

ROC-W

ANNUAL REPORT

OF

NAME

JIM BERNARD
ROCKY MOUNTAIN UTILITY CO
3865 EAST 12 NORTH SUITE 1
RIGBY ID 83442

IDAHO PUBLIC
UTILITIES COMMISSION

2014 APR -2 AM 8:35

RECEIVED

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED

2013

**ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 12/31/2013**

COMPANY INFORMATION

- 1 Give full name of utility Rocky Mountain Utility, Co., Inc.
- 2 Date of Organization _____
- 3 Organized under the laws of the state of Idaho
- 4 Address of Principal Office (number & street) 3865 E. 12 N. Suite 1
- 5 P.O. Box (if applicable) _____
- 6 City Trigby
- 7 State Idaho
- 8 Zip Code 83442
- 9 Organization (proprietor, partnership, corp.) _____
- 10 Towns, Counties served Trigby, Jefferson County

11 Are there any affiliated companies? (yes or no) 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>Jim Bernard</u>	<u>745-6443</u>
Vice President <u>Melissa Bernard</u>	<u>745-6443</u>
Secretary _____	
General Manager <u>Brandi Hayes</u>	<u>745-6443</u>
Complaints or Billing <u>Brandi Hayes</u>	<u>745-6443</u>
Engineering <u>Aspen Engineering</u>	<u>542-1911</u>
Emergency Service <u>Silver Creek</u>	<u>745-7099</u>
Accounting <u>Sheri Poulsen</u>	<u>522-1330</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 3865 E. 12 N. Suite 1
 - City Trigby
 - State Idaho
 - Zip 83442

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: (SWC Company)

COMPANY INFORMATION (Cont.)

For the Year Ended 12/31/2013

- 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

N/A | —

- 19 Has any system(s) been disapproved by the Idaho Department of Environmental Quality? No

If yes, attach full explanation

- 20 Has the Idaho Department of Environmental Quality recommended any improvements? see attached

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? May 2013

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

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: (SWC Company)

REVENUE & EXPENSE DETAIL For the Year Ended 12/31/2013

SUB ACCT	DESCRIPTION		
400 REVENUES			
1 460	Unmetered Water Revenue	\$ 43,808	
2 461.1	Metered Sales - Residential		
3 461.2	Metered Sales - Commercial, Industrial		
4 462	Fire Protection Revenue		
5 464	Other Water Sales Revenue--Finance chg/reconnect fee	\$ 92	
6 465	Irrigation Sales Revenue		
7 466	Sales for Resale		
8 400	Total Revenue (Add Lines 1 - 7)	\$ 43,900	
	(also enter result on Page 4, line 1)		
		Booked to Acct #	
9 *	DEQ Fees Billed separately to customers		
		Booked to Acct #	
10 **	Hookup or Connection Fees Collected	\$ 92.00	464
11 ***	Commission Approved Surcharges Collected		
401 OPERATING EXPENSES			
12 601.1-6	Labor - Operation & Maintenance	\$ 19,992	
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		
18 615-16	Purchased Power & Fuel for Power	\$ 8,072	
19 618	Chemicals		
20 620.1-6	Materials & Supplies - Operation & Maint. Repairs	\$ 2,049	
21 620.7-8	Materials & Supplies - Administrative & General	\$ 872	
22 631-34	Contract Services - Professional	\$ 400	
23 635	Contract Services - Water Testing	\$ 1,815	
24 636	Contract Services - Other-----Bank charge & internet	\$ 894	
25 641-42	Rentals - Property & Equipment		
26 650	Transportation Expense		
27 656-59	Insurance	\$ 250	
28 660	Advertising	\$ 48	
29 666	Rate Case Expense (Amortization)		
30 667	Regulatory Comm. Exp. (Other except taxes)	\$ 193	
31 670	Bad Debt Expense		
32 675	Miscellaneous Telephone	\$ 570	
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)	\$ 35,155	

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: (SWC Company)

INCOME STATEMENT		For the Year Ended	<u>12/31/2013</u>
SUB ACCT	DESCRIPTION		
1	Revenue (From Page 3, line 8)	\$ 43,900	
2	Operating Expenses (From Page 3, line 33)	\$ 35,155	
3	403 Depreciation Expense	\$ 3,164	
4	406 Amortization, Utility Plant Aquisition Adj.		
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)		
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	\$ 20	
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)	\$ 38,339	
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)		\$ 5,561
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)		\$ 5,561
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)		\$ 5,561

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: (SWC Company)

ACCOUNT 101 PLANT IN SERVICE DETAIL

			For the Year Ended			12/31/2013
			Balance	Added	Removed	Balance
			Beginning	During	During	End of
SUB ACCT	DESCRIPTION		of Year	Year	Year	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	\$ 12,919	\$ -	\$ -	\$ 12,919
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		\$ 12,919	\$ -	\$ -	\$ 12,919

(Add lines 1 - 28) Enter beginning & end of year totals on Pg 7, Line 1

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: (SWC Company)

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

			For the Year Ended		12/31/2013
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	24.4%	\$ 1,846	\$ 5,010	\$ 3,164
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)		\$ 1,846	\$ 5,010	\$ 3,164

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

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: (SWC Company)

BALANCE SHEET

			For the Year Ended		12/31/2013
			Balance	Balance	Increase
			Beginning	End of	or
SUB ACCT	ASSETS	DESCRIPTION	of Year	Year	(Decrease)
1	101	Utility Plant in Service (From Pg 5, Line 29)	\$ 12,919	\$ 12,919	\$ -
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)	\$ 12,919	\$ 12,919	\$ -
7	108.1	Accumulated Depreciation (From Pg 6, Line 26)	\$ 1,846	\$ 5,010	\$ 3,164
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)	\$ 11,073	\$ 7,909.00	\$ (3,164)
14	123	Investment in Subsidiaries			\$ -
15	125	Other Investments			\$ -
16		Total Investments (Add lines 14 & 15)	\$ -	\$ -	\$ -
17	131	Cash	\$ 3,875	\$ 13,997	\$ 10,122
18	135	Short Term Investments			\$ -
19	141	Accts/Notes Receivable - Customers	\$ 758	\$ 1,551	\$ 793
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)	\$ 4,633	\$ 15,548	\$ 10,915
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)	\$ 15,706	\$ 23,457	\$ 7,751

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: (SWC Company)

BALANCE SHEET

LIABILITIES & CAPITAL

For the Year Ended 12/31/2013

		Balance	Balance	Increase
		Beginning	End of	or
SUB ACCT	DESCRIPTION	of Year	Year	(Decrease)
1	201-3 Common Stock	\$ 100	\$ 100	\$ -
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts			
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings	\$ 9,194	\$ 14,755	\$ 5,561
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	\$ 9,294	\$ 14,855	\$ 5,561
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	\$ 6,412	\$ 8,602	\$ 2,190
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)	\$ 6,412	\$ 8,602	\$ 2,190
31	TOTAL LIABILITIES & CAPITAL (Add lines 8 & 30)	\$ 15,706	\$ 23,457	\$ 7,751

** Only if Commission Approved

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: (SWC Company)

STATEMENT OF RETAINED EARNINGS

For the Year Ended 12/31/2013

1	Retained Earnings Balance @ Beginning of Year	\$	9,194
2	Amount Added from Current Year Income (From Pg 4, Line 32)	\$	5,561
3	Other Credits to Account		
4	Dividends Paid or Appropriated		
5	Other Distributions of Retained Earnings		
6	Retained Earnings Balance @ End of Year	\$	14,755

CAPITAL STOCK DETAIL

		No. Shares Authorized	No. Shares Outstanding	Dividends Paid
7	Description (Class, Par Value etc.)			
	Common Stock; Zero Par	100	100	\$ -
				\$ -

DETAIL OF LONG-TERM DEBT

	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
8					
	<u>Totals</u>		\$ -	\$ -	\$ -

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: (SWC Company)

SYSTEM ENGINEERING DATA

For the Year Ended

12/31/2013

- 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)
JD 7260080	800	None		Well
TOTALS			0	

- 3 System Storage:

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

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

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: (SWC Company)

SYSTEM ENGINEERING DATA Continued

For the Year Ended

12/31/2013

4 Pump information for ALL system pumps, including wells and boosters.

Designation or Location & Type of Pump**	Rated Horse power (hp)	Rated Capacity (gpm)	Discharge Pressure (psi)	Energy used this Year (Kwh)
ID 72600080	40	800	60	87,178

** 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? 000's gal.

What was the total amount pumped during peak month? 000's gal.

What was the total amount pumped on the peak day? gal.

Not metered

6 If customers are metered, what was the total amount sold in peak month? 000's gal.

7 Was your system designed to supply fire flows?

If Yes: What is current system rating?

8 How many times were meters read this year?

During which months?

9 How many additional customers could be served with no system improvements except a service line and meter?

How many of those potential additions are vacant lots?

17
17

10 Are backbone plant additions anticipated during the coming year?

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?

2018

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

NAME: (SWC Company)

SYSTEM ENGINEERING DATA Continued

For the Year Ended

12/31/2013

FEET OF MAINS

1	Pipe Size	In Use	Installed	Abandoned	In Use
		Beginning Of Year	During Year	During Year	End of Year
	12 in.	1996		—	2013

CUSTOMER STATISTICS

	Number of Customers		Thousands of Gallons Sold	
	This Year	Last Year	This Year	Last Year
2 Metered:				
2A Residential	N/A			
2B Commercial				
2C Industrial				
3 Flat Rate:				
3A Residential	91			
3B Commercial	4			
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)	95	0	0	0

ANNUAL REPORT FOR WATER UTILITIES TO THE IDAHO PUBLIC UTILITIES COMMISSION

CERTIFICATE

State of Idaho)
) ss
County of)

WE, the undersigned Jim Bernard, Melissa Bernard
and Brandi Hayes
of the Rocky Mountain

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.



[Signature]
(Chief Officer)

[Signature]
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 27 day of March, 2014

[Signature]
NOTARY PUBLIC

My Commission Expires August 2018

gdk/excel/jnelson/anulrpts/wtrannualrpt



STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY

900 North Skyline Dr., Suite B • Idaho Falls, Idaho 83402 • (208) 528-2650

C.L. "Butch" Otter, Governor
Curt Fransen, Director

July 9, 2013

Brandi Hayes
3865 E. 12 N. Suite 1
Rigby, ID 83442

RE: Response to Corrective Action Plan Addressing Sanitary Survey Significant Deficiency
Identified During March 29, 2013 Sanitary Survey of Pepperwood Crossing PWS# 7260080

Dear Brandi:

Your E-Mail that you sent me on July 3, 2013 identifying the corrective action and completion date in addressing the significant deficiency identified during March 29, 2013 sanitary survey of the Pepperwood Crossing water system, has been reviewed by the Department. According to the 2013 sanitary survey, the Pepperwood water system consists of (1) well that serves (92) connections and (336) customers. If the well is out of service the water system cannot maintain normal operating conditions in providing a reliable delivery of safe drinking water, and therefore is deemed a "Significant Deficiency".

Idaho Rules for Public Drinking Water Systems IDAPA 58.01.08.513. and Subsection 501.17. states that community water systems served by ground water shall have a minimum of two (2) sources if they are intended to serve more that twenty-five (25) connections or equivalent dwelling units (see enclosures).

Your corrective action plan as you stated in your E-Mail, "a second well source is designed in Phase 3 and 4 approved by Jefferson County but not yet developed. **PHASE OF DEVELOPMENT TO BEGIN IN 2015. COMPLETED BY OCTOBER 1, 2015.** The proposed solution until build-out is completed the installation of back up electrical generator and purchase of secondary pump to have on hold in case of failure. **PUMP PURCHASED ALREADY. BACK UP GENERATOR TO BE INSTALLED BY OCTOBER 1, 2013**".

The Department accepts this corrective action provided the following:

1. The well must be constructed and operational by **Oct. 15, 2015.**
2. Pepperwood must submit engineering plans and specs to the Department by **March 29, 2015.**

Please be advised the Pepperwood water system is considered "out of compliance" with IDAPA 58.01.08. 513. and 501.17 until such time a second source is developed.

Please contact me or Greg Eager at 528-2650 if you have questions or concerns regarding this letter.

Sincerely,

A handwritten signature in cursive script that reads "Rochelle Mason".

Rochelle Mason
Drinking Water Analyst, IFDEQ

Encl: IDAPA Rules
C: Greg Eager, P.E. Regional Engineering Manager, IFDEQ
Jim Bernard, Owner, 3865 E. 12 N. Suite 1, Rigby, ID 83442
TRIM: WQ DW Compliance Document/ 2013 Significant Deficiency/PWS# 7260080

2013ACA2706