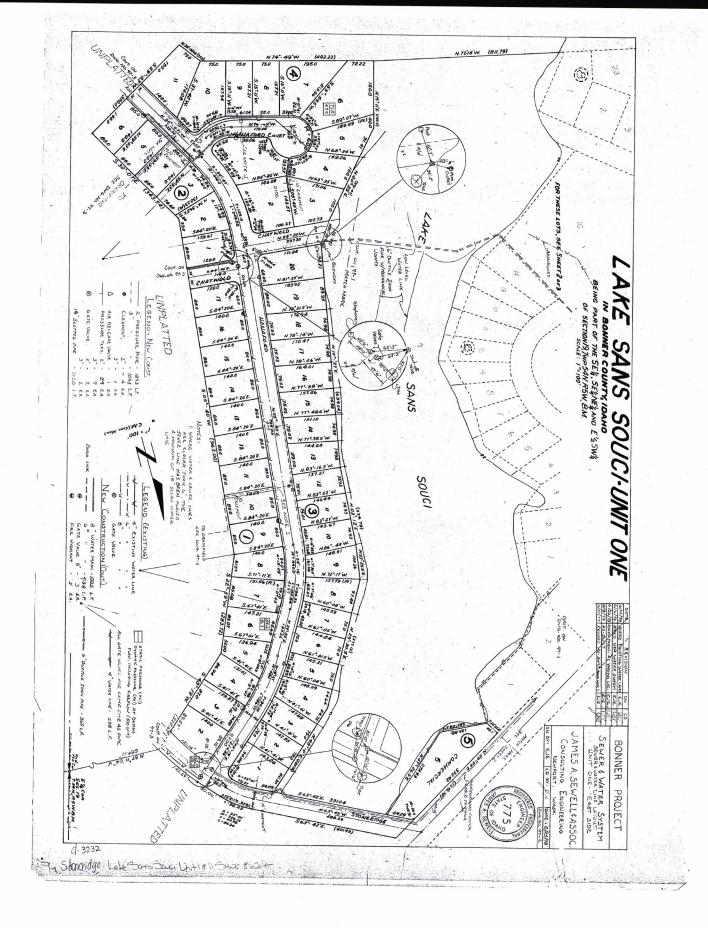
Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 12 of 24



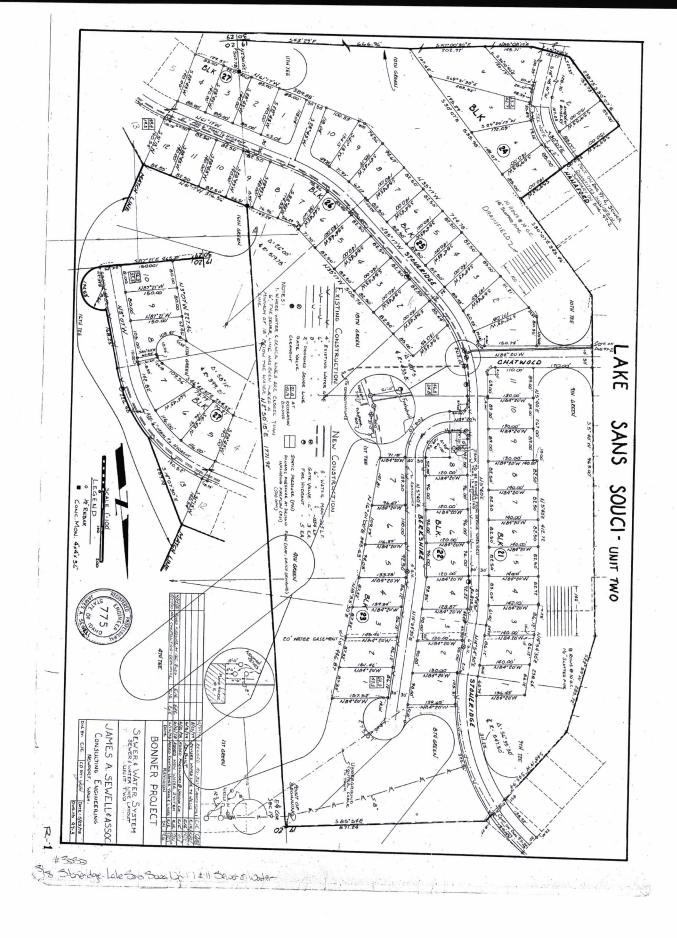
Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 13 of 24



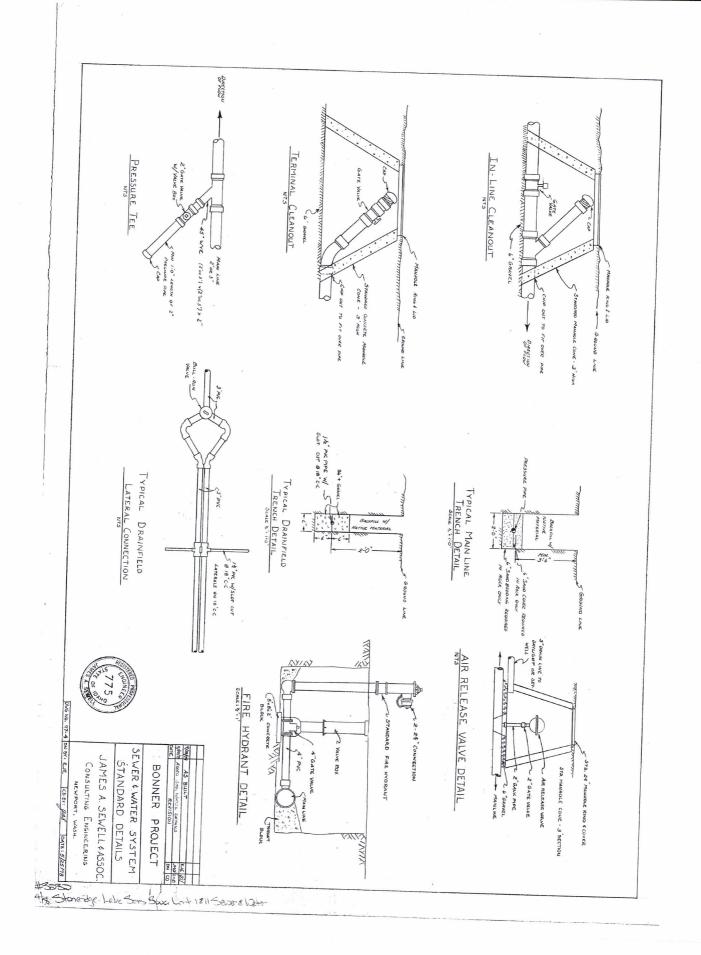
Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 14 of 24



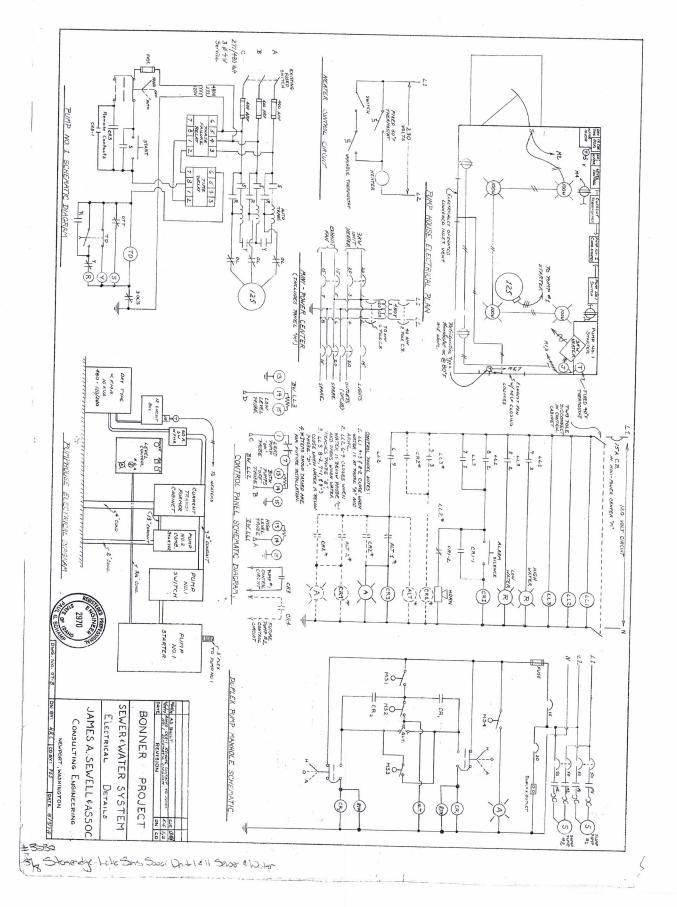
Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 15 of 24



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Z.,

Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 18 of 24

CUT - AWAY ELEVATION SALE SALE NT PUMP MANHOLE - PLAN <del>i</del> TJ.T. - TY LAG PUMP - ON 73437 ELECTRICAL COMONIT TO EFFLUENT PUMPS SIMET 阼 000 ADAPTER d CONTROL 6" CAL 9 MANE SERVICE ENTERS FROM SELVERTH ROAD 11' ONTE MALVE BOX - A" CONCRETE 2×4 123 2" MICHORS LEADS 1102722 SIDING GABL 1 #4 @12" EV 3" BLANKET ₩ 2 EXTERIOR x+@24 2x+@24 ALTERNATE DIRECTIONS #4 6'8 SECTION B-B SCALE: 1/0"=1'0" LOUVERED INTAKE VENT, 2' SQ. AUTOMATICALLY OPERATING BANKET EN EN INS CO DRAIN 15-GREEN ENNALED V CRIMP ROOFING, 30 LB FELT, 5/8°, EXTERIOR PLYMOD @Kt 10,1 c. 30\* 00 CONCRETE DAD, UPM, T FAN, 3000 SECTION SCALE . 12" I'O" 00 9/24/n SEWER & WATER SYSTEM BONNER PROJECT E WATER COL., A-125 H 2/11/81 - STATIC WATER CN END HE COPPER CETE PAD STAGES DOO GPM OPTH GAUGE V In EVE EVE MAG QUE

CONDER .

NUCHERSIBLE WATCR WELL PUMP- 100 GPH AT 110' TON

A

PUMPHOUSE NO. 1 - PLAN SCALE: 1/2" = 1'0"

DWG NO.

NEWPORT, WASH

DATE

JAMES A. SEWELL & ASSOC PUMPHOUSE \* I & PUMP MANHOLE DETAILS

123000 Why Storendge Lake Sons Saxi Unil 211 Sever 212-10-

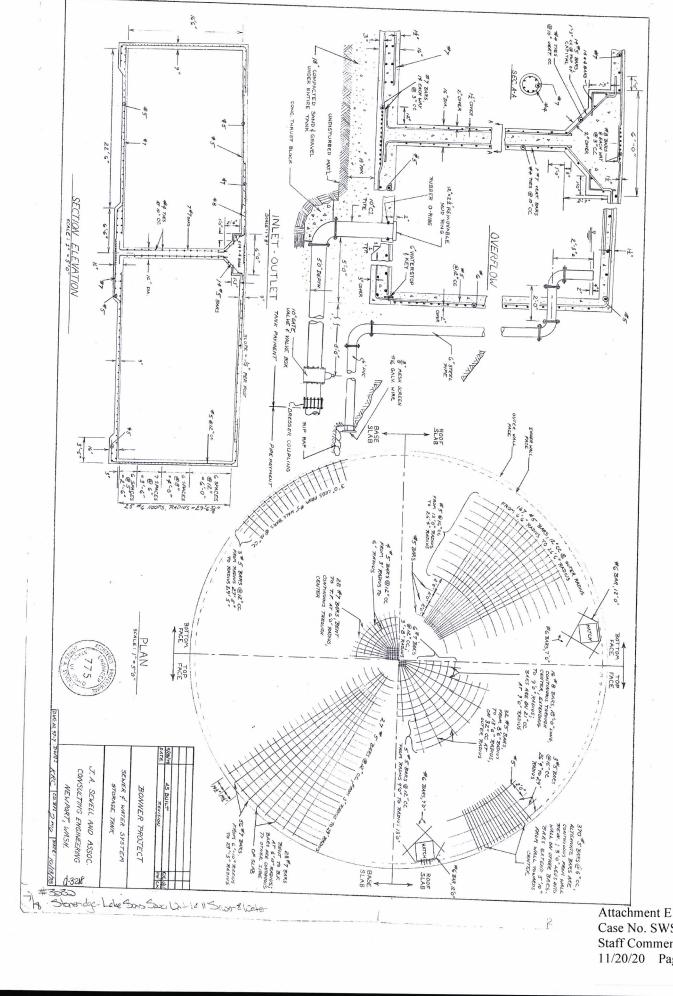
CONSULTING ENGINEERING

14

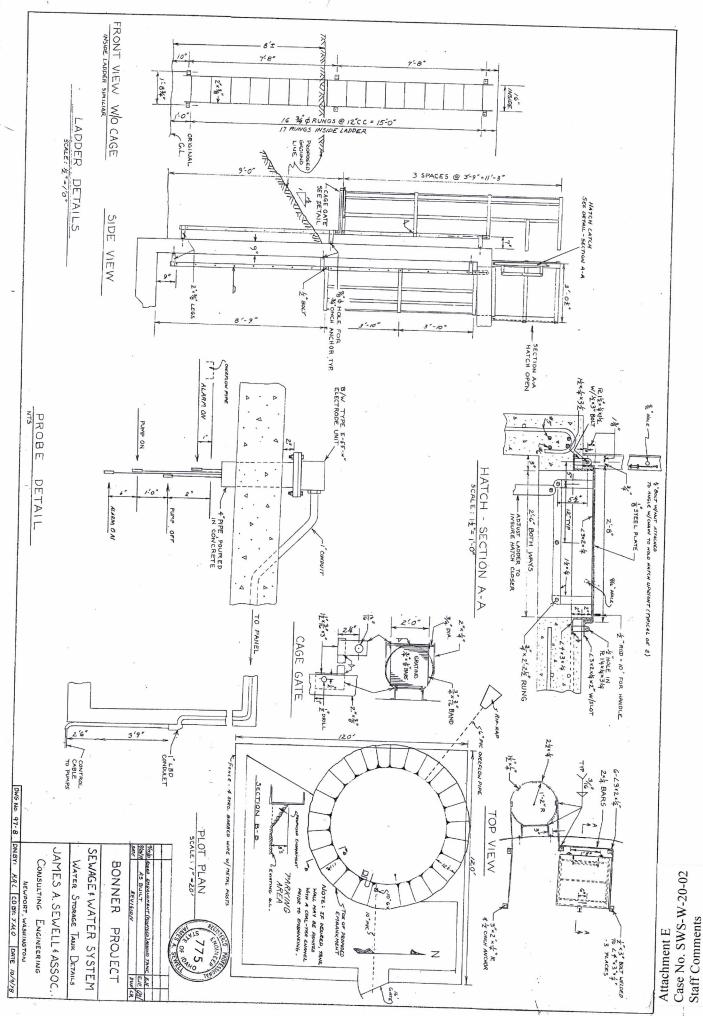
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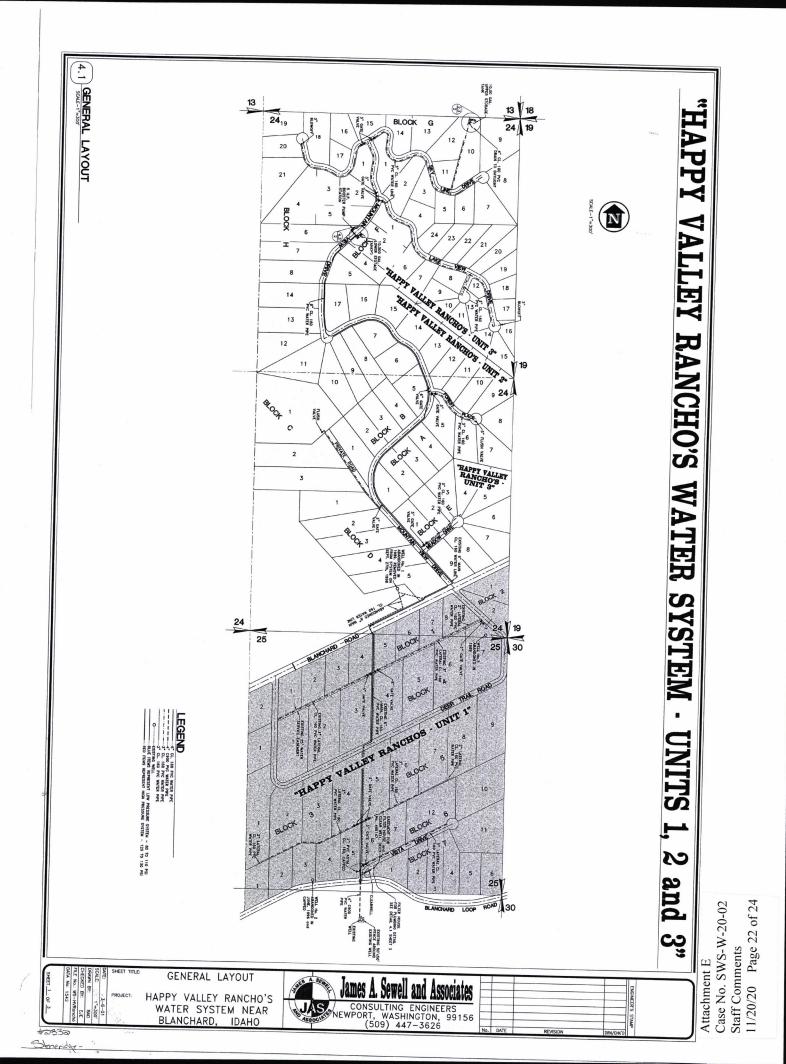
Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 19 of 24

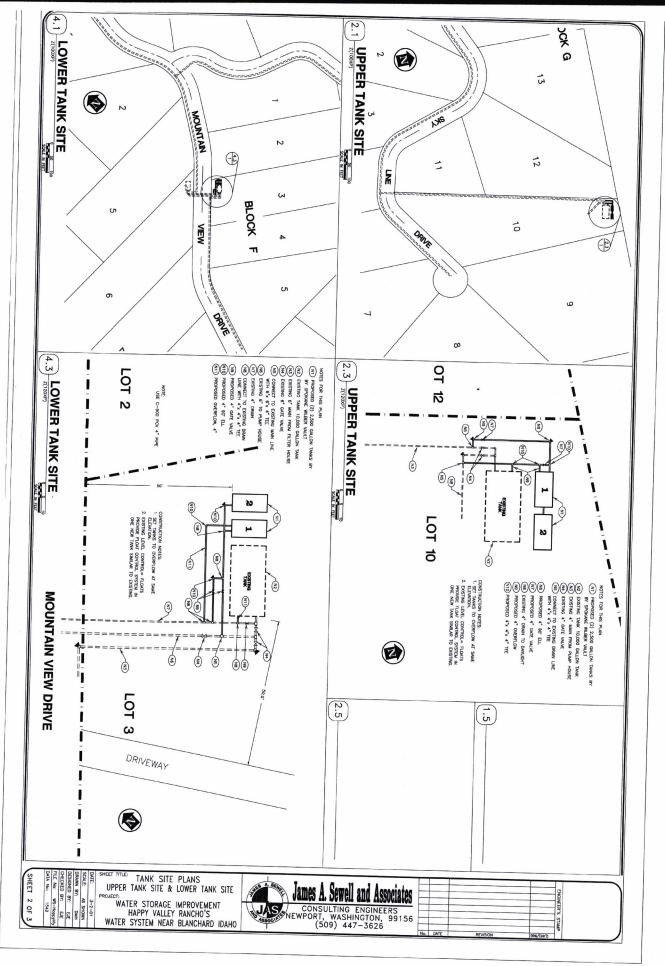


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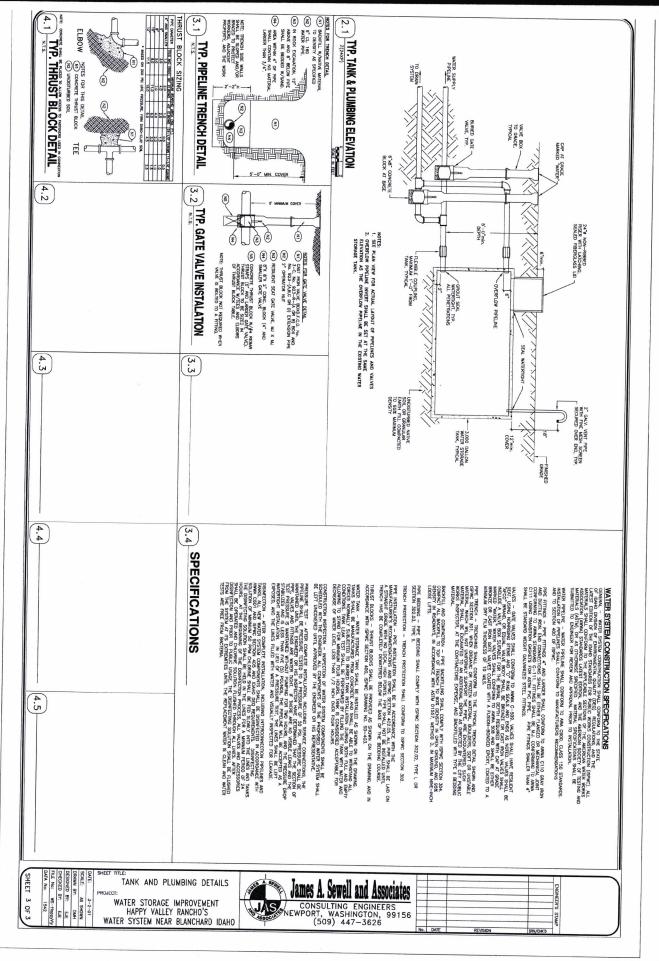


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Attachment E Case No. SWS-W-20-02 Staff Comments 11/20/20 Page 24 of 24

### **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY THAT I HAVE 20<sup>th</sup> DAY OF NOVEMBER 2020, SERVED THE FOREGOING **REPLY COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. SWS-W-20-02, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

SECRETARY

STEVEN DURBIN CDS STONERIDGE UTILITIES PO BOX 298 BLANCHARD ID 83804 E-MAIL: <u>steve.durbin@stoneridgeidaho.com</u>

CERTIFICATE OF SERVICE