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IDAHO PUBLIC
UTILITIES COMMISSION

Capitol

Water

Corp.

2626 Eldorado Boise, Idaho 83704

Telephone 375-0931

August 26, 2005

CAP-W-05-01

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074

Dear Commission,

Capitol Water Company has experienced significant water supply problems during the summer of 2005. The Company's Number 3 well production capacity had dropped from more than 700 gallons per minute (GPM) to 150 GPM. Well Number 7 production capacity had dropped from 1,250 GPM in 2002 to 500 GPM in 2005, was sucking air and would cavitate if pushed beyond the 500 gallon per minute level. The Company's experiment with the aquifer storage and retrieval (ASR) at Well Number 6 initially produced milky-white water containing an unacceptable level of carbon dioxide. As of this date the production from the ASR appears to be correcting itself. The Company has engaged the services of a hydrologist to help determine the cause of the problem with the ASR.

The Company, in an effort to insure an adequate supply of water to its customers, engaged the services of LeRoy Palmer, AmeriWest Inc., S.P.F. Engineering, and Riverside Electric, Inc. to perform an acid treatment of Well Number 3 to remove an accumulation of mineral deposits. The Company incurred costs of \$24,386.26 for labor and chemical costs. The effort resulted in an increase in pumping capacity from 150 GPM to 650 GPM averting a significant interruption of service to our customers. Copies of those billings are enclosed with this request. Despite these efforts, the Company still received a number of customer inquiries regarding low pressure.

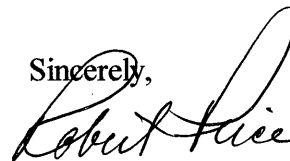
It is the Company's intent to perform a similar chemical treatment on well # 7 to restore that wells' pumping capacity. The Company has purchased chemicals from Ameri West Inc. at a cost of \$6,091.83 for this project. In addition a pump for injecting the chemicals into the well was purchased from Grainger in the amount of \$348.96. The Company will

incur another expense of approximately \$400.00 to hire a tanker truck to remove the acid water from the well after treatment.

Capitol water currently had a balance in its Commission Approved Surcharge Account at July 31, 2005 of \$75,018.85 The Company requests permission to borrow from this account sufficient funds to pay the outstanding bills incurred to complete the treatment of Well Number 3. The Company realizes that the Surcharge Funds authorized by the Commission were for specific projects approved by the Commission. Those projects were similar in nature to this project i.e. to insure adequate water supply to Capitol Water customers. The funds borrowed from the Surcharge Account will be repaid as soon as the Company can make arrangements for another source of capital. Use of these funds will not have a negative effect on the Company's ability to repay its bank loans for which part of the surcharge was initially created.

It is important to the Company to maintain good relations with its service providers and suppliers to insure future service from them. These bills are due and payable. The Company does not have other funds immediately available and request the Commission's authorization to use the surcharge funds to meet its short-term needs.

Sincerely,

A handwritten signature in cursive script that reads "Robert Price". The signature is written in black ink and is positioned above the printed name.

Robert Price
President



Date	Invoice #
4/3/2005	5152

Invoice

Client
Capitol Water Corporation 2626 Eldorado Boise, ID 83704-5997

For
Preparation of a well rehabilitation plan for Capitol Water Well No. 7.

Invoice Period	Terms	P.O. No.	Project Number
2/27-4/2/05	Due on receipt		160.0060

Item	Description	Hours	Rate	Amount
Terry Scanlan	Principal Engineer/Hydrogeologist	1	120.00	120.00
	<i>Well #3</i>			
	<i>Ph. Call 22451 4-12-05 #15112 \$1639.27</i>			

Total	\$120.00
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**SPF**Water Engineering, LLC
water resource consultants

Date	Invoice #
5/1/2005	5241

Invoice

Client
Capitol Water Corporation 2626 Eldorado Boise, ID 83704-5997

For
Consulting services related to replacement and rehabilitation of Capitol Water Well No. 3.

Invoice Period	Terms	P. O. No.	Project Number
4/3-4/30/05	Due on receipt		160.0100

Item	Description	Hours	Rate	Amount
Terry Scanlan	Principal Engineer/Hydrogeologist	1.4	120.00	168.00
	<i>1/1. ck # 22530</i>			
	<i>5-18-05</i>			
	<i># 168.00</i>			

Total	\$168.00
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**SPF**

Water Engineering, LLC

water resource consultants

Date	Invoice #
5/1/2005	5239

Invoice

Client
Capitol Water Corporation 2626 Eldorado Boise, ID 83704-5997

For
Preparation of a well rehabilitation plan for Capitol Water Well No. 7.

Invoice Period	Terms	P. O. No.	Project Number
4/3-4/30/05	Due on receipt		160.0060

Item	Description	Hours	Rate	Amount
Terry Scanlan	Principal Engineer/Hydrogeologist	1.4	120.00	168.00
	<i>5-19-05</i>			
	<i>Pd. ch# 22529</i>			
	<i>\$168.00</i>			

Total	\$168.00
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P. O. Box 44683
 Boise, Idaho 83711-0683
 E-mail: ameriwestwater@aol.com
 Office / Fax: 208-658-8066
 Cell: 208 861-3410

Invoice

DATE	INVOICE #
5/23/2005	05-149

BILL TO
CAPITOL WATER CORP 2626 N ELDORADO BOISE ID 83704

SHIP TO
CAPITOL WATER CORP 7793 Long Drive Boise Id. 83704
<i>Well #3</i>

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
verbal Bob Price	Due on receipt	LP	5/12/2005	DATS		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EA.	AMOUNT
60	KW101	KlearWell 101 Acid Base List price \$13/gal	11.70	702.00T
60	KW201	KlearWell 201 Acid Base List price \$13.00/gallon	11.70	702.00T
55	KW186	KlearWell 186 BioMin Dispersant, Liquid Concentrated Biofilm and Mineral Polymeric Dispersant List price \$64.00/gallon	57.60	3,168.00T
7	KW440	KlearWell 440 ChlorDelp, Liquid Chlorine enhancer List price \$57.00/gallon	51.30	359.10T
1	KWNIS	KlearWell NIS Surfactant, Liquid Non-Ionic Surfactant List price \$88.00/gallon	79.20	79.20T
4	KW486	KlearWell 486 Chlor Stop, Chlorine Neutralizer List price 10 lbs/ \$66.00	59.40	237.60T
1	FREIGHT	Additional freight charge on Acid base shipping from Ogden Utah	258.73	258.73
1	FREIGHT	Additional freight charge on KlearWell products from Kansas	365.46	365.46
4	LABOR	Consulting Labor	0.00	0.00
		State Sales Tax	6.00%	314.87

*pd. ck # 12546
 5-25-05 \$4,186.96*

We appreciate your business	Total	\$6,186.96
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All invoices are paid due after 30 days and subject to 1 1/2% interest charge per month. Accounts over 60 days will be placed on COD basis. An account that is ninety (90) days overdue may be given to a collection agency. Applicant will be responsible for attorney's fees, court costs, and post judgement interest if default litigation occurs. Our business does not disclose or sell any information to any third party except as permitted by law.

to restart Well #3



BHS Marketing

NAMPA

Please Remit Payment To:
P.O. Box 790051
St. Louis, MO 63179-0051

(801) 973-8232
FAX (801) 973-8838

DATE

INVOICE NO.

5/24/2005

29065

BILL TO:

Capital Water Corporation
2626 El Dorado Street
 Boise, ID 83704

SHIP TO:

Capital Water Corporation
Well #3
2626 El Dorado St.
 Boise, ID 83704

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
WILL#3	Net 30 days	HOUSE	5/24/2005	WILL CALL	LS4297	13277
QUANTITY	ITEM CODE	DESCRIPTION			PRICE EACH	AMOUNT
7	SAD 50	SODA ASH DENSE - 50# BAGS			8.25	57.75
<i>Main faucet Well #3</i>						
<i>PA. Ct# 22564 6-9-05 # 57.75</i>						
TOTAL						57.75



Invoice

Date	Invoice #
5/29/2005	5331

Client
Capitol Water Corporation 2626 Eldorado Boise, ID 83704-5997

For
Consulting services related to replacement and rehabilitation of Capitol Water Well No. 3.

Invoice Period	Terms	P. O. No.	Project Number
5/1-5/28/05	Due on receipt		160.0010

Item	Description	Hours	Rate	Amount
Terry Scanlan	Principal Engineer/Hydrogeologist	0.2	120.00	24.00
	<i>Ad. cb # 22573 6-9-05 \$ 24.00</i>			

Total	\$24.00
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JIM RUSSELL EXCAVATION INC

Invoice

PO BOX 250
KUNA ID 83634

Date	Invoice #
7/21/2005	TANKER HIRE

Bill To
CAPITOL WATER 2626 ELIZABETH BOISE ID 83704

P.O. No.	Terms	Project
	net 15 DAYS	

Quantity	Description	Rate	Amount
	WATER TANKER HIRE MAY 24-2005 5.5 HOURS \$374. THANK YOU VERY MUCH	374.00	374.00
<p><i>Well # 3 extended life of this - capitalize</i></p> <p><i>Pd. ch # 22693 7-25-05 \$374.00</i></p>			
Total			374.00



**Alaska Airlines
 Visa Business Card
 Company Statement**

Credit Limit	\$25,000	Billing Date	07-23-05
Cash Limit	\$25,000	Days in Billing Cycle	30
Cash Advance Balance	\$0.00	Payment Due Date	08-16-05
Available Credit	\$23,905	Minimum Payment Due	\$1,095.50
New Balance			\$1,095.50

CAPITOL WATER CORPORATION
 2626 ELDORADO

Company Account Number:
 4003 9010 0033 5034

CARDHOLDER NEW ACTIVITY SUMMARY

Credits	Purchases and Other Debits	Cash Advances	Total Activity
H. ROBERT PRICE 4003 9010 0033 5032 Credit Limit \$25,000	50.00	\$1,095.50	50.00
			\$1,095.50

COMPANY DETAIL

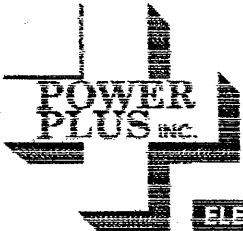
Posting Date	Sale Date	Reference Number	Transactions	Amount
07-13	07-12	19382800000900028390245	PAYMENT THANK YOU	794.71CR

CARDHOLDER ACTIVITY

H. ROBERT PRICE
 Credit Limit \$25,000
 4003 9010 0033 5032
TOTAL ACTIVITY \$1,095.50

Posting Date	Sale Date	Reference Number	Transactions	Amount
06-24	06-22	2440369517417000000187	JS ULTIMATE HAND CAR WASHGARDEN CITY ID	9.99
06-27	06-24	24755415175151751961498	GROVERS PAY AND PACK ELEUBOISE ID	12.83
06-28	06-26	24661625178414062615318	#160 ALBERTSONS FUEL BOISE ID	39.43
07-04	06-30	24661625182414063010208	#160 ALBERTSONS FUEL BOISE ID	29.00
07-04	06-30	24661625182414063012154	#160 ALBERTSONS FUEL BOISE ID	34.00
07-04	06-30	24403695182181000000214	JS ULTIMATE HAND CAR WASHGARDEN CITY ID	9.99
07-04	06-30	24403695182181000000446	JS ULTIMATE HAND CAR WASHGARDEN CITY ID	9.99
07-04	07-01	24661625184414070110007	#160 ALBERTSONS FUEL BOISE ID	38.00
07-04	07-01	24403695184182000000186	JS ULTIMATE HAND CAR WASHGARDEN CITY ID	14.99
07-05	07-03	24661625185414070308477	#160 ALBERTSONS FUEL BOISE ID	1.00
07-05	07-03	24661625185414070308493	#160 ALBERTSONS FUEL BOISE ID	1.00
07-05	07-03	24661625185414070308501	#160 ALBERTSONS FUEL BOISE ID	1.00
07-05	07-03	24661625185414070308527	#160 ALBERTSONS FUEL BOISE ID	31.48
07-07	07-06	24337895187000157200040	SPECIALTY PLASTICS & FAB BOISE ID PHOS PUMP	306.85
07-09	07-06	24661625188414070615017	#160 ALBERTSONS FUEL BOISE ID	58.00
07-08	07-07	24492795168409003087266	ALBERTSONS #154 89H BOISE ID	3.20
07-11	07-08	24761975198275385016038	JOHNSON CONTROLS, INC. 414-524-1200 WY PLOMATER PUMP	315.62
07-12	07-10	24661625192414071013184	#160 ALBERTSONS FUEL BOISE ID	1.00
07-12	07-10	24661625192414071013226	#160 ALBERTSONS FUEL BOISE ID	31.81
07-14	07-12	24403695194193000000082	JS ULTIMATE HAND CAR WASHGARDEN CITY ID	9.99
07-18	07-16	24661625198414071607005	#160 ALBERTSONS FUEL BOISE ID	1.00
07-18	07-16	24661625198414071607013	#160 ALBERTSONS FUEL BOISE ID	1.00
07-18	07-16	24661625198414071607039	#160 ALBERTSONS FUEL BOISE ID	37.05
07-18	07-16	24661625198414071619026	#160 ALBERTSONS FUEL BOISE ID	46.75
07-21	07-19	24661625201414071921654	#160 ALBERTSONS FUEL BOISE ID	32.15
07-22	07-20	243378952020002586400330	CHICAGO CONNECTION** BOISE ID	35.87

*Ph. 8-4-05
 cb # 22705*



25 N. Hartman
Boise, Idaho 83704
208 / 323-1506
Fax / 323-1790
pwrplus@pwrplusinc.com

ELECTRICAL CONTRACTORS

Invoice Date
08-12-2005

Customer ID
CAP150

Invoice ID
15097

Draw ID
1

Work Order
15097

PO Number

To:
CAPITOL WATER
2626 ELDORADO
BOISE, ID 83704

Job Description:
2626 Eldorado - emerg. call (pump station)

Work Ordered By:
BOB FRANKS

	Description of Item	Quantity	Unit	Unit Price	Amount
1	150 AMP 3 POLE 480 VOLT MAG STARTER	1.00	EA	964.35	964.35
2	1/0 CU LUGS	3.00	EA	7.95	23.85
3	1 THHN	4.00	FT	1.32	5.28
4	100 HP LARGE MOTOR BRUSHES	3.00	EA	85.31	255.93
5	HEAT SHRINK	1.00	EA	12.50	12.50
6	33 TAPE	1.00	EA	6.50	6.50
7	MILES	13.00	HR	55.00	715.00
8	ERIK	11.00	HR	45.00	495.00
9	FUFI SUR CHARGE	24.00	FA	50	12.00

Wells #3

Pd. ck # 22756

8-23-05

\$2,490.41

Amount Billed \$2,490.41

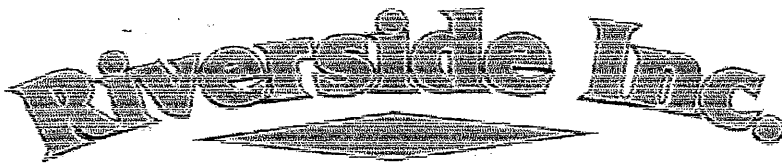
Retainage Held

Due Date 08-27-2005 \$2,490.41

TERMS AND CONDITIONS: NET 15.

All invoices are due and payable 15 days from the date of Invoice.
A 1.5% per month (18% per annum) FINANCE CHARGE will be charged on
all PAST DUE amounts.

For your convenience we accept Visa, Mastercard and American Express.



Invoice

111 South Roswell Blvd
 P.O. Box 720 Parma, ID 83660
 Office (208) 722-6731
 Fax (208) 722-6736
 Email riverside@rsicorp.net



Customer No.: CAPITOL
 Invoice No.: 30959

Bill To: **CAPITOL WATER CORP.**
 2626 ELDORADO ST.
 BOISE, ID 83704

Ship To:
 PULL PUMP #3 AT OFFICE
 JOB # 3-04867

Date	Ship Via	F.O.B.	Terms		
08/17/05		Origin	Net 30		
Purchase Order Number	Order Date	Sales Person	Our Order Number		
		House Account			
Quantity Required	Quantity Shipped	Item Number	Description	Unit Price	Amount
1	1		BRASS FOR WEAR RINGS	194.32	194.32
99.500	99.500		1-1 1/16 BOWL SHAFT	2.40	238.80
115.250	115.250		1-1/2" HEAD SHAFT	1.89	217.82
1	1		STAINLESS STEEL EXPANDED METAL	56.52	56.52
1	1		TAPE SUPPLIES	85.00	85.00
200	200		5/8 AIR LINE	0.50	100.00
200	200		1/4" AIR LINE	0.18	36.00
74.500	74.500		BOOM TRUCK PLUS 3-MEN TO PULL PUMP, JETTING PUMPING WELL, & INSTALL PUMP	125.00	9312.50
1.000	1.000		CAMERA WELL	700.00	700.00
1	1		12" PIPE EXTENTION	42.86	42.86
1	1		20" X 40" X 1/2" PLATE FOR FLANGES	30.63	30.63
2	2		1-1/2 STEEL PIPE COUPLERS	7.44	14.88
12	12		3/4" X 2" BOLTS & NUT	1.00	12.00
39.000	39.000		MECHANICAL LABOR	46.00	1872.00
21.000	21.000		MACHINE SHOP LABOR	50.00	1050.00

Invoice subtotal 13963.33
 Sales tax @ 5.000% 51.44
 Invoice total 14014.77

*Unpaid
 as
 yet*

Thank You



P. O. Box 44683
 Boise, Idaho 83711-0683
 E-mail: ameriwestwater@adi.com
 Office / Fax: 208-858-8066
 Cell: 208 861-3410

0.*

0.*

6.091.83+

348.96+

6.440.79*+

Well # 7

Invoice

DATE	INVOICE #
7/11/2005	03-169

002

BILL TO
CAPITOL WATER CORP 2626 N ELDORADO BOISE ID 83704

SHIP TO
CAPITOL WATER CORP 7793 Long Drive Boise Id. 83704

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
Well #7	Due on receipt	LP	6/24/2005	Dugan/USF R...		

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EA...	AMOUNT
55	KW101	KlearWell 101 Acid Base List price \$13/gal	11.70	643.50T
85	KW101	KlearWell 201 Acid Base List price \$13/gal	11.70	994.50T
1	FREIGHT	Additional freight charge for acid shipment	194.38	194.38
55	KW186	KlearWell 186 Biofilm Dispersant, Liquid Concentrated Biofilm and Mineral Polymeric Dispersant List price \$64.00/gallon	57.60	3,168.00T
3	KW440	KlearWell 440 ChlorHelp, Liquid Chlorine enhancer List price \$57.00/gallon	51.30	153.90T
1	KW486	KlearWell 486 Chlor Stop, Chlorine Neutralizer List price 10 lbs/ \$66.00	59.40	59.40T
3	KWNIS	KlearWell NIS Surfactant, Liquid Non-Ionic Surfactant List price \$88.00/gallon	79.20	237.60T
1	FREIGHT	Additional freight charge for KW-186, 440, 486 and NIS	377.70	377.70
		State Sales Tax	5.00%	262.85

pd. ck # 2265
7-15-05
6,091.83

WELL # 7
acid treatment
not completed yet.
cannot shut WELL # 7
down because of heat.

Total	\$6,091.83
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per month. Accounts over 60 days will be placed on C/O basis. An account that is ninety (90) days overdue may be fees, court costs, and post judgement interest if default litigation occurs. Our business does not disclose or sell any information to any third party except as permitted by law.



2775 S 900 W
SALT LAKE CTY, UT 84119-2447

GRAINGER ACCOUNT NUMBER 084 836960013
INVOICE NUMBER 800-623127-1
INVOICE DATE 07/07/2005
DUE DATE 08/06/2005
AMOUNT DUE \$348.96

SHIP TO
CAPITAL WATER CORP
2625 ELDORADO ST
BOISE, ID 83704-5979

PO NUMBER: JIM CARSON
CALLER: TIM CARSON
CUSTOMER PHONE: (208)375-0931
DELIVERY NUMBER: 6162236918

BILL TO
MDG2003 00041703 1 MB 0309 01

ATTN: ACCOUNTS PAYABLE
CAPITAL WATER CORP
2625 ELDORADO ST
BOISE, ID 83704-5979

041703

THANK YOU!

FEI NUMBER 36-1156280

FOR QUESTIONS ABOUT THIS INVOICE OR ACCOUNT CALL (800)472-1380



PO LINE #	ITEM #	DESCRIPTION	QUANTITY	BACK ORDERED	UNIT PRICE	TOTAL
	4TE54-5	PUMP,CENTRIFUGAL,1.5HP	1		324.25	324.25
<p><i>Total</i></p> <p><i>PO. # 22696</i></p> <p><i>7-25-05</i></p> <p><i>\$348.96</i></p>						

NUMBER OF PIECES: 1 WEIGHT: 42 DATE SHIPPED: 07/07/05
CARRIER: UPS GROUND
8:55/10:00

INVOICE SUB TOTAL 324.25
TAX 16.21
SHIPPING CHARGE 8.50

PAYMENT TERMS NET 30 DAYS. PAY THIS INVOICE NO STATEMENT SENT. PAYABLE IN U.S. DOLLARS

ACCOUNT STATEMENT

SMALL BUSINESS BANKING
CLIENT MANAGER: CLIENT DEVELOPMENT GROUP

IF YOU HAVE QUESTIONS ABOUT YOUR ACCOUNT,
CALL THE SMALL BUSINESS BANKING SERVICE CENTER
TOLL FREE AT 1.888.203.7209.
TTY/TDD USERS MAY CALL 1.800.232.6299.

ACCOUNT NUMBER
88405408
STATEMENT PERIOD
7-01-2005 TO 7-31-2005
C 1R2 0

CAPITOL WATER CORPORATION
C/O COMMERCIAL MARKETS
2626 ELDORADO
BOISE ID 83704-5979

||||| ||| ||| | ||||| | ||||| |||

CHECKING	
BUSINESS CHECKING	88405408
BEGINNING BALANCE	72,922.21
TOTAL CREDITS	10,980.84
TOTAL MISC DEBITS	8,864.20
TOTAL CHECKS	.00
SERVICE CHARGES/FEES	.00
ENDING BALANCE	75,018.85
NUMBER OF CREDITS	4
NUMBER OF MISC DEBITS	4
NUMBER OF CHECKS	0

ACTIVITY DETAIL				
POSTED	TRANSACTION DESCRIPTION/SERIAL NUMBER	DEBIT AMOUNT	CREDIT AMOUNT	REFERENCE #
7-12	PHONE TRANSFER FROM CHECKING 18360412		2,426.25	*024R03CSD
7-14	PHONE TRANSFER FROM CHECKING 18360412		2,928.30	*081R01CSD
7-22	PHONE TRANSFER FROM CHECKING 18360412		4,696.62	*061R01CSD
7-29	PHONE TRANSFER FROM CHECKING 18360412		907.67	*024R03CSD
7-14	PHONE TRANSFER TO CHECKING 18360412	185.00		*081R01CSD
7-15	PAYMENT COMMERCIAL LOANS000005099999015	7,102.98		LACH559444
7-18	PHONE TRANSFER TO CHECKING 18360412	211.40		*028R11CSD
7-22	PHONE TRANSFER TO CHECKING 18360412	1,324.82		*025R02CSD

SERVICE CHARGES DESCRIBED IN ACCOUNT ANALYSIS

THANK YOU FOR BANKING WITH BANK OF AMERICA

Surcharge Account