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ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 2009

2009 APR 26 AM 8:48
IDAHO PUBLIC UTILITIES COMMISSION

COMPANY INFORMATION

- 1 Give full name of utility Resort Water Co., Inc.
- 2 Date of Organization 11/19/98
- 3 Organized under the laws of the state of Minnesota
- 4 Address of Principal Office (number & street) 165 Village Lane, Suite A.
- 5 P.O. Box (if applicable) _____
- 6 City Sandpoint
- 7 State Idaho
- 8 Zip Code 83864
- 9 Organization (proprietor, partnership, corp.) Corporation
- 10 Towns, Counties served Bonner, Sch. Mt. port township 58NSWsec. 20

11 Are there any affiliated companies? (yes or no) yes

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

12 Contact Information	Name	Phone No.
President (Owner) of corp.	Tom Trulock	208-255-3046
Vice President		
Secretary		
General Manager	see above	
Complaints or Billing	Debra A. Harper	208-255-3042
Engineering	third party	
Emergency Service	Jim Lackey	208-255-3045
Accounting	Debra A. Harper	208-255-3042

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 165 Village Lane, Suite A.
 City Sandpoint
 State Idaho
 Zip 83864

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Resort Water Co., Inc.

COMPANY INFORMATION (Cont.)

For the Year Ended

12/31/2009

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 syst no

18 If yes: Name of Organization _____

Name of owner or operator _____

Mailing Address _____

City _____

State _____

Zip _____

	Gallons/CCF	\$Amount
Water Purchased	_____	_____

Water Purchased

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

If yes, attach full explanation

20 Has the Idaho Department of Environmental Quality recommended any improvements? no

If yes, attach full explanation

21 Number of Complaints received during year cc 0

Quality of Service 0

High Bills 0

Disconnection 0

22 Number of Customers involuntarily disconnect 0

23 Date customers last received a copy of the Su Feb-09
of Rules required by IDAPA 31.21.01.701? _____

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

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Resort Water Co., Inc.

REVENUE & EXPENSE DETAIL

For the Year Ended

12/31/2009

SUB ACCT	DESCRIPTION		
400 REVENUES			
1 460	Unmetered Water Revenue	\$ 223,909.17	
2 461.1	Metered Sales - Residential		
3 461.2	Metered Sales - Commercial, Industrial		
4 462	Fire Protection Revenue		
5 464	Other Water Sales Revenue	\$ 2,088.52	
6 465	Irrigation Sales Revenue		
7 466	Sales for Resale		
8 400	Total Revenue (Add Lines 1 - 7)		\$ 225,997.69
	(also enter result on Page 4, line 1)		
			Booked to Acct # _____
9 *	DEQ Fees Billed separately to customers		Booked to Acct # _____
10 **	Hookup or Connection Fees Collected		Booked to Acct # _____
11 ***	Commission Approved Surcharges Collected		
401 OPERATING EXPENSES			
12 601.1-6	Labor - Operation & Maintenance	\$ 34,876.30	
13 601.7	Labor - Customer Accounts	\$ 5,466.50	
14 601.8	Labor - Administrative & General	\$ 5,466.50	
15 603	Salaries, Officers & Directors	\$ 19,619.00	
16 604	Employee Pensions & Benefits	\$ 12,650.00	
17 610	Purchased Water		
18 615-16	Purchased Power & Fuel for Power	\$ 1,937.06	
19 618	Chemicals	\$ 2,517.25	
20 620.1-6	Materials & Supplies - Operation & Maint.	\$ 13,486.14	
21 620.7-8	Materials & Supplies - Administrative & General	\$ 735.49	
22 631-34	Contract Services - Professional	\$ 14,125.63	
23 635	Contract Services - Water Testing	\$ 1,075.00	
24 636	Contract Services - Other	\$ 3,348.79	
25 641-42	Rentals - Property & Equipment	\$ 1,625.00	
26 650	Transportation Expense	\$ 4,511.03	
27 656-59	Insurance	\$ 8,423.02	
28 660	Advertising		
29 666	Rate Case Expense (Amortization)	\$ 1,984.77	
30 667	Regulatory Comm. Exp. (Other except taxes)		
31 670	Bad Debt Expense		
32 675	Miscellaneous	\$ 730.43	
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)		\$ 132,577.91

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Resort Water Co., Inc.

INCOME STATEMENT

For the Year Ended

12/31/2009

SUB ACCT	DESCRIPTION		
1	Revenue (From Page 3, line 8)	\$	<u>225,997.69</u>
2	Operating Expenses (From Page 3, line 33)	\$	<u>132,577.91</u>
3 403	Depreciation Expense	\$	<u>26,045.51</u>
4 406	Amortization, Utility Plant Aquisition Adj.		
5 407	Amortization Exp. - Other		
6 408.10	Regulatory Fees (PUC)		
7 408.11	Property Taxes	\$	<u>6,437.38</u>
8 408.12	Payroll Taxes	\$	<u>8,906.09</u>
9A 408.13	Other Taxes (list) DEQ Fees	\$	<u>677.74</u>
9B			
9C			
9D			
10 409.10	Federal Income Taxes	\$	<u>8,439.66</u>
11 409.11	State Income Taxes	\$	<u>2,200.00</u>
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)	\$	<u>185,284.29</u>
17 413	Income From Utility Plant Leased to Others		
18 414	Gains (Losses) From Disposition of Utility Plant		
19	Net Operating Income (Add lines 1, 17 & 18 less line 16)	\$	<u>40,713.40</u>
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)	\$	<u>-</u>
29	Gross Income (add lines 19 & 28)	\$	<u>40,713.40</u>
30 427.3	Interest Exp. on Long-Term Debt		
31 427.5	Other Interest Charges	\$	<u>1,249.27</u>
32	NET INCOME (Line 29 less lines 30 & 31), (Also Enter on Pg 9, Line 2)	\$	<u><u>39,464.13</u></u>

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Resort Water Co., Inc.

ACCOUNT 101 PLANT IN SERVICE DETAIL

For the Year Ended

12/31/2009

			Balance	Added	Removed	Balance
			Beginning	During	During	End of
			of Year	Year	Year	Year
SUB ACCT	DESCRIPTION					
1	301	Organization				\$ -
2	302	Franchises and Consents				\$ -
3	303	Land & Land Rights				\$ -
4	304	Structures and Improvements	\$ 202,291.82			\$ 202,291.82
5	305	Collecting & Impounding Reservoirs	\$ 995,918.22	\$ 39,681.27		\$ 1,035,599.49
6	306	Lake, River & Other Intakes				\$ -
7	307	Wells				\$ -
8	308	Infiltration Galleries & Tunnels				\$ -
9	309	Supply Mains	\$ 20,954.51			\$ 20,954.51
10	310	Power Generation Equipment				\$ -
11	311	Power Pumping Equipment				\$ -
12	320	Purification Systems	\$ 16,613.01			\$ 16,613.01
13	330	Distribution Reservoirs & Standpipes				\$ -
14	331	Trans. & Distrib. Mains & Accessories				\$ -
15	333	Services				\$ -
16	334	Meters and Meter Installations				\$ -
17	335	Hydrants	\$ 3,941.91			\$ 3,941.91
18	336	Backflow Prevention Devices				\$ -
19	339	Other Plant & Misc. Equipment				\$ -
20	340	Office Furniture and Equipment				\$ -
21	341	Transportation Equipment	\$ 7,741.65			\$ 7,741.65
22	342	Stores Equipment				\$ -
23	343	Tools, Shop and Garage Equipment				\$ -
24	344	Laboratory Equipment				\$ -
25	345	Power Operated Equipment				\$ -
26	346	Communications Equipment				\$ -
27	347	Miscellaneous Equipment				\$ -
28	348	Other Tangible Property				\$ -
29	TOTAL PLANT IN SERVICE		\$ 1,247,461.12	\$ 39,681.27	\$ -	\$ 1,287,142.39

(Add lines 1 - 28) Enter beginning & end of year totals on Pg 7, Line 1

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Resort Water Co., Inc.

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For the Year Ended

12/31/2009

SUB ACCT		DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	304	Structures and Improvements	2.0%	\$ 35,795.83	\$ 39,345.83	\$ (3,550.00)
2	305	Collecting & Impounding Reservoirs	2%,2.5	\$ 93,265.60	\$ 114,598.65	\$ (21,333.05)
3	306	Lake, River & Other Intakes				\$ -
4	307	Wells				\$ -
5	308	Infiltration Galleries & Tunnels				\$ -
6	309	Supply Mains	2.0%	\$ 3,732.58	\$ 4,151.67	\$ (419.09)
7	310	Power Generation Equipment				\$ -
8	311	Power Pumping Equipment				\$ -
9	320	Purification Systems	4.0%	\$ 5,426.91	\$ 6,091.43	\$ (664.52)
10	330	Distribution Reservoirs & Standpipes				\$ -
11	331	Trans. & Distrib. Mains & Accessories				\$ -
12	333	Services				\$ -
13	334	Meters and Meter Installations				\$ -
14	335	Hydrants	2.0%	\$ 701.81	\$ 780.66	\$ (78.85)
15	336	Backflow Prevention Devices				\$ -
16	339	Other Plant & Misc. Equipment				\$ -
17	340	Office Furniture and Equipment				\$ -
18	341	Transportation Equipment				\$ -
19	342	Stores Equipment				\$ -
20	343	Tools, Shop and Garage Equipment				\$ -
21	344	Laboratory Equipment				\$ -
22	345	Power Operated Equipment				\$ -
23	346	Communications Equipment				\$ -
24	347	Miscellaneous Equipment				\$ -
25	348	Other Tangible Property				\$ -
26		TOTALS (Add Lines 1 - 25)		\$ 138,922.73	\$ 164,968.24	\$ (26,045.51)

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

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Resort Water Co., Inc.

BALANCE SHEET

For the Year Ended

12/31/2009

ASSETS

		Balance	Balance	Increase
		Beginning	End of	or
SUB ACCT	DESCRIPTION	of Year	Year	(Decrease)
1 101	Utility Plant in Service (From Pg 5, Line 29)	\$ 1,247,461.12	\$ 1,287,142.39	\$ 2,534,603.51
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)	\$ 1,247,461.12	\$ 1,287,142.39	\$ 2,534,603.51
7 108.1	Accumulated Depreciation (From Pg 6, Line 26)	\$ 138,922.73	\$ 164,968.24	\$ (26,045.51)
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)	\$ 1,108,538.39	\$ 1,122,174.15	\$ 13,635.76
14 123	Investment in Subsidiaries			\$ -
15 125	Other Investments			\$ -
16	Total Investments (Add lines 14 & 15)	\$ -	\$ -	\$ -
17 131	Cash			\$ -
18 135	Short Term Investments			\$ -
19 141	Accts/Notes Receivable - Customers	\$ 18,076.80	\$ 18,205.76	\$ 128.96
20 142	Other Receivables			\$ -
21 145	Receivables from Associated Companies			\$ -
22 151	Materials & Supplies Inventory			\$ -
23 162	Prepaid Expenses			\$ -
24 173	Unbilled (Accrued) Utility Revenue			\$ -
25 143	Provision for Uncollectable Accounts			\$ -
26	Total Current (Add lines 17 - 24, less line 25)	\$ 18,076.80	\$ 18,205.76	\$ 128.96
27 181	Unamortized Debt Discount & Expense			\$ -
28 183	Preliminary Survey & Investigation Charges			\$ -
29 184	Deferred Rate Case Expenses	\$ 6,104.56	\$ 1,984.77	\$ (4,119.79)
30 186	Other Deferred Charges			\$ -
31	Total Assets (Add lines 13, 16 & 26 - 30)	\$ 1,132,719.75	\$ 1,142,364.68	\$ 9,644.93

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Resort Water Co., Inc.

BALANCE SHEET

For the Year Ended

12/31/2009

LIABILITIES & CAPITAL

		Balance	Balance	Increase
		Beginning	End of	or
SUB ACCT	DESCRIPTION	of Year	Year	(Decrease)
1	201-3 Common Stock	\$ 433,926.46	\$ 433,926.46	
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts			
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings			
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	\$ 433,926.46	\$ 433,926.46	\$ -
9	221-2 Bonds			
10	223 Advances from Associated Companies			
11	224 Other Long - Term Debt			
12	231 Accounts Payable	\$ 6,760.72	\$ 4,186.71	\$ (2,574.01)
13	232 Notes Payable			
14	233 Accounts Payable - Associated Companies			
15	235 Customer Deposits (Refundable)			
16	236.11 Accrued Other Taxes Payable			
17	236.12 Accrued Income Taxes Payable			
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			
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			
28	272 Accum. Amort. of Contrib. in Aid of Const. **			
29	281-3 Accumulated Deferred Income Taxes			
30	Total Liabilities (Add lines 9 - 29)	\$ 6,760.72	\$ 4,186.71	\$ (2,574.01)
31	TOTAL LIABILITIES & CAPITAL (Add lines 8 & 30)	\$ 440,687.18	\$ 438,113.17	\$ (2,574.01)

** Only if Commission Approved

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Resort Water Co., Inc.

STATEMENT OF RETAINED EARNINGS

For the Year Ended

12/31/2009

1	Retained Earnings Balance @ Beginning of Year	\$	123,479.30
2	Amount Added from Current Year Income (From Pg 4, Line 32)	\$	39,464.13
3	Other Credits to Account		
4	Dividends Paid or Appropriated		
5	Other Distributions of Retained Earnings		
6	Retained Earnings Balance @ End of Year		

CAPITAL STOCK DETAIL

7	Description (Class, Par Value etc.)	No. Shares	No. Shares	Dividends
		Authorized	Outstanding	Paid
	common -1 class	100		
				\$ -

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
	none				
	Totals		\$ -	\$ -	\$ -

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Resort Water Co., Inc.

SYSTEM ENGINEERING DATA

For the Year Ended

12/31/2009

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:	Annual Production (000's Gal.)	Water Supply Source
		(None, Chlorine Fluoride Filter etc.)		(Well, Spring, Surface Wtr)
well #4	60	CL2 -Soda Ash	3,711,330	well
Well #5	125	CL2 -Soda Ash	7,047,790	well
Well #6	70	CL2 -Soda Ash	4,589,100	well
TOTALS			15,348,220	

3 System Storage:

Storage Designation or Location	Total Capacity	Usable Capacity	Type of Reservoir	Construction
	(000's Gal.)	(000's Gal.)	(Elevated Pressurized Boosted)	(Wood, Steel Concrete)
Reservoir #1	45000	45000	Elevated	Concrete
Reservoir #2	60000	60000	Elevated	Concrete
Reservoir #3	200000	200000	Elevated	Concrete

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

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: Resort Water Co., Inc.

SYSTEM ENGINEERING DATA Continued

For the Year Ended

12/31/2009

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	8 and others	25475	0	0	24575.00 feet

CUSTOMER STATISTICS

	Number of Customers		Thousands of Gallons Sold	
	This Year	Last Year	This Year	Last Year
2 Metered:				
2A Residential				
2B Commercial				
2C Industrial				
3 Flat Rate:				
3A Residential	278	277		
3B Commercial	126	126		
3C Industrial				
4 Private Fire Protection				
5 Public Fire Protection				
6 Street Sprinkling				
7 Municipal, Other				
8 Other Water Utilities				
TOTALS (Add lines 2 through 8)	404	403	0	0

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

CERTIFICATE

State of Idaho)
) ss
County of)

WE, the undersigned TOM TRULOCK
and ROD ENGEL
of the SCHWEITZER UTILITY Co LLC (RESORT WATER Co)

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.

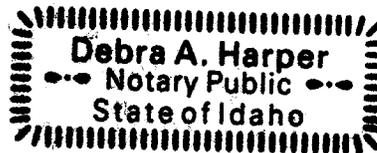
[Signature]
(Chief Officer)

[Signature]
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 15th day of April, 2010

[Signature]
NOTARY PUBLIC



My Commission Expires 10-7-2012

gdk/excel/jnelson/anulrpts/wtrannualrpt

Mountain Utility Company
 Schweitzer Mountain Resort
 Water Production Summary
 PWS-1090123

Month	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
January	1,246,790	1,547,574	1,774,478	2,397,836	2,231,701	2,345,602	2,035,015	1,656,879	1,689,310	1,782,552
February	565,384	1,411,946	1,585,973	2,709,946	1,791,536	3,811,633	1,832,661	1,428,115	1,433,386	1,561,746
March	1,058,097	1,370,169	1,644,187	2,136,610	1,794,193	1,805,904	1,844,999	1,409,596	1,350,499	1,404,054
April	507,089	745,186	897,960	1,170,626	828,105	1,032,984	1,154,339	858,902	695,256	812,494
May	501,773	669,287	920,907	1,191,149	1,461,767	697,500	1,105,749	477,471	540,320	542,199
June	653,805	1,384,060	1,038,634	1,186,532	970,568	730,286	803,459	710,795	541,978	665,026
July	935,118	2,741,430	1,547,588	1,599,330	1,138,930	1,103,338	802,984	2,095,741	1,333,519	1,065,221
August	1,312,060	1,927,503	1,793,036	2,015,326	1,327,305	1,362,970	864,352	2,489,739	1,217,132	1,133,629
September	1,210,723	1,016,296	1,221,595	2,313,454	1,187,414	968,652	812,131	1,455,721	843,697	637,793
October	578,185	809,129	880,965	846,349	724,330	1,018,262	576,777	719,134	605,399	537,251
November	610,555	975,414	1,191,366	999,897	741,232	1,396,917	612,315	1,184,846	863,592	537,203
December	1,922,437	1,695,771	2,319,781	2,291,064	2,209,565	1,985,231	1,531,659	1,384,283	1,442,688	1,552,912
Totals:	11,100,016	16,293,765	16,816,490	20,858,088	16,406,696	18,259,279	13,976,440	15,871,222	12,556,776	12,232,080

MONTH 2005 2006 2007 2008 2009

January	1,399,420	2,469,014	3,386,459	1,432,316	1,391,382
February	1,631,853	1,838,445	4,270,587	1,236,474	1,129,640
March	467,500	1,678,038	1,916,596	1,316,672	1,131,264
April	549,617	863,059	605,663	1,539,310	807,048
May	527,873	610,136	564,425	665,122	721,360
June	509,253	663,830	910,996	907,494	980,232

July	1,134,947	1,279,697	1,763,741	1,373,954	1,350,196
August	1,291,612	1,679,493	2,143,461	1,389,606	1,282,636
September	1,019,502	1,495,461	1,025,053	813,028	932,272
October	770,431	1,932,301	667,514	625,954	544,756
November	1,484,599	2,235,927	1,714,369	1,254,082	1,309,396
December	2,874,201	3,290,745	1,947,269	2,431,206	2,599,940
Totals:	13,660,808	20,036,146	20,916,133	14,985,218	14,180,122

**Resort Water Co., Inc
2009 Annual Report**

EXHIBIT A: AFFILIATED COMPANIES

See Note 7

Affiliate

Schweitzer Utility Company LLC
165 Village Lane, Suite A
Sandpoint, ID 83864

Services Provided

This company provides sewer, main road snowplowing as well as parking lots and cable TV services to Schweitzer Mountain. All employees who do work for the Company are employees of this company. The Company is operated from the offices of the Schweitzer Utility Company and none in common are allocated

Schweitzer Mountain Real Estate LLC
10000 Schweitzer Mt. Road
Sandpoint, Idaho 83864

This company owns the land that the Company operates it's wells and reservoirs on.

Schweitzer Mountain Ski Operations LLC
10000 Schweitzer Mt. Road
Sandpoint, Idaho 83864

This company provides the company's offices, office phones, tech services, human resources services and the CFO oversees the finances of the Company. This company also owns the land that the Company uses for its wells and reservoirs, which results in a large property tax allocation to it

Schweitzer Mountain LLC
10000 Schweitzer Mt. Road
Sandpoint, Idaho 83864

This company owns the shares of the Company.

Schweitzer Mountain Facilities LLC
10000 Schweitzer Mt. Road
Sandpoint, Idaho 83864

This company owns land and does not provide a service to the Company.

MOUNTAIN UTILITY COMPANY

WATER - WASTEWATER - CABLE TV - ROADS

February 1, 2009

To Our Customers:

This is a summary of the rules for deposit and termination of service for all Resort Water Company customers as determined by the Idaho Public Utilities Commission (IPUC). These rules cover the rights and responsibilities of the customer and the utility. An explanation of our rate schedule has also been included.

Questions concerning this information may be directed to:

Resort Water Company
165 Village Lane , Suite A
Sandpoint, Idaho 83864
(208) 255-3042

or

IPUC
Consumer Assistance
Post Office Box 83720
Boise, Idaho 83720-0074
(208) 334-0369
1-800-432-0369

Rate Schedule Information

Most Resort Water Company customers are billed under the following flat rate schedule. However, some customers may be billed under other specific tariffs. Please call the Resort Water Company if there are any questions about the rate used for your billing.

General Flat Rate Service

Resort Water Company bills each current customer each month. The bill is a flat rate of \$44.80 per Equivalent Residential Unit (ERU).

Miscellaneous Charges

Resort Water Company believes that the cost of providing special services should be borne by those customers responsible for incurring the costs. The handling of returned checks, accounts that are disconnected for non-payment and after hour service are some examples of special services. These miscellaneous charges are as follows:

- Returned checks will be assessed a \$15.00 handling fee.
- Reconnection of service due to termination for non-payment if the service is interrupted for less than 30 days is \$20.00 during normal business hours and \$60.00 if after hours.
- Reconnection of service due to any reason if the service is interrupted for greater than 30 days can be calculated based on the tariff charged for four months during normal business hours and can be calculated based on the tariff charged for four months plus \$60.00 if after business hours.
- Field collection trip charge is \$15.00

In most cases, these fees must be paid prior to service being granted or restored.

Deposits/Payment Guarantees

The IPUC service rules allow utilities to ask for deposits or payment guarantees under specific conditions. At this time, Resort Water Company does not require deposits or payment guarantees.

Rules for Termination of Service

Termination with Prior Notice

With proper customer notification, Resort Water Company may deny or terminate water service for one of the following reasons:

1. Nonpayment of a past due billing, payment of a past due billing with any check not honored by the bank, or insufficient funds on an electronic payment;
2. Failure to abide by the terms of a payment arrangement;
3. Obtaining service by misrepresentation of identity;

4. Willfully wasting service through improper equipment or otherwise;
5. Failure to apply for service.

Termination without Prior Notice

Resort Water Company may deny or terminate water service without prior notice for one of the following reasons:

1. A situation exists that is immediately dangerous to life, physical safety or property;
2. To prevent a violation of federal, state or local safety or health codes;
3. Service is obtained, diverted or used without the authorization of Resort Water Company;
4. Resort Water Company has diligently attempted to notify the customer of termination and has been unable to make contact;
5. If ordered by any court, the Commission, or any other duly authorized public authority.

Notification

1. A billing may be considered past due fifteen (15) days after the billing date. A written notice of termination must be mailed at least seven (7) days before the proposed termination date.
2. At least twenty-four (24) hours before the service is terminated, another attempt shall be made to contact the customer in person or by telephone.
3. If service is terminated, a notice will be left at the property advising the customer of the necessary steps to have service restored.

Only a twenty-four (24) hour notice is required if:

4. The initial payment of a payment arrangement is not made or the initial payment is made with a check not honored by the bank;
5. Payment is made by check to a company representative at the premises to prevent termination and the check is not honored by the bank.

Additional Notice

If service is not terminated within twenty-one (21) calendar days after the proposed termination date, Resort Water will begin the notice process again with the seven (7) day written notice.

Payment Arrangements and Special Circumstances

If the customer cannot pay the billing in full or receives a notice of termination, payment arrangements can be made to avoid termination of service. Please call the Resort Water Company at (208) 255-3042.

If the customer cannot pay the billing and a member of the household is seriously ill or there is a medical emergency, Resort Water will postpone termination of service for thirty (30) days. A written certificate is required from a licensed physician or public health official stating the name of the person who is ill and the name, title, and signature of the person certifying the serious illness or medical emergency.

Restriction on Termination of Service

Service cannot be terminated if:

1. The past due billing is less than \$50.00 or two (2) months of service, whichever is less;
2. The unpaid billing is for service to another customer;
3. The billing is for charges other than water service.

Service cannot be disconnected on Friday after 2:00pm, on Saturday, Sunday, legal holidays recognized by the state of Idaho, or after 2:00 pm on any day immediately preceding any legal holiday. Service may be terminated only between the hours of 8:00 am and 4:00 pm.

The employee sent to the premises to terminate service will identify himself/herself to the customer and state the purpose of the visit. This employee is authorized to accept payment in full on the account.

If service is terminated for any one of the conditions listed, Resort Water has employees available for reconnection as soon as the situation is corrected.

Complaint Procedure

If at any time there is a complaint concerning termination of service, policies and practices, or any other matter regarding our service, please contact Resort Water in person, by telephone or in writing. The complaint will be investigated promptly and thoroughly. The customer will be notified orally or in writing of the results of the investigation, and we will make every effort to resolve the complaint.

If the customer is dissatisfied with the proposed resolution of the complaint, the IPUC may be asked to review the matter. The service will not be disconnected while the complaint is being investigated by the utility or the IPUC.