



## e-FILING REPORT COVER SHEET

COMPANY NAME:

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes If yes, submit a redacted public version (or a cover letter) by email. Submit the confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

Select report type: RE (Electric) RG (Gas) RW (Water) RT (Telecommunications)  
RO (Other, for example, industry safety information)

Did you previously file a similar report? No Yes, report docket number:

Report is required by: OAR

Statute

Order

Note: A one-time submission required by an order is a compliance filing and not a report (file compliance in the applicable docket)

Other

(For example, federal regulations, or requested by Staff)

Is this report associated with a specific docket/case? No Yes, docket number:

List Key Words for this report. We use these to improve search results.

Send the completed Cover Sheet and the Report in an email addressed to [PUC.FilingCenter@puc.oregon.gov](mailto:PUC.FilingCenter@puc.oregon.gov)

Send confidential information, voluminous reports, or energy utility Results of Operations Reports to PUC Filing Center, PO Box 1088, Salem, OR 97308-1088 or by delivery service to 201 High Street SE Suite 100, Salem, OR 97301.



# ANNUAL RESULTS OF OPERATIONS REPORT

## COMPANY SIZE (based on Annual Revenue)

Class B Water Utility  
(Annual Gross Revenue between \$200,000 and \$999,999)

## FOR THE CALENDAR YEAR

2022

## COMPANY NAME

Oregon Water Utilities Mountain Lakes, Inc.

OREGON PUBLIC UTILITY COMMISSION  
PO BOX 1088  
SALEM OR 97308-1088

**OATH**

Oregon Water Utilities Mountain Lakes, Inc.

**Complete Address of Reporting Utility**

Line 1:	Oregon Water Utilities Mountain Lakes, Inc.
Line 2:	5391 Running Y Rd.
City:	Klamath Falls
State:	Oregon
Zip:	97601
phone:	(512) 219-2261
email:	bbahr@swwc.com
fax:	
website:	swwc.com

**Name and title of person responsible for report**

Name:	Brian Bahr
Title:	Director, Rates & Regulatory
Phone:	(512) 219-2261
Email:	bbahr@swwc.com

**Oath & Signature**

THIS REPORT, INCLUDING ANY ACCOMPANYING SCHEDULES AND STATEMENTS, HAS BEEN EXAMINED BY ME, AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IS TRUE, CORRECT AND COMPLETE.

<input checked="" type="checkbox"/> By clicking this box I affirm the above statement.
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## INSTRUCTIONS

Oregon Water Utilities Mountain Lakes, Inc.

The Annual Results of Operations Report, required by the Public Utility Commission (PUC or Commission) under the authority of the Oregon Revised Statutes (ORS) 757.125 and 757.135, is based on the utility's operations for a calendar or fiscal year and is a convenient method for the Commission's staff to monitor the utility's results of operations. It must be filed electronically with the PUC on or before April 1<sup>st</sup> of the year following that for which the report is made. Attach the completed report **in Excel ONLY with formulae intact** and any supplementary pages to an email addressed to the following address:

- Interpret all accounting words and phrases in accordance with the USOA.
- Special or unusual entries and all discrepancies must be fully explained. Describe fully any unusual entries and discrepancies in a narrative explanation in the tab titled "Notes."
- If the utility has filed, or intends to file, a separate rate schedule in its tariff for non-contiguous portions of its water system, separate accounting for Operating Revenues, Operating Expense, Plant Investments, and related Reserve for Depreciation must be maintained by the utility for each portion of the water system relating to each separate rate schedule. This annual report, however, should include the combined financial data for the utility.
- Each incorporated utility is requested to file with this report a copy of its most recent annual report to stockholders, if one is prepared.
- All schedules that call for the balance at the beginning of the year should reflect the same end of year balance **exactly** as shown in the prior year's annual report. Any adjustments to the ending balances shown in the report for the previous year should be reflected in the current year's activity and reported along with an explanation in the annual report.

**FOR QUESTIONS CONTACT RUSS BEITZEL AT 971-209-0533 OR EMAIL AT  
RUSSELL.BEITZEL@PUC.OREGON.GOV**

**INFORMATION**

Oregon Water Utilities Mountain Lakes, Inc.

**Provide the following information for the contact person regarding this report**

Name:	Brian Bahr
Address:	1620 Grand Ave Pkwy, Ste 140, Pflugerville, TX 78660
Phone:	(512) 219-2261
Email:	bbahr@swwc.com

**Provide the following information for where the utility's books and records are located**

Name:	Brian Bahr
Address:	1325 N. Grand Ave., Ste 100, Covina, CA 91724
Phone:	(512) 219-2261
Email:	bbahr@swwc.com

**Provide the following information of any audit group reviewing records and/or operations**

Name:	PricewaterhouseCoopers LLP
Address:	1000 Louisiana St, Ste 5800, Houston, TX 77002
Phone:	(713) 356-4000
Email:	

Date of original organization of the utility (month, day, year):

**Provide the following information for all utility officers and directors**

Name	Title	Phone #	Email
Craig Gott	President	(626)543-2500	cgott@swwc.com
Alison Zimlich	Treasurer & CFO	(626)543-2500	azimlich@swwc.com
Timothy Miller	Secretary	(626)543-2500	tmiller@swwc.com
Joseph Park	Assistant Secretary	(626)543-2500	jpark@swwc.com

**Provide the following information for legal counsel, accountants, and others not on utility's general payroll**

Name	Title	Phone #	Email
Irion Sanger	Legal Counsel	(503) 756-7533	irion@sanger-law.com

**ORGANIZATION**

Oregon Water Utilities Mountain Lakes, Inc.

**Select business type**

Private/Investor Owned

**Select ownership type**

Corporation

**Select accounting method**

accrual

INSTRUCTIONS: IF THE UTILITY IS A SOLE PROPRIETORSHIP OR PARTNERSHIP, COMPLETE PART A AND PROVIDE THE NAMES AND ADDRESSES OF ALL PERSONS HAVING ANY INTEREST OR EQUITY IN THE UTILITY AND THE AMOUNT OF SUCH EQUITY. IF THE UTILITY IS A CORPORATION, COMPLETE PARTS B AND C, AND PROVIDE THE NAMES AND ADDRESSES OF THE THREE LARGEST STOCKHOLDERS AND ALL OFFICERS AND DIRECTORS. STATE THE NUMBER OF SHARES HELD BY EACH.

**Part A: Sole Proprietorship or Partnership**

1	Name of owner or partner		
	Address		
	% interest or equity		
	Principal duty (if employed by company)		
2	Name of owner or partner		
	Address		
	% interest or equity		
	Principal duty (if employed by company)		
3	Name of owner or partner		
	Address		
	% interest or equity		
	Principal duty (if employed by company)		
4	Name of owner or partner		
	Address		
	% interest or equity		
	Principal duty (if employed by company)		

**Part B: Corporation**

1	Name of stockholder/director/officer		Craig Gott	
	Title	Director		
	Address			1325 N. Grand Avenue, Suite 100, Covina, CA 91724
	# shares owned	None		
2	Name of stockholder/director/officer		Carmelitha Bordelon	
	Title	Director		
	Address			1325 N. Grand Avenue, Suite 100, Covina, CA 91724
	# shares owned	None		
3	Name of stockholder/director/officer		Tony Stevens	
	Title	Director		
	Address			1325 N. Grand Avenue, Suite 100, Covina, CA 91724
	# shares owned	None		
4	Name of stockholder/director/officer			
	Title			
	Address			
	# shares owned			

**Part C: Corporation - Shares Outstanding**

	Common Stock	Preferred Stock
# shares authorized		
# shares issued at year end		
Par or stated value per share:		
Dividends declared per share during the year:		

**AFFILIATED INTERESTS**

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500.00 in any one year, entered into between the company and an affiliated business or financial organization, firm, partnership, or individual. An Affiliated Interest is defined, in part, as every corporation and/or person owning or holding directly or indirectly **5 percent** or more of the voting securities of the utility. For a complete definition of affiliated interest, see ORS 757.015.

**Products or Services SOLD to Affiliated Interests**

Name of Affiliate	Description of product or service	Contract or Agreement effective date	Revenue
			\$ -

**Products or Services PURCHASED from Affiliated Interests**

Name of Affiliate	Description of product or service	Contract or Agreement effective date	Cost
SouthWest Water Company (excludes NWUS)	Administrative, Goods & Services	6/2/2017	\$ 212,825
Northwest Utility Systems, Inc. (NWUS)	Operational, Goods & Services	6/2/2017	\$ 438,756
			\$ 651,581
TOTAL			\$ (651,581)

Explanations or Notes

**REVENUES**

Oregon Water Utilities Mountain Lakes, Inc.

gal or cf

gal

**Consumption and Revenue**

	Act #	# customers at year beginning	# customers at year end	Total Quantity water sold	revenues
Unmetered (flat rate) water sales	460				
Metered sales to RESIDENTIAL customers	461.1	705	720	87,433	\$ 451,903
Metered sales to COMMERCIAL customers	461.2	23	24	10,155	\$ 96,215
Metered sales to INDUSTRIAL customers	461.3				
Other metered sales to public authorities	461.4				
Metered sales to multiple family dwellings	461.5				
Public fire protection revenue	462.1				
Private fire protection revenue	462.2				
Other Sales to public authorities	464				
Sales to irrigation customers	465	49	49	38,814	\$ 72,383
Sales for resale	466				
Water Sales to golf course/recreation revenue	467	1	1	83,178	\$ 78,188
Special contract/agreement revenue	468				
TOTAL		778	794	219,580	\$ 698,689

**Revenue other than water sales**

	Act #	revenues
Forfeited discounts	470	
Miscellaneous service revenues	471	\$ 437
Rents from water property	472	
Interdepartmental rents	473	
Other	474	\$ 4,258
Cross Connection sales & services revenues	475	\$ 23,040
Total		\$ 27,735

Total Operating Revenue

\$ 726,424

**Average Monthly Consumption and Bill**

	Act #	Average Monthly Consumption per customer	Average Monthly Revenue per customer
Unmetered (flat rate) water sales	460		
Metered sales to RESIDENTIAL customers	461.1	10.22608187	52.85415205
Metered sales to COMMERCIAL customers	461.2	36.0106383	341.1879433
Metered sales to INDUSTRIAL customers	461.3		
Other metered sales to public authorities	461.4		
Metered sales to multiple family dwellings	461.5		
Public fire protection revenue	462.1		
Private fire protection revenue	462.2		
Other Sales to public authorities	464		
Sales to irrigation customers	465	66.01020408	123.1003401
Sales for resale	466		
Water Sales to golf course/recreation revenue	467	6931.5	6515.666667
Special contract/agreement revenue	468		



**TAXES AND PROPERTY SALES**

**Act # TAXES OTHER THAN INCOME TAX**

408.11	Property Tax	\$	12,243
408.12	Payroll Tax	\$	9,420
408.13	Other Tax Other Than Income Tax		
408.2	Nonutility Taxes Other Than Income Tax		
TOTAL		\$	21,663

**Act # INCOME TAXES**

409.1	Federal Income Tax	\$	-
409.11	State Income Tax	\$	-
409.13	Other Income Tax		
409.2	Nonutility Income Tax		
TOTAL		\$	-

**Act # DEFERRED AND PROVISION FOR DEFERRED INCOME TAXES**

410.1	Deferred Federal Income Taxes – Utility Operations	\$	28,315
410.11	Deferred State Income Taxes – Utility Operations	\$	3,731
410.2	Provision for Deferred Income Taxes – Other Income and Deductions		
411.1	Provision for Deferred Income Taxes – Credit – Utility Operations		
411.2	Provision for Deferred Income Taxes – Credit – Other income & Deductions		
TOTAL		\$	32,046

**GAINS AND LOSSES FROM UTILITY PROPERTY SALE - ACCOUNT 414 (enter losses as negative amounts)**

Description	Amount
Total	\$ -

## EXPENSES

Act #		Expense amount
601	Salaries and Wages - employees	\$ 49,519
603	Salaries and Wages – officers, directors, and majority stockholders	
604	Employee Pensions & Benefits	\$ 26,913
610	Purchased Water	
611	Telephone/Communications	\$ 385
615	Purchased Power	\$ 70,293
616	Fuel for Power Production	
617	Utilities - Other (garbage, natural gas)	
618	Chemicals & testing	
619	Office Supplies (excluding postage)	\$ 1,459
619.1	Postage	\$ 3,179
620	Materials & Supplies (O&M)	\$ 2,476
621	Repairs of Water Plant	\$ 10,457
631	Contractual Services - engineering	
632	Contractual Services - accounting	\$ 1,960
633	Contractual Services - legal	\$ 174
634	Contractual Services - management	\$ 160,873
635	Contractual Services – testing / sampling	\$ 10,989
636	Contractual Services – labor	
637	Contractual Services - billing/collections	
638	Contractual Services - meter reading	
639	Contractual Services - other	\$ 1,254
641	Rental of Building / Real Property	\$ 3,053
642	Rental of Equipment	\$ 11
643	Small Tools	\$ 566
648	Computer and electronic Expenses	\$ 20,274
650	Transportation Expenses	\$ 6,474
656	Insurance - Vehicle	\$ 1,785
657	Insurance – General Liability	\$ 1,680
658	Insurance – Workman’s Compensation	\$ 1,399
659	Insurance – Other	\$ 7,626
660	Public Relation / Advertising Expense	\$ 8
666	Amortization of Rate Case Expense	
667	Regulatory Commission Fee (Gross Rev Fee)	\$ 3,564
668	Conservation Expense	
670	Bad Debt Expense	\$ 330
671.1	Cross Connection Control Program Expense	
671.2	Cross Connection Testing & Maintenance Services	
673	Training & Certification Expense	\$ 1,425
674	Consumer Confidence Report	
675	Miscellaneous Expense	\$ 5,818
	TOTAL	\$ 393,944

**PLANT**

Oregon Water Utilities Mountain Lakes, Inc.

NOTE: Do **NOT** include any donated capital or contributions in aid of construction (CIAC) on this page.

<b>Act #</b>		<b>Beg Year Balance</b>	<b>Added during year</b>	<b>Retired during year</b>	<b>Adjustments</b>	<b>End of year balance</b>
301	Organization					\$ -
302	Franchises					\$ -
303	Land & land rights	\$ 5,000				\$ 5,000
304	Structures & improvements	\$ 104,952	\$ 87,015			\$ 191,967
305	Collecting & impounding reservoirs	\$ -				\$ -
306	Lake, river & other intakes	\$ -				\$ -
307	Wells & springs	\$ 1,061,163				\$ 1,061,163
308	Infiltration galleries & tunnels	\$ -				\$ -
309	Supply mains	\$ 573,556				\$ 573,556
310	Power generation equipment	\$ 6,579	\$ 3,459			\$ 10,038
311	Pumping equipment	\$ 296,922				\$ 296,922
320	Water treatment equipment	\$ 1,442				\$ 1,442
330	Distribution reservoirs & standpipes	\$ 292,886	\$ 359,665			\$ 652,551
331	Transmission & distribution mains	\$ 3,046,597	\$ 72,837			\$ 3,119,434
333	Services	\$ 346,639				\$ 346,639
334	Meters & meter installations	\$ 189,970	\$ 2,192			\$ 192,162
335	Hydrants	\$ 77,594				\$ 77,594
336	Backflow prevention devices (utility owned)	\$ -				\$ -
339	Other plant & miscellaneous equipment	\$ -				\$ -
340	Office furniture & equipment	\$ 127,362	\$ 1,264			\$ 128,626
341	Transportation equipment	\$ 62,880				\$ 62,880
343	Tools, shop & garage equipment	\$ 3,906				\$ 3,906
344	Laboratory equipment	\$ -				\$ -
345	Power operated equipment	\$ -				\$ -
346	Communication equipment	\$ 25,495				\$ 25,495
347	Electronic & computer equipment	\$ 5,853				\$ 5,853
348	Miscellaneous equipment	\$ -				\$ -
	<b>TOTAL</b>	<b>\$ 6,228,796</b>	<b>\$ 526,432</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,755,228</b>

Explanation of unusual changes in utility plant during the year:

**CIAC AND ADVANCES**

NOTE: Include ALL donated capital or contributions in aid of construction (CIAC) on this page.

**Advances for Construction**

Beg of year balance	
Additions during year	
Subtractions during year	
End of year balance	\$ -

**Contributions in Aid of Construction**

Beg of year balance	\$ 107,138
Added during the year:	
Capacity charge	
Main line extension charges	
Customer connection charges	\$ 32,095
Developer's property	
Other	
Retired during the year	
End of year balance	\$ 139,233

**Accumulated Amortization of CIAC**

Beg of year balance	\$ 7,112
Add CIAC amortized during year	\$ 4,135
Subtract effects of CIAC disposals	
+/- other adjustments*	
Change in Accumulated Amortization during the year	\$ 4,135
End of year balance	\$ 11,247

\* Explain any adjustments:

**DEPRECIATION**

Oregon Water Utilities Mountain Lakes, Inc.

NOTE: Do **NOT** include any contributions in aid of construction (CIAC) on this page.

<u>Act #</u>	<u>annual depreciation expense</u>	<u>acc dep balance beg of year</u>	<u>accruals booked to acc dep</u>	<u>plant retired charged to acc dep</u>	<u>Adjustments*</u>	<u>acc dep balance end of year</u>
301	Organization					
302	Franchises					
303	Land & land rights					
304	Structures & improvements	\$ 4,844	\$ 57,494	\$ 4,844		\$ 62,338
305	Collecting & impounding reservoirs			\$ -		\$ -
306	Lake, river & other intakes			\$ -		\$ -
307	Wells & springs	\$ 28,288	\$ 876,664	\$ 28,288		\$ 904,952
308	Infiltration galleries & tunnels			\$ -		\$ -
309	Supply mains	\$ 11,472	\$ 278,544	\$ 11,472		\$ 290,016
310	Power generation equipment	\$ 173	\$ 6,416	\$ 173		\$ 6,589
311	Pumping equipment	\$ 9,375	\$ 210,038	\$ 9,375		\$ 219,413
320	Water treatment equipment	\$ 72	\$ 78	\$ 72		\$ 150
330	Distribution reservoirs & standpipes	\$ 9,727	\$ 132,382	\$ 9,727		\$ 142,109
331	Transmission & distribution mains	\$ 61,510	\$ 1,156,852	\$ 61,510		\$ 1,218,362
333	Services	\$ 9,377	\$ 182,493	\$ 9,377		\$ 191,870
334	Meters & meter installations	\$ 6,437	\$ 151,550	\$ 6,437		\$ 157,987
335	Hydrants	\$ 1,903	\$ 31,177	\$ 1,903		\$ 33,080
336	Backflow prevention devices (utility owned)			\$ -		\$ -
339	Other plant & miscellaneous equipment			\$ -		\$ -
340	Office furniture & equipment	\$ 25,151	\$ 74,560	\$ 25,151		\$ 99,711
341	Transportation equipment	\$ 8,983	\$ 28,087	\$ 8,983		\$ 37,070
343	Tools, shop & garage equipment	\$ 261	\$ 893	\$ 261		\$ 1,154
344	Laboratory equipment			\$ -		\$ -
345	Power operated equipment			\$ -		\$ -
346	Communication equip	\$ 2,550	\$ 6,249	\$ 2,550		\$ 8,799
347	Electronic & computer Equipment		\$ 5,851	\$ -		\$ 5,851
348	Miscellaneous Equipment			\$ -		\$ -
	<b>TOTAL</b>	<b>\$ 180,123</b>	<b>\$ 3,199,328</b>	<b>\$ 180,123</b>	<b>\$ -</b>	<b>\$ 3,379,451</b>

\*Explanation of any adjustments made:

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## RETAINED EARNINGS

Oregon Water Utilities Mountain Lakes, Inc.

215	Unappropriated Retained Earnings (beginning of year balance)	\$	35,428
435	Balance transferred from income	\$	102,783
436	Appropriations of Retained Earnings	\$	-
437	Preferred Stock dividends declared	\$	-
438	Common Stock dividends declared	\$	-
439	Adjustments to Retained Earnings*		
215	Unappropriated Retained Earnings (as of year end)	\$	138,211

\* Explanation of any adjustments made to Retained Earnings

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**OTHER ACCOUNTS**

Oregon Water Utilities Mountain Lakes, Inc.

For account information not already entered, please enter amounts below, if applicable.

Category Act # Act Name

ASSETS AND OTHER DEBITS (101-190)

Utility Plant		
101	Utility Plant in Service	\$ 6,755,228
102	Utility Plant Leased to Others	
103	Property Held for Future Use	
104	Utility Plant Purchased or Sold	
105	Construction Work in Progress - Commission Approved	\$ 252,794
108	Accumulated Depreciation of Utility Plant in Service	\$ 3,379,451
110	Accumulated Amortization of Utility Plant in Service	
114	Utility Plant Acquisition Adjustments	
115	Accumulated Amortization of Utility Plant Acquisition Adjustments	

Other Property & Investments

121	Nonutility Property	
122	Accumulated Depreciation and Amortization of Nonutility Property	
123	Investment in Associated Companies	
124	Utility Investments	
125	Other Investments	
127	Other Special Funds	

Current & Accrued Assets

131	Cash	\$ 1,867,139
132	Special Deposits	
134	Working Funds	
135	Temporary Cash Investments	
141	Customer Accounts Receivable	\$ 52,136
142	Other Accounts Receivable	
143	Allowance for Uncollectible Accounts (Enter positive)	\$ 10,096
144	Notes Receivable	
145	Accounts Receivable from Associated Companies	
146	Notes Receivable from Associated Companies	
151	Plant Materials and Supplies	\$ 928
162	Prepayments	
171	Accrued Interest Receivable	
174	Miscellaneous Current and Accrued Assets	\$ 44,088

Deferred Debits

181	Unamortized Debt Discount and Expense	
182	Extraordinary Property Losses	
186	Miscellaneous Deferred Debits	
190	Accumulated Deferred Income Taxes	

EQUITY, LIABILITIES, AND OTHER CREDITS (201-283)

Equity

201	Common Stock Issued	\$ -
204	Preferred Stock Issued	\$ -
207	Premium on Capital Stock	
211	Paid in Capital	
212	Discount on Capital Stock	
213	Capital Stock Expense	
214	Appropriated Retained Earnings	
215	Unappropriated Retained Earnings	\$ 138,211
216	Reacquired Capital Stock	
218	Proprietary Capital	

Long Term Debt

221	Bonds	
223	Advances from Associated Companies	
224	Other Long-Term Debt	

Current and Accrued Liabilities

231	Accounts Payable	\$ 9,323
232	Notes Payable	
233	Accounts Payable to Associated Companies	\$ 5,432,228
234	Notes Payable to Associated Companies	
235	Customer Deposits	
236	Accrued Taxes	\$ (783)
237	Accrued Interest	
238	Accrued Dividends	
239	Matured Long-Term Debt	
240	Matured Interest	
241	Miscellaneous Current and Accrued Liabilities	\$ 23,936

Deferred Credits

251	Unamortized Premium on Debt	
252	Advances for Construction	\$ -
253	Other Deferred Credits	

Operating Reserves

261	Property Insurance Reserve	
262	Injuries and Damages Reserve	
263	Pensions and Benefits Reserve	
265	Miscellaneous Operating Reserves	

Contributions in Aid of Construction

271	Contributions in Aid of Construction	\$ 139,233
272	Accumulated Amortization of CIAC	\$ 11,247

Accumulated Deferred Income Taxes

281	Accumulated Deferred Income Taxes - Accelerated Depreciation	
282	Accumulated Deferred Income Taxes - Liberalized Depreciation	\$ (148,135)
283	Accumulated Deferred Income Taxes - Other	

WATER UTILITY PLANT ACCOUNTS (301-348)

301	Organization	\$ -
302	Franchises	\$ -
303	Land and Land Rights	\$ 5,000
304	Structures and Improvements	\$ 191,967
305	Collecting and Impounding Reservoirs	\$ -
306	Lakes, River and Other Intakes	\$ -
307	Wells and Springs	\$ 1,061,163
308	Infiltration Galleries and Tunnels	\$ -
309	Supply Mains	\$ 573,556
310	Power Generation Equipment	\$ 10,038
311	Pumping Equipment	\$ 296,922
320	Water Treatment Equipment	\$ 1,442
330	Distribution Reservoirs and Standpipes	\$ 652,551
331	Transmission and Distribution Mains	\$ 3,119,434
333	Services	\$ 346,639
334	Meters and Meter Installations	\$ 192,162
335	Hydrants	\$ 77,594
336	Backflow Prevention Devices	\$ -
339	Other Plant and Miscellaneous Equipment	\$ -
340	Office Furniture and Equipment	\$ 128,626
341	Transportation Equipment	\$ 62,880
343	Tools, Shop and Garage Equipment	\$ 3,906
344	Laboratory Equipment	\$ -

INCOME ACCOUNTS (404-434)

Utility Operating Income

400	Operating Revenue	\$ 726,424
401	Operating Expenses	\$ 393,944
403	Depreciation Expense	\$ 180,123
406	Amortization of Utility Plant Acquisition Adjustment	
407	Amortization Expense (no CIAC)	
408	Taxes Other than Income	\$ 21,663
409	Income Taxes	\$ -
410	Provision for Deferred Income Taxes - Debit	\$ 32,046
411	Provision for Deferred Income Taxes - Credit	\$ -
412	Investment Tax Credit	
413	Income from Utility Plant Leased to Others	
414	Gain/Loss from Utility Property Sales	\$ -
415	Revenues from Merchandising, Jobbing, and Contract Work	
416	Cost and Expenses of Merchandising, Jobbing, and Contract Work	
419	Interest and Dividend Income	
421	Nonutility Income	
426	Nonutility Expenses	
433	Extraordinary Income	
434	Extraordinary Deductions	

Taxes Applicable to Nonutility Income and Deductions

408.2	Taxes Other than Income - Nonutility	\$ -
409.2	Income Taxes - Nonutility	\$ -
410.2	Provision for Deferred Income Taxes - Debit - Nonutility	\$ -
411.2	Provision for Deferred Income Taxes - Credit - Nonutility	\$ -

Interest Expense

427	Interest Expense	
428	Amortization of Debt Discount and Expense	
429	Amortization of Premium on Debt	

Retained Earnings Account (435-439)

435	Balance Transferred from Income	\$ 102,783
436	Appropriations of Retained Earnings	
437	Preferred Stock Dividends Declared	\$ -
438	Common Stock Dividends Declared	\$ -
439	Adjustment to Retained Earnings	\$ -

OPERATING REVENUE ACCOUNTS (460-475)

460	Unmetered Water Revenue	\$ -
461.1	Metered Sales to Residential Customers	\$ 451,903
461.2	Metered Sales to Commercial Customers	\$ 96,215
461.3	Metered Sales to Industrial Customers	\$ -
461.4	Metered Sales to Public Authorities	\$ -
461.5	Metered Sales to Multiple Family Dwellings	\$ -
462.1	Public Fire Protection	\$ -
462.2	Private Fire Protection	\$ -
464	Other Sales to Public Authorities	\$ -
465	Sales to Irrigation Customers	\$ 72,383
466	Sales for Resale	\$ -
467	Interdepartmental Sales	\$ 78,188
468	Special Contract/Agreement Revenue	\$ -
470	Forfeited Discounts	\$ -
471	Miscellaneous Service Revenues	\$ 437
472	Rents From Water Property	\$ -
473	Interdepartmental Rents	\$ -
474	Other Water Revenues	\$ 4,258
475	Cross Connection Sales & Services Revenues	\$ 23,040

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS (601-675)

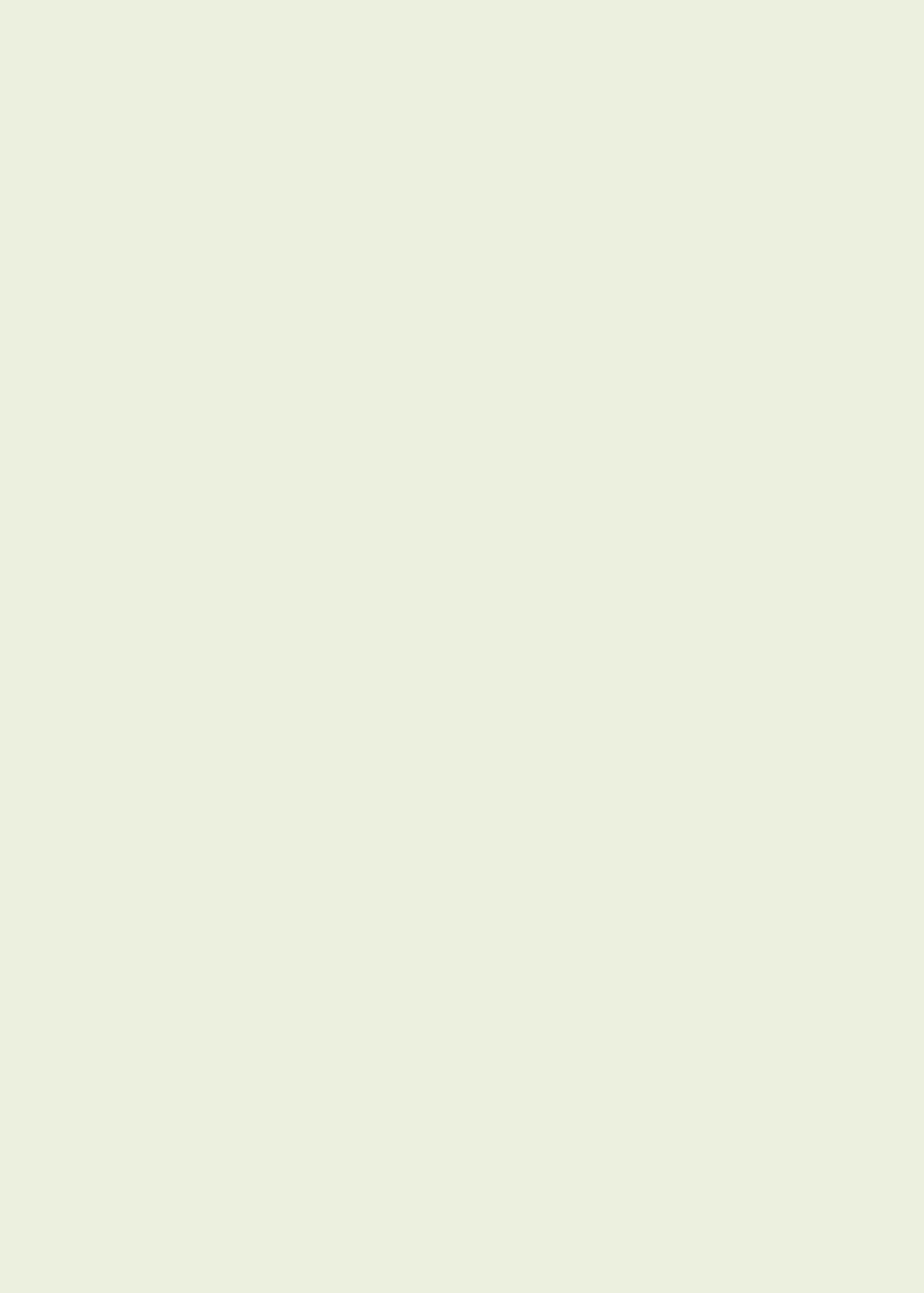
Source of Supply and Expenses

601	Salaries and Wages - Employees	\$ 49,519
603	Salaries and Wages - Officers, Directors and Majority Stockholders	\$ -
604	Employee Pensions and Benefits	\$ 26,913
610	Purchased Water	\$ -
611	Telephone/Communications	\$ 385
615	Purchased Power	\$ 70,293
616	Fuel for Power Production	\$ -
617	Utilities - Other	\$ -
618	Chemicals & testing	\$ -
619	Office Supplies (excluding postage)	\$ 1,459
619.1	Postage	\$ 3,179
620	Materials and Supplies	\$ 2,476
621	Repairs to Water Plant	\$ 10,457
631	Contractual Services - Engineering	\$ -
632	Contractual Services - Accounting	\$ 1,960
633	Contractual Services - Legal	\$ 174
634	Contractual Services - Management Fees	\$ 160,873
635	Contractual Services - Testing/Sampling	\$ 10,989
636	Contractual Services - Other	\$ -
637	Contractual Services - Billing/Collections	\$ -
638	Contractual Services - Meter Reading	\$ -
639	Contractual Services - Other	\$ 1,254
641	Rental of Building/Real Property	\$ 3,053
642	Rental of Equipment	\$ 11
643	Small Tools	\$ 566
648	Computer & Electronic Expenses	\$ 20,274
650	Transportation Expenses	\$ 6,474
656	Insurance - Vehicle	\$ 1,785
657	Insurance - General Liability	\$ 1,680
658	Insurance - Workman's Compensation	\$ 1,399
659	Insurance - Other	\$ 7,626
660	Public Relations / Advertising Expense	\$ 8
666	Regulatory Commission Expense - Amortization of Rate Case Expense	\$ -
667	Regulatory Commission Expense - Other	\$ 3,564
668	Water Resource Conservation Expense	\$ -
670	Bad Debt Expense	\$ 330
671.1	Cross Connection Control Program Expense	\$ -
671.2	Cross Connection Testin & Maintenance Services	\$ -
672	System Capacity Development Program Expense	\$ -
673	Training & Certification Expense	\$ 1,425
674	Consumer Confidence Report	\$ -
675	Miscellaneous Expenses	\$ 5,818

**NOTES**

Oregon Water Utilities Mountain Lakes, Inc.

Notes and explanations:





## INCOME STATEMENT

Oregon Water Utilities Mountain Lakes, Inc.

400 Operating Revenue	\$ 726,424
401 Operating Expenses	\$ 393,944
403 Depreciation Expense	\$ 175,988
406 Amortization of Utility Plant Acquisition Adjustment	\$ -
407 Amortization Expense	\$ -
408 Taxes Other Than Income Taxes (total)	\$ 21,663
409 Income Taxes	\$ -
410.1 Provision for Deferred Income Taxes - debit	\$ 32,046
411.1 Provision for Deferred Income Taxes - credit	\$ -
412 Investment Tax Credit	\$ -
413 Income From Utility Plant Leased to Others	\$ -
419 Interest & Dividend Income	\$ -
427 Interest Expense	\$ -
428-429 Amortization of Premium/Discount on Debt	\$ -
414 Gains/Losses From Utility Property Disposition (net)	\$ -
433-434 Extraordinary Income/deductions (net)	\$ -
NET UTILITY OPERATING INCOME	\$ 102,783
421 Nonutility Income	\$ -
415 Revenue From Merchandising, Jobbing, & Contracts	\$ -
426 Nonutility Expense	\$ -
408.2 Nonutility Taxes Other Than Income Tax	\$ -
409.2 Nonutility Income Taxes	\$ -
410.2 Nonutility Deferred Income Taxes	\$ -
411.2 Nonutility Provision for Deferred Income Taxes Credit	\$ -
416 Cost & Expense of Merchandising, Jobbing, Contracts	\$ -
Net Income	\$ 102,783

**BALANCE SHEET**

Oregon Water Utilit

101 Utility Plant in Service (excluding CIAC)	\$	6,755,228
108-110 Accumulated Depreciation & Amortization	\$	3,379,451
Subtotal	\$	3,375,777
102-104 Other Utility Plant	\$	-
105 Commission Approved Construction Work in Progress (CWIP)	\$	252,794
114 Commission Approved Utility Plant Acquisition Adjustments	\$	-
115 Accumulated Amortization of Commission Approved Acquisition Adjustments	\$	-
190 Accumulated Deferred Income Taxes (asset)	\$	-
Subtotal	\$	252,794
Net Utility Plant	\$	3,628,571
131 Cash	\$	1,867,139
132 Special Deposits	\$	-
141-142 Accounts Receivable	\$	52,136
143 Accumulated Provision for Uncollectible Accounts	\$	10,096
144 Notes Receivable	\$	-
145-146 Accounts & Notes Receivable from Associated Companies	\$	-
151 Materials & Supplies Inventory	\$	928
133-135 & 162-174 Miscellaneous Current & Accrued Assets & Prepayments	\$	44,088
Net Current & Accrued Assets	\$	1,954,195
181-186 Deferred Debits	\$	-
Total Assets	\$	5,582,766
252 Advances for Construction	\$	-
271 CIAC	\$	139,233
272 Accumulated Amortization of CIAC	\$	11,247
Net CIAC & Advances for Construction	\$	127,986
121 Nonutility Property	\$	-
122 Accumulated Depreciation & Amortization (Nonutility)	\$	-
123-127 Miscellaneous Nonutility Investments	\$	-
Nonutility Plant & Investment	\$	-
221-224 Long-Term Debt	\$	-
231 Accounts Payable	\$	9,323
232 Notes Payable	\$	-
233 Accounts Payable to Affiliated Companies	\$	5,432,228
234 Notes Payable to Affiliated companies	\$	-
235 Customer Deposits	\$	-
236 Accrued Taxes	\$	(783)
237 Accrued Interest	\$	-
238-241 Miscellaneous Current and Accrued Liabilities	\$	23,936
Liabilities	\$	5,464,704
251 Premium on Unamortized Debt	\$	-
253 Other Deferred Credit	\$	-
261-265 Reserves	\$	-
Other	\$	-
281 Accumulated Deferred Income Taxes-Accelerated Amortization	\$	-
282 Accumulated Deferred Income Taxes-Liberalized Depreciation	\$	(148,135)
283 Accumulated Deferred Income Taxes-Other	\$	-
Total Liabilities	\$	5,316,569
201 Common Stock Issued	\$	-
204 Preferred Stock Issued	\$	-
207 Premium on Capital Stock	\$	-
211 Other Paid in Capital	\$	-
212 Discount on Capital Stock	\$	-
213 Capital Stock Expense	\$	-
214 Appropriated Retained Earnings	\$	-
215 Unappropriated Retained Earnings	\$	138,211
216 Reacquired Capital Stock	\$	-
218 Proprietary Capital (Proprietorships & Partnerships Only)	\$	-
Total Equity	\$	138,211
Total Liabilities and Equity	\$	5,582,766

**STATS**

Oregon Water Utilities Mountain Lakes, Inc.

**Operating Revenues**

Flat Rate	\$	-
Metered - Residential	\$	451,903
Metered - Commercial	\$	96,215
Irrigation (including golf courses)	\$	150,571
Fire Protection	\$	-
Other Sales of Water	\$	-
Other Operating Revenue	\$	27,735
<b>Total Operating Revenues</b>	\$	<u>726,424</u>

**Operating Expenses**

Purchased Water	\$	-
Purchased Power	\$	70,293
Water Treatment	\$	10,989
Supplies and Expenses	\$	61,182
Repairs of Plant	\$	10,457
Administrative & General	\$	241,023
<b>Total Operating Expenses</b>	\$	<u>393,944</u>

**Other Revenue Deductions**

Depreciation & Amortization	\$	175,988
Operating Income Taxes	\$	32,046
Other Operating Taxes	\$	21,663
Uncollectible Revenue/Bad Debt Expense	\$	330
<b>Total Revenue Deductions</b>	\$	<u>230,027</u>
<b>Total Expenses and Deductions</b>	\$	<u>623,971</u>

Other Income	\$	-
Interest on Long-Term Debt		
Other Interest Charges	\$	-
Other Income Deductions	\$	(32,046)
<b>Net Operating Income (or Loss)</b>	\$	<u>134,499</u>

**Assets & Other Debits**

Utility Plant	\$	6,755,228
Less: Depreciation & Amortization Reserve	\$	3,379,451
Other Property & Investments	\$	1,867,139
Materials and Supplies	\$	928
Other Current & Accrued Assets	\$	338,922
Deferred Debits	\$	-
<b>Total Assets &amp; Other Debits</b>	\$	<u>5,582,766</u>

**Liabilities & Other Credits**

Capital/Common Stock	\$	-
Retained Earnings	\$	138,211
Long-Term Debt	\$	-
Customer Deposits	\$	-
Other Current & Accrued Liabilities	\$	5,464,704
Advances for Construction	\$	-
Other Deferred Credits	\$	-
Contributions in Aid of Construction	\$	127,986
Accumulated Deferred Income Taxes	\$	(148,135)
<b>Total Liabilities &amp; Other Credits</b>	\$	<u>5,582,766</u>

**Average Number of Customers**

Flat Rate	-
Metered - Residential	720
Metered - Commercial	24
Irrigation (including golf courses)	50
Fire Protection	-
Other	-
<b>Total Customers</b>	<u>794</u>