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IDAHO PUBLIC
UTILITIES COMMISSION

ANNUAL REPORT

OF *AWS-w*

Alpina Water Co.
NAME

P.O. Box 751

Sandpoint, ID 83864
ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED *2008*

**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 2008**

COMPANY INFORMATION

1 Give full name of utility Algoma Water Co.
 Telephone Area Code () (208) 263-8946
 E-mail address joan.brittain@wildblue.net
 2 Date of Organization May 15, 1984 - Water Right Lease 76-08392
 3 Organized under the laws of the state of Idaho
 4 Address of Principal Office (number & street) 211 Jim Brown Way
 5 P.O. Box (if applicable) _____
 6 City Sandpoint
 7 State Idaho
 8 Zip Code 83864
 9 Organization (proprietor, partnership, corp.) Sole Proprietor
 10 Towns, Counties served Algoma, Bonner 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)	<u>Robert J. Carrier</u>	<u>(702) 737-7210</u>
Vice President	_____	_____
Secretary	_____	_____
General Manager	_____	_____
Complaints or Billing	<u>Joan Brittain</u>	<u>(208) 263-8946</u>
Engineering	<u>Bob Hanson, Water Systems Mgt. Inc</u>	<u>(208) 265-4270</u>
Emergency Service	<u>Jerry Neal, Neal Pump & Electric</u>	<u>(208) 263-9166</u>
Accounting	<u>Joan Brittain</u>	<u>(208) 263-8946</u>

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 211 Jim Brown Way
 City Sandpoint
 State Idaho
 Zip 83864

NAME: Algoma Water

COMPANY INFORMATION (Cont.)

For the Year Ended 2008

15 Is the system operated or maintained under a service contract?

Yes

16 If yes: With whom is the contract?

Water Systems Mgt. Inc.

When does the contract expire?

On going on a monthly basis

What services and rates are included?

General Public Drinking Water Systems Operation - #165
Monthly Bacteria Testing Lab Charges - #15

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

0

High Bills

0

Disconnection

0

22 Number of Customers involuntarily disconnected

0

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

7/1/08

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

Algoma Water Company
P.O. Box 751
Sandpoint, ID 83864
Emergencies: Deal Pump & Electric (208) 263-9166
Billing: Joan Brittain (208) 263-8946

SUMMARY OF RULES AND REGULATIONS OF THE IDAHO PUBLIC UTILITIES COMMISSION GOVERNING RELATIONS FOR CUSTOMERS OF SMALL WATER COMPANIES.

Algoma Water Company may disconnect water to a customer with adequate notice for the following reasons:

1. Non payment of past bills. Bills are considered past due 15 days after billing date on mailing label.
2. Failure to abide by the terms of a payment arrangement or presentation of a non-sufficient funds check for a payment arrangement.
3. If a customer misrepresents his/her identity to obtain service.
4. Violation of any other rules of the utility on file with the IPUC.
5. Non-sufficient funds check presented personally in order to forestall disconnection.

Termination without prior notice can occur if:

1. An emergency situation exists which endangers life, physical safety or personal property.
2. Algoma Water Company attempted to contact a customer twenty four hours prior to disconnection and was unable to reach the customer.
3. Service is obtained, diverted or used without authorization or knowledge of the utility.

PAYMENT ARRANGEMENTS CAN BE MADE BY CONTACTING JOAN BRITTAIN AT (208) 263-8946.

If a medical emergency exists or there is someone in the household who is seriously ill, disconnection can be postponed 30 days if Algoma Water Company is presented with a certificate signed by a licensed physician. After the 30 days are up, however, payment arrangements must be made or the past due bill must be paid in full. Algoma Water Company can collect a deposit if at any time we believe that a customer is a credit risk or a risk to property exists.

If you have a complaint concerning any billing or policies of Algoma Water Company, please contact Joan Brittain at (208) 263-8946. We will investigate and try to resolve the conflict. However, if you are still dissatisfied you may contact the Idaho Public Utilities Commission at: IPUC, Post Office Box 83720, Boise, ID 83720-0074 or call 1-800-432-0369.

Our current rates are Residential: \$27 per month; Commercial: \$44.50 per month. There will be a reconnection fee of \$25 if service is terminated. Also, a deposit equal to two monthly payments will be required to restore service.

*Attachment
Per Page 2*

NAME: Algoma Water

REVENUE & EXPENSE DETAIL

For the Year Ended 2008

ACCT #	DESCRIPTION		
400 REVENUES			
1 460	Unmetered Water Revenue	<u>7525.30</u>	
2 461.1	Metered Sales - Residential		
3 461.2	Metered Sales - Commercial, Industrial		
4 462	Fire Protection Revenue		
5 464	Other Water Sales Revenue		
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)		<u>7525.30</u>
9 *	DEQ Fees Billed separately to customers	<u>0</u>	Booked to Acct # _____
10 **	Hookup or Connection Fees Collected	<u>0</u>	Booked to Acct # _____
11 ***	Commission Approved Surcharges Collected	<u>.27</u>	Booked to Acct # <u>Finlkg. -</u> <u>other income</u>
401 OPERATING EXPENSES			
12 601.1-6	Labor - Operation & Maintenance	<u>2752.49</u>	
13 601.7	Labor - Customer Accounts		
14 601.8	Labor - Administrative & General	<u>800.00</u>	
15 603	Salaries, Officers & Directors		
16 604	Employee Pensions & Benefits		
17 610	Purchased Water		
18 615-16	Purchased Power & Fuel for Power	<u>1937.55</u>	
19 618	Chemicals		
20 620.1-6	Materials & Supplies - Operation & Maint.		
21 620.7-8	Materials & Supplies - Administrative & General	<u>232.54</u>	
22 631-34	Contract Services - Professional	<u>2617.00</u>	
23 635	Contract Services - Water Testing	<u>529.00</u>	
24 636	Contract Services - Other		
25 641-42	Rentals - Property & Equipment		
26 650	Transportation Expense		
27 656-59	Insurance		
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>FIELD TELEPHONE</u>	<u>21.96</u>	
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)		<u>8890.54</u>

Name:

Algona Water

INCOME STATEMENT

For Year Ended 2008

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>7525.30</u>
2	Operating Expenses (From Page 3, line 33)	<u>8890.54</u>	
3	403 Depreciation Expense		
4	406 Amortization, Utility Plant Aquisition Adj.		
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)	<u>225.00</u>	
7	408.11 Property Taxes	<u>463.42</u>	
8	408.12 Payroll Taxes		
9A	408.13 Other Taxes (list) DEQ Fees		
9B			
9C			
9D			
10	409.10 Federal Income Taxes		
11	409.11 State Income Taxes		
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>9578.96</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><2053.66></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)		
29	Gross Income (add lines 19 & 28)		
30	427.3 Interest Exp. on Long-Term Debt		
31	427.5 Other Interest Charges		<u>.27</u>
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		<u><2053.39></u>

Name: Alpina Water

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended 2008

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	764.83	0	0	764.83
5 305	Collecting & Impounding Reservoirs	2068.77	0	0	2068.77
6 306	Lake, River & Other Intakes				
7 307	Wells				
8 308	Infiltration Galleries & Tunnels				
9 309	Supply Mains				
10 310	Power Generation Equipment				
11 311	Power Pumping Equipment	2332.08	0	0	2332.08
12 320	Purification Systems				
13 330	Distribution Reservoirs & Standpipes				
14 331	Trans. & Distrib. Mains & Accessories	1681.48	0	0	1681.48
15 333	Services				
16 334	Meters and Meter Installations				
17 335	Hydrants				
18 336	Backflow Prevention Devices				
19 339	Other Plant & Misc. Equipment				
20 340	Office Furniture and Equipment				
21 341	Transportation Equipment				
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	6847.16	0	0	6847.16

(Add lines 1 - 28)

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

Name: _____

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended _____

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements				
2 305	Collecting & Impounding Reservoirs				
3 306	Lake, River & Other Intakes				
4 307	Wells				
5 308	Infiltration Galleries & Tunnels				
6 309	Supply Mains				
7 310	Power Generation Equipment				
8 311	Power Pumping Equipment				
9 320	Purification Systems				
10 330	Distribution Reservoirs & Standpipes				
11 331	Trans. & Distrib. Mains & Accessories				
12 333	Services				
13 334	Meters and Meter Installations				
14 335	Hydrants				
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)				

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

Name: Algoma Water

BALANCE SHEET

For Year Ended 2008

ASSETS			Balance	Balance	Increase
ACCT #	DESCRIPTION	Balance	End of	or	(Decrease)
		Beginning	Year		
		of Year			
1	101 Utility Plant in Service (From Pg 5, Line 29)	6847.16	6847.16	0	
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)	6847.16	6847.16	0	
7	108.1 Accumulated Depreciation (From Pg 6, Line 26)				
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)	6847.16	6847.16	0	
14	123 Investment in Subsidiaries				
15	125 Other Investments - <i>LAND, WELLS & SPRINGS</i>	22728.27	22728.27	0	
16	Total Investments (Add lines 14 & 15)				
17	131 Cash	324.42	366.84	42.42	
18	135 Short Term Investments				
19	141 Accts/Notes Receivable - Customers	<327.67>	<747.90>	<420.23>	
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)				
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)	29572.18	29194.37	<377.81>	

Name: Algoma Water

BALANCE SHEET

For Year Ended 2008

<u>LIABILITIES & CAPITAL</u>		Balance	Balance	Increase
ACCT #	DESCRIPTION	Beginning of Year	End of Year	or (Decrease)
1	201-3 Common Stock			
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts			
4	214 Appropriated Retained Earnings	25247.76	23194.37	<2053.39>
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)	25247.76	23194.37	<2053.39>
9	221-2 Bonds			
10	223 Advances from Associated Companies			
11	224 Other Long - Term Debt			
12	231 Accounts Payable			
13	232 Notes Payable	4000.00	6000.00	2000.00
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)	4000.00	6000.00	2000.00
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	<u>29247.76</u>	<u>29194.37</u>	<u><53.39></u>

** Only if Commission Approved

Name: Alzome Water

STATEMENT OF RETAINED EARNINGS

For Year Ended 2008

1	Retained Earnings Balance @ Beginning of Year	<u>25247.76</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>(2053.39)</u>
3	Other Credits to Account	_____
4	Dividends Paid or Appropriated	_____
5	Other Distributions of Retained Earnings	_____
6	Retained Earnings Balance @ End of Year	<u>23194.37</u>

CAPITAL STOCK DETAIL

7	Description (Class, Par Value etc.)	No. Shares	No. Shares	Dividends
		Authorized	Outstanding	Paid

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
	<u>Note from Owner / No Lt.</u>	<u>0</u>	<u>6000.00</u>	<u>0</u>	<u>0</u>

Name: Alzoma Water

SYSTEM ENGINEERING DATA
(continued)
For Year Ended 2008

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year

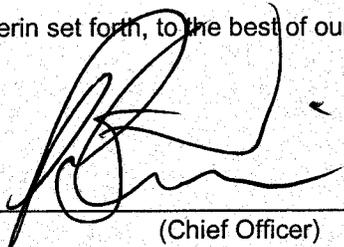
CUSTOMER STATISTICS

	Number of Customers		Thousands of Gallons Sold	
	This Year	Last Year	This Year	Last Year
2 Metered:				
2A Residential	21	21		
2B Commercial	6	6	(No. 10 RV has 2 hookups)	
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)	27	27		

CERTIFICATE

State of ~~Idaho~~ Nevada)
County of Clark) ss

WE, the undersigned ROBERT J CARRIER
and _____
of the ALGOMA WATER
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.



(Chief Officer)

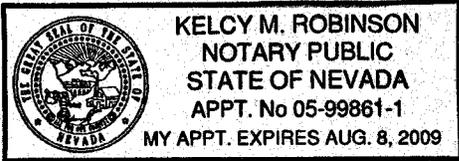
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 26th day of January, 2009

Kelcy M Robinson
NOTARY PUBLIC

My Commission Expires August 8, 2009



gdk/excel/jnelson/anulrpts/wtrannualrpt