

ANNUAL REPORT

OF

NAME

R. (BOB) DESHAZO
EAGLE WATER CO INC
PO BOX 455
EAGLE ID 83616-0455

IDAHO PUBLIC
UTILITIES COMMISSION

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TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 2011

**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING December 31, 2011**

COMPANY INFORMATION

1 Give full name of utility Eagle Water Company

2 Date of Organization 3/14/1974

3 Organized under the laws of the state of Idaho

4 Address of Principal Office (number & street) 188 W. State Street, Suite 4

5 P.O. Box (if applicable) P O Box 455

6 City Eagle

7 State Idaho

8 Zip Code 83616

9 Organization (proprietor, partnership, corp.) Corporation

10 Towns, Counties served Eagle, Ada County, Idaho

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)	Robert V. DeShazo	939-0242
Vice President	Roland Jones	
Secretary	Toni Velie	939-0242
General Manager	Norman Revels	939-0242
Complaints or Billing	Toni Velie	939-0242
Engineering	Jim Rees, MTC Engineers	
Emergency Service	Norman Revels	939-0242
Accounting	Heather Wilde	939-0242

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 188 W. State Street, Suite 4

City Eagle

State Idaho

Zip 83616

NAME: Eagle Water Company

COMPANY INFORMATION (Cont.)

For the Year Ended 12/31/2011

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 **Refer to Engineering Report**

21 Number of Complaints received during year concerning:

Quality of Service	<u>3</u>
High Bills	<u>1</u>
Disconnection	<u>0</u>

22 Number of Customers involuntarily disconnected 63 includes foreclosures

23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? July 2011

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: Eagle Water Company

REVENUE & EXPENSE DETAIL

For the Year Ended 12/31/2011

ACCT #	DESCRIPTION		
<u>400 REVENUES</u>			
1	460	Unmetered Water Revenue	
2	461.1	Metered Sales - Residential	<u>529,488.13</u>
3	461.2	Metered Sales - Commercial, Industrial	<u>236,985.47</u>
4	462	Fire Protection Revenue	
5	464	Other Water Sales Revenue	<u>14,150.35</u>
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>780,623.95</u>
9	* DEQ Fees Billed separately to customers		Booked to Acct # _____
10	** Hookup or Connection Fees Collected	-	Booked to Acct # <u>271</u>
11	***Commission Approved Surcharges Collected	<u>132,204.02</u>	Booked to Acct # <u>253</u>
<u>401 OPERATING EXPENSES</u>			
12	601.1-6	Labor - Operation & Maintenance	<u>53,116.81</u>
13	601.7	Labor - Customer Accounts	<u>99,891.66</u>
14	601.8	Labor - Administrative & General	<u>28,770.83</u>
15	603	Salaries, Officers & Directors	<u>52,000.00</u>
16	604	Employee Pensions & Benefits	<u>40,196.84</u>
17	610	Purchased Water	
18	615-16	Purchased Power & Fuel for Power	<u>112,545.29</u>
19	618	Chemicals	
20	620.1-6	Materials & Supplies - Operation & Maint.	<u>17,985.90</u>
21	620.7-8	Materials & Supplies - Administrative & General	<u>47,394.19</u>
22	631-34	Contract Services - Professional	<u>4,967.61</u>
23	635	Contract Services - Water Testing	
24	636	Contract Services - Other	
25	641-42	Rentals - Property & Equipment	<u>20,944.08</u>
26	650	Transportation Expense	<u>1,341.05</u>
27	656-59	Insurance	<u>38,167.21</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>7,413.67</u>
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)		<u>524,735.14</u>

Name: Eagle Water company

INCOME STATEMENT

For Year Ended 12/31/2011

ACCT #	DESCRIPTION	
1	Revenue (From Page 3, line 8)	<u>780,623.95</u>
2	Operating Expenses (From Page 3, line 33)	<u>524,735.14</u>
3 403	Depreciation Expense	<u>47,884.82</u>
4 406	Amortization, Utility Plant Aquisition Adj.	<u> </u>
5 407	Amortization Exp. - Other	<u> </u>
6 408.10	Regulatory Fees (PUC)	<u>4,799.80</u>
7 408.11	Property Taxes	<u>14,707.62</u>
8 408.12	Payroll Taxes	<u>33,195.61</u>
9A 408.13	Other Taxes (list)	<u>43.40</u>
9B	Franchise Fees	<u>6,684.47</u>
9C	DEQ Fees	<u>13,735.00</u>
9D	Other fees & licenses	<u>355.00</u>
10 409.10	Federal Income Taxes	<u> </u>
11 409.11	State Income Taxes	<u>20.00</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>646,160.86</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>134,463.09</u>
20 415	Revenues, Merchandizing Jobbing and Contract Work	<u>122,435.01</u>
21 416	Expenses, Merchandizing, Jobbing & Contracts	<u>269,046.89</u>
22 419	Interest & Dividend Income	<u>33.66</u>
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>(146,578.22)</u>
29	Gross Income (add lines 19 & 28)	<u>(12,115.13)</u>
30 427.3	Interest Exp. on Long-Term Debt	<u>22,027.80</u>
31 427.5	Other Interest Charges	<u>5,696.01</u>
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)	<u>(39,838.94)</u>

Name: Eagle Water Company

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended 12/31/2011

SUB ACCT #	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of Year
1 301	Organization	13,857			13,857
2 302	Franchises and Consents				-
3 303	Land & Land Rights	143,194			143,194
4 304	Structures and Improvements	15,200			15,200
5 305	Collecting & Impounding Reservoirs				-
6 306	Lake, River & Other Intakes				-
7 307	Wells	1,097,882	19,014		1,116,896
8 308	Infiltration Galleries & Tunnels				-
9 309	Supply Mains	19,279			19,279
10 310	Power Generation Equipment	20,236			20,236
11 311	Power Pumping Equipment	249,323			249,323
12 320	Purification Systems				-
13 330	Distribution Reservoirs & Standpipes	48,015			48,015
14 331	Trans. & Distrib. Mains & Accessories	967,151			967,151
15 333	Services				-
16 334	Meters and Meter Installations	278,547	-		278,547
17 335	Hydrants	4,200			4,200
18 336	Backflow Prevention Devices				-
19 339	Other Plant & Misc. Equipment				-
20 340	Office Furniture and Equipment	16,251			16,251
21 341	Transportation Equipment	34,464			34,464
22 342	Stores Equipment				-
23 343	Tools, Shop and Garage Equipment	14,386			14,386
24 344	Laboratory Equipment				-
25 345	Power Operated Equipment				-
26 346	Communications Equipment				-
27 347	Miscellaneous Equipment	2,291			2,291
28 348	Other Tangible Property				-
29	TOTAL PLANT IN SERVICE	2,924,276	19,014	-	2,943,290
	(Add lines 1 - 28)				Enter beginning & end of year totals on Pg 7, Line 1

Name: Eagle Water Company

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 12/31/2011

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements		9,803	9,803	-
2 305	Collecting & Impounding Reservoirs				-
3 306	Lake, River & Other Intakes				-
4 307	Wells		195,469	214,508	19,039
5 308	Infiltration Galleries & Tunnels				-
6 309	Supply Mains		4,251	4,509	258
7 310	Power Generation Equipment		20,236	20,236	-
8 311	Power Pumping Equipment		132,478	143,283	10,805
9 320	Purification Systems				-
10 330	Distribution Reservoirs & Standpipes		48,015	48,015	-
11 331	Trans. & Distrib. Mains & Accessories		213,829	224,434	10,605
12 333	Services				-
13 334	Meters and Meter Installations		52,751	58,281	5,530
14 335	Hydrants		1,114	1,149	35
15 336	Backflow Prevention Devices				-
16 339	Other Plant & Misc. Equipment				-
17 340	Office Furniture and Equipment		15,392	15,583	191
18 341	Transportation Equipment		32,320	33,177	857
19 342	Stores Equipment				-
20 343	Tools, Shop and Garage Equipment		13,822	14,386	564
21 344	Laboratory Equipment				-
22 345	Power Operated Equipment				-
23 346	Communications Equipment				-
24 347	Miscellaneous Equipment		2,291	2,291	-
25 348	Other Tangible Property				-
26	TOTALS (Add Lines 1 - 25)		741,771	789,655	47,884

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

Name: Eagle Water Company

BALANCE SHEET

For Year Ended 12/31/2011

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)	2,924,276	2,943,290	19,014
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)	2,924,276	2,943,290	19,014
7	108.1	Accumulated Depreciation (From Pg 6, Line 26)	741,771	789,655	47,884
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)	2,182,505	2,153,635	(28,870)
14	123	Investment in Subsidiaries			-
15	125	Other Investments			-
16		Total Investments (Add lines 14 & 15)			-
17	131	Cash	249,917	121,068	(128,849)
18	135	Short Term Investments			-
19	141	Accts/Notes Receivable - Customers	18,312	36,662	18,350
20	142	Other Receivables	567	1,391	824
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)	268,796	159,121	(109,675)
27	181	Unamortized Debt Discount & Expense			-
28	183	Preliminary Survey & Investigation Charges			-
29	184	Deferred Rate Case Expenses			-
30	186	Other Deferred Charges	1,314,184	1,355,962	41,778
		A/R Construct'n			
31		Total Assets (Add lines 13, 16 & 26 - 30)	3,765,485	3,668,717	(96,767)

Name: Eagle Water Company

BALANCE SHEET

For Year Ended 12/31/2011

<u>LIABILITIES & CAPITAL</u>		Balance	Balance	Increase
ACCT #	DESCRIPTION	Beginning of Year	End of Year	or (Decrease)
1	201-3 Common Stock	20,000	20,000	-
2	204-6 Preferred Stock			-
3	207-13 Miscellaneous Capital Accounts	63,702	63,702	-
4	214 Appropriated Retained Earnings			-
5	215 Unappropriated Retained Earnings	(1,132,797)	(1,172,636)	(39,839)
6	216 Reacquired Capital Stock			-
7	218 Proprietary Capital			-
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	(1,049,095)	(1,088,934)	(39,839)
9	221-2 Bonds			-
10	223 Advances from Associated Companies			-
11	224 Other Long - Term Debt	371,067	209,772	(161,295)
12	231 Accounts Payable	371,910	363,276	(8,634)
13	232 Notes Payable	25,291	25,291	0
14	233 Accounts Payable - Associated Companies		470,438	470,438
15	235 Customer Deposits (Refundable)			-
16	236.11 Accrued Other Taxes Payable	17,453	12,116	(5,337)
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	(182)	-	182
21	251 Unamortized Debt Premium			-
22	252 Advances for Construction	-	-	-
23	253 Other Deferred Liabilities	1,046,460	694,177	(352,283)
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	2,982,581	2,982,581	0
28	272 Accum. Amort. of Contrib. in Aid of Const. **			-
29	281-3 Accumulated Deferred Income Taxes			-
30	Total Liabilities (Add lines 9 - 29)	4,814,580	4,757,652	(56,929)
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	3,765,485	3,668,717	(96,768)

** Only if Commission Approved

Name: Eagle Water Company

STATEMENT OF RETAINED EARNINGS

For Year Ended 12/31/2011

1	Retained Earnings Balance @ Beginning of Year	<u>(1,132,797.43)</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>(39,838.94)</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>(1,172,636.37)</u></u>

CAPITAL STOCK DETAIL

7	Description (Class, Par Value etc.)	No. Shares Authorized	No. Shares Outstanding	Dividends Paid
	Common	20,000	20,000	-0-

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
	Surcharge Loan - Idaho Banking Company	6.75%	\$209,772.25	\$21,394.25	

Name: Eagle Water Company

SYSTEM ENGINEERING DATA

For Year Ended 12/31/2011

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)
# 1	600 gpm	none		well
# 2	400 gpm	none		well
# 3	400 gpm	none		well
# 4	variable to 2,500	none		well
# 6	variable to 2,500	none		well
#7	variable to 1345	none		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)
W/H #2	90,000	90,000	Boosted	Concrete

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

Name: Eagle Water Company

**SYSTEM ENGINEERING DATA
(continued)**

For Year Ended 12/31/2011

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
W/H # 1 Sub. Berkley	50	600		
W/H # 2 Sub. Berkley	20	400		
W/H # 3 Sub. Berkley	20	400		
W/H # 4 Layne & Bowler	variable 300	up to 2,500		
W/H # 6 Layne & Bowler	variable 250	up to 2,500		
W/H # 2 Pacific	25	450		
W/H # 2 Pacific	15	220		
W/H # 2 Pacific	25	450		
WH # 7 American Marsh	variable 200	up to 1,345		

**** 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? 768,389,000 ga
 - What was the total amount pumped during peak month? August 152,983,000 ga
 - What was the total amount pumped on the peak day? August 20 5,955,000 gal
- 6 If customers are metered, what was the total amount sold in peak month? 148,513,327 ga
- 7 Was your system designed to supply fire flows? yes
If Yes: What is current system rating? 3
- 8 How many times were meters read this year? 12
 During which months? January through December
- 9 How many additional customers could be served with no system improvements except a service line and meter? 70-80
 How many of those potential additions are vacant lots? 70-80
- 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? _____

Name: Eagle Water Company

SYSTEM ENGINEERING DATA

(continued)

For Year Ended 12/31/2011

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	1 1/2"	13,410	0	-0-	13,410
	2"	2,501	0	-0-	2,501
	4"	9,654	0	-0-	9,654
	6"	43,356	340	-0-	43,696
	8"	133,864	440	-0-	134,304
	10"	20	0	-0-	20
	12"	79,092	460	-0-	79,552

CUSTOMER STATISTICS

		Number of Customers		Thousands of Gallons Sold	
		This Year	Last Year	This Year	Last Year
2	Metered:				
2A	Residential	2988	2947	489,230,138	497,024,153
2B	Commercial	447	441	217,263,180	219,431,468
2C	Industrial				
3	Flat Rate:				
3A	Residential	0	0		
3B	Commercial	3	1		
3C	Industrial	0	0		
4	Private Fire Protection				
5	Public Fire Protection				
6	Street Sprinkling				
7	Municipal, Other				
8	Other Water Utilities				
TOTALS (Add lines 2 through 8)		3438	3389	706,493,318	716,455,621

CERTIFICATE

State of Idaho)
) ss
County of Ada)

WE, the undersigned _____ **Robert V. DeShazo**
and _____ **Heather Wilde**
of the _____ **Eagle Water Company**

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.



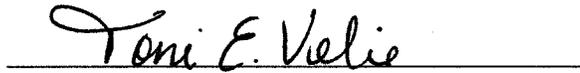
(Chief Officer)



(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 21st day of March, 2012

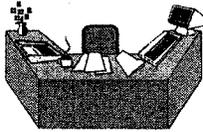


NOTARY PUBLIC

My Commission Expires 04/02/2016



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Geneva A. Trent, CPA
Solutions for small businesses

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IDAHO PUBLIC
UTILITIES COMMISSION

March 19, 2012

Eagle Water Company
P O Box 455
Eagle, Idaho 83616

Dear Mr. DeShazo,

I have prepared the accompanying Annual Report for Water Utilities to the Idaho Public Utilities Commission and Water Distribution Industry Operator Statement to the Idaho State tax Commission for Eagle Water Company as of December 31, 2011, for the year then ended. This presentation is limited to preparing in the form of prescribed financial statements information that is the representation of the management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Thank you for the opportunity to serve you.

Sincerely,

Geneva A. Trent

6450 SE 4th Avenue New Plymouth, Idaho 83655 (208)278-5663

-----942 Preakness Dr. • Eagle, ID 83616 • (208) 939-8206-----