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ANNUAL REPORT

IDAHO PUBLIC
UTILITIES COMMISSION

OF

Bitterroot Water Company
NAME

PO Box 1527 Coeur d'Alene Id. 83816
ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 2002

**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 2002**

COMPANY INFORMATION

- 1 Give full name of utility Bitterroot Water Co. Inc.
- 2 Date of Organization 6-16-95
- 3 Organized under the laws of the state of Idaho
- 4 Address of Principal Office (number & street) 5480 W. Twin Lakes Ave Rathdrum Id. 83858
- 5 P.O. Box (if applicable) Po Box 1527
- 6 City Coeur d'Alene
- 7 State Idaho
- 8 Zip Code 83816-1527
- 9 Organization (proprietor, partnership, corp.) Corporation
- 10 Towns, Counties served Arhol, Kootenai County

11 Are there any affiliated companies?
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 B. Burnett</u>	<u>907-979-9333</u>
Vice President	<u>-</u>	
Secretary	<u>Dennis Kelly</u>	<u>907-243-8926</u>
General Manager	<u>Debbie Harper</u>	<u>208-687-1743</u>
Complaints or Billing	<u>Debbie Harper</u>	<u>208-687-1743</u>
Engineering	<u>D. Idaho Engineering</u>	<u>208-667-1171</u>
Emergency Service	<u>United Pump Company</u>	<u>208-772-3230</u>
Accounting	<u>Debbie Harper</u>	<u>208-687-1743</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 5480 W. Twin Lakes Ave.
 - City Rathdrum
 - State Idaho
 - Zip 83858

NAME: Bitterroot Water Co. Inc.

COMPANY INFORMATION (Cont.)

For the Year Ended 2002

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

16 If yes: With whom is the contract? United Pump Company
When does the contract expire? n/a
What services and rates are included? monthly - 75⁰⁰ Checks all electric, pumps, motors
Pressure tanks and chlorinator

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 9
High Bills 0
Disconnection 0

22 Number of Customers involuntarily disconnected none

23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? 7-1-02-
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: Bitterroot Water Company Inc.

REVENUE & EXPENSE DETAIL

For the Year Ended 2002

ACCT #	DESCRIPTION		
<u>400 REVENUES</u>			
1	460	Unmetered Water Revenue	<u>4525.00</u>
2	461.1	Metered Sales - Residential	<u>31,029.44</u>
3	461.2	Metered Sales - Commercial, Industrial	<u> </u>
4	462	Fire Protection Revenue	<u> </u>
5	464	Other Water Sales Revenue	<u> </u>
6	465	Irrigation Sales Revenue	<u> </u>
7	466	Sales for Resale	<u> </u>
8	400	Total Revenue (Add Lines 1 - 7) (also enter result on Page 4, line 1)	<u>35,554.44</u>
9	*	DEQ Fees Billed separately to customers	Booked to Acct # <u> </u>
10	**	Hookup or Connection Fees Collected	<u>4500.00</u> Booked to Acct # <u>460</u>
11	***	Commission Approved Surcharges Collected	<u>25.00</u> Booked to Acct # <u>460</u>
<u>401 OPERATING EXPENSES</u>			
12	601.1-6	Labor - Operation & Maintenance	<u>5025.73</u>
13	601.7	Labor - Customer Accounts	<u>172.50</u>
14	601.8	Labor - Administrative & General	<u>8391.75</u>
15	603	Salaries, Officers & Directors	<u> </u>
16	604	Employee Pensions & Benefits	<u> </u>
17	610	Purchased Water	<u> </u>
18	615-16	Purchased Power & Fuel for Power	<u>6197.80</u>
19	618	Chemicals	<u>984.00</u>
20	620.1-6	Materials & Supplies - Operation & Maint.	<u>1683.94</u>
21	620.7-8	Materials & Supplies - Administrative & General	<u>1698.02</u>
22	631-34	Contract Services - Professional	<u> </u>
23	635	Contract Services - Water Testing	<u>152.00</u>
24	636	Contract Services - Other	<u>108.41</u>
25	641-42	Rentals - Property & Equipment	<u> </u>
26	650	Transportation Expense	<u> </u>
27	656-59	Insurance	<u>2818.00</u>
28	660	Advertising	<u>319.67</u>
29	666	Rate Case Expense (Amortization)	<u> </u>
30	667	Regulatory Comm. Exp. (Other except taxes)	<u> </u>
31	670	Bad Debt Expense	<u>80.00</u>
32	675	Miscellaneous	<u>1184.86</u>
33		Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)	<u>28,816.68</u>

Name: Bitterroot Water Company, Inc.

INCOME STATEMENT

For Year Ended 2002

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>35,554.44</u>
2	Operating Expenses (From Page 3, line 33)	<u>28,816.68</u>	
3	403 Depreciation Expense		
4	406 Amortization, Utility Plant Acquisition Adj.		
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)	<u>83.18</u>	
7	408.11 Property Taxes	<u>17.94</u>	
8	408.12 Payroll Taxes		
9A	408.13 Other Taxes (list) DEQ Fees	<u>360.00</u>	
9B			
9C			
9D			
10	409.10 Federal Income Taxes	<u>1396.00</u>	
11	409.11 State Income Taxes	<u>1513.00</u>	
12	410.10 Provision for Deferred Income Tax - Federal		
13	410.11 Provision for Deferred Income Tax - State		
14	411 Provision for Deferred Utility Income Tax Credits		
15	412 Investment Tax Credits - Utility		
16	Total Expenses from operations before interest (add lines 2-15)		<u>32186.80</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>3367.64</u>
20	415 Revenues, Merchandizing Jobbing and Contract Work		
21	416 Expenses, Merchandizing, Jobbing & Contracts		
22	419 Interest & Dividend Income	<u>74.84</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>74.84</u>
29	Gross Income (add lines 19 & 28)		<u>3442.48</u>
30	427.3 Interest Exp. on Long-Term Debt		
31	427.5 Other Interest Charges		
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		<u><u>3442.48</u></u>

Name: Bitterroot Water Co. Inc.

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended 2002

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				
5 305	Collecting & Impounding Reservoirs				
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				
12 320	Purification Systems				
13 330	Distribution Reservoirs & Standpipes				
14 331	Trans. & Distrib. Mains & Accessories				
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 (Add lines 1 - 28)	0	0	0	0

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

Name: Bitterroot Water Co. Inc.

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 2002

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)	0	0	0	0

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

Name: Bitterroot Water Co., Inc.

BALANCE SHEET

For Year Ended 2002

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)			
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)			
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)			
14	123 Investment in Subsidiaries			
15	125 Other Investments			
16	Total Investments (Add lines 14 & 15)			
17	131 Cash	22500.29	27045.65	4545.36
18	135 Short Term Investments			
19	141 Accts/Notes Receivable - Customers	3414.98	2312.10	(1102.88)
20	142 Other Receivables			
21	145 Receivables from Associated Companies			
22	151 Materials & Supplies Inventory	0	316.48	316.48
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)	25915.27	29674.23	3758.96
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)	25915.27	29674.23	3758.96

Name: Bitterroot Water Co. Inc.

BALANCE SHEET

For Year Ended 2002

LIABILITIES & CAPITAL

ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	201-3 Common Stock			
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts			
4	214 Appropriated Retained Earnings	24431.75	24431.75	0
5	215 Unappropriated Retained Earnings	1800.00	1800.00	0
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital	.		
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	26231.75	26231.75	0
9	221-2 Bonds			
10	223 Advances from Associated Companies			
11	224 Other Long - Term Debt			
12	231 Accounts Payable			
13	232 Notes Payable			
14	233 Accounts Payable - Associated Companies			
15	235 Customer Deposits (Refundable)			
16	236.11 Accrued Other Taxes Payable			
17	236.12 Accrued Income Taxes Payable			
18	236.2 Accrued Taxes - Non-Utility			
19	237-40 Accrued Debt, Interest & Dividends Payable			
20	241 Misc. Current & Accrued Liabilities			
21	251 Unamortized Debt Premium			
22	252 Advances for Construction			
23	253 Other Deferred Liabilities			
24	255.1 Accumulated Investment Tax Credits - Utility			
25	255.2 Accum. Investment Tax Credits - Non-Utility			
26	261-5 Operating Reserves			
27	271 Contributions in Aid of Construction			
28	272 Accum. Amort. of Contrib. in Aid of Const. **			
29	281-3 Accumulated Deferred Income Taxes			
30	Total Liabilities (Add lines 9 - 29)			
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	26231.75	26231.75	0

** Only if Commission Approved

Name: Bitterroot Water Co. Inc.

STATEMENT OF RETAINED EARNINGS
For Year Ended 2002

1	Retained Earnings Balance @ Beginning of Year	<u>26231.76</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>3442.48</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><u>29674.23</u></u>

CAPITAL STOCK DETAIL

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

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
	Ø				

Name: Bitterroot Water Co. Inc.

SYSTEM ENGINEERING DATA

For Year Ended 2002

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)
Corner Brunner & Clagstone Rds	120	Chlorine	21,068,500	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)
Same as above	100,000	90,000	Boosted	concrete

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

Name: Bitterroot Water Co., Inc.

SYSTEM ENGINEERING DATA
(continued)

For Year Ended 2002

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
<u>1- Well - Submersible</u>	<u>20</u>	<u>120</u>	<u>20</u>	
<u>2 Booster Pump #1</u>	<u>15</u>			
<u>3- Booster Pump #2</u>	<u>30</u>			
<u>4- Pressure Tanks - (6)</u>			<u>45</u>	

** 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? 21,068,600
 What was the total amount pumped during peak month? 5,298,400
 What was the total amount pumped on the peak day? unknown
- 6 If customers are metered, what was the total amount sold in peak month? 4439,432
- 7 Was your system designed to supply fire flows? yes
 If Yes: What is current system rating? residential
- 8 How many times were meters read this year? 8
 During which months? March thru October (8 x's)
- 9 How many additional customers could be served with no system improvements except a service line and meter? 12
 How many of those potential additions are vacant lots? 12
- 10 Are backbone plant additions anticipated during the coming year? unsure
 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? 2005

Name: Bitterroot Water Co Inc.

SYSTEM ENGINEERING DATA
(continued)
For Year Ended 2002

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	8"	32,000	—	—	32,000
	6"	3500	—	—	3500

CUSTOMER STATISTICS

	Number of Customers		Thousands of Gallons Sold	
	This Year	Last Year	This Year	Last Year
2 Metered:				
2A Residential	101	97	2,179,800	2,311,800
2B Commercial				
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)	101	97	2,179,800	2,311,800

CERTIFICATE

State of Idaho)
) ss
County of _____)

~~WE~~^I, the undersigned Debbie Harper
and _____
of the Bitterroot Water Co., Inc.
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)

Debbie Harper
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this _____ day of _____, _____

NOTARY PUBLIC

My Commission Expires _____

gdk/excel/jnelson/anuirpts/wtrannualrpt