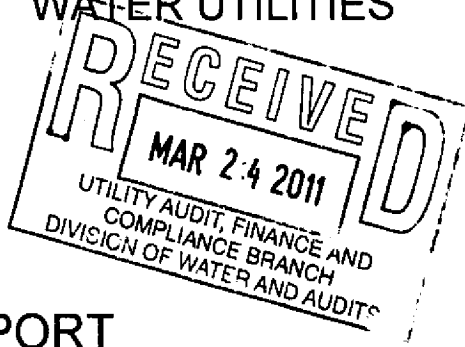


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Received _____
Examined _____

CLASS B and C
WATER UTILITIES



U# 85-WT-C _____

2010
ANNUAL REPORT
OF

AGATE BAY WATER COMPANY

(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

5424 TREESIDE DRIVE

CARMICHAEL, CALIFORNIA 95608

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2010

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2011

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GENERAL INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN MARCH 31, 2011**, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS
ATTN: KAYODE KAJOPAIYE
505 VAN NESS AVENUE, ROOM 3105
SAN FRANCISCO, CALIFORNIA 94102-3298
kok@cpuc.ca.gov**

2. Failure to file the report on time may subject a utility to the penalties and sanctions provided by the Public Utilities Code.
3. The Oath on Page 34, must be signed by an authorized officer, partner, or owner.
4. The report must be prepared in ink or by the use of a typewriter. Computer generated report forms may be substituted.
5. The report must be filled in, and every question answered. **LEAVE NO SCHEDULE BLANK.** Insert the words "none" or "not applicable" or "n/a" when appropriate.
6. Certain balance sheet and income statement accounts refer to supplemental schedules. The totals of the details in the latter must agree with the balances of the accounts to which they refer.
7. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference, it should be explained by footnote.
8. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report. If inserts are needed, prepare all inserts in one separate electronic file in Microsoft Excel format and file it with the electronic file of this report.
9. This report must cover the calendar year from January 1, 2010, through December 31, 2010. Fiscal year reports will not be accepted.

INSTRUCTIONS

FOR PREPARATION OF SELECTED FINANCIAL DATA SHEET FOR ALL WATER UTILITIES

To prepare the attached data sheets, refer to the Balance Sheet, Income Statement and supporting detail schedules in the annual report for the required data.

Please follow the instructions below:

1. Common plant allocated to water should be indicated with water plant figures in Net Plant Investment.
2. The capitalization section for those reporting on both California Only and Total System Forms should be identical and completed with Total Company Data. Be sure that Advances for Construction include California water data only.
3. Complete the operation section with California water revenues and expenses, but if necessary, remove interdepartmental revenues and expenses.
4. All other utility and nonutility revenues and expenses are netted on Line No. 38.

GENERAL INFORMATION

1. Name under which utility is doing business: Agate Bay Water Company

2. Official mailing address: 5424 Treeside Drive
Carmichael, California ZIP 95608

3. Name and title of person to whom correspondence should be addressed:
Steven M. Glazer Telephone: 530.525-6659

4. Address where accounting records are maintained:
Carmichael and Homewood, California

5. Service Area (Refer to district reports if applicable) Placer County-North Lake Tahoe- Agate Bay Subdivisions

6. Service Manager (if located in or near Service Area.) (Refer to district reports if applicable.)
Name: Duncan Davis Telephone: 530.546-3337
Address: 706 Agate Road 530 412.1646

7. OWNERSHIP. Check and fill in appropriate line:
 Individual (name of owner) _____
 Partnership (name of partner) _____
 Partnership (name of partner) _____
 Partnership (name of partner) _____
 Corporation (corporate name) "S" Agate Bay Water Co.
Organized under laws of (state) California Date: 4/18/1962

Principal Officers:
Name: Lenore Davis Title: President & Treasurer
Name: _____ Title: _____
Name: _____ Title: _____
Name: _____ Title: _____

8. Names of associated companies: _____

9. Names of corporations, firms or individuals whose property or portion of property have been acquired during the year, together with date of each acquisition:
Name: _____ Date: _____
Name: _____ Date: _____
Name: _____ Date: _____
Name: _____ Date: _____

10. Use the space below for supplementary information or explanations concerning this report:

11. List Name, Grade, and License Number of all Licensed Operators:
Steven M. Glazer T-3 #8063

BALANCE SHEET AND CAPITALIZATION DATA

Calendar Year 2010

NAME OF UTILITY Agate Bay Water Co. Telephone: 530.525-6659

PERSON RESPONSIBLE FOR THIS REPORT Steven M. Glazer

	<u>1/1/2010</u>	<u>12/31/2010</u>	<u>Average</u>
BALANCE SHEET DATA			
1 Intangible Plant			
2 Land and Land Rights	10500	10500	10500
3 Depreciable Plant	1085580	1117523	1101551.5
4 Gross Plant in Service	1096080	1128023	1112051.5
5 Less: Accumulated Depreciation	-456400	-486573	-471486.5
6 Net Water Plant in Service	639680	641450	640565
7 Water Plant Held for Future Use			
8 Construction Work in Progress			
9 Materials and Supplies	5926	5926	5926
10 Less: Advances for Construction	()	()	()
11 Less: Contribution in Aid of Construction	()	()	()
12 Less: Accumulated Deferred Income and Investment Tax Credits	()	()	()
13 Net Plant Investment	<u>645606</u>	<u>647376</u>	<u>646491</u>
CAPITALIZATION			
14 Common Stock	45734	45734	45734
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	51624	51624	51624
17 Retained Earnings	-103938	-110365	-107151.5
18 Common Stock and Equity (Lines 14 through 17)	-6580	-13007	-9793.5
19 Preferred Stock			
20 Long-Term Debt	0		
21 Notes Payable	302500	268674	285587
22 Total Capitalization (Lines 18 through 21)	<u>295920</u>	<u>242660</u>	<u>269290</u>

INCOME STATEMENT AND OTHER DATA

Calendar Year 2010

NAME OF UTILITY Agate Bay Water Co

Telephone: 530.5256659

	Annual Amount
INCOME STATEMENT	
23 Unmetered Water Revenue	317512
24 Fire Protection Revenue	1579
25 Irrigation Revenue	_____
26 Metered Water Revenue	_____
27 Total Operating Revenue	319091
28 <u>Operating Expenses</u>	178338
29 Depreciation Expense (Composite Rate: <u>2.70%</u>)	30173
30 Amortization and Property Losses	_____
31 Property Taxes	7559
32 Taxes Other Than Income Taxes	11176
33 Total Operating Revenue Deduction Before Taxes	227246
34 California Corp. Franchise Tax	1000
35 Federal Corporate Income Tax	"S" corp
36 Total Operating Revenue Deduction After Taxes	228246
37 Net Operating Income (Loss) - California Water Operations	90845
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	212
39 Income Available for Fixed Charges	91057
40 Interest Expense	16527
41 Net Income (Loss) Before Dividends	74530
42 Preferred Stock Dividends	_____
43 Net Income (Loss) Available for Common Stock	74530
OTHER DATA	
44 Refunds of Advances for Construction	_____
45 Total Payroll Charged to Operating Expenses	66946
46 Purchased Water	_____
47 Power	7931

<u>Active Service Connections</u>	(Exc. Fire Protect.) _____	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections		_____	_____	_____
49 Flat Rate Service Connections		579	579	579
50 Total Active Service Connections		579	579	579

Excess Capacity and Non-Tariffed Services

NOTE: In D.00-07-018, D.03-04-028, and D. 04-12-023, the CPUC set forth rules and requirements regarding water utilities provision of non-tariffed services using excess capacity. These decisions require water utilities to: 1) file an advice letter requesting Commission approval of that service, 2) provide information regarding non-tariffed goods/services in each companies Annual Report to the Commission.

Based on the information and filings required in D.00-07-018, D.03-04-028, and D.04-12-023, provide the following information by each individual non-tariffed good and service provided in 2010:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											
Row Number	Description of Non-Tariffed Goods/Services	Active or Passive	Total Revenue Derived from Non-tariffed Goods/Services (by account)	Revenue Account Number	Total Expenses Incurred to Provide Non-tariffed Goods/Services (by account)	Expense Account Number	Advice Letter and/or Resolution Number Approving Non-tariffed Goods/Services	Total Income Tax Liability Incurred Because of Non-tariffed Goods/Services (by account)	Income Tax Liability Account Number	Gross Value of Regulated Assets Used in the Provision of a Non-tariffed Goods/Services (by account)	Regulated Asset Account Number

**SCHEDULE A
COMPARATIVE BALANCE SHEET
Assets and Other Debits**

Line No.	Acct. No.	Title of Account (a)	Schedule Number (b)	Balance End of Year (c)	Balance Beginning of Year (d)
		UTILITY PLANT			
1	101	Water plant in service	A-1	1128023	1096080
2	103	Water plant held for future use	A-1 & A-1b		
3	104	Water plant purchased or sold	A-1		
4	105	Water plant construction work in progress	A-1		
5		Total utility plant		1128023	1096080
6	106	Accumulated depreciation of water plant	A-3	-486573	-456400
7	114	Water plant acquisition adjustments	A-1		
8		Total amortization and adjustments			
9		Net utility plant		641450	639680
		INVESTMENTS			
10	121	Non-utility property and other assets			
11	122	Accumulated depreciation of non-utility property	A-3		
12		Net non-utility property			
13	123	Investments in associated companies			
14	124	Other investments			
15		Total investments			
		CURRENT AND ACCRUED ASSETS			
16	131	Cash		15865	23314
17	132	Special accounts			
18	141	Accounts receivable - customers			
19	142	Receivables from associated companies			
20	143	Accumulated provision for uncollectible accounts			
21	151	Materials and supplies		5926	5926
22	174	Other current assets		9500	
23		Total current and accrued assets		31291	29240
24	180	Deferred charges	A-5		
25		Total assets and deferred charges		672741	668920

**SCHEDULE A
COMPARATIVE BALANCE SHEET
Liabilities and Other Credits**

Line No.	Acct. No.	Title of Account (a)	Schedule Number (b)	Balance End of Year (c)	Balance Beginning of Year (d)
CORPORATE CAPITAL AND SURPLUS					
1	201	Common stock	A-6	45734	45734
2	204	Preferred stock	A-6		
3	211	Other paid-in capital	A-8		0
4	215	Retained earnings	A-9	-110365	-103938
5		Total corporate capital and retained earnings		-64631	-58204
PROPRIETARY CAPITAL					
6	218	Proprietary capital	A-10	119274	85369
7	218.1	Proprietary drawings			
8		Total proprietary capital		119274	85369
LONG TERM DEBT					
9	224	Long term debt	A-11	268674	30250
10	225	Advances from associated companies	A-12		
CURRENT AND ACCRUED LIABILITIES					
11	231	Accounts payable			
12	232	Short term notes payable			
13	233	Customer deposits			
14	235	Payables to associated companies	A-13		
15	236	Accrued taxes		2325	962
16	237	Accrued interest			
17	241	Other current liabilities	A-14		0
18		Total current and accrued liabilities		2325	962
DEFERRED CREDITS					
19	252	Advances for construction	A-15		
20	253	Other credits			
21	255	Accumulated deferred investment tax credits	A-16		
22	282	Accumulated deferred income taxes - ACRS depreciation	A-16		
23	283	Accumulated deferred income taxes - other	A-16	347099	338293
24		Total deferred credits		347099	338923
CONTRIBUTIONS IN AID OF CONSTRUCTION					
25	271	Contributions in aid of construction	A-17		
26	272	Accumulated amortization of contributions			
27		Net contributions in aid of construction			
28		Total liabilities and other credits		672741	668920

**SCHEDULE A-1
UTILITY PLANT**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plt Additions During year (c)	Plt Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Water plant in service	1096080	31943			1128023
2	103	Water plant held for future use					
3	104	Water plant purchased or sold					
4	105	Construction work in progress - water plant					
5	114	Water plant acquisition adjustments					
6		Total utility plant	1096080	31943			1128023

* Debit or credit entries should be explained by footnotes or supplementary schedules

**SCHEDULE A-1a
Account No. 101 - Water Plant in Service**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plt Additions During year (c)	Plt Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
		NON-DEPRECIABLE PLANT					
1	301	Intangible plant					
2	303	Land	10500				10500
3		Total non-depreciable plant	10500				10500
		DEPRECIABLE PLANT					
4	304	Structures	63791				63791
5	307	Wells	12812				12812
6	317	Other water source plant	37413	668			38081
7	311	Pumping equipment	28256				28256
8	320	Water treatment plant	311761	10119			321880
9	330	Reservoirs, tanks and sandpipes	88121				88121
10	331	Water mains	324290	4544			328834
11	333	Services and meter installations	6383				6383
12	334	Meters	860				860
13	335	Hydrants	41187				41187
14	339	Other equipment	43761	6752			50513
15	340	Office furniture and equipment	4322	360			4682
16	341	Transportation equipment	122623	9500			132123
17		Total depreciable plant	1085580				1117523
18		Total water plant in service	1096080	31943			1128023

* Debit or credit entries should be explained by footnotes or supplementary schedules

SCHEDULE A-1b
Account No. 103 - Water Plant Held for Future Use

Line No.	Description and Location of Property (a)	Date of Acquisition (b)	Approximate Date When Property will be placed in Service (c)	Balance End of Year (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10	Total			

SCHEDULE A-2
Account No. 121 - Non-utility Property and Other Assets

Line No.	Name and Description of Property (a)	Book Value End of Year (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	

SCHEDULE A-3
Account Nos. 108 and 122 - Depreciation and Amortization Reserves

Line No.	Item (a)	Account 106 Water Plant (b)	Account 106.1 SDWBA Loans (c)	Account 122 Non-utility Property (d)
1	Balance in reserves at beginning of year	-456400		
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	-30173		
4	(b) Charged to Account No 272			
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits (Footnote 2)			
8	Total Credits			
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired			
11	(b) Cost of removal			
12	(c) All other debits (Footnote 3)			
13	Total debits			
14	Balance in reserve at end of year	-486573		
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE 2.7 %			
16				
17	(2) EXPLANATION OF ALL OTHER CREDITS:			
18				
19				
20				
21				
22				
23	(3) EXPLANATION OF ALL OTHER DEBITS:			
24				
25				
26				
27				
28				
29	(4) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION			
30	(a) Straight line	[X]		
31	(b) Liberalized	[]		
32	(1) Sum of the years digits	[]		
33	(2) Double declining balance	[]		
34	(3) Other	[]		
35	(c) Both straight line and liberalized	[]		

SCHEDULE A-3a
Account No. 108 - Analysis of Entries in Depreciation Reserve

Line No.	Acct No.	Depreciable Plant (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserve During Year Excluding Costs of Removal (d)	Salvage and Cost of Removal Net (Dr.) or (Cr.) (e)	Balance End of Year (f)
1	304	Structures					
2	307	Wells	NA				
3	317	Other water source plant	included in				
4	311	Pumping equipment	Totals				
5	320	Water treatment plant					
6	330	Reservoirs, tanks and sandpipes					
7	331	Water mains					
8	333	Services and meter installations					
9	334	Meters					
10	335	Hydrants					
11	339	Other equipment					
12	340	Office furniture and equipment					
13	341	Transportation equipment					
14		Total	-456400	-30173			-486573

SCHEDULE A-4
Account No. 174 - Other Current Assets

Line No.	Item (a)	Amount (b)
1	Short Term Note: Agate Bay Dry Dock	9500
2		
3		
4		
5		
6		
7		
8		
9		
10		

SCHEDULE A-5

Accounts Nos. 180 and 253 - Unamortized debt discount and expense and unamortized premium on debt

1. Report under separate subheadings for Unamortized Debt Discount and Expense and Unamortized Premium on Debt, particulars of discount and expense or premium applicable to each class and series of long-term debt.
2. Show premium amounts in red or by enclosure in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.
5. Furnish particulars regarding the treatment of debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year, also, date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years.

Line No.	Designation of Long-Term Debts (a)	Principal Amount of Securities to Which Discount and Expense, or Premium Minus Expense, Relates (b)	Total Discount and Expense or Net Premium (c)	Amortization Period		Balance Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance End of Year (i)
				From (d)	To (e)				
1	Water Treatment Plant								
2	1999 loan to water Company								
3	from Agate Bay Properties	310000				302500		33826	268674
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									

SCHEDULE A-6
Account Nos. 201 and 204 - Capital Stock

Line No.	Class of Stock (a)	Date of Issue (b)	Number of Shares Authorized by Articles of Incorporation (c)	Par or Stated Value (d)	Number of Shares Outstanding (e)	Amount Outstanding End of Year (f)	Dividends Declared During Year	
							Rate (g)	Amount (h)
1	Common	4/1/1962	1710	50	1710	1710		
2								
3								
4								
5								
6								
7								
8							Total	

SCHEDULE A-7
Record of Stockholders at End of Year

Line No.	COMMON STOCK Name (a)	Number of Shares (b)	PREFERRED STOCK Name (c)	Number of Shares (d)
1	Lenore Davis	1710		
2				
3				
4				
5				
6				
7				
8				
9				
10	Total number of shares		Total number of shares	

SCHEDULE A-8
Account No. 211 - Other Paid in Capital (Corporations only)

Line No.	Type of Paid in Capital (a)	Balance End of Year (b)
1		
2		
3		
4		
5		
6		
7		
8	Total	

SCHEDULE A-9
Account No. 215 - Retained Earnings
(Corporations Only)

Line No	Item (a)	Amount (b)
1	Balance beginning of year	-103938
2	CREDITS	
3	Net income	
4	Prior period adjustments	
5	Other credits (detail)	
6	Total Credits	
7		
8	DEBITS	
9	Net losses	
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	
13	Other debits (detail)	
14	Total Debits	-6427
15	Balance end of year	-110365

SCHEDULE A-10
Account No. 218 - Proprietary Capital
(Sole Proprietor or Partnership)

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	85369
2	CREDITS	
3	Net income	
4	Additional investments during year	
5	Other credits (detail)	
6	Total Credits	
7	DEBITS	
8	Net losses	
9	Withdrawals during year	33905
10	Other debits (detail)	
11	Total Debits	
12	Balance end of year	119274

SCHEDULE A-11
Account No. 224 - Long-Term Debt

Line No.	Class (a)	Name of Issue (b)	Date of Issue (c)	Date of Maturity (d)	Principal Amount Authorized (e)	Outstanding Per Balance Sheet (f)	Interest Rate (g)	Interest Accrued During Year (h)	Sinking Fund (i)	Interest Paid During Year (j)
1	Agate Bay Properties									
2	Loan for treatment									
3	Plant	AB Prop.	4/1/1999		310000	268674	7.5			16527
4										
5										
6										

SCHEDULE A-12
Account No. 225 - Advances from Associated Companies

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1					
2					
3					
4					
5					
6	Totals				

Schedule A-13
Account No. 235 - Payables to Associated Companies

Line No.	Nature of Obligation (a)	Balance End of Year (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1					
2					
3					
4					
5					
6	Totals				

SCHEDULE A-14
Account No. 241 - Other Current Liabilities

Line No.	Description (a)	Balance End of Year (b)
1		
2		
3		
4		
5	Total	

SCHEDULE A-15
Account No. 252 - Advances for Construction

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year		
2	Additions during year		
3	Subtotal - Beginning balance plus additions during year		
4	Charges during year:		
5	Refunds		
6	Percentage of revenue basis		
7	Proportionate cost basis		
8	Present worth basis		
9	Total refunds		
10	Transfers to Acct. 271, Contributions in aid of Construction		
11	Due to expiration of contracts		
12	Due to present worth discount		
13	Total transfers to Acct. 271		
14	Securities Exchanged for Contracts (Enter detail below)		
15	Subtotal - charges during year		
16	Balance end of year		

SCHEDULE A-16
Account Nos. 255, 282, and 283 - Deferred Taxes

Line No	Item (a)	Account 255 Investment Tax Credit (b)	Account 282 Income Tax - ACRS Depreciation (c)	Account 283 - Other (d)
1	Income Tax "S" Corporation beginning 2010			338293
2	Federal & State Income Taxes			
3	Balance Depreciation			8806
4	Additions end of 2010			
5	Total			347099

SCHEDULE A-17

Account No. 271 - Contributions in Aid of Construction

Instructions for Preparation of Schedule of Contributions in Aid of Construction

1. The credit balance in the account other than that portion of the balance relating to non-depreciable property (column d), to property retired prior to January 1, 1955 (column e), shall be written off through charges to this account and credits to Account No. 106, Accumulated depreciation of water plant, over a period equal to the estimated service life of the property involved. Upon retirement of depreciable property for which a depreciation reserve has been created through charges to this account, the cost thereof shall be credited to the appropriate plant account and concurrently charged to Account No. 106. If the property is retired prior to the service life originally estimated, the balance in this account with respect to the retired property shall be transferred to the depreciation reserve account.
2. That portion of the balance applicable to non-depreciable property shall remain unchanged until the property is sold or otherwise retired. Upon retirement, the cost of such non-depreciable property acquired by donation or through use of donated funds shall be credited to the appropriate plant account and charged to this account to clear the credit balance carried herein.
3. That portion of the balance representing donations on property retired prior to January 1, 1955 (column e), and the amount of depreciation accrued to January 1, 1955, on property in service (column f), shall not be transferred from this account or otherwise disposed of without first receiving written authorization from the Commission.

Line No.	Description	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954		Property Retired Before Jan. 1, 1955 ² (e)	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 ³ (f)
			Depreciable (c)	Non-Depreciable ¹ (d)		
1	Balance beginning of year					
2	Add: Credits to account during year					
3	Contributions revived during year					
4	Other credits*					
5	Total credits					
6	Deduct: Debits to Account during year					
7	Depreciation charges for year					
8	Non-depreciable donated property retired					
9	Other debits*					
10	Total debits					
11	Balance end of year					

* Indicate nature of these items and show the accounts affected by the contra entries

**SCHEDULE B
INCOME STATEMENT**

Line No.	Acct. No.	Account (a)	Schedule Number (b)	Amount (c)
		UTILITY OPERATING INCOME		
1	400	Operating Revenues	B-1	319091
		OPERATING REVENUE DEDUCTIONS		
2	401	Operating expenses	B-2	178338
3	403	Depreciation expense	A-3	30173
4	407	SDWBA loan amortization expense	pages 7 & 8	
5	408	Taxes other than income taxes	B-3	18735
6	409	State corporate income tax expense	B-3	1000
7	410	Federal corporate income tax expense	B-3	"S" Corp
8		Total operating revenue deductions		228246
9		Total utility operating income		90845
		OTHER INCOME AND DEDUCTIONS		
10	421	Non-utility income	B-5	212
11	426	Miscellaneous non-utility expense	B-5	
12	427	Interest expense	B-6	16527
13		Total other income and deductions		16315
14		Net income		74530

SCHEDULE B-1
Account No. 400 - Operating Revenues

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Parenthesis) (d)
WATER SERVICE REVENUES					
1	460	Unmetered water revenue			
2		460.1 Single - family residential	308865	279594	29271
3		460.2 Commercial and multi-residential			
4		460.3 Large water users	1807	1434	373
5		460.5 Safe Drinking Water Bond Surcharge			
6		460.9 Other unmetered revenue	6580	5657	923
7		Sub-total	317252	286685	30567
8	462	Fire protection revenue			
9		462.1 Public fire protection			
10		462.2 Private fire protection	1839	1579	260
11		Sub-total	1839	1579	260
12	465	Irrigation revenue			
13	470	Metered water revenue			
14		470.1 Single-family residential			
15		470.2 Commercial and multi-residential			
16		470.3 Large water users			
17		470.5 Safe Drinking Water Bond Surcharge			
18		470.9 Other metered revenue			
19		Sub-total			
20		Total water service revenues			
21	480	Other water revenue			
22		Total operating revenues	319091	288264	30827

SCHEDULE B-2
Account No. 401 - Operating Expenses

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Parenthesis) (d)
		PLANT OPERATION AND MAINTENANCE EXPENSES			
		VOLUME RELATED EXPENSES			
1	610	Purchased water			
2	615	Power	7931	5540	2391
3	616	Other volume related expenses	6600	7946	-1346
4		Total volume related expenses	14531	13486	3737
		NON-VOLUME RELATED EXPENSES			
5	630	Employee labor	28669	28962	-293
6	640	Materials	13454	9116	4338
7	650	Contract work includes DHS samples+\$4090	27896	34400	-4631
8	660	Transportation expenses	6363	8277	-1914
9	664	Other plant maintenance expenses	1257	1866	-609
10		Total non-volume related expenses	77639	82621	-1305
11		Total plant operation and maintenance exp.	92170	96107	-3937
		ADMINISTRATIVE AND GENERAL EXPENSES			
12	670	Office salaries	18277	1822	16455
13	671	Management salaries	20000	20000	0
14	674	Employee pensions and benefits	3320	7400	16455
15	676	Uncollectible accounts expense			
16	678	Office services and rentals	5000	11872	-6872
17	681	Office supplies and expenses	14506	14561	-55
18	682	Professional services	7259	5692	-6817
19	684	Insurance	12151	11988	163
20	688	Regulatory commission expense includes GRC W-4580	3827	1800	2027
21	689	General expenses	1828	2870	-1864
22		Total administrative and general expenses	86168	78005	8163
23	800	Expenses capitalized			
24		Net administrative and general expense			
25		Total operating expenses	178338	174112	4226

SCHEDULE B-3
Account No. 408, 409, 410 - Taxes Charged During the Year

Line No.	Type of Tax (a)	Total Taxes Charged During Year (b)	Distribution of Taxes Charged	
			Water (c)	Nonutility (d)
1	Taxes on real and personal property	7559		
2	State corporate franchise tax	1000		
3	State unemployment insurance tax			
4	Other state and local taxes	1429		
5	Federal unemployment insurance tax			
6	Federal insurance contributions act			
7	Other federal taxes + payroll	9747		
8	Federal income taxes	"S" corp		
9	Total	19735		

SCHEDULE B-4
Reconciliation of Reported Net Income for Federal Income Taxes

- 1 Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.
- 2 If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, inter-company amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax amount the group members.
- 3 Show taxable year if other than calendar year from _____ to _____.

Line No.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 4	
2	Reconciling amounts (list first additional income and unallowable deductions,	
3	followed by additional deductions and non-taxable income):	
4		
5		
6		
7		
8		
9		
10	Federal tax net income	
11	Computation of tax:	
12		
13		
14		
15		
16		
17		

SCHEDULE B-5
Accounts No. 421 and 426 - Income from Nonutility Operations

Line No.	Description (a)	Revenue Acct. 421 (b)	Expense Acct. 426 (c)
1	Interest Income	212	
2			
3			
4			
5	Total	212	

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	Agate Bay Properties Accrued Interest Payable	16527
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	16527

SCHEDULE C-1
Compensation of Individual Proprietor, Partners and Employees Included in Expenses

Line No.	Acct. No.	Account (a)	Number at End of Year (b)	Salaries Charged to Expense (c)	Salaries Charged to Plant Accounts (d)	Total Salaries and Wages Paid (e)
1	630	Employee Labor	1	28669		28669
2	670	Office salaries	1	18277		18277
3	671	Management salaries	1	20000		20000
4						
5						
6		Total	3	66946		66946

SCHEDULE C-2
Loans to Directors, Officers, or Shareholders

Line No.	Name (a)	Title (b)	Amount (c)	Interest Rate (d)	Maturity Date (e)	Security Given (f)	Date of Shareholder Authorization (g)	Other Information (h)
1.								
2.								
3.								
4.								
5.								
6.								
7.	Total							

SCHEDULE C-3
Engineering and Management Fees and Expenses, etc., During Year

Line No. Give the required particulars of all contracts or other agreements in effect in the course of the year between the respondent and any corporation, association, partnership, or person covering supervision and/or management of any department of the respondent's affairs, such as accounting, engineering, financing, construction or operation, and show the payments under such agreements and also the payments for advice and services to a corporation or corporations which directly or indirectly control respondent through stock ownership.

1. Did the respondent have a contract or other agreement with any organization or person covering supervision and/or management of its own affairs during the year? **Answer:** Yes: _____ No: _____
(If the answer is in the affirmative, make appropriate replies to the following questions)*

2. Name of each organization or person that was a party to such a contract or agreement. _____

3. Date of original contract or agreement: _____

4. Date of each supplement or agreement: _____

5. Amount of compensation paid during the year for supervision or management: \$ _____

6. To whom paid: _____

7. Nature of payment (salary, traveling expenses, etc.): _____

8. Amounts paid for each class of service: _____

9. Basis for determination of such amounts: _____

10. Distribution of payments: Amount

(a) Charged to operating expenses	\$	
(b) Charged to capital amounts	\$	
(c) Charged to other account	\$	
Total	\$	

11. Distribution of charges to operating expenses by primary accounts: Amount

Number and Title of Account:	\$	
_____	\$	
_____	\$	
Total	\$	

12. What relationship, if any, exists between respondent and supervisory and/or managing concerns? _____

* File with this report a copy of every contract, agreement, supplement or amendment mentioned above unless a copy of the instrument in due form has been furnished, in which case a definite reference to the report of the respondent relative to which it was furnished will suffice.

**SCHEDULE D-1
Sources of Supply and Water Developed**

STREAMS					FLOW IN (Unit) ²			Annual Quantities Diverted(Unit) ²	Remarks
Line No.	Diverted Into *	From Stream or Creek (Name)	Location of Diversion Point	Priority Right		Diversions			
				Claim	Capacity	Max.	Min.		
1	Agate Treatment	Lake Tahoe	6000 N.L. Blvd.		200 gpm			13.8 MG	
2									
3									
4									
5									

WELLS						Pumping Capacity (Unit) ²	Annual Quantities Pumped(Unit) ²	Remarks
Line No.	At Plant (Name or Number)	Location	No.	Dimensions	Depth to Water ¹			
6								
7								
8								
9								
10								

TUNNELS AND SPRINGS				FLOW IN (Unit) ²		Annual Quantities Pumped(Unit) ²	Remarks
Line No.	Designation	Location	Number	Maximum	Minimum		
11	Spring	Hillside				70.2 MG	gravity
12							
13							
14							
15							

Purchased Water for Resale	
16	Purchased from
17	Annual Quantities purchased (Unit chosen) ¹
18	
19	

* State ditch pipeline reservoir, etc., with name, if any.
¹ Average depth to water surface below ground surface
² The quantity unit in established use for experiencing water stored and used in large amounts is the acre foot, which equals 43,560 cubic feet; in domestic use the thousand gallon or the hundred cubic feet. The rate of flow or discharge in larger amounts is expressed in cubic feet per second. In gallons per minute, in gallons per day, or in the miner's inch. Please be careful to state the unit used.

**SCHEDULE D-2
Description of Storage Facilities**

Line No	Type	No.	Combined Capacity (Gallons or Acre Feet)	Remarks
1	A. Collecting reservoirs			
2	Concrete			
3	Earth			
4	Wood			
5	B. Distribution reservoirs			
6	Concrete			
7	Earth			
8	Wood			
9	C. Tanks			
10	Wood			
11	Metal	2	350,000	spring tank= 50,000 lake tank= 300,000
12	Concrete			
13	Total	2	350,000	

SCHEDULE D-3
Description of Transmission and Distribution Facilities

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES									
Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____									
Line No.	Description	0 to 5	6 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 75	76 to 100
1	Ditch								
2	Flume								
3	Lined conduit								
4									
5	Total								

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES (Continued)									
Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____									
Line No.	Description	101 to 200	201 to 300	301 to 400	401 to 500	501 to 750	751 to 1000	Over 1000	Total All Lengths
6	Ditch								
7	Flume								
8	Lined conduit								
9									
10	Total								

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING										
Line No.	Description	1	1 1/2	2	2 1/2	3	4	5	6	8
11	Cast Iron									
12	Cast iron (cement lined)									
13	Concrete									
14	Copper									
15	Riveted steel									
16	Standard screw	10000	4273							
17	Screw or welded casing									
18	Cement - asbestos									
19	Welded steel					550	8400		18410	3340
20	C-900 PVC								2930	
21	poly			300			410		1740	
22	Total	10000	4573			550	8810		23080	3340

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - (Continued)										
Line No.	Description	10	12	14	16	18	20	Other Sizes (Specify)		Total All Sizes
23	Cast Iron									
24	Cast iron (cement lined)									
25	Concrete									
26	Copper									
27	Riveted steel									
28	Standard screw									
29	Screw or welded casing									
30	Cement - asbestos									
31	Welded steel									
32	Wood									
33	Other (specify)									
34	Total									50353

**SCHEDULE D-4
Number of Active Service Connections**

Size	Metered - Dec 31		Flat Rate - Dec 31	
	Prior	Current	Prior	Current
	Year	Year	Year	Year
5/8 x 3/4 - in			579	579
3/4 - in				
1 - in				
large water users			1	1
- in				
- in				
- in				
Public Fire Hydrants			40	40
additional units			16	16
private fire connections			7	7
Total			643	643

**SCHEDULE D-5
Number of Meters and Services on
Pipe Systems at End of Year**

Size	Meters	Services
5/8 x 3/4 - in		
3/4 - in		
1 - in		
- in		
- in		
- in		
- in		
- in		
Other		
Total		

**SCHEDULE D-6
Meter Testing Data**

A. Number of Meters Tested During Year as Prescribed in Section VI of General Order No. 103:	
1. New, after being received	_____
2. Used, before repair	_____
3. Used, after repair	_____
4. Found fast, requiring billing adjustment	_____
B. Number of Meters in Service Since Last Test	
1. Ten years or less	_____
2. More than 10, but less than 15 years	_____
3. More than 15 years	_____

**SCHEDULE D-7
Water delivered to Metered Customers by Months and Years in _____ (Unit Chosen)¹**

	During Current Year							Subtotal
	January	February	March	April	May	June	July	
Single-family residential								
Commercial and Multi-residential								
Large water users								
Public authorities								
Irrigation								
Other (specify)								
Total								

	During Current Year						Subtotal	Total	Total Prior Year
	August	September	October	November	December				
Single-family residential									
Commercial and Multi-residential									
Large water users									
Public authorities									
Irrigation									
Other (specify)									
Total									

¹ Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or miner's inch-days.

Total acres irrigated: _____

Total population served: _____ 1502

DECLARATION

(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)

I, the undersigned Steven M. Glazer - General Manager
Officer, Partner, or Owner (Please Print)

of Agate Bay Water Company, Inc.
Name of Utility

under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period of January 1, 2010, through December 31, 2010.

General Manager
Title (Please Print)


Signature

530.525-6659
Telephone Number

20-Mar-11
Date

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