

June 7, 2013

Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

RECEIVED
2013 JUN 11 AM 10:15
IDaho Public Utilities Commission

Re: Sale/Purchase of Happy Valley Water System Inc

Dear Sirs,

HVW-W-13-01

On October 1, 2010, Brett and Nora McCarty sold the Happy Valley Water System Inc to Ken and Cathy Rickel. Due to the change of ownership, we are requesting that the Certificate of Convenience and Necessity No. 364 be transferred to the new owners, Ken and Cathy Rickel. The name of the water company will remain the same.

As part of our application for certificate transference, we are submitting the following documents:

- Letter to the Idaho Public Utilities Commission regarding the sale/purchase of the Happy Valley Water System Inc
- 1. A copy of the signed Purchase/Sales Agreement
- 2. A copy of the Warranty Deed
- 3. Signed resignation of previous corporate officers
- 4. Form of Organization with Articles of Incorporation
- 5. Property Description and Map
- 6. Unaudited Financial Statements (5 Years) for the Happy Valley Water System Inc
- 7. A copy of the 2010 IPUC Annual Report (for valuation purposes at time of sale)
- 8. Change of Registered Agent with Idaho Secretary of State
- 9. Buyer's Qualifications
- 10. Drinking Water Distribution Operator Licenses for Ken Rickel
- 11. Unaudited Statement of Net Worth for Ken & Cathy Rickel as of 3/31/2011
- 12. Business Plan
- 13. Notice sent to customers

Thank you for your consideration and we look forward to hearing from you regarding the transfer of the Certificate of Convenience and Necessity No. 364 for the Happy Valley Water System Inc.

Sincerely,

Ken & Cathy Rickel

PO Box 1261 | Hayden, ID 83835 | (208) 660-2560

HVW-W-13-01

NEW CASE

RECEIVED

2013 JUN 11 AM 10: 15

IDAHO PUBLIC
UTILITIES COMMISSION

APPLICATION FOR THE TRANSFER OF
CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY #364

For the

Happy Valley Water System Inc

Transfer from: Brett & Nora McCarty

To: Ken & Cathy Rickel

Application submitted by:

Kenneth L Rickel, Owner and Manager

(208) 660-2560

PO Box 2306

Hayden, ID 83835

kcrickel@hotmail.com

May 27, 2011

Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Re: Sale/Purchase of Happy Valley Water System Inc

Dear Sirs,

On October 1, 2010, Brett and Nora McCarty sold the Happy Valley Water System Inc to Ken and Cathy Rickel. Due to the change of ownership, we are requesting that the Certificate of Convenience and Necessity No. 364 be transferred to the new owners, Ken and Cathy Rickel. The name of the water company will remain the same.

As owners of 2 other small successful water companies (Rickel Water and Bitterroot Water Company), Ken and Cathy are very familiar with the Commission's regulatory authority, Utility Customer Relations Rules, Customer Information Rules and are prepared to abide by them. Their involvement in the water utility industry has given them the business expertise, financial ability and water system experience to operate and maintain the Happy Valley Water System without question. Ken is very familiar with the water system testing requirements of the Idaho Department of Environmental Quality and has completed the requirements for water system operator certification as required by IDAPA 58.01.08 Rule 554.

Ken and Cathy Rickel are aware that the valuation of the system by the IPUC will be the basis established by the Commission at the time the present rates were established, adjusted for additional depreciation or improvements. Ken and Cathy understand that, as with their other water companies, the accounting for Happy Valley Water System Inc will be in accordance with the Commission's Uniform System of Accounts and the books of the company are to be maintained on a stand-alone basis, separate and apart from any other business activities of Ken and Cathy.

As new owners, Ken and Cathy Rickel are contemplating a Rate Case in the immediate future.

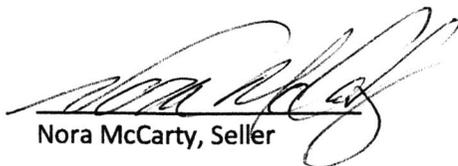
Sincerely,



Brett McCarty, Seller



Kenneth W Rickel, Buyer



Nora McCarty, Seller



Catherine L Rickel, Buyer

1	Agreement of Sale and Purchase of Business Letter
2	Warranty Deed
3	Previous Officers Resignation
4	Form of Organization Articles of Incorporation
5	Property Description and Map
6	Financial Statements (2008 – 2012)
7	2010 IPUC Annual Report Copy (for valuation purposes)
8	ID Secretary of State – Change of Registered Agent
9	Buyer's Qualifications
10	Drinking Water Distribution Operator Licenses (expiring 2011, 2013)
11	Ken & Cathy Rickel Statement of Net Worth
12	Business Plan
13	Customer Notice
14	
15	

AGREEMENT OF SALE AND PURCHASE
OF
BUSINESS

THIS AGREEMENT, made and entered into this 1st day of October, 2010, by and between BRETT C. McCARTY and NORA L. McCARTY, husband and wife, hereinafter referred to as SELLER whose address is 9323 North Government Way, PMB 288, Hayden, Idaho 83835 and KENNETH and CATHY RICKEL, husband and wife, whose address is P.O. Box 1261, Hayden, Idaho 83835, hereinafter referred to as BUYER. The terms SELLER and BUYER are used herein without regard to the number or gender of the persons constituting such parties. If the SELLER and/or BUYER consists of TWO (2) or more persons, including but not limited to individuals, corporations, partnerships, associations or other entities, such persons shall be jointly and severally liable hereunder. Furthermore, whenever any other neuter or singular term is used herein, such term shall be construed to include any party, whether male, female or a corporation, partnership, or other entity as may be appropriate.

COPY

WITNESSETH:

WHEREAS, the SELLER is the owner of all of the outstanding and issued stock in HAPPY VALLEY WATER SYSTEM, INC., an Idaho Corporation, and does desire to sell, convey and transfer the same unto the BUYER upon the terms and conditions as hereinafter set forth, for and in consideration of the payment of the sums in the amounts and at the times specified hereinafter and set forth; and,

WHEREAS, the BUYER does desire to purchase all of the outstanding and issued stock of HAPPY VALLEY WATER SYSTEM, INC., an Idaho Corporation, upon the terms and conditions set forth and in consideration thereof does hereby agree to pay the sums in the amounts and at the times called for and specified in this agreement; and in addition thereto does covenant to perform each and every term and condition upon their part to be performed hereunder,

NOW, THEREFORE,

FOR AND IN CONSIDERATION of the sum of EIGHT THOUSAND DOLLARS

(\$8,000.00), to be paid by the BUYER unto the SELLER at the times and in the manner hereinafter specified; the SELLER does hereby agree to sell, transfer and convey unto the BUYER the stock ownership upon the following terms, conditions and covenants:

STOCK OWNERSHIP:

The stock ownership to be conveyed hereunder consists of the ten outstanding and issued shares in HAPPY VALLEY WATER SYSTEM, INC., an Idaho Corporation, and all business assets of the same including real property.

POSSESSION:

The BUYER shall be entitled to possession of the stock and all rights associated therewith on the date of close. SELLERS shall also resign as Directors and Officers of the Corporation upon the closing of this transaction.

PURCHASE PRICE:

The total purchase price of EIGHT THOUSAND DOLLARS (\$8,000.00), shall be paid in the manner and form as follows:

a. BUYER shall execute a Note, and a Deed of Trust securing said Note upon the real property owned by HAPPY VALLEY WATER SYSTEM, INC., which shall be payable, without interest, in the amount of EIGHT THOUSAND DOLLARS (\$8,000.00) commencing immediately upon BUYER'S successful prosecution of any rate increase with the Idaho Public Utilities Commission for the customers served by the business and continuing for forty (40) months thereafter. BUYER shall execute a Deed of Trust securing said Note.

CLOSING AGENT:

CHARLES M. DODSON, Attorney at Law shall be the closing agent of this transaction. (The parties hereto acknowledge that CHARLES M. DODSON has prepared this and related documents and represents only the seller.)

TAXES:

The SELLER does hereby warrant unto the BUYER that all real property taxes and personal property taxes, if any, for the years 2008, 2009 and any interest charges due thereunder for

delinquency relating to all property owned by the Corporation, will be paid, discharged and retired at the date of closing of this contract.

LEGAL REPRESENTATIONS:

CHARLES M. DODSON, Attorney at Law, the same having drawn the Agreement of Sale and Purchase and related documents represents the **SELLER ONLY**.

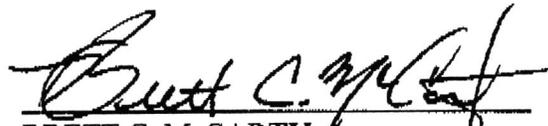
THE BUYER SHOULD OBTAIN THE ADVICE OF THEIR OWN COUNSEL, IF THEY SO DESIRE. BUYER shall reimburse SELLER one-half of the costs of preparation of the sale documents.

ATTORNEY'S FEES:

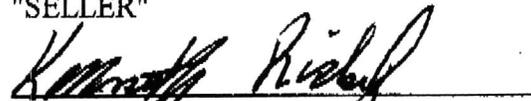
In the event of any suit or proceeding by either party herein against the other party, in any way arising out of this Agreement, or attempting to enforce any right herein granted, the losing party in such suit or proceeding shall pay to the prevailing party such sum or sums as the Court shall adjudge reasonable, in such suit or proceeding, for Attorney's fees incurred by such prevailing party.

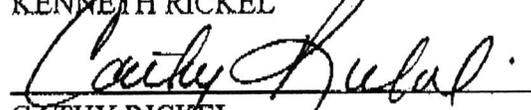
THIS AGREEMENT shall be binding upon the heirs, administrators, executors, assigns, and successors of the parties.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year in this Agreement first above written.


BRETT C. McCARTY


NORA L. McCARTY
"SELLER"


KENNETH RICKEL


CATHY RICKEL
"BUYER"

STATE OF IDAHO)
) ss.
County of Kootenai)

On this 1st day of October, 2010, before me, the undersigned Notary Public in and for said state, personally appeared BRETT C. McCARTY and NORA L. McCARTY, known or identified to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

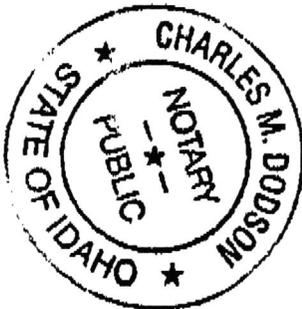



NOTARY PUBLIC FOR: IDAHO
RESIDING AT: Coen, Idaho
MY COMMISSION EXPIRES: 2/20/16

STATE OF IDAHO)
) ss.
County of Kootenai)

On this 1st day of October, 2010, before me, the undersigned Notary Public in and for said state, personally appeared KENNETH RICKEL and CATHY RICKEL known or identified to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.




NOTARY PUBLIC FOR: IDAHO
RESIDING AT: Coen, Idaho
MY COMMISSION EXPIRES: 2/20/16

identified to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



Mary Bonesteel
NOTARY PUBLIC FOR: IDAHO
RESIDING AT: Hayward
MY COMMISSION EXPIRES: 10/30/13

WE, the undersigned do hereby resign as Officers/Directors of HAPPY VALLEY WATER SYSTEM, INC., an Idaho Corporation effective immediately.

DATED October 1, 2010.


BRETT McCARTY


NORA McCARTY

Form of Organization

The Happy Valley Water System Inc is a general business corporation formed with Articles of Incorporation filed with the Idaho Secretary of State on July 25, 2001 (copy attached).

The members of the Board were:

- Brett McCarty – President
- Nora McCarty – Secretary/Treasurer

Upon transfer, the new Board members will be:

- Kenneth Rickel – President
- Cathy Rickel – Secretary/Treasurer



ARTICLES OF INCORPORATION (General Business)

(Instructions on back of application)

The undersigned, in order to form a Corporation under the provisions of Title 30, Chapter 1, Idaho Code, submits the following articles of incorporation to the Secretary of State.

FILED/EFFECTIVE
07 JUL 25 AM 9:07
SECRETARY OF STATE
STATE OF IDAHO

Article 1: The name of the corporation shall be: HAPPY VALLEY WATER SYSTEM INC

Article 2: The number of shares the corporation is authorized to issue: 10

Article 3: The street address of the registered office is: 10035 N. MEMORY LANE RATHDRUM, ID 83858
_____ and the registered agent at such address is: Brett McCarty

Article 4: The name and address of the incorporator are: Brett & Nora McCarty 10035 N. Memory Ln
Rathdrum, ID 83858

Article 5: The mailing address of the corporation shall be: 10035 N. Memory Ln. Rathdrum, ID 83858

Optional articles:

Customer Acct #:
(if using pre-paid account)

Secretary of State use only

Signature of at least one incorporator:

Brett McCarty

Typed Name: Brett McCarty

Nora McCarty

Typed Name: Nora McCarty

g:\corp\forms\corp_forms\arts\of\inc\profit.p65
Revised 01/2001

IDAHO SECRETARY OF STATE
07/25/2001 05:00
CK: 8100 CT: 149218 BH: 409617
1 @ 100.00 = 100.00 CORP # 2
1 @ 20.00 = 20.00 EXPEDITE C # 3

C140016

Kootenai County, Idaho

generated on 8/4/2010 6:32:33 PM CDT

Parcel

Parcel Number 51N04W176850 **AIN** 149079 **Situs Address**

Owner Information

Owner Name MCCARTY BRETT C ETUX
Owner Address 10045 N MEMORY LN
 RATHDRUM ID 83858
Transfer Date 03/01/1997

Location / Description

Tax Authority Group 046000 **Current Legal Desc.** N. 130'-E. 130'-NE-SE-SW (TCO-28-4-224-001 OPERATING PRP) 17 51N 04W
Situs Address
Acreage .3880

Parcel Type

Property Class Code 512- Rural residential tract
Neighborhood Code 1201 52N04W AREA

Assessment Information

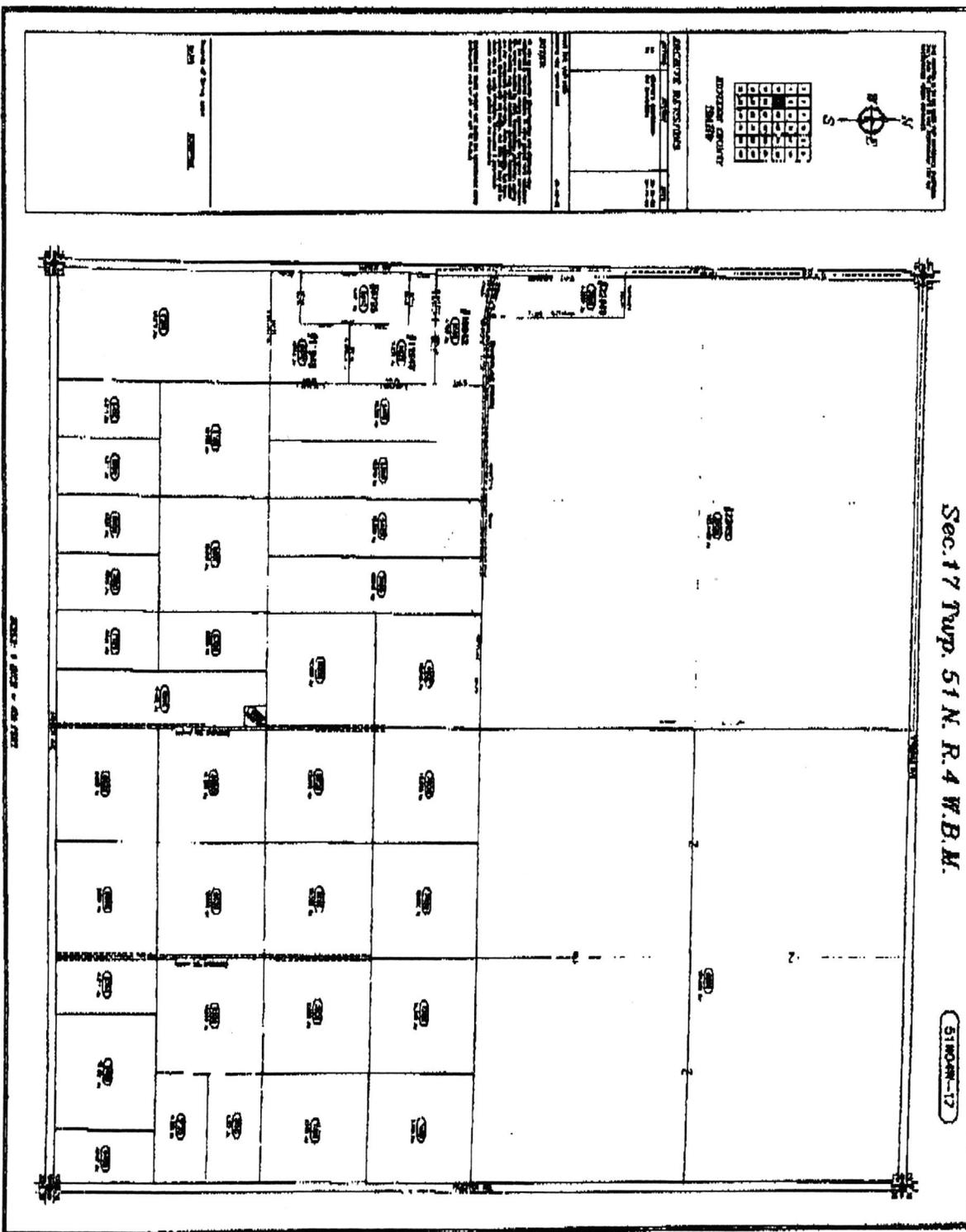
Appraisal Date	01-01- Current Year - 2010	0	Prior Year - 2009	0
Market Value Land	\$1,000 Homeowners Eligible Amt Land	\$0	Homeowners Eligible Amt Land	\$0
Market Value Improvement	\$1,000 Homeowners Eligible Amt Imp	\$0	Homeowners Eligible Amt Imp	\$0
Total Market Value	\$2,000 Sum Homeowners Eligible Amt	\$0	Sum Homeowners Eligible Amt	\$0
	Homeowners Exemption Allowed	\$0	Homeowners Exemption Allowed	\$0
Acreage	0.3880 Total Market Value	\$2,000	Total Market Value	\$2,000
	Homeowners Exemption Allowed	\$0	Homeowners Exemption	\$0
	Ag/Timber Exemption	\$0	Ag/Timber Exemption	\$0
	Net Taxable Value	\$2,000	Net Taxable Value	\$2,000

SECTION REVISIONS

The symbols shown below represent the revision status of the drawing. The symbols are defined as follows:

- 04/24/78 - 1st Issue
- 04/24/78 - 2nd Issue
- 04/24/78 - 3rd Issue
- 04/24/78 - 4th Issue
- 04/24/78 - 5th Issue
- 04/24/78 - 6th Issue
- 04/24/78 - 7th Issue
- 04/24/78 - 8th Issue
- 04/24/78 - 9th Issue
- 04/24/78 - 10th Issue
- 04/24/78 - 11th Issue
- 04/24/78 - 12th Issue
- 04/24/78 - 13th Issue
- 04/24/78 - 14th Issue
- 04/24/78 - 15th Issue
- 04/24/78 - 16th Issue
- 04/24/78 - 17th Issue
- 04/24/78 - 18th Issue
- 04/24/78 - 19th Issue
- 04/24/78 - 20th Issue

PLANNED: Standard/Planned



Sec. 17 Twp. 51 N. R. 4 W. B.M.

12:47 PM

05/26/11

Accrual Basis

Happy Valley Water System Inc.

Balance Sheet

As of December 31, 2008

Dec 31, 08

ASSETS

Current Assets

Checking/Savings
131 · Mountain West Bank (205003640) 2,979.82

Total Checking/Savings 2,979.82

Accounts Receivable
141 · Accounts Receivable -286.46

Total Accounts Receivable -286.46

Other Current Assets
131.1 · Undeposited Funds 743.00

Total Other Current Assets 743.00

Total Current Assets 3,436.36

Fixed Assets

101 · Plant in Service
101.304 · Structure & Improvements 1,443.91
101.311 · Power Pumping Equip 7,446.86
101.334 · Meters 2,673.65

Total 101 · Plant in Service 11,564.42

108.1 · Accumulated Depreciation -7,122.63

114 · Utility Plant Acquisition Adj 3,069.93

115 · Accumulated Amort.-Acquis. Adj -1,554.00

Total Fixed Assets 5,957.72

TOTAL ASSETS 9,394.08

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable
200 · Accounts Payable 510.13

Total Accounts Payable 510.13

Total Current Liabilities 510.13

Total Liabilities 510.13

Equity

215 · Retained Earnings 133.96

218 · Capital Stock 10,000.00

Net Income -1,250.01

Total Equity 8,883.95

TOTAL LIABILITIES & EQUITY 9,394.08

Happy Valley Water System Inc.
Profit & Loss
 January through December 2008

Jan - Dec 08

Ordinary Income/Expense	
Income	
461.1 · Sales-Metered Residential	9,435.86
Total Income	9,435.86
Expense	
401 · OPERATING EXPENSES	
615 · Power	4,009.78
620.7-8 · Materials & Supplies-Admin	
620.7-1 · Office Supplies	96.95
620.7-2 · Postage and Delivery	130.35
Total 620.7-8 · Materials & Supplies-Admin	227.30
630 · Contract Services - Billing	1,200.00
631 · Contract Services - Prof	
631.1 · Accounting	450.00
Total 631 · Contract Services - Prof	450.00
635 · Contract Services - Testing	197.00
636 · Contract Services - Other	3,586.90
642 · Other rentals	150.00
675 · Miscellaneous	
675.99 · Misc Expenses	0.00
Total 675 · Miscellaneous	0.00
Total 401 · OPERATING EXPENSES	9,820.98
403 · Depreciation Expense	520.00
406 · Amortization Expense	205.00
408 · Taxes	
408.10 · Regulatory Fees - PUC	50.00
408.13 · Other Taxes	120.00
Total 408 · Taxes	170.00
409.11 · State Income Taxes	20.00
Total Expense	10,735.98
Net Ordinary Income	-1,300.12
Other Income/Expense	
Other Income	
419 · Interest Income	50.11
Total Other Income	50.11
Net Other Income	50.11
Net Income	<u>-1,250.01</u>

1:14 PM
05/26/11
Accrual Basis

Happy Valley Water System Inc.
Balance Sheet
As of December 31, 2009

Dec 31, 09

ASSETS	
Current Assets	
Checking/Savings	
131 · Mountain West Bank (205003640)	307.48
Total Checking/Savings	307.48
Accounts Receivable	
141 · Accounts Receivable	388.95
Total Accounts Receivable	388.95
Other Current Assets	
131.1 · Undeposited Funds	54.00
Total Other Current Assets	54.00
Total Current Assets	750.43
Fixed Assets	
101 · Plant in Service	
101.304 · Structure & Improvements	1,443.91
101.311 · Power Pumping Equip	7,446.86
101.334 · Meters	2,673.65
Total 101 · Plant in Service	11,564.42
108.1 · Accumulated Depreciation	-7,642.63
114 · Utility Plant Acquisition Adj	3,069.93
115 · Accumulated Amort.-Acquis. Adj	-1,759.00
Total Fixed Assets	5,232.72
TOTAL ASSETS	5,983.15
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
200 · Accounts Payable	2,090.00
Total Accounts Payable	2,090.00
Total Current Liabilities	2,090.00
Total Liabilities	2,090.00
Equity	
215 · Retained Earnings	-1,116.05
218 · Capital Stock	10,000.00
Net Income	-4,990.80
Total Equity	3,893.15
TOTAL LIABILITIES & EQUITY	5,983.15

1:15 PM

05/26/11

Accrual Basis

Happy Valley Water System Inc.

Profit & Loss

January through December 2009

Jan - Dec 09

Ordinary Income/Expense	
Income	
461.1 · Sales-Metered Residential	9,898.44
Total Income	9,898.44
Expense	
401 · OPERATING EXPENSES	
615 · Power	6,451.03
620.7-8 · Materials & Supplies-Admin	
620.7-1 · Office Supplies	118.72
620.7-2 · Postage and Delivery	151.24
Total 620.7-8 · Materials & Supplies-Admin	269.96
630 · Contract Services - Billing	1,200.00
631 · Contract Services - Prof	
631.1 · Accounting	395.00
Total 631 · Contract Services - Prof	395.00
635 · Contract Services - Testing	185.00
636 · Contract Services - Other	5,070.00
642 · Other rentals	72.00
675 · Miscellaneous	
675.1 · Bank Service Charges	69.05
675.99 · Misc Expenses	50.00
675 · Miscellaneous - Other	10.23
Total 675 · Miscellaneous	129.28
Total 401 · OPERATING EXPENSES	13,772.27
403 · Depreciation Expense	520.00
406 · Amortization Expense	205.00
408 · Taxes	
408.10 · Regulatory Fees - PUC	50.00
408.11 · Property	29.36
408.13 · Other Taxes	120.00
408 · Taxes - Other	0.00
Total 408 · Taxes	199.36
409.11 · State Income Taxes	20.00
Total Expense	14,716.63
Net Ordinary Income	-4,818.19
Other Income/Expense	
Other Income	
419 · Interest Income	7.06
Total Other Income	7.06
Other Expense	
426 · Other Expenses	179.67
Total Other Expense	179.67
Net Other Income	-172.61
Net Income	<u>-4,990.80</u>

1:16 PM

05/26/11

Accrual Basis

Happy Valley Water System Inc.

Balance Sheet

As of December 31, 2010

Dec 31, 10

ASSETS

Current Assets

Checking/Savings

100 · Happy Valley WF Checking (1199) 1,715.42
110 · Happy Valley WF Savings (6065) 297.05

Total Checking/Savings 2,012.47

Accounts Receivable

141 · Accounts Receivable 25.67

Total Accounts Receivable 25.67

Total Current Assets 2,038.14

Fixed Assets

101 · Plant in Service

101.304 · Structure & Improvements 1,443.91

101.311 · Power Pumping Equip 7,446.86

101.334 · Meters 2,673.65

Total 101 · Plant in Service 11,564.42

108.1 · Accumulated Depreciation -8,220.63

114 · Utility Plant Acquisition Adj 3,069.93

115 · Accumulated Amort.-Acquis. Adj -1,964.00

Total Fixed Assets 4,449.72

TOTAL ASSETS 6,487.86

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

200 · Accounts Payable 2,390.00

Total Accounts Payable 2,390.00

Other Current Liabilities

233.1 · Loan Payable - McCarty 900.00

233.2 · Loan Payable - Rickel 500.00

Total Other Current Liabilities 1,400.00

Total Current Liabilities 3,790.00

Total Liabilities 3,790.00

Equity

215 · Retained Earnings -6,106.85

218 · Capital Stock 10,000.00

300 · Opening Bal Equity 500.00

Net Income -1,695.29

Total Equity 2,697.86

TOTAL LIABILITIES & EQUITY 6,487.86

1:16 PM
 05/26/11
 Accrual Basis

Happy Valley Water System Inc.
Profit & Loss
 January through December 2010

Jan - Dec 10

Ordinary Income/Expense	
Income	
461.1 · Sales-Metered Residential	9,346.43
Total Income	9,346.43
Expense	
401 · OPERATING EXPENSES	
601.1-6 · Labor-Operation & Mtc	
601.1-2 · Grounds Maintenance	100.00
Total 601.1-6 · Labor-Operation & Mtc	100.00
615 · Power	3,257.91
620.1-6 · Materials & Supp - Oper & Mtc	
620.1 · Materials & Supplies--Op. & Mai	315.00
Total 620.1-6 · Materials & Supp - Oper & Mtc	315.00
620.7-8 · Materials & Supplies-Admin	
620.7-1 · Office Supplies	304.56
620.7-2 · Postage and Delivery	121.97
Total 620.7-8 · Materials & Supplies-Admin	426.53
630 · Contract Services - Billing	1,100.00
631 · Contract Services - Prof	
631.1 · Accounting	480.00
Total 631 · Contract Services - Prof	480.00
635 · Contract Services - Testing	690.00
636 · Contract Services - Other	3,150.00
675 · Miscellaneous	
675.1 · Bank Service Charges	86.48
675.3 · PO Box Rental	72.00
675.4 · Annual Fees	30.00
675.5 · Licenses, Permits and Fees	250.00
675.6 · Finance Charges	1.23
675 · Miscellaneous - Other	-0.06
Total 675 · Miscellaneous	439.65
Total 401 · OPERATING EXPENSES	9,959.09
403 · Depreciation Expense	578.00
406 · Amortization Expense	205.00
408 · Taxes	
408.10 · Regulatory Fees - PUC	50.00
408.11 · Property	109.68
408.13 · Other Taxes	120.00
Total 408 · Taxes	279.68
409.11 · State Income Taxes	20.00
Total Expense	11,041.77
Net Ordinary Income	-1,695.34
Other Income/Expense	
Other Income	
419 · Interest Income	0.05
Total Other Income	0.05
Net Other Income	0.05
Net Income	<u>-1,695.29</u>

1:26 PM

06/07/13

Accrual Basis

Happy Valley Water System Inc.

Balance Sheet

As of December 31, 2011

	Dec 31, 11
ASSETS	
Current Assets	
Checking/Savings	
100 · Happy Valley WF Checking (1199)	1,871.70
110 · Happy Valley WF Savings (6065)	1,498.32
Total Checking/Savings	3,370.02
Accounts Receivable	
141 · Accounts Receivable	209.19
Total Accounts Receivable	209.19
Other Current Assets	
131.1 · Undeposited Funds	54.00
Total Other Current Assets	54.00
Total Current Assets	3,633.21
Fixed Assets	
101 · Plant in Service	
101.304 · Structure & Improvements	1,443.91
101.311 · Power Pumping Equip	7,446.86
101.334 · Meters	2,673.65
Total 101 · Plant in Service	11,564.42
108.1 · Accumulated Depreciation	-9,319.63
114 · Utility Plant Acquisition Adj	3,069.93
115 · Accumulated Amort.-Acquis. Adj	-1,964.00
Total Fixed Assets	3,350.72
TOTAL ASSETS	6,983.93
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
200 · Accounts Payable	2,270.00
Total Accounts Payable	2,270.00
Other Current Liabilities	
233.1 · Loan Payable - McCarty	900.00
233.2 · Loan Payable - Rickel	500.00
Total Other Current Liabilities	1,400.00
Total Current Liabilities	3,670.00
Total Liabilities	3,670.00
Equity	
215 · Retained Earnings	-7,682.14
218 · Capital Stock	10,000.00
300 · Opening Bal Equity	500.00
Net Income	496.07
Total Equity	3,313.93
TOTAL LIABILITIES & EQUITY	6,983.93

1:27 PM

06/07/13

Accrual Basis

Happy Valley Water System Inc.
Profit & Loss
 January through December 2011

	Jan - Dec 11
Ordinary Income/Expense	
Income	
461.1 · Sales-Metered Residential	9,712.52
461.9 · Late Fee Income	25.00
Total Income	9,737.52
Expense	
401 · OPERATING EXPENSES	
615 · Power	3,151.17
620.1-6 · Materials & Supp - Oper & Mtc	
620.1 · Materials & Supplies--Op. & Mai	698.38
620.1-6 · Materials & Supp - Oper & Mtc - Other	250.00
Total 620.1-6 · Materials & Supp - Oper & Mtc	948.38
620.7-8 · Materials & Supplies-Admin	
620.7-1 · Office Supplies	202.52
Total 620.7-8 · Materials & Supplies-Admin	202.52
630 · Contract Services - Billing	1,143.85
631 · Contract Services - Prof	
631.1 · Accounting	450.00
631.9 · Other Contract Services	250.00
Total 631 · Contract Services - Prof	700.00
635 · Contract Services - Testing	600.00
636 · Contract Services - Other	
636.1 · Repairs & Mtc	50.00
636 · Contract Services - Other - Other	120.00
Total 636 · Contract Services - Other	170.00
650 · Transportation Expense	158.72
675 · Miscellaneous	
675.1 · Bank Service Charges	15.00
675.2 · Telephone	408.29
675.4 · Annual Fees	240.00
675.99 · Misc Expenses	226.42
675 · Miscellaneous - Other	-0.50
Total 675 · Miscellaneous	889.21
Total 401 · OPERATING EXPENSES	7,963.85
403 · Depreciation Expense	1,099.00
408 · Taxes	
408.10 · Regulatory Fees - PUC	50.00
408.11 · Property	84.04
Total 408 · Taxes	134.04
409.11 · State Income Taxes	20.00
Total Expense	9,216.89
Net Ordinary Income	520.63
Other Income/Expense	
Other Income	
419 · Interest Income	1.27
Total Other Income	1.27
Other Expense	
426 · Other Expenses	25.83
Total Other Expense	25.83
Net Other Income	-24.56
Net Income	496.07

Happy Valley Water System Inc.
Balance Sheet
 As of December 31, 2012

	Dec 31, 12
ASSETS	
Current Assets	
Checking/Savings	
100 · Happy Valley WF Checking (1199)	2,974.33
110 · Happy Valley WF Savings (6065)	2,700.43
Total Checking/Savings	5,674.76
Accounts Receivable	
141 · Accounts Receivable	73.26
Total Accounts Receivable	73.26
Total Current Assets	5,748.02
Fixed Assets	
101 · Plant in Service	
101.304 · Structure & Improvements	1,443.91
101.311 · Power Pumping Equip	7,446.86
101.334 · Meters	2,673.65
Total 101 · Plant in Service	11,564.42
108.1 · Accumulated Depreciation	-9,319.63
114 · Utility Plant Acquisition Adj	3,069.93
115 · Accumulated Amort.-Acquis. Adj	-1,964.00
340 · Office Equipment	127.19
Total Fixed Assets	3,477.91
TOTAL ASSETS	9,225.93
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
200 · Accounts Payable	2,345.00
Total Accounts Payable	2,345.00
Other Current Liabilities	
233.1 · Loan Payable - McCarty	900.00
233.2 · Loan Payable - Rickel	500.00
241 · Accrued Liabilities	5,700.00
Total Other Current Liabilities	7,100.00
Total Current Liabilities	9,445.00
Total Liabilities	9,445.00
Equity	
215 · Retained Earnings	-7,186.07
218 · Capital Stock	10,000.00
300 · Opening Bal Equity	500.00
Net Income	-3,533.00
Total Equity	-219.07
TOTAL LIABILITIES & EQUITY	9,225.93

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 06/07/13
 Accrual Basis

Happy Valley Water System Inc.
Profit & Loss
 January through December 2012

Jan - Dec 12

Ordinary Income/Expense	
Income	
461.1 · Sales-Metered Residential	9,832.90
Total Income	9,832.90
Expense	
401 · OPERATING EXPENSES	
601.1-6 · Labor-Operation & Mtc	
601.1-1 · Labor-Operations	4,200.00
601.1-2 · Grounds Maintenance	600.00
Total 601.1-6 · Labor-Operation & Mtc	4,800.00
601.7 · Labor-Meter Reading	265.00
601.8-1 · Labor-Administration	900.00
615 · Power	2,073.00
620.1-6 · Materials & Supp - Oper & Mtc	
620.1 · Materials & Supplies--Op. & Mai	33.29
Total 620.1-6 · Materials & Supp - Oper & Mtc	33.29
620.7-8 · Materials & Supplies-Admin	
620.7-1 · Office Supplies	587.27
620.7-2 · Postage and Delivery	70.00
Total 620.7-8 · Materials & Supplies-Admin	657.27
630 · Contract Services - Billing	1,482.03
631 · Contract Services - Prof	
631.1 · Accounting	450.00
631.9 · Other Contract Services	100.00
Total 631 · Contract Services - Prof	550.00
635 · Contract Services - Testing	600.00
636 · Contract Services - Other	
636.1 · Repairs & Mtc	339.55
Total 636 · Contract Services - Other	339.55
650 · Transportation Expense	100.00
656 · Insurance	436.02
675 · Miscellaneous	
675.1 · Bank Service Charges	64.00
675.2 · Telephone	674.29
675.4 · Annual Fees	120.00
675.5 · Licenses, Permits and Fees	100.00
675 · Miscellaneous - Other	1.00
Total 675 · Miscellaneous	959.29
Total 401 · OPERATING EXPENSES	13,195.45
408 · Taxes	
408.10 · Regulatory Fees - PUC	50.00
408.11 · Property	102.56
Total 408 · Taxes	152.56
409.11 · State Income Taxes	20.00
Total Expense	13,368.01
Net Ordinary Income	-3,535.11
Other Income/Expense	
Other Income	
419 · Interest Income	2.11
Total Other Income	2.11
Net Other Income	2.11
Net Income	-3,533.00

ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING 2010

COMPANY INFORMATION

1 Give full name of utility Happy Valley Water System Inc
 2 Date of Organization 6/1/2001
 3 Organized under the laws of the state of Idaho
 4 Address of Principal Office (number & street) 24461 Old Highway 95 N, Athol, ID 83801 (Not mailing address)
 5 P.O. Box (if applicable) PO Box 2306
 6 City Hayden
 7 State Idaho
 8 Zip Code 83835
 9 Organization (proprietor, partnership, corp.) Corporation
 10 Towns, Counties served Kootenai 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)	Ken Rickel	208-683-8105
Vice President	Ken Rickel	208-683-8105
Secretary	Cathy Rickel	208-683-8105
General Manager	Ken Rickel	208-683-8105
Complaints or Billing	Cathy Rickel	208-683-8105
Engineering	Inland Northwest Consultants	208-773-8370
Emergency Service	Ken Rickel	208-683-8105
Accounting	Susan Jacobson	866-791-5656

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 24461 Old Highway 95 N
 City Athol
 State Idaho
 Zip 83801

NAME: Happy Valley Water System Inc

COMPANY INFORMATION (Cont.)

For the Year Ended 2010

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 Department of Environmental Quality? No

If yes, attach full explanation

20 Has the Idaho Department 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? December-10 (All new customers receive a copy in their packet)
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: Happy Valley Water System Inc

REVENUE & EXPENSE DETAIL

For the Year Ended 2010

ACCT # DESCRIPTION

400 REVENUES

1	460	Unmetered Water Revenue		
2	461.1	Metered Sales - Residential	\$	<u>9,346</u>
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>9,346</u>
9	* DEQ Fees Billed separately to customers			Booked to Acct # _____
10	** Hookup or Connection Fees Collected			Booked to Acct # <u>460</u>
11	***Commission Approved Surcharges Collected			Booked to Acct # <u>460</u>

401 OPERATING EXPENSES

12	601.1-6	Labor - Operation & Maintenance	\$	<u>100</u>	
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	\$	<u>3,258</u>	
19	618	Chemicals			
20	620.1-6	Materials & Supplies - Operation & Maint.	\$	<u>315</u>	
21	620.7-8	Materials & Supplies - Administrative & General	\$	<u>427</u>	
22	631-34	Contract Services - Professional	\$	<u>1,580</u>	
23	635	Contract Services - Water Testing	\$	<u>690</u>	
24	636	Contract Services - Other	\$	<u>3,150</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>440</u>	
33	Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)		\$		9,959

Name: Happy Valley Water System Inc

INCOME STATEMENT

For Year Ended 2010

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		\$ 9,346
2	Operating Expenses (From Page 3, line 33)	\$ 9,959	
3 403	Depreciation Expense	\$ 578	
4 406	Amortization, Utility Plant Aquisition Adj.	\$ 205	
5 407	Amortization Exp. - Other		
6 408.10	Regulatory Fees (PUC)	\$ 50	
7 408.11	Property Taxes	\$ 110	
8 408.12	Payroll Taxes		
9A 408.13	Other Taxes (list) DEQ Fees	\$ 120	
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)	\$ 11,042	
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)		\$ (1,695)
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	\$ 0	
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)		\$ 0
29	Gross Income (add lines 19 & 28)		\$ (1,695)
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)		\$ (1,695)

Name: Happy Valley Water System Inc

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended 2010

SUB ACCT #	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of Year
1 301	Organization	\$ 3,070			\$ 3,070
2 302	Franchises and Consents				\$ -
3 303	Land & Land Rights				\$ -
4 304	Structures and Improvements	\$ 1,444			\$ 1,444
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	\$ 7,447			\$ 7,447
12 320	Purification Systems				\$ -
13 330	Distribution Reservoirs & Standpipes				\$ -
14 331	Trans. & Distrib. Mains & Accessories				\$ -
15 333	Services				\$ -
16 334	Meters and Meter Installations	\$ 2,674			\$ 2,674
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)	\$ 14,634	\$ -	\$ -	\$ 14,634

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

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 2010

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	7.76%	\$ 7,643	\$ 8,221	\$ 578
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)		\$ 7,643	\$ 8,221	\$ 578

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

Name: Happy Valley Water System Inc

BALANCE SHEET

For Year Ended 2010

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)	\$ 14,634	\$ 14,634	\$ -
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)	\$ 14,634	\$ 14,634	\$ -
7	108.1 Accumulated Depreciation (From Pg 6, Line 26)	\$ 7,643	\$ 8,221	\$ 578
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.	\$ 1,759	\$ 1,964	\$ 205
13	Net Utility Plant (Line 6 less lines 7 - 12)	\$ 5,232	\$ 4,449	\$ (783)
14	123 Investment in Subsidiaries			\$ -
15	125 Other Investments			\$ -
16	Total Investments (Add lines 14 & 15)			\$ -
17	131 Cash	\$ 361	\$ 2,012	\$ 1,651
18	135 Short Term Investments			\$ -
19	141 Accts/Notes Receivable - Customers	\$ 389	\$ 26	\$ (363)
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)	\$ 750	\$ 2,038	\$ 1,288
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)	\$ 5,983	\$ 6,488	\$ 505

Name: Happy Valley Water System Inc

BALANCE SHEET

For Year Ended 2010

<u>LIABILITIES & CAPITAL</u>		Balance	Balance	Increase
ACCT #	DESCRIPTION	Beginning	End of	or
		of Year	Year	(Decrease)
1	201-3 Common Stock	\$ 10,000	\$ 10,000	\$ -
2	204-6 Preferred Stock			\$ -
3	207-13 Miscellaneous Capital Accounts			\$ -
4	214 Appropriated Retained Earnings	\$ (6,107)	\$ (7,302)	\$ (1,195)
5	215 Unappropriated Retained Earnings			\$ -
6	216 Reacquired Capital Stock			\$ -
7	218 Proprietary Capital			\$ -
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	\$ 3,893	\$ 2,698	\$ (1,195)
9	221-2 Bonds			\$ -
10	223 Advances from Associated Companies			\$ -
11	224 Other Long - Term Debt			\$ -
12	231 Accounts Payable	\$ 2,090	\$ 2,390	\$ 300
13	232 Notes Payable		\$ 1,400	\$ 1,400
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)	\$ 2,090	\$ 3,790	\$ 1,700
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	\$ 5,983	\$ 6,488	\$ 505

** Only if Commission Approved

Name: Happy Valley Water System Inc

SYSTEM ENGINEERING DATA
(continued)
For Year Ended 2010

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
1) Well-Submersible	20	100	20	39,431 KW

**** 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? 5,146,449
 - What was the total amount pumped during peak month? 1,464,000
 - What was the total amount pumped on the peak day? N/A
- 6 If customers are metered, what was the total amount sold in peak month? 1,464,000
- 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? 6
 During which months? May, June,
July, August, September, 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? _____
- 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? Unknown

Name: Happy Valley Water System Inc

SYSTEM ENGINEERING DATA
(continued)

For Year Ended 2010

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	4"	6,500	0	0	6,500
	2"	10,000	0	0	10,000

CUSTOMER STATISTICS

		<u>Number of Customers</u>		<u>Thousands of Gallons Sold</u>	
		<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
2	Metered:				
2A	Residential	27	27	5,146	6,125
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)	27	27	5,146	6,125

FILED EFFECTIVE



STATEMENT OF CHANGE OF REGISTERED AGENT,
REGISTERED OFFICE, OR BOTH
(See reverse for instructions)

10 OCT -6 AM 8:22
SECRETARY OF STATE
STATE OF IDAHO

File #: C-140010

The undersigned entity submits the following statement for the purpose of changing its registered agent, its registered office, or both, in the State of Idaho.

1. The name of the entity is:

HAPPY VALLEY WATER SYSTEM INC.

2. The name and street address of its old registered agent and office is:

NORA McCarty
9323 N. Government Way PMB 288
Hayden, ID 83835

3. The name and street address of its new registered agent and office in Idaho is:

Cathy Rickel
24401 Old Hwy 95
(not a PO box or PMB)
Arrol, ID 83801

I consent to serve as registered agent for the above-named entity.

Cathy Rickel
(Signature of new registered agent)

10/2/10
(Date)

Dated: 10/2/10

Signature: Cathy Rickel

Printed: CATHY RICKEL

Capacity: SBC/Treas

Buyer's Qualifications

As owners of 2 other small successful water companies (Rickel Water and Bitterroot Water Company), Ken and Cathy are very familiar with the Commission's regulatory authority, Utility Customer Relations Rules, Customer Information Rules and are prepared to abide by them. Their involvement in the water utility industry has given them the business expertise, financial ability and water system experience to operate and maintain the Happy Valley Water System without question. Ken is very familiar with the water system testing requirements of the Idaho Department of Environmental Quality and has completed the requirements for water system operator certification as required by IDAPA 58.01.08 Rule 554.

Ken has also completed the training necessary to obtain a Drinking Water Distribution Operator License for the Very Small System category, license #DWDVSW-12995.

Bureau of Occupational Licenses

Department of Self Governing Agencies

The person named has met the requirements for licensure and is entitled
under the laws and rules of the State of Idaho to operate as a(n)

Drinking Water Distribution Operator - Very Small System

**KEN RICKEL
PO BOX 1261
HAYDEN ID 83835**

Tana Cory
**Tana Cory
Chief, B.O.L.**

DWDVSWS-12995
Number

09/08/2011
Expires

**Bureau of Occupational Licenses
Department of Self Governing Agencies**

The person named has met the requirements for licensure and is entitled under the laws and rules of the State of Idaho to operate as a(n)

**DRINKING WATER DISTRIBUTION OPERATOR
VERY SMALL SYSTEM**

**KEN RICKEL
PO BOX 1261
HAYDEN ID 83835**

Tana Cory
**Tana Cory
Chief, B.O.L.**

**DWDVSW-12995
Number**

**09/08/2013
Expires**

Kenneth & Cathy Rickel
Statement of Net Worth

12/31/2010

Cash	\$	3,000
Vehicles	\$	23,500
Equipment	\$	29,500
Tools	\$	15,000
Personal Property	\$	75,000
Residence	\$	160,000
Investments	\$	45,000
Investment in Rickel Water	\$	40,921
Investment in Bitterroot Water Company	\$	20,952
TOTAL ASSETS	\$	<u>412,873</u>
Accounts Payable	\$	4,000
Mortgage	\$	104,000
TOTAL LIABILITIES	\$	<u>108,000</u>
Net Worth	\$	<u><u>304,873</u></u>

Business Plan for the Happy Valley Water System Inc

Daily Procedures include:

- Daily check on pump house to make sure the pump is functioning properly and there are no leaks in the pump, tanks or main lines
- Maintenance as needed for the customer properties for leaks
- Monthly test for coliform
- Monthly meter readings
- Quarterly and annual testing as required by DEQ

The mailing address for the Happy Valley Water System Inc is:

PO Box 2306
Hayden, ID 83835

The street address where the books and records will be maintained is:

24461 Old Highway 95
Athol, ID 83801

The following personnel are included in the running of the business:

- Operation and Maintenance
Ken Rickel
24461 Old Highway 95
Athol, ID 83801
(208) 660-2560
- Customer Billing and Collection
Ken Rickel and Cathy Rickel
24461 Old Highway 95
Athol, ID 83801
(208) 660-2560
Susan Jacobson
6435 S Dayton St, #104
Greenwood Village, CO 80111
(866) 791-5656
- Accounting
Larry Frowick
Frowick Financial Services
9321 N Government Way
Hayden, ID 83835
(208) 772-0474
- Emergency Response
Ken Rickel
24461 Old Highway 95
Athol, ID 83801
(208) 660-2560
- Customer Complaints
Ken Rickel and Cathy Rickel
24461 Old Highway 95
Athol, ID 83801
(208) 660-2560

June 7, 2013

Dear Customer of the Happy Valley Water System Inc,

It is our pleasure to officially announce the sale of the Happy Valley Water System Inc to Ken & Cathy Rickel from the previous owners, Brett & Nora McCarty. This sale was effective October 1, 2010 and you received a small flyer in your November 2010 statement announcing the change in ownership and contact information.

As part of the sale/purchase transaction, the new buyers are required to file an Application for the Transfer of the Certificate of Public Convenience and Necessity with the Idaho Public Utilities Commission.

This application has been filed and is available for your review at the main office of Ken and Cathy Rickel, 24461 Old Highway 95, Athol, ID 83801 or at the Commission offices at 472 W Washington Street, Boise, ID 83720-0074.

The Idaho Public Utilities Commission welcomes any written comments regarding this application mailed to the address above.

Sincerely,

Ken Rickel
Manager

Notice mailed to customers on June 7, 2013 by Susan Jacobson