

KHW-W

ANNUAL REPORT

OF

**Kootenai Heights Water
c/o: Bob Hansen
67 Wild Horse Trail
Sandpoint, ID 83864**

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IDAHO PUBLIC
UTILITIES COMMISSION

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 2017

ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 2017

COMPANY INFORMATION

1 Give full name of utility Kootenai Heights Water
 Telephone Area Code (208) 265-4270
 E-mail address wsmibob@aol.com
 2 Date of Organization 2006
 3 Organized under the laws of the state of IDAHO
 4 Address of Principal Office (number & street) 67 Wild Horse Trail
 5 P.O. Box (if applicable) N/A
 6 City Sandpoint
 7 State Idaho
 8 Zip Code 83864
 9 Organization (proprietor, partnership, corp.) Corp
 10 Towns, Counties served portion of Kootenai, 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>Mr. Floyd McGhee</u>	
Vice President	<u>N/A</u>	
Secretary	<u>Mr. Robert Hansen</u>	<u>265-4270</u>
General Manager	<u>N/A</u>	
Complaints or Billing	<u>Mr. Robert Hansen</u>	<u>265-4270</u>
Engineering	<u>N/A</u>	
Emergency Service	<u>Mr. Robert Hansen</u>	<u>265-4270</u>
Accounting	<u>Williams + Parsons</u>	<u>265-5959</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 67 Wild Horse Trail
 City Sandpoint
 State IDAHO
 Zip 83864

NAME: Kootenai Heights Water

COMPANY INFORMATION (Cont.)

For the Year Ended 2017

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

YES

16 **If yes:** With whom is the contract?

Water Systems Management, Inc.

When does the contract expire?

Annual Renewal

What services and rates are included?

Operation, Maintenance, Meter Reading, Billing, AR, AP

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?

2007

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: Kootenai Heights Water

REVENUE & EXPENSE DETAIL

For the Year Ended 2017

ACCT #	DESCRIPTION		
400 REVENUES			
1	460	Unmetered Water Revenue	<u>5651</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>5651</u>
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 # _____

401 OPERATING EXPENSES

12	601.1-6	Labor - Operation & Maintenance	
13	601.7	Labor - Customer Accounts	
14	601.8	Labor - Administrative & General	
15	603	Salaries, Officers & Directors	
16	604	Employee Pensions & Benefits	
17	610	Purchased Water	<u>468</u>
18	615-16	Purchased Power & Fuel for Power	
19	618	Chemicals	
20	620.1-6	Materials & Supplies - Operation & Maint.	
21	620.7-8	Materials & Supplies - Administrative & General	
22	631-34	Contract Services - Professional	<u>290</u>
23	635	Contract Services - Water Testing	
24	636	Contract Services - Other	<u>4853</u>
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>36</u>
33		Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)	<u>5647</u>

Name: Kootenai Heights Water

INCOME STATEMENT

For Year Ended 2017

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>5651</u>
2	Operating Expenses (From Page 3, line 33)	<u>5647</u>	
3	403 Depreciation Expense		
4	406 Amortization, Utility Plant Aquisition Adj.		
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)	<u>150</u>	
7	408.11 Property Taxes		
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	<u>20</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>5817</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>(166)</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		
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		<u>(166)</u>

Name: Kootenai Heights Water

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended 2017

SUB ACCT #	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of Year
1 301	Organization	3500			3500
2 302	Franchises and Consents				
3 303	Land & Land Rights	40000			40000
4 304	Structures and Improvements				
5 305	Collecting & Impounding Reservoirs				
6 306	Lake, River & Other Intakes				
7 307	Wells	44995			44995
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	88495			88495

(Add lines 1 - 28)

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

Name: Kootenai Heights Water

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 2017

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

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

Name: Kootenai Heights Water

BALANCE SHEET

For Year Ended 2017

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)	88495	88495	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)			
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	517	351	(166)
18	135 Short Term Investments			
19	141 Accts/Notes Receivable - Customers			
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)	89012	8846	

Name: Kootenai Heights Water

BALANCE SHEET

For Year Ended 2017

LIABILITIES & CAPITAL

ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	201-3 Common Stock	5000	5000	
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts	39268	39268	
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings	44744	44578	
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)			
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)	88846	84011	

**** Only if Commission Approved**

Name: Kootenai Heights Water

STATEMENT OF RETAINED EARNINGS
For Year Ended 2017

1	Retained Earnings Balance @ Beginning of Year	<u>44744</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>(166)</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>44578</u>

CAPITAL STOCK DETAIL

7	Description (Class, Par Value etc.)	No. Shares	No. Shares	Dividends
		Authorized	Outstanding	Paid
	<u>Common</u>	<u>5000</u>	<u>5000</u>	<u>0</u>
	<u> </u>			

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
	<u>None</u>				
	<u> </u>				
	<u> </u>				
	<u> </u>				
	<u> </u>				
	<u> </u>				
	<u> </u>				

Name: Kootenai Heights Water

SYSTEM ENGINEERING DATA

For Year Ended 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)
<u>Well Lot, 507 Humbird</u>	<u>85</u>	<u>N/A</u>	<u>1,009</u>	<u>Well</u>

3 System Storage: N/A

Storage Designation or Location	Total Capacity 000's Gal.	Usable Capacity 000's Gal.	Type of Reservoir (Elevated, Pressurized, Boosted)	Construction (Wood, Steel Concrete)

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

Name: Kootenai Heights Water

SYSTEM ENGINEERING DATA

(continued)

For Year Ended 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
<u>Well Lot, 507 Humbird Submersible Well Pump</u>	<u>5</u>	<u>85</u>	<u>63</u>	<u>3,000 kWh</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? 1,009,000
 - What was the total amount pumped during peak month? 215,000
 - 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? N/A
- 7 Was your system designed to supply fire flows? NO
 If Yes: What is current system rating? _____
- 8 How many times were meters read this year? 2
 During which months? April & October
- 9 How many additional customers could be served with no system improvements except a service line and meter? 0
 How many of those potential additions are vacant lots? N/A
- 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? N/A

Name: Kootenai Heights Water

SYSTEM ENGINEERING DATA
(continued)
For Year Ended 2017

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	4"	880'	0	0	880'

CUSTOMER STATISTICS

	Number of Customers		Thousands of Gallons Sold	
	This Year	Last Year	This Year	Last Year
2 Metered:				
2A Residential	11	11	1009	1368
2B Commercial	0	0	0	0
2C Industrial	0	0	0	0
3 Flat Rate:				
3A Residential	N/A	N/A	N/A	N/A
3B Commercial				
3C Industrial				
4 Private Fire Protection				
5 Public Fire Protection				
6 Street Sprinkling				
7 Municipal, Other				
8 Other Water Utilities	N/A	N/A	N/A	N/A
TOTALS (Add lines 2 through 8)	11	11	1009	1368

