

ANNUAL REPORT

OF

Spirit Lake East Water
NAME

Spokane
ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED 10/31/04

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IDAHO PUBLIC
UTILITIES COMMISSION

**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 10/31/04**

COMPANY INFORMATION

1 Give full name of utility SPIRIT LAKE EAST WATER COMPANY
 Telephone Area Code () 509-922-5252
 E-mail address ADMIN@HANSONIND.COM
 2 Date of Organization 4/1/82
 3 Organized under the laws of the state of IDAHO
 4 Address of Principal Office (number & street) 15807 E INDIANA AVE.
 5 P.O. Box (if applicable) _____
 6 City SPOKANE VALLEY
 7 State WA
 8 Zip Code 99216
 9 Organization (proprietor, partnership, corp.) CORP
 10 Towns, Counties served SPIRIT LAKE EAST AND TREEPORT DEVELOPMENTS
KOOTENAI AND BONNER COUNTY

11 Are there any affiliated companies? HANSON INDUSTRIES, INC
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>RAYMOND A HANSON</u>	<u>509-922-5252</u>
Vice President		
Secretary	<u>DENNIS A HANSON</u>	<u>509-922-5252</u>
General Manager		
Complaints or Billing	<u>ROXANN MIDDLETON</u>	<u>509-922-5252</u>
Engineering		
Emergency Service	<u>JIM KRUGER</u>	<u>509-922-5252</u>
Accounting	<u>ROXANN MIDDLETON</u>	<u>509-922-5252</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 15807 E INDIANA AVE.
 City SPOKANE VALLEY
 State WA
 Zip 99216

Name: SPIRIT LAKE EAST WATER COMPANY

ACCOUNT 101 PLANT IN SERVICE DETAIL
 For Year Ended 10/31/04

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	8405		8405
5	305	Collecting & Impounding Reservoirs	77073		77073
6	306	Lake, River & Other Intakes			
7	307	Wells	30132		30132
8	308	Infiltration Galleries & Tunnels			
9	309	Supply Mains			
10	310	Power Generation Equipment			
11	311	Power Pumping Equipment	51700	40745	92445
12	320	Purification Systems	796		796
13	330	Distribution Reservoirs & Standpipes			
14	331	Trans. & Distrib. Mains & Accessories	512537		512537
15	333	Services	71097		71097
16	334	Meters and Meter Installations	13918		13918
17	335	Hydrants			
18	336	Backflow Prevention Devices			
19	339	Other Plant & Misc. Equipment			
20	340	Office Furniture and Equipment	625		625
21	341	Transportation Equipment	5001		5001
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	22451		22451
29		TOTAL PLANT IN SERVICE	793738		834483

(Add lines 1 - 28)

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

CERTIFICATE

State of Washington)
) ss
County of Spokane)

WE, the undersigned R. A. Hanson _____
and Roxann Middleton
of the Spirit Lake East 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.

R. A. Hanson
(Chief Officer)

Roxann Middleton
(Officer in Charge of Accounts)

Subscribed and Sworn to Before Me

this 14 day of April, 2005

Laura J. Myers
NOTARY PUBLIC

My Commission Expires May 01, 2009



gdk/excel/jnelson/anulrpts/wtrannualrpt



HANSON INDUSTRIES, INC.

15807 East Indiana Avenue, Spokane, WA 99216
(509) 922-5252 • Fax (509) 922-5757

E-mail: admin@hansonind.com

March 14, 2005

Gary J. Gaffney
Department of Environmental Quality
2110 Ironwood Parkway
Coeur d' Alene, ID 83814-2648

Dear Mr. Gaffney:

I received your letter dated February 18 wherein the DEQ responded to Mr. Hammond's letter and also addressed several issues. We are pleased that DEQ has agreed with our proposed improvements to the water system. In response to your letter the following information is provided.

1. Submittal. The engineering submittal due March 31, 2005 by Welch Comer & Associates will address and resolve the deficiency identified by DEQ. We are prepared to (a) repair the tank leak with a XYPEX product (b) repair the roof with matching material or with an exterior type XYPEX product (c) install a standby generator (d) install an autodialer in the tank (e) secure a stand by pump for inventory (f) start a cross connection control program (g) start a well head protection program (h) install a chlorine tank vent to the exterior of the pump house and (i) repair the well meter if necessary and read it weekly during peak demands and monthly during average usage demands. We believe these measures as indicated by the forthcoming engineering submittal, satisfies completely the deficiency.¹
2. Time Deadlines. At this time we believe that the timelines for the submission of plans are reasonable but we feel that allowing for all work to be completed by July 15, 2005 will accommodate any unforeseen delays.
3. DEQ Review of Draft Report. Our engineers will respond to those items in your January 24th letter which relate to our current, and only, submittal to the DEQ on the deficiency. The other items raised in your letter address matters which are directly related to a draft report prepared for the North Kootenai Water District. This draft report was prepared for discussions between this company and NKWD during its early interest in acquiring the water company. I do not know why the engineer forwarded it onto DEQ since we did not

¹ The only deviation from your letter of February 18th is that SLE wishes to attempt to repair the existing roof on its reservoir tank rather than proceeding with the more extensive repair proposed in your correspondence. In the event that the existing roof cannot be adequately repaired as SLE has proposed the Company will work with its engineer and DEQ on a mutually acceptable repair plan.

Gary Gaffney
March 14, 2005
Page Two

request DEQ review as it was premature at that time. Your comments will be studied for future improvements to the system.

4. Second Well Source. We request the DEQ's assistance in working with the Idaho Public Utilities Commission (IPUC) for approval to create a reserve fund through rates for the installation of the second well.

Please contact me directly and/or our engineers re: the submittal.

Thank you for your assistance in this matter.

Sincerely,



Robert J. Boyle
Vice President of Hanson Industries, Inc.

C: Welch Comer & Associates