

CAP-W

# ANNUAL REPORT

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IDAHO PUBLIC  
UTILITIES COMMISSION

OF

CAPITOL WATER, INC.

NAME

2626 ELDORADO BOISE, ID 83704

ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2009

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**JACKSON COLES, PLLC**  
*Certified Public Accountants*

2010 APR 27 PM 2:55

IDAHO PUBLIC  
UTILITIES COMMISSION

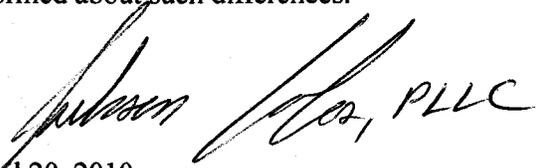
**University Plaza, Suite 415**  
**960 Broadway Ave.**  
**Boise, ID 83706**

Board of Directors  
Capitol Water Corporation  
Boise, Idaho

We have compiled the balance sheet of CAPITOL WATER CORPORATION, as of December 31, 2009, and the related statements of income and retained earnings for the year then ended in the accompanying prescribed form of the Idaho Public Utilities Commission, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary schedules of revenue and expense detail, plant in service detail, accumulated depreciation detail, capital stock detail, detail of long-term debt and system engineering data.

Our compilation is limited to presenting in the form prescribed by the Idaho Public Utilities Commission information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, we do not express an opinion or any other form of assurance on them.

These financial statements and supplementary information are presented in accordance with the requirements of the Idaho Public Utilities Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

  
April 20, 2010

**ANNUAL REPORT FOR WATER UTILITIES TO  
THE IDAHO PUBLIC UTILITIES COMMISSION  
FOR THE YEAR ENDING December 31, 2009**

**COMPANY INFORMATION**

1 Give full name of utility Capitol Water Corporation  
 2 Date of Organization April 7, 1959  
 3 Organized under the laws of the state of Idaho  
 4 Address of Principal Office (number & street) 2626 Eldorado  
 5 P.O. Box (if applicable) \_\_\_\_\_  
 6 City Boise  
 7 State Idaho  
 8 Zip Code 83704  
 9 Organization (proprietor, partnership, corp.) Corporation  
 10 Towns, Counties served Boise  
Ada County  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 11 Are there any affiliated companies? No

**If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.**

| 12 Contact Information | Name               | Phone No. |
|------------------------|--------------------|-----------|
| President (Owner)      | H. Robert Price    | 375-0931  |
| Vice President         |                    |           |
| Secretary              | Bonnie Price       | 375-0931  |
| General Manager        | H. Robert Price    | 375-0931  |
| Complaints or Billing  | Bonnie Price       | 375-0931  |
| Engineering            | H. Robert Price    | 375-0931  |
| Emergency Service      | H. Robert Price    | 375-0931  |
| Accounting             | Jackson Coles PLLC | 345-2350  |

13 Were any water systems acquired during the year or any additions/deletions made to the service area during the year? No  
**If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.**

14 Where are the Company's books and records kept?  
 Street Address 2626 Eldorado  
 City Boise  
 State Idaho  
 Zip 83704  
 \_\_\_\_\_

NAME: Capitol Water Corporation

**COMPANY INFORMATION (Cont.)**

For the Year Ended December 31, 2009

15 Is the system operated or maintained under a service contract? No

16 **If yes:** With whom is the contract? \_\_\_\_\_  
When does the contract expire? \_\_\_\_\_  
What services and rates are included? \_\_\_\_\_

17 Is water purchased for resale through the system? No

18 **If yes:** Name of Organization \_\_\_\_\_  
Name of owner or operator \_\_\_\_\_  
Mailing Address \_\_\_\_\_  
City \_\_\_\_\_  
State \_\_\_\_\_  
Zip \_\_\_\_\_

|                 | Gallons/CCF | \$Amount |
|-----------------|-------------|----------|
| Water Purchased |             |          |

19 Has any system(s) been disapproved by the Idaho Division of Environmental Quality? No

**If yes, attach full explanation**

20 Has the Idaho Division of Environmental Quality recommended any improvements? No

**If yes, attach full explanation**

21 Number of Complaints received during year concerning:  
Quality of Service 4  
High Bills 0  
Disconnection \_\_\_\_\_

22 Number of Customers involuntarily disconnected 12

23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? 1-Jun-09

**Attach a copy of the Summary**

24 Did significant additions or retirements from the Plant Accounts occur during the year? No

**If yes, attach full explanation and an updated system map**

NAME: Capitol Water Corporation

**REVENUE & EXPENSE DETAIL**

For the Year Ended December 31, 2009

| ACCT #                               | DESCRIPTION  |  |                        |
|--------------------------------------|--|--|------------------------|
| <b><u>400 REVENUES</u></b>           |  |  |                        |
| 1                                    | 460  | Unmetered Water Revenue  | \$ 550,284             |
| 2                                    | 461.1  | Metered Sales - Residential  |                        |
| 3                                    | 461.2  | Metered Sales - Commercial, Industrial                                   | 118,580                |
| 4                                    | 462  | Fire Protection Revenue  | 0                      |
| 5                                    | 464  | Other Water Sales Revenue  | 42,019                 |
| 6                                    | 465  | Irrigation Sales Revenue   |                        |
| 7                                    | 466  | Sales for Resale   |                        |
| 8                                    | 400  | Total Revenue (Add Lines 1 - 7)<br>(also enter result on Page 4, line 1) | \$ 710,883             |
| 9                                    | * DEQ Fees Billed separately to customers                                |  | Booked to Acct # _____ |
| 10                                   | ** Hookup or Connection Fees Collected                                   |  | Booked to Acct # _____ |
| 11                                   | ***Commission Approved Surcharges Collected                              | 0  | Booked to Acct # 460.5 |
| <b><u>401 OPERATING EXPENSES</u></b> |  |  |                        |
| 12                                   | 601.1-6  | Labor - Operation & Maintenance  | 58,044                 |
| 13                                   | 601.7  | Labor - Customer Accounts  | 45,295                 |
| 14                                   | 601.8  | Labor - Administrative & General   | 42,289                 |
| 15                                   | 603  | Salaries, Officers & Directors   | 72,100                 |
| 16                                   | 604  | Employee Pensions & Benefits   | 43,679                 |
| 17                                   | 610  | Purchased Water  |                        |
| 18                                   | 615-16   | Purchased Power & Fuel for Power   | 80,177                 |
| 19                                   | 618  | Chemicals  | 19,681                 |
| 20                                   | 620.1-6  | Materials & Supplies - Operation & Maint.                                | 10,052                 |
| 21                                   | 620.7-8  | Materials & Supplies - Administrative & General                          | 20,161                 |
| 22                                   | 631-34   | Contract Services - Professional   | 14,835                 |
| 23                                   | 635  | Contract Services - Water Testing  |                        |
| 24                                   | 636  | Contract Services - Other  | 812                    |
| 25                                   | 641-42   | Rentals - Property & Equipment   |                        |
| 26                                   | 650  | Transportation Expense   | 6,149                  |
| 27                                   | 656-59   | Insurance  | 12,555                 |
| 28                                   | 660  | Advertising  |                        |
| 29                                   | 666  | Rate Case Expense (Amortization)   |                        |
| 30                                   | 667  | Regulatory Comm. Exp. (Other except taxes)                               |                        |
| 31                                   | 670  | Bad Debt Expense   | 2,324                  |
| 32                                   | 675  | Miscellaneous  | 14,460                 |
| 33                                   | Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2) |  | \$ 442,613             |

Name: Capitol Water Corporation

**INCOME STATEMENT**

For Year Ended December 31, 2009

| ACCT #    | DESCRIPTION  |            |            |
|-----------|--|------------|------------|
| 1         | Revenue (From Page 3, line 8)  |            | \$ 710,883 |
| 2         | Operating Expenses (From Page 3, line 33)                                  | \$ 442,613 |            |
| 3 403     | Depreciation Expense   | 80,219     |            |
| 4 406     | Amortization, Utility Plant Aquisition Adj.                                |            |            |
| 5 407     | Amortization Exp. - Other  |            |            |
| 6 408.10  | Regulatory Fees (PUC)  | 1,063      |            |
| 7 408.11  | Property Taxes   | 24,533     |            |
| 8 408.12  | Payroll Taxes  | 17,578     |            |
| 9A 408.13 | Other Taxes (list) DEQ Fees  |            |            |
| 9B        | Vehicles   | 589        |            |
| 9C        |  |            |            |
| 9D        |  |            |            |
| 10 409.10 | Federal Income Taxes   | 5,084      |            |
| 11 409.11 | State Income Taxes   | 1,348      |            |
| 12 410.10 | Provision for Deferred Income Tax - Federal                                |            |            |
| 13 410.11 | Provision for Deferred Income Tax - State                                  |            |            |
| 14 411    | Provision for Deferred Utility Income Tax Credits                          |            |            |
| 15 412    | Investment Tax Credits - Utility   |            |            |
| 16        | Total Expenses from operations before interest (add lines 2-15)            | 573,027    |            |
| 17 413    | Income From Utility Plant Leased to Others                                 |            |            |
| 18 414    | Gains (Losses) From Disposition of Utility Plant                           | 0          |            |
| 19        | Net Operating Income (Add lines 1, 17 & 18 less line 16)                   |            | 137,856    |
| 20 415    | Revenues, Merchandizing Jobbing and Contract Work                          |            |            |
| 21 416    | Expenses, Merchandizing, Jobbing & Contracts                               |            |            |
| 22 419    | Interest & Dividend Income   |            |            |
| 23 420    | Allowance for Funds used During Construction                               |            |            |
| 24 421    | Miscellaneous Non-Utility Income   |            |            |
| 25 426    | Miscellaneous Non-Utility Expense  |            |            |
| 26 408.20 | Other Taxes, Non-Utility Operations  |            |            |
| 27 409-20 | Income Taxes, Non-Utility Operations                                       |            |            |
| 28        | Net Non-Utility Income (Add lines 20,22,23 & 24 less lines 21,25,26, & 27) |            | -          |
| 29        | Gross Income (add lines 19 & 28)   |            | 137,856    |
| 30 427.3  | Interest Exp. on Long-Term Debt  |            | 6,623      |
| 31 427.5  | Other Interest Charges   |            |            |
| 32        | NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)       |            | \$ 131,233 |

Name: Capitol Water Corporation

**ACCOUNT 101 PLANT IN SERVICE DETAIL**  
 For Year Ended December 31, 2009

| SUB<br>ACCT # | DESCRIPTION                           | Balance<br>Beginning<br>of Year | Added<br>During<br>Year | Removed<br>During<br>Year | Balance<br>End of<br>Year |
|---------------|---------------------------------------|---------------------------------|-------------------------|---------------------------|---------------------------|
| 1 301         | Organization                          | \$ 3,584                        |                         |                           | \$ 3,584                  |
| 2 302         | Franchises and Consents               | \$ 40,969                       |                         |                           | \$ 40,969                 |
| 3 303         | Land & Land Rights                    | \$ 30,195                       |                         |                           | \$ 30,195                 |
| 4 304         | Structures and Improvements           | \$ 129,120                      | \$ 1,697                |                           | \$ 130,817                |
| 5 305         | Collecting & Impounding Reservoirs    | \$ 2,452                        |                         |                           | \$ 2,452                  |
| 6 306         | Lake, River & Other Intakes           |                                 |                         |                           | \$ -                      |
| 7 307         | Wells                                 | \$ 247,168                      | \$ 10,289               |                           | \$ 257,457                |
| 8 308         | Infiltration Galleries & Tunnels      |                                 |                         |                           | \$ -                      |
| 9 309         | Supply Mains                          | \$ 1,123,116                    | \$ 9,409                |                           | \$ 1,132,525              |
| 10 310        | Power Generation Equipment            | \$ 425                          |                         |                           | \$ 425                    |
| 11 311        | Power Pumping Equipment               | \$ 210,161                      | \$ 4,396                |                           | \$ 214,557                |
| 12 320        | Purification Systems                  | \$ 22,184                       |                         |                           | \$ 22,184                 |
| 13 330        | Distribution Reservoirs & Standpipes  | \$ 1,076                        |                         |                           | \$ 1,076                  |
| 14 331        | Trans. & Distrib. Mains & Accessories | \$ 24,390                       |                         |                           | \$ 24,390                 |
| 15 333        | Services                              | \$ 773,353                      | \$ 24,008               |                           | \$ 797,361                |
| 16 334        | Meters and Meter Installations        | \$ 109,563                      |                         |                           | \$ 109,563                |
| 17 335        | Hydrants                              |                                 |                         |                           | \$ -                      |
| 18 336        | Backflow Prevention Devices           |                                 |                         |                           | \$ -                      |
| 19 339        | Other Plant & Misc. Equipment         |                                 |                         |                           | \$ -                      |
| 20 340        | Office Furniture and Equipment        | \$ 19,144                       | \$ 3,184                |                           | \$ 22,328                 |
| 21 341        | Transportation Equipment              | \$ 119,761                      | \$ 41,433               |                           | \$ 161,194                |
| 22 342        | Stores Equipment                      |                                 |                         |                           | \$ -                      |
| 23 343        | Tools, Shop and Garage Equipment      | \$ 19,599                       | \$ 330                  |                           | \$ 19,929                 |
| 24 344        | Laboratory Equipment                  |                                 |                         |                           | \$ -                      |
| 25 345        | Power Operated Equipment              |                                 |                         |                           | \$ -                      |
| 26 346        | Communications Equipment              | \$ 482                          |                         |                           | \$ 482                    |
| 27 347        | Miscellaneous Equipment               |                                 |                         |                           | \$ -                      |
| 28 348        | Other Tangible Property               | \$ 107                          |                         |                           | \$ 107                    |
| 29            | <b>TOTAL PLANT IN SERVICE</b>         | <b>\$ 2,876,849</b>             | <b>\$ 94,746</b>        | <b>\$ -</b>               | <b>\$ 2,971,595</b>       |

(Add lines 1 - 28)

Enter beginning & end of year totals on Pg 7, Line 1

Name: Capitol Water Corporation

**ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL**

For Year Ended December 31, 2009

| SUB<br>ACCT # | DESCRIPTION                           | Depreciation<br>Rate<br>% | Balance<br>Beginning<br>of Year | Balance<br>End of<br>Year | Increase<br>or<br>(Decrease) |
|---------------|---------------------------------------|---------------------------|---------------------------------|---------------------------|------------------------------|
| 1 304         | Structures and Improvements           |                           | \$ 90,623                       | \$ 94,006                 | \$ 3,383                     |
| 2 305         | Collecting & Impounding Reservoirs    |                           | \$ 2,414                        | \$ 2,417                  | \$ 3                         |
| 3 306         | Lake, River & Other Intakes           |                           |                                 |                           | \$ -                         |
| 4 307         | Wells                                 |                           | \$ 161,635                      | \$ 168,984                | \$ 7,349                     |
| 5 308         | Infiltration Galleries & Tunnels      |                           |                                 |                           | \$ -                         |
| 6 309         | Supply Mains                          |                           | \$ 887,704                      | \$ 909,969                | \$ 22,265                    |
| 7 310         | Power Generation Equipment            |                           | \$ 27                           | \$ 44                     | \$ 17                        |
| 8 311         | Power Pumping Equipment               |                           | \$ 118,260                      | \$ 124,398                | \$ 6,138                     |
| 9 320         | Purification Systems                  |                           | \$ 20,159                       | \$ 20,288                 | \$ 129                       |
| 10 330        | Distribution Reservoirs & Standpipes  |                           | \$ 464                          | \$ 507                    | \$ 43                        |
| 11 331        | Trans. & Distrib. Mains & Accessories |                           | \$ 4,965                        | \$ 5,903                  | \$ 938                       |
| 12 333        | Services                              |                           | \$ 377,340                      | \$ 403,828                | \$ 26,488                    |
| 13 334        | Meters and Meter Installations        |                           | \$ 65,908                       | \$ 69,641                 | \$ 3,733                     |
| 14 335        | Hydrants                              |                           |                                 |                           | \$ -                         |
| 15 336        | Backflow Prevention Devices           |                           |                                 |                           | \$ -                         |
| 16 339        | Other Plant & Misc. Equipment         |                           |                                 |                           | \$ -                         |
| 17 340        | Office Furniture and Equipment        |                           | \$ 18,281                       | \$ 18,771                 | \$ 490                       |
| 18 341        | Transportation Equipment              |                           | \$ 105,503                      | \$ 113,514                | \$ 8,011                     |
| 19 342        | Stores Equipment                      |                           |                                 |                           | \$ -                         |
| 20 343        | Tools, Shop and Garage Equipment      |                           | \$ 15,252                       | \$ 16,382                 | \$ 1,130                     |
| 21 344        | Laboratory Equipment                  |                           |                                 |                           | \$ -                         |
| 22 345        | Power Operated Equipment              |                           |                                 |                           | \$ -                         |
| 23 346        | Communications Equipment              |                           | \$ 48                           | \$ 145                    | \$ 97                        |
| 24 347        | Miscellaneous Equipment               |                           |                                 |                           | \$ -                         |
| 25 348        | Other Tangible Property               |                           | \$ 90                           | \$ 95                     | \$ 5                         |
| 26            | TOTALS (Add Lines 1 - 25)             |                           | \$ 1,868,673                    | \$ 1,948,892              | \$ 80,219                    |

Enter beginning & end of year totals on Pg 7, Line 7

Name: Capitol Water Corporation

**BALANCE SHEET**

For Year Ended December 31, 2009

| <b>ASSETS</b> |  | Balance              | Balance             | Increase         |
|---------------|--|----------------------|---------------------|------------------|
| ACCT #        | DESCRIPTION  | Beginning<br>of Year | End of<br>Year      | or<br>(Decrease) |
| 1 101         | Utility Plant in Service (From Pg 5, Line 29)        | \$ 2,876,849         | 2,971,595           | \$ 94,746        |
| 2 102         | Utility Plant Leased to Others                       |                      |                     | \$ -             |
| 3 103         | Plant Held for Future Use                            |                      |                     | \$ -             |
| 4 105         | Construction Work in Progress                        |                      |                     | \$ -             |
| 5 114         | Utility Plant Aquisition Adjustment                  |                      |                     | \$ -             |
| 6             | Subtotal (Add Lines 1 - 5)                           | \$ 2,876,849         | \$ 2,971,595        | \$ 94,746        |
| 7 108.1       | Accumulated Depreciation (From Pg 6, Line 26)        | \$ 1,868,673         | \$ 1,948,892        | \$ 80,219        |
| 8 108.2       | Accum. Depr. - Utility Plant Lease to Others         |                      |                     | \$ -             |
| 9 108.3       | Accum. Depr. - Property Held for Future Use          |                      |                     | \$ -             |
| 10 110.1      | Accum. Amort. - Utility Plant in Service             |                      |                     | \$ -             |
| 11 110.2      | Accum. Amort. - Utility Plant Lease to Others        |                      |                     | \$ -             |
| 12 115        | Accumulated Amortization - Aquisition Adj.           |                      |                     | \$ -             |
| 13            | Net Utility Plant (Line 6 less lines 7 - 12)         | \$ 1,008,176         | \$ 1,022,703        | \$ 14,527        |
| 14 123        | Investment in Subsidiaries                           |                      |                     | \$ -             |
| 15 125        | Other Investments                                    | \$ 60,763            | 60,763              | \$ -             |
| 16            | Total Investments (Add lines 14 & 15)                | \$ 60,763            | \$ 60,763           | \$ -             |
| 17 131        | Cash   | \$ (14,458)          | 58,650              | \$ 73,108        |
| 18 135        | Short Term Investments                               |                      |                     | \$ -             |
| 19 141        | Accts/Notes Receivable - Customers                   | \$ 93,029            | 98,403              | \$ 5,374         |
| 20 142        | Other Receivables                                    |                      |                     | \$ -             |
| 21 145        | Receivables from Associated Companies                |                      |                     | \$ -             |
| 22 151        | Materials & Supplies Inventory                       | \$ 6,717             | 6,717               | \$ -             |
| 23 162        | Prepaid Expenses                                     | \$ 831               | 906                 | \$ 75            |
| 24 173        | Unbilled (Accrued) Utility Revenue                   |                      |                     | \$ -             |
| 25 143        | Provision for Uncollectable Accounts                 |                      |                     | \$ -             |
| 26            | Total Current (Add lines 17 -24 less line 25)        | \$ 86,119            | \$ 164,676          | \$ 78,557        |
| 27 181        | Unamortized Debt Discount & Expense                  |                      |                     | \$ -             |
| 28 183        | Preliminary Survey & Investigation Charges           |                      |                     | \$ -             |
| 29 184        | Deferred Rate Case Expenses                          |                      |                     | \$ -             |
| 30 186        | Other Deferred Charges                               |                      |                     | \$ -             |
| 31            | <b>Total Assets (Add lines 13, 16 &amp; 26 - 30)</b> | <b>\$ 1,155,058</b>  | <b>\$ 1,248,142</b> | <b>\$ 93,084</b> |

Name: Capitol Water Corporation

**BALANCE SHEET**

For Year Ended December 31, 2009

| <b>LIABILITIES &amp; CAPITAL</b> |   | Balance              | Balance             | Increase         |
|----------------------------------|---|----------------------|---------------------|------------------|
| ACCT #                           | DESCRIPTION   | Beginning<br>of Year | End of<br>Year      | or<br>(Decrease) |
| 1                                | 201-3 Common Stock                                      | \$ 10,000            | 10,000              | \$ -             |
| 2                                | 204-6 Preferred Stock                                   |                      |                     | \$ -             |
| 3                                | 207-13 Miscellaneous Capital Accounts                   | \$ 29,200            | 29,200              | \$ -             |
| 4                                | 214 Appropriated Retained Earnings                      |                      |                     | \$ -             |
| 5                                | 215 Unappropriated Retained Earnings                    | \$ 706,655           | 812,300             | \$ 105,645       |
| 6                                | 216 Reacquired Capital Stock                            |                      |                     | \$ -             |
| 7                                | 218 Proprietary Capital                                 |                      |                     | \$ -             |
| 8                                | Total Equity Capital (Add Lines 1-5+7 less line 6)      | \$ 745,855           | \$ 851,500          | \$ 105,645       |
| 9                                | 221-2 Bonds   | \$ 5,000             | 5,000               | \$ -             |
| 10                               | 223 Advances from Associated Companies                  |                      |                     | \$ -             |
| 11                               | 224 Other Long - Term Debt                              |                      |                     | \$ -             |
| 12                               | 231 Accounts Payable                                    | \$ 3,968             | 7,491               | \$ 3,523         |
| 13                               | 232 Notes Payable                                       | \$ 60,101            | 79,874              | \$ 19,773        |
| 14                               | 233 Accounts Payable - Associated Companies             |                      |                     | \$ -             |
| 15                               | 235 Customer Deposits (Refundable)                      |                      |                     | \$ -             |
| 16                               | 236.11 Accrued Other Taxes Payable                      | \$ 38,178            | 20,311              | \$ (17,867)      |
| 17                               | 236.12 Accrued Income Taxes Payable                     | \$ (3,728)           | (8,731)             | \$ (5,003)       |
| 18                               | 236.2 Accrued Taxes - Non-Utility                       |                      |                     | \$ -             |
| 19                               | 237-40 Accrued Debt, Interest & Dividends Payable       |                      |                     | \$ -             |
| 20                               | 241 Misc. Current & Accrued Liabilities                 |                      |                     | \$ -             |
| 21                               | 251 Unamortized Debt Premium                            |                      |                     | \$ -             |
| 22                               | 252 Advances for Construction                           | \$ 247,996           | 235,009             | \$ (12,987)      |
| 23                               | 253 Other Deferred Liabilities                          |                      |                     | \$ -             |
| 24                               | 255.1 Accumulated Investment Tax Credits - Utility      |                      |                     | \$ -             |
| 25                               | 255.2 Accum. Investment Tax Credits - Non-Utility       |                      |                     | \$ -             |
| 26                               | 261-5 Operating Reserves                                |                      |                     | \$ -             |
| 27                               | 271 Contributions in Aid of Construction                | \$ 160,882           | 160,882             | \$ -             |
| 28                               | 272 Accum. Amort. of Contrib. in Aid of Const. **       | \$ (103,194)         | (103,194)           | \$ -             |
| 29                               | 281-3 Accumulated Deferred Income Taxes                 |                      |                     | \$ -             |
| 30                               | Total Liabilities (Add lines 9 - 29)                    | \$ 409,203           | \$ 396,642          | \$ (12,561)      |
| 31                               | <b>TOTAL LIAB &amp; CAPITAL ( Add lines 8 &amp; 30)</b> | <b>\$ 1,155,058</b>  | <b>\$ 1,248,142</b> | <b>\$ 93,084</b> |

\*\* Only if Commission Approved

Name: Capitol Water Corporation

**STATEMENT OF RETAINED EARNINGS**  
 For Year Ended December 31, 2009

|   |  |                             |
|---|--|-----------------------------|
| 1 | Retained Earnings Balance @ Beginning of Year              | \$ 706,655                  |
| 2 | Amount Added from Current Year Income (From Pg 4, Line 32) | <u>131,233</u>              |
| 3 | Other Credits to Account                                   | <u>                    </u> |
| 4 | Dividends Paid or Appropriated                             | <u>(20,000)</u>             |
| 5 | Other Distributions of Retained Earnings                   | <u>(5,588)</u>              |
| 6 | Retained Earnings Balance @ End of Year                    | <u><u>\$ 812,300</u></u>    |

**CAPITAL STOCK DETAIL**

| 7 | Description (Class, Par Value etc.) | No. Shares | No. Shares  | Dividends |
|---|-------------------------------------|------------|-------------|-----------|
|   |                                     | Authorized | Outstanding | Paid      |
|   | Common Stock                        | 250        | 100         | 20,000.00 |
|   |                                     |            |             |           |
|   |                                     |            |             |           |
|   |                                     |            |             |           |
|   |                                     |            |             |           |

**DETAIL OF LONG-TERM DEBT**

| 8 | Description               | Interest Rate | Year-end Balance | Interest Paid | Interest Accrued |
|---|---------------------------|---------------|------------------|---------------|------------------|
|   | Advances for Construction | N/A           |                  | None          |                  |
|   | Debentures                | 10%           | 5,000.00         | 500.00        |                  |
|   | Note- R. Price            | 9%            | 51,231.51        | -             |                  |
|   | Note- Bayhill             | 7.87%         | 5,142.61         | 2,951.00      |                  |
|   | Note- B of A              | 7.25%         | 0.00             | 3,172.00      |                  |
|   |                           |               |                  |               |                  |
|   |                           |               |                  |               |                  |
|   |                           |               |                  |               |                  |

Name: Capitol Water Corporation

**SYSTEM ENGINEERING DATA**

For Year Ended December 31, 2009

1 Provide an updated system map if significant changes have been made to the system during the year.

2 Water Supply:

| Pump Designation or location | Rated Capacity (gpm) | Type of Treatment: (None, Chlorine Fluoride Filter etc.) | Annual Production (000's Gal.) | Water Supply Source (Well, Spring, Surface Wtr) |
|------------------------------|----------------------|--|--------------------------------|---|
| Well #1                      | 350                  | Phosphate  |                                | Well  |
| Well #2 - inoperative        | 450                  | None   |                                | Well  |
| Well #3                      | 350                  | Phosphate  |                                | Well  |
| Well #4                      | 2000                 | Phosphate  |                                | Well  |
| Well #5 - redrilled in 2002  | 1500                 | None   |                                | Well  |
| Well #6                      | 1500                 | ASR  |                                | Well  |
| Well #7                      | 1500                 | Phosphate  |                                | Well  |
|                              |                      |  |                                |   |
|                              |                      |  |                                |   |
|                              |                      |  |                                |   |

3 System Storage:

| Storage Designation or Location | Total Capacity 000's Gal. | Usable Capacity 000's Gal. | Type of Reservoir (Elevated, Pressurized, Boosted) | Construction (Wood, Steel Concrete) |
|---------------------------------|---------------------------|----------------------------|--|-------------------------------------|
| Well #1                         | 1500                      |                            | Pressurized Steel                                  |                                     |
| Well #2                         |                           |                            |  |                                     |
| Well #3                         | 3000                      |                            | Pressurized Steel                                  |                                     |
| Well #4                         |                           |                            |  |                                     |
| Well #5                         |                           |                            |  |                                     |
| Well #6                         |                           |                            |  |                                     |
| Well #7                         |                           |                            |  |                                     |
|                                 |                           |                            |  |                                     |
|                                 |                           |                            |  |                                     |
|                                 |                           |                            |  |                                     |

(Duplicate form and attach if necessary. Asterisk facilities added this year.)

Name: Capitol Water Corporation

**SYSTEM ENGINEERING DATA**  
(continued)

For Year Ended December 31, 2009

4 Pump information for ALL system pumps, including wells and boosters.

| Designation or Location<br>& Type of Pump** | Horse<br>Power | Rated<br>Capacity<br>(gpm) | Discharge<br>Pressure<br>(psi) | Energy<br>Used<br>This Year |
|---|----------------|----------------------------|--------------------------------|-----------------------------|
| Well #1                                     | 30             | 350                        | 70                             |                             |
| Well #2- inoperative                        | 25             |                            |                                |                             |
| Well #3                                     | 100            | 350                        | 70                             |                             |
| Well #4                                     | 200            | 2000                       | 60                             |                             |
| Well #5                                     | 150            | 1500                       | 75                             |                             |
| Well #6                                     | 150            | 1500                       | 70                             |                             |
| Well #7                                     | 150            | 1500                       | 75                             |                             |
|   |                |                            |                                |                             |
|   |                |                            |                                |                             |

**\*\* Submit pump curves unless previously provided or unavailable. Asterisk facilities added this year.  
Attach additional sheets if inadequate space is available on this page.**

- 5 If Wells are metered:
- |   |                    |
|---|--------------------|
| What was the total amount pumped this year?         | <u>693,138,000</u> |
| What was the total amount pumped during peak month? | <u>122,041,000</u> |
| What was the total amount pumped on the peak day?   | <u>4,954,000</u>   |
- 6 If customers are metered, what was the total amount sold in peak month? N/A
- 7 Was your system designed to supply fire flows? Yes  
If Yes: What is current system rating? Included
- 8 How many times were meters read this year? Daily  
During which months? Jan to Dec
- 9 How many additional customers could be served with no system improvements except a service line and meter? Unknown  
How many of those potential additions are vacant lots? Unknown
- 10 Are backbone plant additions anticipated during the coming year? No  
If Yes, attach an explanation of projects and anticipated costs!
- 11 In what year do you anticipate that the system capacity (supply, storage or distribution) will have to be expanded? Unknown

Name: Capitol Water Corporation

**SYSTEM ENGINEERING DATA**  
(continued)

For Year Ended December 31, 2009

**FEET OF MAINS**

| 1 | Pipe Size | In Use Beginning Of Year | Installed During Year | Abandoned During Year | In Use End of Year |
|---|-----------|--------------------------|-----------------------|-----------------------|--------------------|
|   | 10"       | 600                      |                       |                       | 600                |
|   | 2"        | 7,966                    |                       |                       | 7,966              |
|   | 4"        | 23,740                   |                       |                       | 23,740             |
|   | 6"        | 76,734                   | 140                   |                       | 76,874             |
|   | 8"        | 42,765                   |                       |                       | 42,765             |
|   | 12"       | 2,380                    |                       |                       | 2,380              |
|   | 3/4"      | 59,193                   |                       |                       | 59,193             |
|   | 1"        | 4,816                    | 100                   |                       | 4,916              |
|   | 1 1/2"    | 290                      |                       |                       | 290                |

**CUSTOMER STATISTICS**

|    |                                       | <u>Number of Customers</u> |                  | <u>Thousands of Gallons Sold</u> |                  |
|----|---------------------------------------|----------------------------|------------------|----------------------------------|------------------|
|    |                                       | <u>This Year</u>           | <u>Last Year</u> | <u>This Year</u>                 | <u>Last Year</u> |
| 2  | Metered:                              |                            |                  |                                  |                  |
| 2A | Residential                           |                            |                  |                                  |                  |
| 2B | Commercial                            | 266                        | 260              |                                  |                  |
| 2C | Industrial                            |                            |                  |                                  |                  |
| 3  | Flat Rate:                            |                            |                  |                                  |                  |
| 3A | Residential                           | 2298                       | 2299             |                                  |                  |
| 3B | Commercial                            | 24                         | 24               |                                  |                  |
| 3C | Industrial                            | 127                        | 125              |                                  |                  |
| 4  | Private Fire Protection               |                            |                  |                                  |                  |
| 5  | Public Fire Protection                | 170                        | 170              |                                  |                  |
| 6  | Street Sprinkling                     |                            |                  |                                  |                  |
| 7  | Municipal, Other                      |                            |                  |                                  |                  |
| 8  | Other Water Utilities                 |                            |                  |                                  |                  |
|    | <b>TOTALS (Add lines 2 through 8)</b> | <b>2885</b>                | <b>2878</b>      | <b>0</b>                         | <b>0</b>         |

# CERTIFICATE

State of Idaho )  
County of Ada ) ss

WE, the undersigned H. ROBERT PRICE  
and CHIEF OFFICER  
of the Capitol Water Corporation  
utility, on our oath do severally say that the foregoing report has been prepared under our direction,  
from the original books, papers and records of said utility; that we have carefully examined same, and  
declare the same to be a correct statement of the business and affairs of said utility for the period  
covered by the report in respect to each and every matter and thing therein set forth, to the best of our  
knowledge, information and belief.



H. Robert Price  
(Chief Officer)

\_\_\_\_\_  
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 27 day of April 2010

Alicia A Spero  
NOTARY PUBLIC

My Commission Expires April 3, 2014

gdk/excel/jnelson/anulrpts/wtrannualrpt