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PUBLIC SERVICE  
COMMISSION

YEAR 2010

ANNUAL REPORT  
OF THE  
UTILITY SOLUTIONS, LLC  
BOZEMAN, GALLATIN COUNTY, MONTANA

PRIVATE WATER UTILITY  
TO THE  
PUBLIC SERVICE COMMISSION  
OF MONTANA  
FOR THE YEAR ENDING DECEMBER 31, 2010

## Table of Contents

SCHEDULE	PAGE
Identification	2
Income Statement	3
Balance Sheet	4
Contributions in Aid of Construction	5
Accumulated Depreciation and Amortization of Utility Plant	6
Capital Stock	6
Retained Earnings	6
Proprietary Capital	6
Long Term Debt	6
Water Utility Plant Accounts	7
Analysis of Accumulated Depreciation by Primary Account	8
Payments For Services Rendered by Other Than Employees	9
Water Operation and Maintenance Expense	9
Water Customers	10
Operating Statistics	10

**REPORT OF**

**UTILITY SOLUTIONS, LLC**  
P.O. BOX 10098 BOZEMAN, MT 59719

For Year Ended: December 31, 2009  
Date Utility First Organized: May 15, 2003  
Telephone Number: 406-587-0994

Location where books and records are located: 517 South 22nd Ave, Suite 8, Bozeman MT

Contracts:			
Name	Title	Principal Business Address	Salary
Double-Tree, Inc.	manager	P.O. Box 10098 Bozeman, MT 59719	N/A

Report every corporation or person owning interest or holding directly or indirectly 5 percent or more voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business	Salary
Barbara Campbell	45%	P.O. Box 10098 Bozeman, MT 59719	\$0.00
Montana Ventures I, LLC	55%	c/o Guy Graves 201 W. Short St. Lexington, KY 40509	\$0.00

**INCOME STATEMENT (WATER)**

Account Name	Current Year	Previous Year
<b>GROSS REVENUE:</b>		
<b>Metered</b>		
Residential	\$ 164,956	\$ 110,327
Commercial	\$ -	\$ -
Industrial	\$ -	\$ -
Other	\$ -	\$ -
<b>Unmetered</b>		
Residential	\$ -	\$ -
Commercial	\$ -	\$ -
Industrial	\$ -	\$ -
Fire Protection	\$ -	\$ -
Bulk Sales	\$ -	\$ -
Sale of Materials	\$ -	\$ -
Other	\$ 930	\$ 1,164
<b>TOTAL GROSS REVENUE</b>	<b>\$ 165,886</b>	<b>\$ 111,491</b>
<b>Operation and Maintenance Expense</b>	<b>\$ 160,987</b>	<b>\$ 162,961</b>
<b>Depreciation/Amortization Expense</b>	<b>\$ 70,584</b>	<b>\$ 69,479</b>
<b>Taxes Other Than Income</b>	<b>\$ 1,436</b>	<b>\$ 2,783</b>
<b>Income Taxes</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Deferred Federal Income Taxes</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 233,008</b>	<b>\$ 235,223</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ (67,122)</b>	<b>\$ (123,732)</b>
<b>Other Income:</b>		
Non-Utility Income	\$ -	\$ -
<b>Other Deductions:</b>		
Non-Utility Expense	\$ -	\$ -
Interest Expense (paid)	\$ 7,589	\$ 2,709
Interest Expense (unpaid)	\$ 22,372	\$ 22,372
<b>NET INCOME (LOSS)</b>	<b>\$ (97,082)</b>	<b>\$ (148,813)</b>

**COMPARATIVE BALANCE SHEET (WATER)**

<b>Account Name</b>	<b>Current Year</b>		<b>Previous Year</b>	
<b>Assets:</b>				
Utility Plant In Service	\$	1,496,781	\$	1,496,781
Accumulated Depreciation and Amortization	\$	(421,699)	\$	(351,115)
<b>Net Utility Plant:</b>	\$	<b>1,075,082</b>	\$	<b>1,145,666</b>
Cash	\$	(1,367)	\$	5,260
Customer Accounts Receivable	\$	5,784	\$	2,142
Other Assets:				
<b>Total Assets</b>	\$	<b>1,079,500</b>	\$	<b>1,153,068</b>
<b>Liabilities and Capital:</b>				
Common Stock Issued	\$	-	\$	-
Preferred Stock Issued	\$	-	\$	-
Other Paid In Capital	\$	-	\$	-
Retained Earnings	\$	(926,957)	\$	(830,089)
Proprietary Capital	\$	-	\$	-
LLC Members Equity	\$	121,876		
<b>Total Capital</b>	\$	<b>(805,081)</b>	\$	<b>(830,089)</b>
Long Term Debt	\$	1,491,435	\$	1,491,435
Accounts Payable	\$	8,232	\$	3,304
Notes Payable	\$	280,742	\$	406,119
Customer Deposits	\$	-	\$	-
Accrued Taxes	\$	-	\$	-
<b>Other Liabilities (specify)</b>				
Accrued Interest	\$	104,172	\$	81,800
<b>Total Liabilities</b>	\$	<b>1,884,581</b>	\$	<b>1,983,158</b>
Advances for Construction	\$	-	\$	-
Contributions In Aid Of Construction (PSC regulated)	\$	-	\$	-
<b>Total Liabilities and Capital</b>	\$	<b>1,079,500</b>	\$	<b>1,153,068</b>

The 2009 Annual Report included a \$2,351 plant retirement. The plant item was fully depreciated, but not retired. The previous year Plant and Accumulated Depreciation accounts have been restated.

**Straight-Line Depreciation  
Accumulated Depreciation and Amortization of Utility Plant**

Account 108	Current Year	Previous Year
Balance First of Year	\$ 351,115	\$ 281,636
Credits During Year:	\$ -	\$ -
Accruals Charged to Depreciation Account	\$ 70,584	\$ 69,479
Other Credits (Specify)	\$ -	\$ -
<b>Total Credits</b>	<b>\$ 70,584</b>	<b>\$ 69,479</b>
Debits During Year:		
Book Cost of Plant Retired	\$ -	\$ -
Cost of Removal	\$ -	\$ -
Other Debits (Specify)	\$ -	\$ -
<b>Total Debits</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Balance End of Year</b>	<b>\$ 421,699</b>	<b>\$ 351,115</b>

**CONTRIBUTIONS IN AID OF CONSTRUCTION**

Report all contractor and developer agreements from which cash was received during the year	Indicate "Cash or Property"	Amount
<b>PSC regulated area</b>		
PIAC from Developer		\$0.00
<b>Total During Year:</b>		<b>\$0.00</b>

**ACCUMULATED DEFERRED INCOME TAXES**

Description	Total
<b>Accumulated Deferred Income Taxes:</b>	
Federal	NONE
State	NONE
<b>Total Accumulated Deferred Income Taxes</b>	<b>\$0.00</b>

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**CAPITAL STOCK**

		Common Stock	Preferred Stock
Par or stated value per share		NONE	
Shares authorized			
Shares issued and outstanding			
Total par value			
Dividends declared per share for year			

**RETAINED EARNINGS**

Balance first of year		\$ (830,089)	
Changes during year		\$ (96,868)	
Balance end of year		\$ (926,957)	

**MEMBERS EQUITY**

Balance first of year		\$ -	
Changes during year		\$ 121,876	
Net			
Balance end of year		\$ 121,876	

**LONG TERM DEBT**

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Payments	
Private Notes Payable	1% over prime		\$ 1,491,435

**WATER UTILITY PLANT ACCOUNTS**

Acct No.	Account Name	Previous Yr.	Additions	Retirements	Current Year
301	Organization	\$ -			\$ -
302	Licenses & Permits capitalized	\$ 171,102	\$ -		\$ 171,102
303	Land & Land Rights	\$ 23,744	\$ -		\$ 23,744
304	Property Improvements	\$ 14,659	\$ -		\$ 14,659
305	Collecting and Impounding Reservoirs	\$ -			\$ -
306	Lake River and Other Intakes	\$ -			\$ -
307	Wells and Springs	\$ -			\$ -
308	Infiltration Galleries and Tunnels	\$ -			\$ -
309	Supply Mains	\$ -			\$ -
310	Power Generation Equipment	\$ -			\$ -
311	Pumping Equipment	\$ -			\$ -
320	Water Treatment Equipment	\$ -			\$ -
330	Distribution Reservoirs and Standpipes	\$ -			\$ -
331	Transmission and Distribution Mains	\$ 582,351	\$ -		\$ 582,351
333	Services	\$ -			\$ -
334	Meters and Meter Installations	\$ 50,929	\$ -		\$ 50,929
334	Hydrants	\$ -			\$ -
339	Other Plant and Misc. Equipment	\$ -			\$ -
340	Office Furniture & Equipment	\$ 3,341	\$ -		\$ 3,341
341	Transportation Equipment	\$ 7,654	\$ -		\$ 7,654
342	Stores Equipment	\$ -			\$ -
343	Tools, Shop & Garage Equipment	\$ -			\$ -
344	Laboratory Equipment	\$ -			\$ -
345	Power Operated Equipment	\$ -			\$ -
346	Communication Equipment	\$ -			\$ -
347	Miscellaneous Equipment	\$ -			\$ -
348	Other Tangible Plant	\$ -			\$ -
349	Water Distribution Facility & Wells	\$ 643,002	\$ -		\$ 643,002
	<b>TOTAL WATER PLANT</b>	<b>\$ 1,496,781</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,496,781</b>

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ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

Acct No.	Account	Average Service Life in Years	Average Salvage in Percent	Depreciation Rate Applied	Accumulated Depreciation Balance Previous Year	Debits	Credits	Accumulated Depreciation Balance End of Year
302	Licenses & Permits capitalized	15.00		Amortization	\$ 71,832	\$ 11,497		\$ 83,238
303	Land & Land Rights	NA		NA	NA			NA
304	Property Improvements	10.00		Straight Line	\$ 5,787	\$ 1,466		\$ 7,253
305	Collecting and Impounding Reservoirs	NA		NA	NA			NA
306	Lake River and Other Intakes	NA		NA	NA			NA
307	Wells and Springs	NA		NA	NA			NA
308	Infiltration Galleries and Tunnels	NA		NA	NA			NA
309	Supply Mains	NA		NA	NA			NA
310	Power Generation Equipment	NA		NA	NA			NA
311	Pumping Equipment	NA		NA	NA			NA
320	Water Treatment Equipment	NA		NA	NA			NA
330	Distribution Reservoirs & Standpipes	NA		NA	NA			NA
331	Transmission and Distribution Mains	25.00		Straight Line	\$ 149,146	\$ 23,294		\$ 172,440
333	Services	NA		NA	NA			NA
334	Meters and Meter Installations	7.00		Straight Line	\$ 21,927	\$ 7,276		\$ 29,102
334	Hydrants	NA		NA	NA			NA
339	Other Plant and Misc. Equipment	NA		NA	NA			NA
340	Office Furniture & Equipment	5.00		Straight Line	\$ 3,087	\$ 175		\$ 3,263
341	Transportation Equipment	5.00		Straight Line	\$ 6,347	\$ 1,247		\$ 7,594
342	Stores Equipment	NA		NA	NA			NA
343	Tools, Shop & Garage Equipment	NA		NA	NA			NA
344	Laboratory Equipment	NA		NA	NA			NA
345	Power Operated Equipment	NA		NA	NA			NA
346	Communication Equipment	NA		NA	NA			NA
347	Miscellaneous Equipment	NA		NA	NA			NA
348	Other Tangible Plant	NA		NA	NA			NA
349	Water Distribution Facility & Wells	25.00		Straight Line	\$ 93,090	\$ 25,720		\$ 118,810
	<b>TOTAL WATER PLANT</b>				\$ 351,115	\$ 70,594	\$ -	\$ 421,699

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**WATER OPERATION AND MAINTENANCE EXPENSE**

ACCOUNT NAME	AMOUNT
Salaries and Wages	\$ -
Materials and Supplies	\$ 1,588
Chemicals	\$ 1,798
Purchased Power	\$ 10,253
Fuel for Power Production	\$ -
Contractual Services	\$ 6,663
Engineering Expense	\$ -
Management Contract	\$ 109,737
Rental Equipment and Property	\$ -
Auto Transportation	\$ 1,476
Other Equipment Expense	\$ 256
Laboratory and Testing	\$ 1,027
Insurance	\$ 5,463
Regulatory Commission	\$ 14,530
Permits, Fees, and Licenses	\$ 743
Advertising	\$ 775
Postage and Printing	\$ 632
Office	\$ 3,623
Miscellaneous Expense	\$ 166
Petty Cash	\$ 337
Bad Debt Expense	\$ 777
Legal Expense	\$ -
Accounting	\$ 1,140
Meters	\$ -
Loan Fees	\$ -
<b>Total</b>	<b>\$ 160,987</b>

**PAYMENT FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES**

Name of Recipient	Amount	Description of Service
<b>Contractual Services:</b>		
Eric Campbell	\$ 6,270	Testing/water operation
<b>Regulatory Services</b>		
Hughes Kellner	\$ 12,627	Regulatory
Barrows	\$ 5,063	Regulatory
<b>Accounting Services</b>		
Gallusha Higgins Galusha	\$ 1,140	Accounting

Sources of Water Supply			
Surface Water:			
River: _____	Stream: _____	Lake: _____	Impounding Reservoir: _____
Ground Water:			
No. of Streams: _____	No. of Shallow Wells: _____	3	No. of Deep Wells: _____

Reservoirs, Standpipes, and Purification System			
No. of Reservoirs: _____	1	Capacity in Gallons: _____	246,000
No. of Standpipes: _____	0	Capacity in Gallons: _____	_____
Method of Purification: None			

\* Chlorinator online April 2009

Services and Meters									
Size->	1/2"	3/4"	1 in	1 1/2 in	2 in	3 in	4 in	6 in	
Services		275							
Meters		264							

Number and Classification of Consumers							
Classification	Beginning of Year			End of Year			Increase
	Metered	Unmetered	Total	Metered	Unmetered	Total	
Residential	264	0	264	261	0	261	-3
Commercial							
Industrial							
Fire Hydrants	0	47	47	0	47	47	0
Governmental							
All Other	11	11	22	11	11	22	0
Total	275	58	333	272	58	330	-3

Total Pumping Station Statistics	
Total Amount of Water Obtained by all methods during the year	30,006,000 gals.
Maximum Water obtained all methods during any one day:	not avail gals.
Minimum Amount of Water obtained all methods during one day:	not avail gals.
Range of ordinary pressure on mains:	58 psi to 67 psi
Range of fire pressure in mains:	40 psi to 60 psi

Affidavit

STATE OF MONTANA )

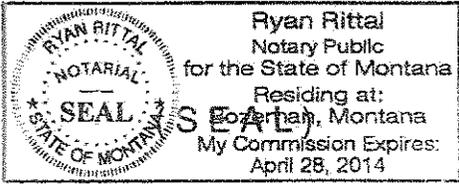
County of Gallatin )

We, the undersigned, on our oath do severally say that the foregoing return of Utility Solutions, LLC water utility, has been prepared under our direction from the original books, papers and records of said utility and declare the same to be a full, true and correct statement embracing all the financial transactions of said utility during the period for which the return is made.

Trevor Campbell  
(Signature)

\_\_\_\_\_  
(Signature)

Subscribed and sworn before me this 2<sup>nd</sup> day of May, 20 11



Ryan Rittal - Residing at Bozeman MT  
My Wife