

SWS-W

ANNUAL REPORT

OF

CDS Stoneridge Utility
NAME

Stoneridge Resort, Blanchard, ID
ADDRESS

RECEIVED
2010 APR 15 AM 8:15
IDAHO PUBLIC
UTILITIES COMMISSION

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED December 31, 2009



IDAHO PUBLIC UTILITIES COMMISSION

C.L. "Butch" Otter, Governor

P.O. Box 83720, Boise, Idaho 83720-0074

Jim D. Kempton, President
Marsha H. Smith, Commissioner
Mack A. Redford, Commissioner

December 31, 2009

Kevin Anderson
CDS/Stoneridge Water
5295 S. Commerce Dr.
Suite 175
Murray, UT 84107

RECEIVED
2010 APR 15 AM 8:15
IDAHO PUBLIC
UTILITIES COMMISSION

Dear Mr. Anderson:

The Idaho Public Utilities Commission requires every public utility to file annual reports each year with the Commission consistent with *Idaho Code* § 61-405. The annual reports are due by April 15. Two blank copies of the annual report are enclosed for your convenience. Please complete and return one copy to the Commission. The second copy is for your records.

If you have any questions concerning the reporting procedure or the report form itself, please call our Deputy Administrator of Utilities, Terri Carlock, at (208) 334-0356.

Sincerely,

Randy Lobb
Administrator
Utilities Division

i:\umisc\annual report 1st letters elec wtr

NAME: CDS Stoneridge Utilities, LLC

COMPANY INFORMATION (Cont.)

For the Year Ended 31-Dec-09

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? Yes

If yes, attach full explanation See letters and responses attached

21 Number of Complaints received during year concerning:
Quality of Service 6
High Bills 3
Disconnection 0

22 Number of Customers involuntarily disconnected 2

23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? 1-Jul-07

Attach a copy of the Summary * All customers receive a copy also.

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
FOR THE YEAR ENDING 31-Dec-09**

COMPANY INFORMATION

1 Give full name of utility CDS Stoneridge Utilities, LLC
 2 Date of Organization Apr-01
 3 Organized under the laws of the state of Utah
 4 Address of Principal Office (number & street) 5295 Commerce Drive, Suite 175
 5 P.O. Box (if applicable) _____
 6 City Murray
 7 State Utah
 8 Zip Code 84107
 9 Organization (proprietor, partnership, corp.) partnership
 10 Towns, Counties served Stoneridge resort and golf course community
Blanchard, Idaho

11 Are there any affiliated companies? 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)	Dean Allara	(208) 437-3148
Vice President		
Secretary		
General Manager	Dean Allara	(208) 437-3148
Complaints or Billing	Brad Hansen	(208) 437-2180
Engineering	Brad Hansen	(208) 437-2180
Emergency Service	Keith Rusho	(208) 437-2180
Accounting	Kevin Anderson	(801) 284-2939

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 5295 Commerce Drive, Suite 175
 City Murray
 State Utah
 Zip 84107

NAME: CDS Stoneridge Utilities, LLC

COMPANY INFORMATION (Cont.)

For the Year Ended 31-Dec-09

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When does the contract expire? _____
What services and rates are included? _____

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Name of owner or operator _____
Mailing Address _____
City _____
State _____
Zip _____

Gallons/CCF | \$Amount

Water Purchased

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If yes, attach full explanation

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If yes, attach full explanation See letters and responses attached

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23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? 1-Jul-07

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If yes, attach full explanation and an updated system map

NAME: CDS Stoneridge Utilities, LLC

REVENUE & EXPENSE DETAIL

For the Year Ended 31-Dec-09

ACCT #	DESCRIPTION		
<u>400 REVENUES</u>			
1	460	Unmetered Water Revenue	
2	461.1	Metered Sales - Residential	<u>120,881</u>
3	461.2	Metered Sales - Commercial, Industrial	<u>23,219</u>
4	462	Fire Protection Revenue	
5	464	Other Water Sales Revenue	<u>17,670</u>
6	465	Irrigation Sales Revenue	<u>44,627</u>
7	466	Sales for Resale	
8	400	Total Revenue (Add Lines 1 - 7) (also enter result on Page 4, line 1)	<u>206,397</u>
9	* DEQ Fees Billed separately to customers		Booked to Acct # _____
10	** Hookup or Connection Fees Collected	<u>17,670</u>	Booked to Acct # <u>323200</u>
11	***Commission Approved Surcharges Collected		Booked to Acct # _____
<u>401 OPERATING EXPENSES</u>			
12	601.1-6	Labor - Operation & Maintenance	<u>4,296 x</u>
13	601.7	Labor - Customer Accounts	
14	601.8	Labor - Administrative & General	<u>8,692 x</u>
15	603	Salaries, Officers & Directors	
16	604	Employee Pensions & Benefits	<u>3,994 x</u>
17	610	Purchased Water	
18	615-16	Purchased Power & Fuel for Power	<u>10,189 x</u>
19	618	Chemicals	<u>896 x</u>
20	620.1-6	Materials & Supplies - Operation & Maint.	<u>9,672 x</u>
21	620.7-8	Materials & Supplies - Administrative & General	<u>7,613 x</u>
22	631-34	Contract Services - Professional	
23	635	Contract Services - Water Testing	<u>10,868 x</u>
24	636	Contract Services - Other	
25	641-42	Rentals - Property & Equipment	
26	650	Transportation Expense	<u>7,006 x</u>
27	656-59	Insurance	<u>451 x</u>
28	660	Advertising	
29	666	Rate Case Expense (Amortization)	
30	667	Regulatory Comm. Exp. (Other except taxes)	
31	670	Bad Debt Expense	
32	675	Miscellaneous	<u>1,103 x</u>
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)		64,781

Name: CDS Stoneridge Utilities, LLC

INCOME STATEMENT

For Year Ended 12/31/2009

ACCT #	DESCRIPTION	
1	Revenue (From Page 3, line 8)	<u>206,397</u>
2	Operating Expenses (From Page 3, line 33)	<u>64,781</u>
3 403	Depreciation Expense	<u>39,925 x</u>
4 406	Amortization, Utility Plant Aquisition Adj.	<u> </u>
5 407	Amortization Exp. - Other	<u> </u>
6 408.10	Regulatory Fees (PUC)	<u>923 x</u>
7 408.11	Property Taxes	<u>1,555 x</u>
8 408.12	Payroll Taxes	<u>4,578 x</u>
9A 408.13	Other Taxes (list) DEQ Fees	<u> </u>
9B		<u> </u>
9C		<u> </u>
9D		<u> </u>
10 409.10	Federal Income Taxes	<u> </u>
11 409.11	State Income Taxes	<u> </u>
12 410.10	Provision for Deferred Income Tax - Federal	<u> </u>
13 410.11	Provision for Deferred Income Tax - State	<u> </u>
14 411	Provision for Deferred Utility Income Tax Credits	<u> </u>
15 412	Investment Tax Credits - Utility	<u> </u>
16	Total Expenses from operations before interest (add lines 2-15)	<u>111,762</u>
17 413	Income From Utility Plant Leased to Others	<u> </u>
18 414	Gains (Losses) From Disposition of Utility Plant	<u> </u>
19	Net Operating Income (Add lines 1, 17 & 18 less line 16)	<u>94,635</u>
20 415	Revenues, Merchandizing Jobbing and Contract Work	<u> </u>
21 416	Expenses, Merchandizing, Jobbing & Contracts	<u> </u>
22 419	Interest & Dividend Income	<u> </u> x
23 420	Allowance for Funds used During Construction	<u> </u>
24 421	Miscellaneous Non-Utility Income	<u> </u>
25 426	Miscellaneous Non-Utility Expense	<u> </u>
26 408.20	Other Taxes, Non-Utility Operations	<u> </u>
27 409-20	Income Taxes, Non-Utility Operations	<u> </u>
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>94,635</u>
30 427.3	Interest Exp. on Long-Term Debt	<u>8,602</u>
31 427.5	Other Interest Charges	<u> </u>
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)	<u><u>86,033</u></u>

Name: CDS Stoneridge Utilities, LLC

ACCOUNT 101 PLANT IN SERVICE DETAIL
 For Year Ended 12/31/2009

SUB ACCT #	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of Year
1 301	Organization				
2 302	Franchises and Consents				
3 303	Land & Land Rights				
4 304	Structures and Improvements	739975	4,549	-7,209	737,315
5 305	Collecting & Impounding Reservoirs				
6 306	Lake, River & Other Intakes				
7 307	Wells				
8 308	Infiltration Galleries & Tunnels				
9 309	Supply Mains	66238			66,238
10 310	Power Generation Equipment				
11 311	Power Pumping Equipment	89029	1,058		90,087
12 320	Purification Systems	5078			5,078
13 330	Distribution Reservoirs & Standpipes				
14 331	Trans. & Distrib. Mains & Accessories				
15 333	Services				
16 334	Meters and Meter Installations	289			289
17 335	Hydrants	13823			13,823
18 336	Backflow Prevention Devices				
19 339	Other Plant & Misc. Equipment	3051			3,051
20 340	Office Furniture and Equipment				
21 341	Transportation Equipment	971			971
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	9754			9,754
29	TOTAL PLANT IN SERVICE	928207.93	5,607	-7,209	926,606

(Add lines 1 - 28)

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

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 31-Dec-09

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements		395,512	426,803	31,291
2 305	Collecting & Impounding Reservoirs				
3 306	Lake, River & Other Intakes				
4 307	Wells				
5 308	Infiltration Galleries & Tunnels				
6 309	Supply Mains		38,795	41,864	3,069
7 310	Power Generation Equipment				
8 311	Power Pumping Equipment		52,684	56,852	4,168
9 320	Purification Systems		1,656	1,787	131
10 330	Distribution Reservoirs & Standpipes				
11 331	Trans. & Distrib. Mains & Accessories				
12 333	Services				
13 334	Meters and Meter Installations		1,046	1,129	83
14 335	Hydrants		6,116	6,600	484
15 336	Backflow Prevention Devices				
16 339	Other Plant & Misc. Equipment		732	790	58
17 340	Office Furniture and Equipment				
18 341	Transportation Equipment		8,089	8,729	640
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)		504,630	544,555	39,925

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

BALANCE SHEET

For Year Ended 31-Dec-09

ASSETS		Balance	Balance	Increase
ACCT #	DESCRIPTION	Beginning of Year	End of Year	or (Decrease)
1	101 Utility Plant in Service (From Pg 5, Line 29)	928,208	926,606	-1,602
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)	928,208	926,606	-1,602
7	108.1 Accumulated Depreciation (From Pg 6, Line 26)	504,630	544,555	39,925
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)	423,578	382,051	-41,527
14	123 Investment in Subsidiaries			
15	125 Other Investments			
16	Total Investments (Add lines 14 & 15)			
17	131 Cash	15,713	0	-15,713
18	135 Short Term Investments			
19	141 Accts/Notes Receivable - Customers	26,986	8,799	-18,187
20	142 Other Receivables	523	0	-523
21	145 Receivables from Associated Companies			
22	151 Materials & Supplies Inventory			
23	162 Prepaid Expenses	0	1,039	1,039
24	173 Unbilled (Accrued) Utility Revenue			
25	143 Provision for Uncollectable Accounts			
26	Total Current (Add lines 17 -24 less line 25)	43,222	9,838	-33,384
27	181 Unamortized Debt Discount & Expense			
28	183 Preliminary Survey & Investigation Charges			
29	184 Deferred Rate Case Expenses			
30	186 Other Deferred Charges			
31	Total Assets (Add lines 13, 16 & 26 - 30)	466,800	391,889	-74,911

Balance Sheet

For Year Ended 12-31-09

	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
207-13 Miscellaneous Capital Accounts	123,223	123,223	0
214 Appropriated Retained Earnings			
215 Unappropriated Retained Earnings	-737,990	-651,957	86,033
216 Reacquired Capital Stock			
7 218 Proprietary Capital			
8 Total Equity Capital (Add Lines 1-5+7 less line 6)	-614,767	-528,734	86,033
9 221-2 Bonds			
223 Advances from Associated Companies			
11 224 Other Long - Term Debt	0		
12 231 Accounts Payable	7,345	13,176	5,831
13 232 Notes Payable	499,193	462,754	-36,439
14 233 Accounts Payable - Associated Companies	575,472	514,007	-61,465
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	3,427	641	-2,786
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)	1,085,437	990,577	-94,860
31 TOTAL LIAB & CAPITAL (Add lines 8 & 30)	470,670	461,843	-8,827

** Only if Commission Approved

Name: CDS Stoneridge Utilities, LLC

STATEMENT OF RETAINED EARNINGS

For Year Ended 31-Dec-09

1	Retained Earnings Balance @ Beginning of Year	<u>-737,990</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>86,033</u>
3	Other Credits to Account	<u> </u>
4	Dividends Paid or Appropriated	<u> </u>
5	Other Distributions of Retained Earnings	<u> </u>
6	Retained Earnings Balance @ End of Year	<u><u>-651,957</u></u>

CAPITAL STOCK DETAIL

		No. Shares Authorized	No. Shares Outstanding	Dividends Paid
7	Description (Class, Par Value etc.)			
	Stoneridge Utilities LLC			
	is accounted for as a partnership	no stock		

DETAIL OF LONG-TERM DEBT

	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
8					
	Note from Department of				
	Environmental Quality	2.00%	462,754		

Name: CDS Stoneridge Utilities, LLC

SYSTEM ENGINEERING DATA

For Year Ended 31-Dec-09

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 E005117	800	Chlorine	45916.2	Well
Well #1 E005118	0	Chlorine	back-up	Well
Well #3 D0040131	600	Chlorine	66501.6	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)
Storage tank 1/4 mile west of wells	315000	315000	Elevated	Concrete
2 storage tanks 1 mile west of wells	20000	20000	buried	Steel
4 storage tanks 1 mile west of wells	12000	12000	buried	Concrete

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

Name: CDS Stoneridge Utilities, LLC

SYSTEM ENGINEERING DATA
(continued)

For Year Ended 31-Dec-09

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

Designation or Location & Type of Pump**	Horse Power	Rated Capacity (gpm)	Discharge Pressure (psi)	Energy Used This Year
Pump #1 line shaft turbine	125	1000	115	69798kwh
Pump #1 line shaft turbine	0	0	0	backup
Pump #3 submersible	100	600	115	69798kwh

**** 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? 112.4 million ga
 - What was the total amount pumped during peak month? 28.1 million galls
 - What was the total amount pumped on the peak day? .91 million gallons

- 6 If customers are metered, what was the total amount sold in peak month? 21.3 million gallons

- 7 Was your system designed to supply fire flows? yes
 If Yes: What is current system rating? 5

- 8 How many times were meters read this year? 7
 During which months? April to October

- 9 How many additional customers could be served with no system improvements except a service line and meter? 720
 How many of those potential additions are vacant lots? 503

- 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? 2011/2012

Name: CDS Stoneridge Utilities, LLC

SYSTEM ENGINEERING DATA
(continued)

For Year Ended 31-Dec-09

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	10"	1355'			1355'
	8"	11390'			11,390'
	6"	11,550'			11,550'
	4"	9500			9500'
	3"	27,900'			27,900'
	2"	4250'			4250'
	12"	100'			100'

66045

CUSTOMER STATISTICS

	Number of Customers		Thousands of Gallons Sold	
	This Year	Last Year	This Year	Last Year
2 Metered:				
2A Residential	338	313	45,485	24,525
2B Commercial	13	15	56,914	54,117
2C Industrial				
3 Flat Rate:				
3A Residential				
3B Commercial				
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)	351	328	102,399	78,642

CERTIFICATE

State of Utah
County of Salt Lake ^{SS}

WE, the undersigned Dean Allara
and Kevin Anderson
of the CDS Stoneridge Utility
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)

Kevin Anderson
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 12th day of April, 2010

Dev Le
NOTARY PUBLIC



My Commission Expires 6-1-2010

gdk/excel/jnelson/anuirpts/wtrannualrpt

Addendum to item #11

CDS Stoneridge Partners

This entity is a major equity holder of Stoneridge Utilities, Land and Golf
The ownership consists of several limited partners with Dean Allara, Chris Young, and Dan Stanger
as general partners

CDS Stoneridge Land

This is a sister company of Stoneridge Utilities and is owned by CDS Stoneridge Partners

CDS Stoneridge Golf

This is a sister company of Stoneridge Utilities and is owned by CDS Stoneridge Partners

These entities all have the same addresses as that of Stoneridge Utilities.
They provide administrative, management and financial services to Stoneridge Utilities.

Stoneridge Water Company
P.O. Box 298, Blanchard, ID 83804
Phone: (208) 437-2180 Fax: (208) 437-2181

Summary of Rules

To Our Water Customers:

This is a summary of the rules for service for all Stoneridge 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. Please review the new approved rate schedule under "Notification and Billing."

If you have any questions concerning this information please contact us or you can directly contact the IPUC, P.O. Box 83720, Boise, ID 83720-0074, 1-800-432-0369.

TERMINATION WITH PRIOR NOTICE

With proper customer notice Stoneridge Water Company may deny or terminate water service for one of the following reasons:

1. Non-payment of a past due bill or payment of a past due bill with an NSF check.
2. Failure to honor the terms of a payment arrangement.
3. Obtaining service by false identity.
4. Refusing to allow access to the water meter shut-off valve.
5. Willfully wasting service through improper equipment or otherwise.
6. Failure to apply for service.

TERMINATION WITHOUT PRIOR NOTICE

Stoneridge Water Company may deny or terminate water service without 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 Stoneridge Water Company.
4. Stoneridge Water Company has diligently attempted to notify you of termination and has been unable to contact you.
5. If ordered by any court, The Commission or any other duly authorized public authority.

NOTIFICATION AND BILLING

1. Meters will be read on the first business day of each month (weather providing). Bills will be sent out by the 10th with payment due by the 25th of each month. The basic monthly fee is determined by meter size and is as follows:
 - a.) 0.75" - \$24.00 per month; 1.00" - \$42.67 per month; 1.50" - \$96.00 per month; 2.00" - \$170.67 per month; 2.50" - \$266.67 per month; 3.00" - \$384.00 per month; 4.00" - \$682.67 per month; and 6.00" - \$1,536.00 per month. The commodity charge is \$0.79/1,000 gallons, with the exception of the Golf Course whose charge is \$0.71/1,000 gallons. This reflects a 10% discount because of its interruptible, off-peak usage capabilities.

- b.) In addition, Happy Valley Ranchos Water Customers and other customers connected to that part of the water system shall pay a surcharge of \$16.83 per month for loan costs.
2. A billing will be considered past due (60) days after the billing date. A written Initial Notice must be mailed at least (7) seven days before the proposed termination date. A written Final Notice will be mailed on the expiration date of the Initial Notice. There will be a Grace Period of (7) seven days after the Final Notice has been mailed.
 3. At least (24) twenty-four hours before the service is terminated a notice will be left at the property advising you of the steps needed to have services restored.
 4. When the (24) twenty-four hour period has ended another attempt will be made to contact you in person or by telephone before service is terminated.
 5. Only a (24) twenty-four hour notice is required if you do not make an initial payment according to the payment arrangement or the initial payment is not honored by the bank.

PAYMENT ARRANGEMENTS AND SPECIAL CIRCUMSTANCES

If you cannot pay your billing in full or you receive a notice of termination, please call our office at (208) 437-2180. Payment arrangements can be made to avoid termination of service. If you cannot pay your bill and a member of your household is seriously ill or there is a medical emergency, Stoneridge Water Company will postpone termination of service for (30) thirty days. A written certification 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.

COMPLAINT PROCEDURES

If at any time you have a complaint concerning the termination of service, policies and practices or any other matter regarding our service please contact Stoneridge Water Company, in person, by telephone or in writing. Your complaint will be investigated promptly and thoroughly. You will be notified orally or in writing the results of the investigation and we will make every effort to resolve the complaint. If you are dissatisfied with the proposed resolution of your complaint, you may ask the IPUC to review the matter. Your request may be done orally or in writing. Your service will not be disconnected while the complaint is being investigated by the utility or the IPUC.

RESTRICTION OF TERMINATION OF SERVICE

Service will not be disconnected on Friday after 12:00 noon or on a Saturday, Sunday, Legal Holidays recognized by the state of Idaho, or after 12:00 noon on any day immediately before any legal holiday. Service will only be terminated between the hours of 8:00am and 4:00pm. The employee sent to the premises to terminate service will identify himself/herself to you and state the purpose of the visit. This person is authorized to accept payment in full.

HOOK-UP

The company reserves the right to deny hook-ups during the winter months due to adverse weather conditions. New hook-ups will be scheduled as soon as weather conditions permit.

HOOK-UP CHARGES AND MONTHLY FEES

A one time hook-up charge of \$1,200.00 will be paid in advance for any new service hook-up. The extra costs of any out-of-the-ordinary circumstances requiring additional equipment or special construction techniques involved in the installation of a new service connection will be agreed to in advance and put into writing by the customer and the company. Only one residence per hook-up is allowed. Any irrigation usage will now be metered. The monthly rate is as appears on Page One under "Notification and Billing". Payment is due by the 25th of the month, bills will be considered delinquent by the 30th of the month. Arrangements can be made to pay in advance monthly, quarterly, semi-annually or annually.

RECONNECTION FEE

If water service is terminated, the balance in full, plus a reconnect fee of \$18.50 (during office hours) or \$33.50 (after hours) is due if reconnection is done within 30-days. After 30-days the reconnect fee is as follows:

METER SIZE:

RECONNECT FEE AFTER 30-DAYS:

0.75	\$65.00
1.00	\$116.00
1.50	\$260.00
2.00	\$462.00
2.50	\$722.00
3.00	\$1,040.00
4.00	\$1,849.00
6.00	\$4,160.00

NO ONE EXCEPT AN AUTHORIZED AGENT OF THE COMPANY SHALL TAMPER WITH COMPANY'S LOCKING VALVE AND METER.



STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY

File Sec 1
CDS STONERIDGE
2008-9918

1410 North Hilton • Boise, Idaho 83706 • (208) 373-0502

January 7, 2008

C.L. "Butch" Otter, Governor
Toni Hardesty, Director

Certified Mail No.: 7000 0520 0016 4834 8293

Mr. Dean Allara
CDS Stoneridge Utilities
520 S. El Camino Real, Suite 330
San Mateo, CA 94402

Re: Drinking Water Loan #DW-9918

Dear Mr. Allara:

This letter is to confirm your receipt of the final disbursement payment of the Utility's drinking water loan with the Department of Environmental Quality and to facilitate the repayment of the Utility's loan. Enclosed you will find the Utility's promissory note, which includes a repayment schedule. The signed promissory note should be returned to Carol Garrison in this office, at the address listed above, by February 7, 2008.

If you have any questions or concerns regarding this note please contact Carol Garrison at (208) 373-0577.

Sincerely,

Barry N. Burnell

Barry N. Burnell
Water Quality Division Administrator

BNB:CG:bmc

Enclosures

c: John Tindall, DEQ Coeur d'Alene Regional Office
Carol Garrison, DEQ State Office
Bill Hart, DEQ State Office
Lori Garza, DEQ State Office

DEQ Loan #DW-9918

**PROMISSORY NOTE
DRINKING WATER FACILITY LOAN ACCOUNT**

This Promissory Note is executed in conformance with and pursuant to the Drinking Water Loan Contract (DW-9918) entered into between the CDS Stoneridge Utilities (Borrower) and the State of Idaho, Department of Environmental Quality (DEQ).

For value received, CDS Stoneridge Utilities (herein called the "Borrower") promises to pay to the State the principal amount of four hundred thirty eight thousand five hundred dollars (\$438,500), plus interest on the unpaid balance at the rate of two percent (2.00%) per annum. The principal and interest of this note shall be repaid in accordance with the Loan Repayment Schedule, which is attached as Appendix A and hereby incorporated by reference. In addition, the Borrower pledges revenue and income of the Borrower's drinking water treatment facility, whether collected or uncollected, in an amount sufficient to repay all principal and interest. The Borrower pledges to establish and maintain a reserve account equal to twenty one thousand nine hundred twenty five dollars (\$21,925) of principal and interest. The reserve account will be fully funded within five years from the date this note is signed with at least twenty percent of the reserve account funded each year.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal. Prepayments of scheduled installments, or any portion thereof, may be made only with prior written permission of the State. Refunds and extra payments, after payment of interest, will be applied to the installments last to become due under this note and shall not affect the obligation of the Borrower to pay the remaining installments as scheduled herein.

If the State at any time assigns this note and insures the payment thereof, the Borrower shall continue to make payments to the State as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

Any amount advanced or expended by the State for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in

Page Two
Promissory Note.

connection with the loan evidenced hereby, at the option of the State shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the State without demand.

This note is given as evidence of a loan to Borrower made or insured by the State pursuant to IDAPA 58 Title 1, Chapter 20. This note shall be subject to the present regulations of the State and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest and notice are hereby waived.

Loan payments shall be sent to:

Idaho Department of Environmental Quality
1410 North Hilton
Boise, Idaho 83706-1253

Dated this 28th day of January 2008.

(SEAL)

ATTEST:

Christie Kease
Signature of Attesting Official

Administrative Clerk
Title of Attesting Official

CDS Stoneridge Utilities
Name of Borrower

[Signature]
Signature of Borrower's Official

MANAGER
Title of Borrower's Official

5295 So Commerce Drive #175
P.O. Box or Street Address

Murray Utah 84107
City, State, Zip Cod

DATE 12-21-07 DEPT OF ENVIRONMENTAL QUALITY RUN 12-21-07 AT 11:03 PAGE 1
 AMORTIZATION SCHEDULE

LOAN NUMBER: STONE NAME: STONERIDGE DW-9918
 PMT FREQ: 1 YEAR: Y
 ORIG-LOAN-DATE: 01-01-08
 NEXT-PMT-DATE: 01-01-09
 PMT-TYPE: B
 CUR-BALANCE: 438,500.00
 INTR RATE: 2.0000
 NO OF PMTS: 20
 PMT AMOUNT: 26,821.38

NO.	PMT-DATE	DAYS	AMOUNT	INTEREST	PRINCIPAL	BALANCE
001	01-01-09	366	26,821.38	8,794.03	18,027.35	420,472.65
		366	26,821.38	8,794.03	18,027.35	
002	01-01-10	365	26,821.38	8,409.45	18,411.93	402,060.72
		365	26,821.38	8,409.45	18,411.93	
003	01-01-11	365	26,821.38	8,041.21	18,780.17	383,280.55
		365	26,821.38	8,041.21	18,780.17	
004	01-01-12	365	26,821.38	7,665.61	19,155.77	364,124.78
		365	26,821.38	7,665.61	19,155.77	
005	01-01-13	366	26,821.38	7,302.45	19,518.93	344,605.85
		366	26,821.38	7,302.45	19,518.93	
006	01-01-14	365	26,821.38	6,892.12	19,929.26	324,676.59
		365	26,821.38	6,892.12	19,929.26	
007	01-01-15	365	26,821.38	6,493.53	20,327.85	304,348.74
		365	26,821.38	6,493.53	20,327.85	
008	01-01-16	365	26,821.38	6,086.97	20,734.41	283,614.33
		365	26,821.38	6,086.97	20,734.41	
009	01-01-17	366	26,821.38	5,687.83	21,133.55	262,480.78
		366	26,821.38	5,687.83	21,133.55	
010	01-01-18	365	26,821.38	5,249.62	21,571.76	240,909.02
		365	26,821.38	5,249.62	21,571.76	
011	01-01-19	365	26,821.38	4,818.18	22,003.20	218,905.82
		365	26,821.38	4,818.18	22,003.20	

APPENDIX A

NO.	PMT-DATE	DAYS	AMOUNT	INTEREST	PRINCIPAL	BALANCE
012	01-01-20	365	26,821.38	4,378.12	22,443.26	196,462.56
		365	26,821.38	4,378.12	22,443.26	
013	01-01-21	366	26,821.38	3,940.02	22,881.36	173,581.20
		366	26,821.38	3,940.02	22,881.36	
014	01-01-22	365	26,821.38	3,471.62	23,349.76	150,231.44
		365	26,821.38	3,471.62	23,349.76	
015	01-01-23	365	26,821.38	3,004.63	23,816.75	126,414.69
		365	26,821.38	3,004.63	23,816.75	
016	01-01-24	365	26,821.38	2,528.29	24,293.09	102,121.60
		365	26,821.38	2,528.29	24,293.09	
017	01-01-25	366	26,821.38	2,048.03	24,773.35	77,348.25
		366	26,821.38	2,048.03	24,773.35	
018	01-01-26	365	26,821.38	1,546.96	25,274.42	52,073.83
		365	26,821.38	1,546.96	25,274.42	
019	01-01-27	365	26,821.38	1,041.48	25,779.90	26,293.93
		365	26,821.38	1,041.48	25,779.90	
20	01-01-28	365	26,819.81	525.88	26,293.93	
		365	26,819.81	525.88	26,293.93	
		7305	536,426.03	97,926.03	438,500.00	



STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY

2110 Ironwood Parkway • Coeur d'Alene, Idaho 83814 • (208) 769-1422

C.L. "Butch" Otter, Governor
Toni Hardesty, Director

May 12, 2008

Keith Rusho, Operator
Stoneridge Water Supply System
PO Box 298
Blanchard, ID 83804

RE: Sanitary Survey of Stoneridge Water System, PWS ID1090009

Dear Mr. Rusho:

Thank you for your assistance in conducting a survey of the Stoneridge public water supply system. The Stoneridge water system was found to be in compliance with the Rules for Public Drinking Water Systems. The recent renovation of the water system and the connection of the Happy Valley water system were well done. We did, however, note six deficiencies during the inspection. They were:

1. There was no well log for well #1.
2. A well vent needs to be installed in the pedestal of well 1.
3. All threaded taps in all water supply related buildings and facilities must be protected by atmospheric vacuum breakers.
4. The chlorine solution tanks in the pump house near the wells and the pump house serving the Happy Valley service area must be vented to the outdoors, and all penetrations into the solution tanks must be sealed.
5. Provisions must be made for eye washing and protection during filling of the chemical solution tanks.
6. There is a written cross connection control program but no annual inspections were performed. There were no records of inspections of individual cross connection control devices on file in the utility office.

The procedure for addressing these deficiencies is to create a Plan of Correction (POC). This is a document that lists the deficiencies that were noted by DEQ, how you intend to remedy them, and the dates of remediation. This POC must be sent to DEQ within 45 days of the date of this letter.

I would like to take this opportunity to thank you for your assistance during the survey. If you have any questions or comments about the survey report, please do not hesitate to contact me at (208) 769-1422.

Sincerely,

Anthony P Davis
Analyst

c: Steve Tanner, DEQ/CDA
Laura Williams, 364 Stoneridge, Blanchard, ID 83804



StoneRidge Utilities
P.O. Box 298
Blanchard, ID 83804
(208) 437-2180 Fax – (208) 437-2181
Keith Rusho, Utilities Manager
(208) 437-2180

May 29, 2008

State of Idaho
Department of Environmental Quality
2110 Ironwood Parkway
Coeur d'Alene, ID 83814
Attn: Anthony Davis

Hello Tony

Enclosed you will find StoneRidge Water System's Plan of Correction in response to the Sanitary Survey letter received May 13th.

We hope that our responses are adequate and acceptable.

We have asked for a 1-yr. extension on Item #6 dealing with backflow/cross connection inspections to give us more time to review our customer base and discover who will need to be notified/advised of the necessary requirements to prevent irrigation backflow/cross connection contamination.

If you have any further questions we can be reached at 208-437-2180, P.O. Box 298, Blanchard, ID or 104 Chatwold, Blanchard, ID.

Regards,

Laura L. Williams
Administrative Assistant
StoneRidge Utility Company



StoneRidge Utilities
P.O. Box 298
Blanchard, ID 83804
(208) 437-2180 Fax – (208) 437-2181
Keith Rusho, Utilities Manager
(208) 437-2180

State of Idaho
DEQ
2110 Ironwood Parkway
Coeur d'Alene, ID 83814
Attn: Anthony Davis, Analyst

PLAN OF CORRECTION – MAY 2008 – STONERIDGE WATER COMPANY – ID90009

Deficiency #1

There was no well log for well #1

Correction: See Exhibit A – the available well logs from 4/28/05.

Deficiency #2

A well vent needs to be installed in the pedestal of well #1

Correction - Install ½" PVC schedule 40 male adapter silicone fitting to well base and screen off outside fitting.

To be completed by 6/15/08

Deficiency #3

All threaded taps in all water supply related buildings and facilities must be protected by atmospheric vacuum breakers

Correction: Install atmospheric vacuum breakers to all threaded hose bib taps on source pumps meter chlorine building, StoneRidge booster chlorine meter building and Happy Valley Ranchos (HVR) mid-booster pumps building.

To be completed by 6/15/08

Deficiency #4

The chlorine solution tanks in pump house near the wells and the pump house serving Happy Valley Ranchos (HVR) service area must be vented to the outdoors, and all penetrations into the solution tanks must be sealed.

Correction: Seal off top of chlorine solution tanks where chlorine injector hoses enter tanks

Install new vents below lid and hook up vent pipe to exit through the wall to the outside and screen off pipe. Seal hole through the wall.

To be completed by 6/15/08

Deficiency #5

Provisions made for eye washing and protection during filling of chemical solution tanks

Correction: Order two stand alone Porta Stream II eyewash stations and face shields for the source pumps chlorine building and StoneRidge booster chlorine building.

Ordered 5/22/08 – will be installed when they arrive.

To be completed by 7/15/08

Deficiency #6

There's a written cross connection control program but no annual inspections. No record of inspections of individual cross connection control devices on file in the utility office

Per a conversation with Tony Davis, DEQ Analyst, on 5/28/08, StoneRidge Water Company respectfully requests a 1-yr extension on addressing Deficiency #6 due to our need to verify those customers with automatic irrigation systems, both within StoneRidge Golf Club Community and Happy Valley Ranchos (HVR) community. We will need to research and confirm the source of their irrigation water – whether from our well(s), irrigation pond or their private well(s). We will then furnish those customers with a copy of our Backflow Cross Connection Policy and assist them in arranging for testing of the backflow devices by a certified inspector. We will also keep records of all customers with backflow devices and their testing calendars.

We will begin testing of the backflow devices the summer of 2008 and will continue until testing is completed.

Thereafter testing will be done as required by DEQ.

5/29/2008

Exhibit A

Well Logs – 04/28/05

C:\jmo1\Projects\SRHVR\Phase II\Well\Well Testing.xls

Printed 5/19/2005

STONERIDGE UTILITIES WELL #3 TESTING Step Test 4/28/05

4/28/2005	Well #3		Well #2		Well #1	
	Flow rate	Water Level	Flow rate	Water Level	Flow rate	Water Level
4:30	0	95.17	0	93.00	1000	na
6:00 PM	150	95.17	0	93.00	1000	na
6:01 PM	150	96.00	0		1000	na
6:02 PM	150	96.00	0		1000	na
6:03 PM	150	94.63	0		1000	na
6:04 PM	150	94.63	0		1000	na
6:05 PM	150	94.63	0	94.00	1000	na
6:06 PM	150	94.63	0		1000	na
6:07 PM	150	94.63	0		1000	na
6:08 PM	150	94.63	0		1000	na
6:09 PM	150	94.63	0		1000	na
6:10 PM	150	94.63	0	93.75	1000	na
6:15 PM	150	94.63	0	93.58	1000	na
6:20 PM	150	94.63	0	92.42	1000	na
6:25 PM	150	94.63	0	93.25	1000	na
6:30 PM	150	94.63	0	93.29	1000	na
6:35 PM	150	94.63	0		1000	na
6:40 PM	150	94.63	0		1000	na
6:45 PM	150	94.63	0		1000	na
6:50 PM	150	94.63	0		1000	na
6:55 PM	150	94.63	0	94.08	1000	na
7:00 PM	450	94.63	0		1000	na
7:01 PM	450	95.88	0		1000	na
7:02 PM	450	95.88	0		1000	na
7:03 PM	450	95.88	0		1000	na
7:04 PM	450	95.88	0		1000	na
7:05 PM	450	95.88	0		1000	na
7:06 PM	450	95.88	0		1000	na
7:07 PM	450	95.88	0		1000	na
7:08 PM	450	95.88	0		1000	na
7:09 PM	450	95.88	0		1000	na
7:10 PM	450	95.88	0		1000	na
7:15 PM	450	95.88	0	94.08	1000	na
7:20 PM	450	95.88	0		1000	na
7:25 PM	450	95.88	0		1000	na
7:30 PM	450	95.88	0		1000	na
7:35 PM	450	95.88	0		1000	na
7:40 PM	450	95.88	0		1000	na
7:45 PM	450	95.88	0	94.08	1000	na
7:50 PM	450	95.88	0		1000	na
7:55 PM	450	95.83	0		1000	na

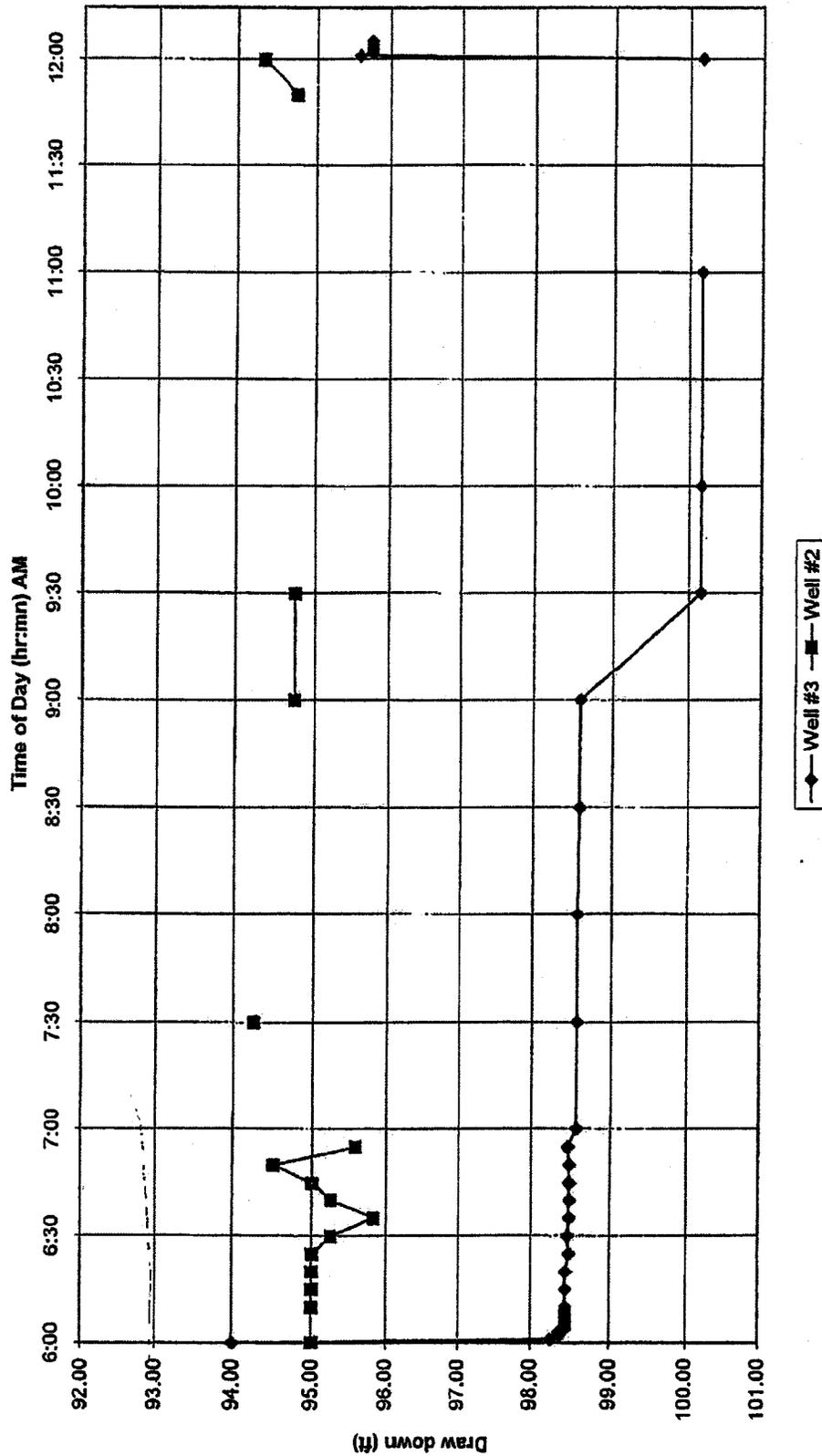
	Well #3		Well #2		Well #1	
	Flow rate	Water Level	Flow rate	Water Level	Flow rate	Water Level
8:00 PM	600	96.50	0		1000	na
8:01 PM	600	98.06	0		1000	na
8:02 PM	600	96.71	0		1000	na
8:03 PM	600	96.64	0		1000	na
8:04 PM	600	96.64	0		1000	na
8:05 PM	600	96.66	0		1000	na
8:06 PM	600	96.63	0		1000	na
8:07 PM	600	96.65	0		1000	na
8:08 PM	600	96.65	0		1000	na
8:09 PM	600	96.65	0		1000	na
8:10 PM	600	96.65	0		1000	na
8:15 PM	600	96.65	0	93.04	1000	na
8:20 PM	600	96.65	0		1000	na
8:25 PM	600	96.65	0		1000	na
8:30 PM	600	96.65	0		1000	na
8:35 PM	600	96.65	0		1000	na
8:40 PM	600	96.65	0		1000	na
8:45 PM	600	96.65	0	93.92	1000	na
8:50 PM	600	96.65	0		1000	na
8:55 PM	600	96.65	0		1000	na
9:00 PM	750	97.54	0		1000	na
9:01 PM	750	97.54	0		1000	na
9:02 PM	750	97.58	0		1000	na
9:03 PM	750	97.50	0		1000	na
9:04 PM	750	97.54	0		1000	na
9:05 PM	750	97.54	0		1000	na
9:06 PM	750	97.54	0		1000	na
9:07 PM	750	97.54	0		1000	na
9:08 PM	750	97.54	0		1000	na
9:09 PM	750	97.54	0		1000	na
9:10 PM	750	97.54	0		1000	na
9:15 PM	750	97.54	0	95.00	1000	na
9:20 PM	750	97.54	0		1000	na
9:25 PM	750	97.54	0		1000	na
9:30 PM	750	97.54	0		1000	na
9:35 PM	750	97.54	0		1000	na
9:40 PM	750	97.54	0		1000	na
9:45 PM	750	97.54	0	95.00	1000	na
9:50 PM	750	97.54	0		1000	na
9:55 PM	750	97.54	0		1000	na
10:00 PM	750	97.54	0		1000	na
10:01 PM	0	93.17	0		1000	na
10:02 PM	0	94.00	0		1000	na
10:03 PM	0	94.00	0		1000	na
10:04 PM	0	94.00	0		1000	na

Printed 5/18/2005

STONERIDGE UTILITIES WELL #3 TESTING 150% Flow Rate Chart

C:\proj\Projects\SRV\VRPhase II\well\Well Testing.xls

920 GPM Flow Rate



JAMES A SEWELL AND ASSOCIATES
Consulting Engineers

9 S Washington Suite 708
Spokane, Washington

STONERIDGE UTILITIES

WELL #3 TESTING

Step Test

4/28/05

4/28/2005	Well #3		Well #2		Well #1	
	Flow rate	Water Level	Flow rate	Water Level	Flow rate	Water Level
4:30	0	95.17	0	93.00	1000	na
6:00 PM	150	95.17	0	93.00	1000	na
6:01 PM	150	96.00	0		1000	na
6:02 PM	150	96.00	0		1000	na
6:03 PM	150	94.63	0		1000	na
6:04 PM	150	94.63	0		1000	na
6:05 PM	150	94.63	0	94.00	1000	na
6:06 PM	150	94.63	0		1000	na
6:07 PM	150	94.63	0		1000	na
6:08 PM	150	94.63	0		1000	na
6:09 PM	150	94.63	0		1000	na
6:10 PM	150	94.63	0	93.75	1000	na
6:15 PM	150	94.63	0	93.58	1000	na
6:20 PM	150	94.63	0	92.42	1000	na
6:25 PM	150	94.63	0	93.25	1000	na
6:30 PM	150	94.63	0	93.29	1000	na
6:35 PM	150	94.63	0		1000	na
6:40 PM	150	94.63	0		1000	na
6:45 PM	150	94.63	0		1000	na
6:50 PM	150	94.63	0		1000	na
6:55 PM	150	94.63	0	94.08	1000	na
7:00 PM	450	94.63	0		1000	na
7:01 PM	450	95.88	0		1000	na
7:02 PM	450	95.88	0		1000	na
7:03 PM	450	95.88	0		1000	na
7:04 PM	450	95.88	0		1000	na
7:05 PM	450	95.88	0		1000	na
7:06 PM	450	95.88	0		1000	na
7:07 PM	450	95.88	0		1000	na
7:08 PM	450	95.88	0		1000	na
7:09 PM	450	95.88	0		1000	na
7:10 PM	450	95.88	0		1000	na
7:15 PM	450	95.88	0	94.08	1000	na
7:20 PM	450	95.88	0		1000	na
7:25 PM	450	95.88	0		1000	na
7:30 PM	450	95.88	0		1000	na
7:35 PM	450	95.88	0		1000	na
7:40 PM	450	95.88	0		1000	na
7:45 PM	450	95.88	0	94.08	1000	na
7:50 PM	450	95.88	0		1000	na
7:55 PM	450	95.83	0		1000	na

Time	Well #3		Well #2		Well #1	
	Flow rate	Water Level	Flow rate	Water Level	Flow rate	Water Level
8:00 PM	600	96.50	0		1000	na
8:01 PM	600	98.06	0		1000	na
8:02 PM	600	96.71	0		1000	na
8:03 PM	600	96.64	0		1000	na
8:04 PM	600	96.64	0		1000	na
8:05 PM	600	96.66	0		1000	na
8:06 PM	600	96.63	0		1000	na
8:07 PM	600	96.65	0		1000	na
8:08 PM	600	96.65	0		1000	na
8:09 PM	600	96.65	0		1000	na
8:10 PM	600	96.65	0		1000	na
8:15 PM	600	96.65	0	93.04	1000	na
8:20 PM	600	96.65	0		1000	na
8:25 PM	600	96.65	0		1000	na
8:30 PM	600	96.65	0		1000	na
8:35 PM	600	96.65	0		1000	na
8:40 PM	600	96.65	0		1000	na
8:45 PM	600	96.65	0	93.92	1000	na
8:50 PM	600	96.65	0		1000	na
8:55 PM	600	96.65	0		1000	na
9:00 PM	750	97.54	0		1000	na
9:01 PM	750	97.54	0		1000	na
9:02 PM	750	97.58	0		1000	na
9:03 PM	750	97.50	0		1000	na
9:04 PM	750	97.54	0		1000	na
9:05 PM	750	97.54	0		1000	na
9:06 PM	750	97.54	0		1000	na
9:07 PM	750	97.54	0		1000	na
9:08 PM	750	97.54	0		1000	na
9:09 PM	750	97.54	0		1000	na
9:10 PM	750	97.54	0		1000	na
9:15 PM	750	97.54	0	95.00	1000	na
9:20 PM	750	97.54	0		1000	na
9:25 PM	750	97.54	0		1000	na
9:30 PM	750	97.54	0		1000	na
9:35 PM	750	97.54	0		1000	na
9:40 PM	750	97.54	0		1000	na
9:45 PM	750	97.54	0	95.00	1000	na
9:50 PM	750	97.54	0		1000	na
9:55 PM	750	97.54	0		1000	na
10:00 PM	750	97.54	0		1000	na
10:01 PM	0	93.17	0		1000	na
10:02 PM	0	94.00	0		1000	na
10:03 PM	0	94.00	0		1000	na
10:04 PM	0	94.00	0		1000	na

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JAMES A SEWELL AND ASSOCIATES
Counseling Engineers

C:\ajmo1\Project\SRW\VR\Phase I\Well\Well Testing.xls

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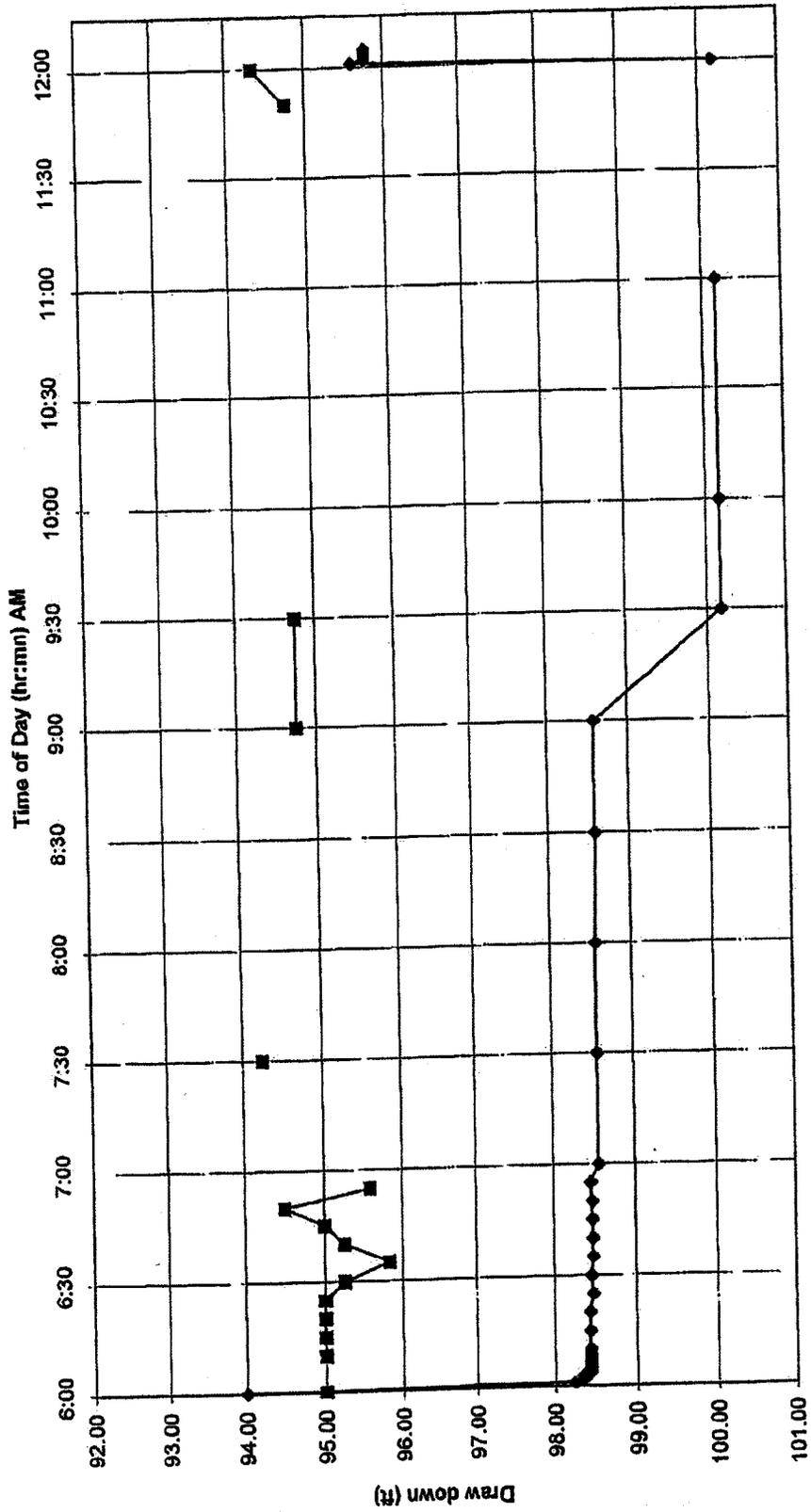
STONERIDGE UTILITIES
WELL #3 TESTING
150% Flow Rate Test
4/29/05

4/29/05 Time	Well #3		Well #2		Well #1	
	Flow rate	Water Level	Flow rate	Water Level	Flow rate	Water Level
6:00 AM	920	94.00	0	95.00	1000	na
6:01 AM	920	98.25	0		1000	na
6:02 AM	920	98.36	0		1000	na
6:03 AM	920	98.35	0		1000	na
6:04 AM	920	98.44	0		1000	na
6:05 AM	920	98.44	0		1000	na
6:06 AM	920	98.44	0		1000	na
6:07 AM	920	98.44	0		1000	na
6:08 AM	920	98.44	0		1000	na
6:09 AM	920	98.44	0		1000	na
6:10 AM	920	98.44	0	95.00	1000	na
6:15 AM	920	98.44	0	95.00	1000	na
6:20 AM	920	98.44	0	95.00	1000	na
6:25 AM	920	98.48	0	95.00	1000	na
6:30 AM	920	98.46	0	95.25	1000	na
6:35 AM	920	98.48	0	95.83	1000	na
6:40 AM	920	98.48	0	95.25	1000	na
6:45 AM	920	98.48	0	95.00	1000	na
6:50 AM	920	98.48	0	94.50	1000	na
6:55 AM	920	98.46	0	95.58	1000	na
7:00 AM	920	98.56	0		1000	na
7:30 AM	920	98.56	0	94.25	1000	na
8:00 AM	920	98.56	0		1000	na
8:30 AM	920	98.58	0		1000	na
9:00 AM	920	98.58	0	94.75	1000	na
9:30 AM	920	100.17	0	94.75	1000	na
10:00 AM	920	100.17	0		1000	na
11:00 AM	920	100.17	0		1000	na
11:50 AM	920		0	94.75	1000	na
12:00 PM	920	100.17	0	94.33	1000	na
12:01 PM	0	95.58	0		1000	na
12:02 PM	0	95.75	0		1000	na
12:03 PM	0	95.75	0		1000	na
12:04 PM	0	95.75	0		1000	na
12:05 PM	0	95.75	0		1000	na

STONERIDGE UTILITIES WELL #3 TESTING 150% Flow Rate Chart

C:\ajm\proj\Projects\SRU\VR\Phase I\well\Well1 Testing.xls

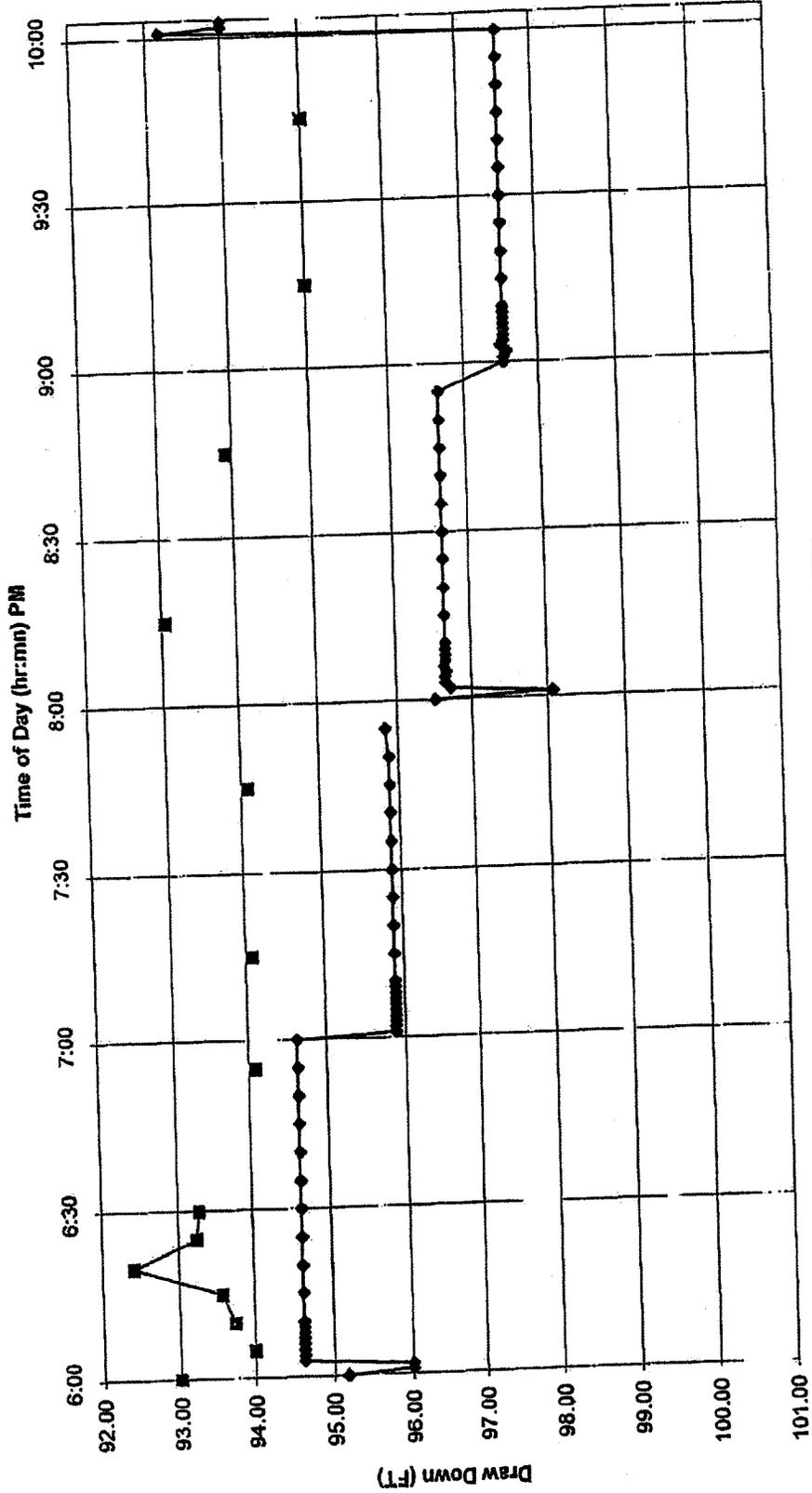
920 GPM Flow Rate



—◆— Well #3 —■— Well #2

STONERIDGE UTILITIES WELL #3 TESTING Step Test Chart

150, 450, 600 & 750 GPM Flow Rate



Well #3
 Well #2

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JAMES A SEWELL AND ASSOCIATES
Consulting Engineers

Stone Ridge
New 10" Well

4 HOUR STEP TEST

SWL 95' 2"

150 GPM	450 GPM	600 GPM	750 GPM
6:00 PM	94' 7 1/2"	96' 6"	97' 6 1/2"
6:01 PM	95' 10 1/2"	96' 3/4"	97' 6 1/2"
6:02 PM	95' 10 1/2"	96' 8 1/2"	97' 7"
6:03 PM	95' 10 1/2"	96' 7 5/8"	97' 6"
6:04 PM	95' 10 1/2"	96' 7 5/8"	97' 6 1/2"
6:05 PM	95' 10 1/2"	96' 7 7/8"	97' 6 1/2"
6:06 PM	95' 10 1/2"	96' 7.5"	97' 6 1/2"
6:07 PM	95' 10 1/2"	96' 7 3/4"	97' 6 1/2"
6:08 PM	95' 10 1/2"	96' 7 3/4"	97' 6 1/2"
6:09 PM	95' 10 1/2"	96' 7 3/4"	97' 6 1/2"
6:10 PM	95' 10 1/2"	96' 7 3/4"	97' 6 1/2"
6:15 PM	95' 10 1/2"	96' 7 3/4"	97' 6 1/2"
6:20 PM	95' 10 1/2"	96' 7 3/4"	97' 6 1/2"
6:25 PM	95' 10 1/2"	96' 7 3/4"	97' 6 1/2"
6:30 PM	95' 10 1/2"	96' 7 3/4"	97' 6 1/2"
6:35 PM	95' 10 1/2"	96' 7 3/4"	97' 6 1/2"
6:40 PM	95' 10 1/2"	96' 7 3/4"	97' 6 1/2"
6:45 PM	95' 10 1/2"	96' 7 3/4"	97' 6 1/2"
6:50 PM	95' 10 1/2"	96' 7 3/4"	97' 6 1/2"
6:55 PM	95' 10"	96' 7 3/4"	97' 6 1/2"
7:00 PM	94' 7 1/2"	8:00 PM	9:00 PM
7:01 PM	95' 10 1/2"	8:01 PM	9:01 PM
7:02 PM	95' 10 1/2"	8:02 PM	9:02 PM
7:03 PM	95' 10 1/2"	8:03 PM	9:03 PM
7:04 PM	95' 10 1/2"	8:04 PM	9:04 PM
7:05 PM	95' 10 1/2"	8:05 PM	9:05 PM
7:06 PM	95' 10 1/2"	8:06 PM	9:06 PM
7:07 PM	95' 10 1/2"	8:07 PM	9:07 PM
7:08 PM	95' 10 1/2"	8:08 PM	9:08 PM
7:09 PM	95' 10 1/2"	8:09 PM	9:09 PM
7:10 PM	95' 10 1/2"	8:10 PM	9:10 PM
7:15 PM	95' 10 1/2"	8:15 PM	9:15 PM
7:20 PM	95' 10 1/2"	8:20 PM	9:20 PM
7:25 PM	95' 10 1/2"	8:25 PM	9:25 PM
7:30 PM	95' 10 1/2"	8:30 PM	9:30 PM
7:35 PM	95' 10 1/2"	8:35 PM	9:35 PM
7:40 PM	95' 10 1/2"	8:40 PM	9:40 PM
7:45 PM	95' 10 1/2"	8:45 PM	9:45 PM
7:50 PM	95' 10 1/2"	8:50 PM	9:50 PM
7:55 PM	95' 10"	8:55 PM	9:55 PM
			10:00 PM

Flow Meter (Gallons x 100)

Start	End
6:00 PM	17183
10:00 PM	18320

Recovery

10:01 PM	93' 2"
10:02 PM	94'
10:03 AM	94'
10:04 AM	94'

Stone Ridge
New 10" Well

CONSTANT RATE TEST
GPM 920

Time	SWL 94' 0"
6:00 AM	94' 0"
6:01 AM	98' 3"
6:02 AM	98' 4 3/8"
6:03 AM	98' 4 1/4"
6:04 AM	98' 5 1/4"
6:05 AM	98' 5 1/4"
6:06 AM	98' 5 1/4"
6:07 AM	98' 5 1/4"
6:08 AM	98' 5 1/4"
6:09 AM	98' 5 1/4"
6:10 AM	98' 5 1/4"
6:15 AM	98' 5 1/4"
6:20 AM	98' 5 1/4"
6:25 AM	98' 5 3/4"
6:30 AM	98' 5 1/2"
6:35 AM	98' 5 3/4"
6:40 AM	98' 5 3/4"
6:45 AM	98' 5 3/4"
6:50 AM	98' 5 3/4"
6:55 AM	98' 5 1/2"
7:00 AM	98' 5 3/4"
7:30 AM	98' 6 3/4"
8:00 AM	98' 6 3/4"
8:30 AM	98' 7"
9:00 AM	98' 7"
9:30 AM	100' 2"
10:00 AM	100' 2"
11:00 AM	100' 2"
12:00 PM	100' 2"

Flow Meter (Gallons x 100)

Time	Start	End
6:00 AM	81320	
12:00 PM		21561

Recovery

Time	95' 7"	95' 9"	95' 9"	95' 9"
12:01 PM				
12:02 PM				
12:03 PM				
12:04 PM				
12:05 PM				

4 DESCRIPTION, OPERATION AND CONTROL OF UNIT OPERATIONS

A Description of process

The source of all the Stoneridge Utilities potable water is the Rathdrum Prairie Aquifer. Source pumps located in a well field lift the water from the Aquifer and pump it to the Stoneridge Storage Tank.

At the well field, the water from the source pumps passes through the Meter Building where the flow is metered, disinfected, and either wasted onto the ground or delivered through the transmission/distribution system to the Stoneridge Storage Tank. The potable water is disinfected by the addition of a solution of sodium hypochlorite. The addition of the chlorine solution is to prevent the growth of pathogens in the water while it is in the water system. The Stoneridge Storage Tank maintains a constant pressure in the lowest pressure zone of the Stoneridge Utilities' water system which serves the Stoneridge development.

The Stoneridge Booster Station draws water from the Stoneridge Storage Tank and pumps the water into the mid level pressure zone. A sodium hypochlorite solution is injected to the water system as the water enters the older HVR portion of the water system. The ability to inject chlorine at the booster station allows the system operator to better maintain the free chlorine residual in the older portion of the system. The mid level pressure zone serves the lower portion of the Happy Valley Ranchos subdivision. The pressure is maintained in the mid level pressure zone by the HVR Mid Level Storage Tanks.

The HVR Mid Level Booster Station draws water from the HVR Mid Level Tanks and pumps the water into the upper pressure zone. The pressure is maintained in the upper level pressure zone by the HVR Upper Level Storage Tanks. The upper level pressure zone serves the homes in the higher portions of the Happy Valley Ranchos subdivision.

B Function of process

- i **Stoneridge Source Pumps** – The Stoneridge source pumps lift water out of wells that are located in Section 20 T 54 N, R 5 WBM. The wells are located in the Stoneridge Golf Course between 11th and 18th fairways on property owned by Stoneridge Golf Course LC. The wells are grouped in a well field having a 50 foot radius over the Rathdrum Prairie Aquifer. Currently only wells #1 and #3 are operational. The soil profile starts as a silty loam soil at the surface and grows progressively courser as it gets deeper. The water table is about 95 feet below the surface. The wells were drilled down to the bedrock at a depth of 145 feet. The casing was then pulled back to expose 20 feet of stainless steel screen. Well #1 has a 12 in steel casing, a line shaft driven turbine pump that is lubricated with vegetable oil. The pump is driven by a 125 horsepower hollow shaft 480 volt electric motor that starts across the line. Well #2 is not in production at this time because the plastic screen has collapsed, prohibiting setting the pump below the bottom of the steel casing.

ATL Accurate Testing Labs, LLC

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STATE OF IDAHO DRINKING WATER COLIFORM BACTERIA ANALYSIS REPORT

Laboratory Director: Walter Mueller
Laboratory Supervisor, Microbiology: Rhena Cooper

Intermountain Drilling
Michele Frachiseur
3419 Hwy 57
Priest River, ID 83856

Lab Sample Number: 54681

Lab Order Number: 2005040382 1

PWS Number:

Water System: Stoneridge
Location: Well #3
County: Bonner
Collected By: Michele Frachiseur
Sample Type: RS-Routine Sample

Date Collected: 04/29/2005
Time Collected: 09:30

Date Received: 04/29/2005
Time Received: 10:27

Method	Analyte	Result	Analysis Date	Analyst
8223B-PA	Total Coliform	Absent	04/30/2005	WM
9223B-PA	E. Coli	Absent	04/30/2005	WM

NOTES:

IF YOUR RESULT IS "ABSENT": The absence of coliform bacteria indicates that your water is not contaminated with coliform bacteria.

IF YOUR RESULT IS "PRESENT": The presence of coliform bacteria means that your water is contaminated, and may contain disease causing organisms. Contaminated water should not be used for drinking water.

If coliform bacteria are present, an additional test has been run for Escherichia coli bacteria. The result for this test is also reported as being present or absent.