

CAP-W

ANNUAL REPORT

OF

Capitol Water Corporation

**2626 Eldorado
Boise, ID 83704**

IDAHO PUBLIC
UTILITIES COMMISSION

2018 APR 27 PM 3:02

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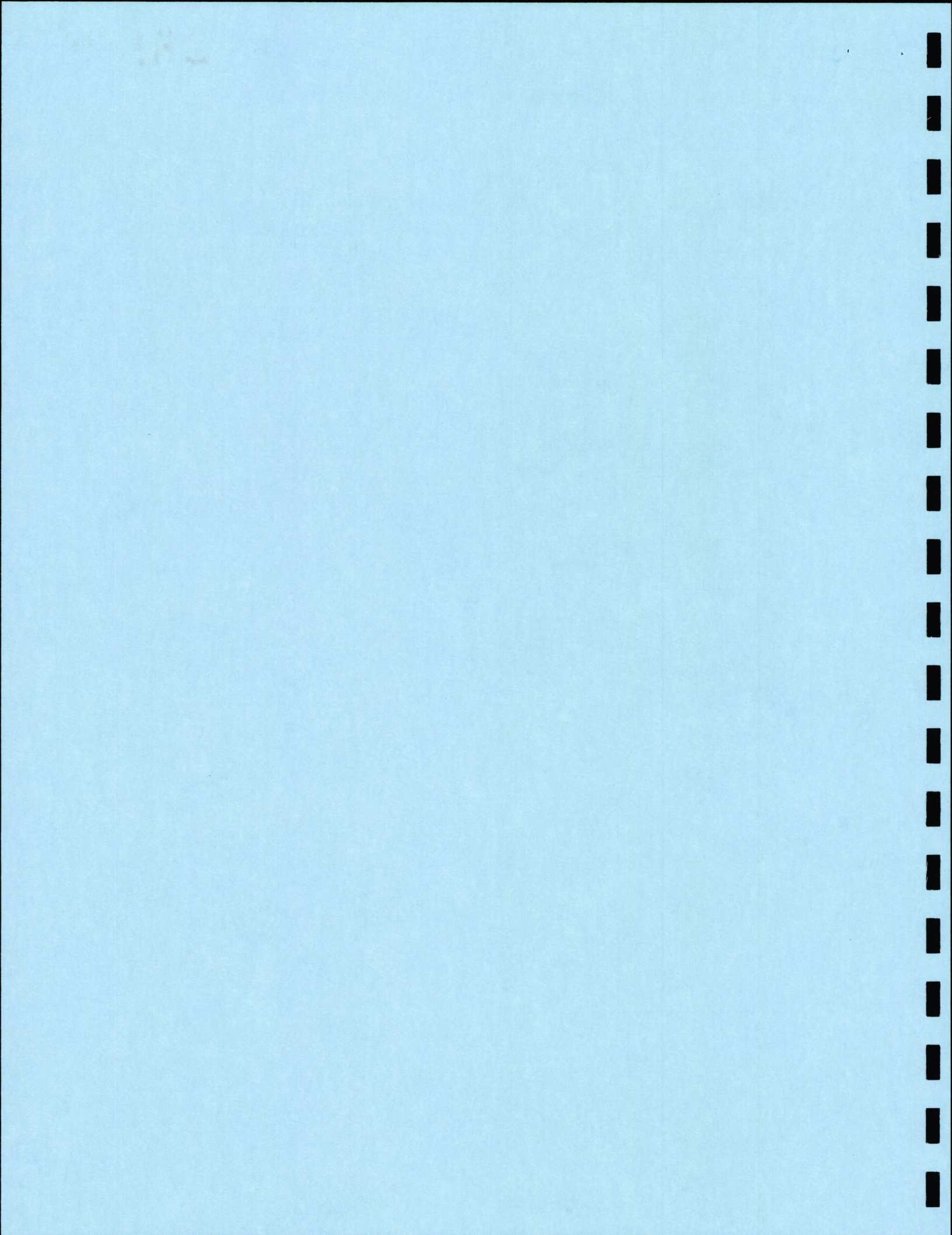
TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 2017



COLES REINSTEIN

Accounting & Consulting

Dennis R. Reinstein, CPA/ABV, ASA, CVA
S. Jason Coles, MBA, CPA/PFS
Keith A. Pinkerton, MBA, CFA, ASA
Susan M. Langley, CPA, CFE
Nate Lining, CPA

Board of Directors
Capitol Water Corporation
Boise, Idaho

Management is responsible the accompanying financial statements of Capitol Water Corporation, which comprise the balance sheet as of December 31, 2017 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. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. 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 in the prescribed form of the Idaho Public Utilities Commission. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements and supplementary information are presented in accordance with the requirements of the Idaho Public Utilities Commission, which differ from accounting principles generally accepted in the United States of America.

Coles Reinstein, PLLC

Boise, ID
April 26, 2018



**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING December 31, 2017**

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	Coles Reinstein 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, 2017

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 5
High Bills 1
Disconnection 1

22 Number of Customers involuntarily disconnected 8

23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? 1-Oct-17

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, 2017

ACCT #	DESCRIPTION		
<u>400 REVENUES</u>			
1	460	Unmetered Water Revenue	\$ 575,457
2	461.1	Metered Sales - Residential	
3	461.2	Metered Sales - Commercial, Industrial	129,997
4	462	Fire Protection Revenue	-
5	464	Other Water Sales Revenue	392
6	465	Irrigation Sales Revenue	
7	466	Sales for Resale	
8	400	Total Revenue (Add Lines 1 - 7) (also enter result on Page 4, line 1)	\$ 705,846
9	* DEQ Fees Billed separately to customers		Booked to Acct # _____
10	** Hookup or Connection Fees Collected		Booked to Acct # _____
11	***Commission Approved Surcharges Collected	-	Booked to Acct # 460.5
<u>401 OPERATING EXPENSES</u>			
12	601.1-6	Labor - Operation & Maintenance	70,806
13	601.7	Labor - Customer Accounts	56,824
14	601.8	Labor - Administrative & General	55,335
15	603	Salaries, Officers & Directors	-
16	604	Employee Pensions & Benefits	68,533
17	610	Purchased Water	
18	615-16	Purchased Power & Fuel for Power	94,327
19	618	Chemicals	24,724
20	620.1-6	Materials & Supplies - Operation & Maint.	16,879
21	620.7-8	Materials & Supplies - Administrative & General	20,445
22	631-34	Contract Services - Professional	14,640
23	635	Contract Services - Water Testing	
24	636	Contract Services - Other	1,981
25	641-42	Rentals - Property & Equipment	
26	650	Transportation Expense	6,859
27	656-59	Insurance	8,885
28	660	Advertising	
29	666	Rate Case Expense (Amortization)	
30	667	Regulatory Comm. Exp. (Other except taxes)	
31	670	Bad Debt Expense	16
32	675	Miscellaneous	14,118
33		Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)	\$ 454,372

Name: Capitol Water Corporation

INCOME STATEMENT

For Year Ended December 31, 2017

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>\$ 705,846</u>
2	Operating Expenses (From Page 3, line 33)	<u>\$ 454,372</u>	
3 403	Depreciation Expense	<u>96,360</u>	
4 406	Amortization, Utility Plant Acquisition Adj.		
5 407	Amortization Exp. - Other		
6 408.10	Regulatory Fees (PUC)	<u>1,607</u>	
7 408.11	Property Taxes	<u>13,611</u>	
8 408.12	Payroll Taxes	<u>14,774</u>	
9A 408.13	Other Taxes (list) DEQ Fees		
9B	Vehicles	<u>544</u>	
9C			
9D			
10 409.10	Federal Income Taxes	<u>17,593</u>	
11 409.11	State Income Taxes	<u>6,907</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>605,768</u>
17 413	Income From Utility Plant Leased to Others		
18 414	Gains (Losses) From Disposition of Utility Plant		<u>-</u>
19	Net Operating Income (Add lines 1, 17 & 18 less line 16)		<u>100,078</u>
20 415	Revenues, Merchandizing Jobbing and Contract Work		
21 416	Expenses, Merchandizing, Jobbing & Contracts		
22 419	Interest & Dividend Income		<u>128</u>
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>128</u>
29	Gross Income (add lines 19 & 28)		<u>100,206</u>
30 427.3	Interest Exp. on Long-Term Debt		<u>76</u>
31 427.5	Other Interest Charges		
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		<u>\$ 100,130</u>

Name: Capitol Water Corporation

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended December 31, 2017

SUB ACCT #	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of 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	\$ 145,482			\$ 145,482
5 305	Collecting & Impounding Reservoirs	\$ 2,452			\$ 2,452
6 306	Lake, River & Other Intakes				\$ -
7 307	Wells	\$ 307,406			\$ 307,406
8 308	Infiltration Galleries & Tunnels				\$ -
9 309	Supply Mains	\$ 1,226,310	\$ 22,791		\$ 1,249,101
10 310	Power Generation Equipment	\$ 3,277			\$ 3,277
11 311	Power Pumping Equipment	\$ 291,422			\$ 291,422
12 320	Purification Systems	\$ 23,731	\$ 1,875		\$ 25,606
13 330	Distribution Reservoirs & Standpipes	\$ 1,838			\$ 1,838
14 331	Trans. & Distrib. Mains & Accessories	\$ 27,680			\$ 27,680
15 333	Services	\$ 952,326	\$ 15,619		\$ 967,945
16 334	Meters and Meter Installations	\$ 119,903	\$ 1,536		\$ 121,439
17 335	Hydrants		\$ 5,000		\$ 5,000
18 336	Backflow Prevention Devices				\$ -
19 339	Other Plant & Misc. Equipment				\$ -
20 340	Office Furniture and Equipment	\$ 29,635	\$ 164		\$ 29,799
21 341	Transportation Equipment	\$ 244,915	\$ 35,784		\$ 280,699
22 342	Stores Equipment				\$ -
23 343	Tools, Shop and Garage Equipment	\$ 26,537	\$ 530		\$ 27,067
24 344	Laboratory Equipment				\$ -
25 345	Power Operated Equipment				\$ -
26 346	Communications Equipment	\$ 928			\$ 928
27 347	Miscellaneous Equipment				\$ -
28 348	Other Tangible Property	\$ 107			\$ 107
29	TOTAL PLANT IN SERVICE (Add lines 1 - 28)	\$ 3,478,697	\$ 83,299	\$ -	\$ 3,561,996

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, 2017

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements		\$ 118,990	\$ 121,368	\$ 2,378
2 305	Collecting & Impounding Reservoirs		\$ 2,438	\$ 2,441	\$ 3
3 306	Lake, River & Other Intakes				\$ -
4 307	Wells		\$ 224,398	\$ 232,489	\$ 8,091
5 308	Infiltration Galleries & Tunnels				\$ -
6 309	Supply Mains		\$ 1,062,058	\$ 1,082,357	\$ 20,299
7 310	Power Generation Equipment		\$ 769	\$ 900	\$ 131
8 311	Power Pumping Equipment		\$ 183,505	\$ 191,536	\$ 8,031
9 320	Purification Systems		\$ 21,509	\$ 21,728	\$ 219
10 330	Distribution Reservoirs & Standpipes		\$ 831	\$ 907	\$ 76
11 331	Trans. & Distrib. Mains & Accessories		\$ 13,021	\$ 14,049	\$ 1,028
12 333	Services		\$ 604,077	\$ 634,383	\$ 30,306
13 334	Meters and Meter Installations		\$ 95,338	\$ 98,565	\$ 3,227
14 335	Hydrants			\$ 117	\$ 117
15 336	Backflow Prevention Devices				\$ -
16 339	Other Plant & Misc. Equipment				\$ -
17 340	Office Furniture and Equipment		\$ 26,223	\$ 27,133	\$ 910
18 341	Transportation Equipment		\$ 172,679	\$ 193,263	\$ 20,584
19 342	Stores Equipment				\$ -
20 343	Tools, Shop and Garage Equipment		\$ 23,634	\$ 24,513	\$ 879
21 344	Laboratory Equipment				\$ -
22 345	Power Operated Equipment				\$ -
23 346	Communications Equipment		\$ 705	\$ 786	\$ 81
24 347	Miscellaneous Equipment				\$ -
25 348	Other Tangible Property		\$ 107	\$ 107	\$ -
26	TOTALS (Add Lines 1 - 25)		\$ 2,550,282	\$ 2,646,642	\$ 96,360

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



Name: Capitol Water Corporation

BALANCE SHEET

For Year Ended December 31, 2017

ASSETS			Balance	Balance	Increase
ACCT #	DESCRIPTION		Beginning	End of	or
			of Year	Year	(Decrease)
1	101	Utility Plant in Service (From Pg 5, Line 29)	\$ 3,478,697	3,561,996	\$ 83,299
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)	\$ 3,478,697	\$ 3,561,996	\$ 83,299
7	108.1	Accumulated Depreciation (From Pg 6, Line 26)	\$ 2,550,282	\$ 2,646,642	\$ 96,360
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)	\$ 928,415	\$ 915,354	\$ (13,061)
14	123	Investment in Subsidiaries			\$ -
15	125	Other Investments	\$ 60,763	60,427	\$ (336)
16		Total Investments (Add lines 14 & 15)	\$ 60,763	\$ 60,427	\$ (336)
17	131	Cash	\$ 59,073	35,547	\$ (23,526)
18	135	Short Term Investments			\$ -
19	141	Accts/Notes Receivable - Customers	\$ 92,755	103,203	\$ 10,448
20	142	Other Receivables			\$ -
21	145	Receivables from Associated Companies			\$ -
22	151	Materials & Supplies Inventory	\$ 5,928	5,928	\$ -
23	162	Prepaid Expenses	\$ 5,520	5,604	\$ 84
24	173	Unbilled (Accrued) Utility Revenue			\$ -
25	143	Provision for Uncollectable Accounts			\$ -
26		Total Current (Add lines 17 -24 less line 25)	\$ 163,276	\$ 150,282	\$ (12,994)
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)	\$ 1,152,454	\$ 1,126,063	\$ (26,391)



Name: Capitol Water Corporation

BALANCE SHEET

For Year Ended December 31, 2017

<u>LIABILITIES & CAPITAL</u>		Balance	Balance	Increase
ACCT #	DESCRIPTION	Beginning	End of	or
		of Year	Year	(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	\$ 899,138	907,333	\$ 8,195
6	216 Reacquired Capital Stock			\$ -
7	218 Proprietary Capital			\$ -
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	\$ 938,338	\$ 946,533	\$ 8,195
9	221-2 Bonds	\$ 5,000	5,000	\$ -
10	223 Advances from Associated Companies			\$ -
11	224 Other Long - Term Debt			\$ -
12	231 Accounts Payable	\$ 4,179	6,997	\$ 2,818
13	232 Notes Payable	\$ 40,000	\$ -	\$ (40,000)
14	233 Accounts Payable - Associated Companies			\$ -
15	235 Customer Deposits (Refundable)			\$ -
16	236.11 Accrued Other Taxes Payable	\$ 26,446	13,003	\$ (13,443)
17	236.12 Accrued Income Taxes Payable	\$ (18,165)	4,335	\$ 22,500
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	\$ 139,346	132,885	\$ (6,461)
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. **	\$ (143,572)	(143,572)	\$ -
29	281-3 Accumulated Deferred Income Taxes			\$ -
30	Total Liabilities (Add lines 9 - 29)	\$ 214,116	\$ 179,530	\$ (34,586)
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	\$ 1,152,454	\$ 1,126,063	\$ (26,391)

** Only if Commission Approved



Name: Capitol Water Corporation

STATEMENT OF RETAINED EARNINGS

For Year Ended December 31, 2017

1	Retained Earnings Balance @ Beginning of Year	\$ 899,138
2	Amount Added from Current Year Income (From Pg 4, Line 32)	100,130
3	Other Credits to Account	_____
4	Dividends Paid or Appropriated	(84,584)
5	Other Distributions of Retained Earnings	(7,351)
6	Retained Earnings Balance @ End of Year	<u>\$ 907,333</u>

CAPITAL STOCK DETAIL

		No. Shares Authorized	No. Shares Outstanding	Dividends Paid
7	Description (Class, Par Value etc.)			
	Common Stock	250	100	84,584.00

DETAIL OF LONG-TERM DEBT

	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
8	Advances for Construction	N/A		None	
	Debentures	10%	5,000.00	250.00	
	Note- R. Price	9%	0.00	-	
	Note- Bayhill	7.87%	0.00	0.00	
	Note- B of A	7.25%	0.00	0.00	



Name: Capitol Water Corporation

SYSTEM ENGINEERING DATA

For Year Ended December 31, 2017

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				
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, 2017

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
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>726,573,000</u> |
| What was the total amount pumped during peak month? | <u>96,250,000</u> |
| What was the total amount pumped on the peak day? | <u>4,235,000</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, 2017

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"	76,874			76,874
	8"	42,765			42,765
	12"	2,380			2,380
	3/4"	59,193			59,193
	1"	4,918			4,918
	1 1/2"	290			290

CUSTOMER STATISTICS

		Number of Customers		Thousands of Gallons Sold	
		This Year	Last Year	This Year	Last Year
2	Metered:				
2A	Residential				
2B	Commercial	261	261		
2C	Industrial				
3	Flat Rate:				
3A	Residential	2441	2441		
3B	Commercial	0	0		
3C	Industrial	0	0		
4	Private Fire Protection	21	21		
5	Public Fire Protection	174	174		
6	Street Sprinkling				
7	Municipal, Other				
8	Other Water Utilities				
TOTALS (Add lines 2 through 8)		2897	2897	0	0



CERTIFICATE

State of Idaho)
County of Ada) ss

WE, the undersigned H. ROBERT PRICE
and _____
of the CAPITOL WATER CORP.
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.

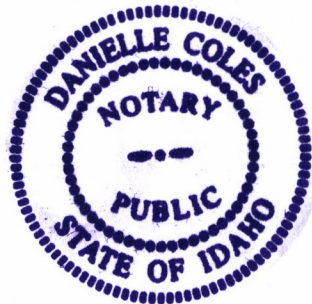
H Robert Price
(Chief Officer)

H Robert Price
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 27th day of April, 2018
Danielle Coles
NOTARY PUBLIC

My Commission Expires September 05, 2020



gdk/excel/jnelson/anulrpts/wtrannualrpt

