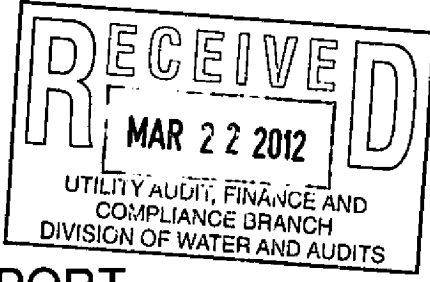


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Examined _____

CLASS B and C
WATER UTILITIES

U# 85-WT-C



2011
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, 2011

REPORT MUST BE FILED NOT LATER THAN APRIL 2, 2012

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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 APRIL 2, 2012**, 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, 2011, through December 31, 2011. 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 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) Agate Bay Subdivisions-North Lake Tahoe-Placer County

6. Service Manager (If located in or near Service Area.) (Refer to district reports if applicable.)
Name: Duncan Davis Telephone: 530.5463337
Address: 706 Agate Road cell 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 Company
Organized under laws of (state) California Date: 18-Apr-62

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
Duncan Davis D-2 #39008

BALANCE SHEET AND CAPITALIZATION DATA

Calendar Year 2011

NAME OF UTILITY Agate Bay Water Company Telephone: 530.525.6659

PERSON RESPONSIBLE FOR THIS REPORT Steven M. Glazer

	<u>1/1/2011</u>	<u>12/31/2011</u>	<u>Average</u>
BALANCE SHEET DATA			
1 Intangible Plant			
2 Land and Land Rights	<u>10500</u>	<u>10500</u>	<u>10500</u>
3 Depreciable Plant	<u>1117523</u>	<u>1179880</u>	<u>1148701.5</u>
4 Gross Plant in Service	<u>1128023</u>	<u>1190380</u>	<u>1159201.5</u>
5 Less: Accumulated Depreciation	<u>-486573</u>	<u>-518430</u>	<u>-502501.5</u>
6 Net Water Plant in Service	<u>641450</u>	<u>671950</u>	<u>656700</u>
7 Water Plant Held for Future Use			
8 Construction Work in Progress			
9 Materials and Supplies	<u>5926</u>	<u>5926</u>	<u>5926</u>
10 Less: Advances for Construction	<u>()</u>	<u>()</u>	<u>()</u>
11 Less: Contribution in Aid of Construction	<u>()</u>	<u>()</u>	<u>()</u>
12 Less: Accumulated Deferred Income and Investment Tax Credits	<u>()</u>	<u>()</u>	<u>()</u>
13 Net Plant Investment	<u>647376</u>	<u>677876</u>	<u>662626</u>
CAPITALIZATION			
14 Common Stock	<u>45734</u>	<u>45734</u>	<u>45734</u>
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	<u>51624</u>	<u>51624</u>	<u>51624</u>
17 Retained Earnings	<u>-110365</u>	<u>-123630</u>	<u>-116997.5</u>
18 Common Stock and Equity (Lines 14 through 17)	<u>-13007</u>	<u>-26272</u>	<u>-19639.5</u>
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable	<u>268674</u>	<u>254789</u>	<u>261731.5</u>
22 Total Capitalization (Lines 18 through 21)	<u>242660</u>	<u>228517</u>	<u>235588.5</u>

INCOME STATEMENT AND OTHER DATA

Calendar Year 2011

NAME OF UTILITY Agate Bay Water Company

Telephone: 530.525.6659

	<u>Annual Amount</u>
INCOME STATEMENT	
23 Unmetered Water Revenue	<u>349275</u>
24 Fire Protection Revenue	<u>1839</u>
25 Irrigation Revenue	<u> </u>
26 Metered Water Revenue	<u> </u>
27 Total Operating Revenue	<u>351114</u>
28 <u>Operating Expenses</u>	<u>186639</u>
29 Depreciation Expense (Composite Rate: <u>2.70%</u>)	<u>31857</u>
30 Amortization and Property Losses	<u> </u>
31 Property Taxes	<u>2298</u>
32 Taxes Other Than Income Taxes	<u>2518</u>
33 Total Operating Revenue Deduction Before Taxes	<u>223312</u>
34 California Corp. Franchise Tax	<u>1000</u>
35 Federal Corporate Income Tax	<u>"S" corp</u>
36 Total Operating Revenue Deduction After Taxes	<u>224312</u>
37 Net Operating Income (Loss) - California Water Operations	<u>126802</u>
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u> </u>
39 Income Available for Fixed Charges	<u> </u>
40 Interest Expense	<u>16340</u>
41 Net Income (Loss) Before Dividends	<u>110462</u>
42 Preferred Stock Dividends	<u> </u>
43 Net Income (Loss) Available for Common Stock	<u>110462</u>

OTHER DATA

44 Refunds of Advances for Construction	<u> </u>
45 Total Payroll Charged to Operating Expenses	<u>59422</u>
46 Purchased Water	<u> </u>
47 Power	<u>8993</u>

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

**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	1190380	1128023
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		1190380	1128023
6	106	Accumulated depreciation of water plant	A-3	-518430	-486573
7	114	Water plant acquisition adjustments	A-1		
8		Total amortization and adjustments			
9		Net utility plant		671950	641450
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		-852	15865
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	9500
23		Total current and accrued assets		14574	31291
24	180	Deferred charges	A-5		
25		Total assets and deferred charges		686524	672741

**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		
4	215	Retained earnings	A-9	-123630	-110365
5		Total corporate capital and retained earnings		-77896	-64631
PROPRIETARY CAPITAL					
6	218	Proprietary capital	A-10	162532	119274
7	218.1	Proprietary drawings			
8		Total proprietary capital		162532	119274
LONG TERM DEBT					
9	224	Long term debt	A-11	254789	268674
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		0	2325
16	237	Accrued interest			
17	241	Other current liabilities	A-14		
18		Total current and accrued liabilities		0	2325
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	347099
24		Total deferred credits		347099	347099
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		686524	672741

**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					
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					

* 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	38081				38081
7	311	Pumping equipment	28256				38081
8	320	Water treatment plant	321880	3950			325830
9	330	Reservoirs, tanks and sandpipes	88121				88121
10	331	Water mains	328834				328834
11	333	Services and meter installations	6383	44920			51303
12	334	Meters	860	680			1540
13	335	Hydrants	41187	2982			44169
14	339	Other equipment	50513				50513
15	340	Office furniture and equipment	4682				4682
16	341	Transportation equipment	132123				132123
17		Total depreciable plant	1117523				1179880
18		Total water plant in service	1128023	52532			1190380

* 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	-486573		
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	-31857		
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	-518430		
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	-486573	-31857			-518430

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

Line No.	Item (a)	Amount (b)
1	Short Term note: Agate Bay Dry Docks	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 ABW company								
3	from Agate Bay Properties	310000				268674		13885	254789
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	-110365
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	-13265
15	Balance end of year	-123630

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

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	119274
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	43258
10	Other debits (detail)	
11	Total Debits	
12	Balance end of year	162532

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	254789	7.5			16300
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 2011			347099
2	Federal & State Income taxes			
3	Balance Depreciation			
4	Additions end of 2011			0
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	351141
		OPERATING REVENUE DEDUCTIONS		
2	401	Operating expenses	B-2	186639
3	403	Depreciation expense	A-3	31857
4	407	SDWBA loan amortization expense	pages 7 & 8	
5	408	Taxes other than income taxes	B-3	343
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		219839
9		Total utility operating income		131302
		OTHER INCOME AND DEDUCTIONS		
10	421	Non-utility income	B-5	15
11	426	Miscellaneous non-utility expense	B-5	
12	427	Interest expense	B-6	16340
13		Total other income and deductions		16355
14		Net income		114947

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	340915	308865	32050
3		460.2 Commercial and multi-residential			
4		460.3 Large water users	1807	1807	0
5		460.5 Safe Drinking Water Bond Surcharge			
6		460.9 Other unmetered revenue	6580	6580	0
7		Sub-total	349302	317252	32050
8	462	Fire protection revenue			
9		462.1 Public fire protection			
10		462.2 Private fire protection	1839	1839	0
11		Sub-total	1839	1839	0
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	351141	319091	32050

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	8993	7931	1062
3	616	Other volume related expenses	7548	6600	948
4		Total volume related expenses	16541	14531	2010
		NON-VOLUME RELATED EXPENSES			
5	630	Employee labor	27276	28669	-1393
6	640	Materials	9845	13454	-3609
7	650	Contract work includes CDPH samples= \$1200	26321	27896	-1575
8	660	Transportation expenses	10775	6363	4412
9	664	Other plant maintenance expenses	2012	1257	755
10		Total non-volume related expenses	76229	77639	-1410
11		Total plant operation and maintenance exp.	92770	92170	600
		ADMINISTRATIVE AND GENERAL EXPENSES			
12	670	Office salaries	11423	18277	-6854
13	671	Management salaries	20723	20000	723
14	674	Employee pensions and benefits	4800	3320	1480
15	676	Uncollectible accounts expense			
16	678	Office services and rentals	12207	5000	7207
17	681	Office supplies and expenses	18471	14506	3965
18	682	Professional services	8288	7259	1029
19	684	Insurance	13601	12151	1450
20	688	Regulatory commission expenseAL35+ review all reports	2172	3827	-1655
21	689	General expenses	2184	1828	356
22		Total administrative and general expenses	93869	86168	7701
23	800	Expenses capitalized			
24		Net administrative and general expense			
25		Total operating expenses	186639	178338	8301

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	2299		
2	State corporate franchise tax	1000		
3	State unemployment insurance tax			
4	Other state and local taxes	343		
5	Federal unemployment insurance tax			
6	Federal insurance contributions act			
7	Other federal taxes	2175		
8	Federal income taxes	"S" corp		
9	Total	5817		

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	15	
2			
3			
4			
5	Total	15	

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	Agate Bay Properties interest payable	16340
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	16340

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	2	27276		
2	670	Office salaries	1	11423		
3	671	Management salaries	1	20723		
4						
5						
6		Total	4	59422		

**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 Filter	Lake Tahoe	600 NLB		200 gpm			21,040 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				66.4 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	Wood								2930	
21	Other (specify)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				
3/4 - in			579	579
1 - in				
- in				
- in				
large water user			1	1
Public Fire Hydrants			40	40
additional units			16	16
private fire			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		
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, 2011, through December 31, 2011.

General Manager
Title (Please Print)

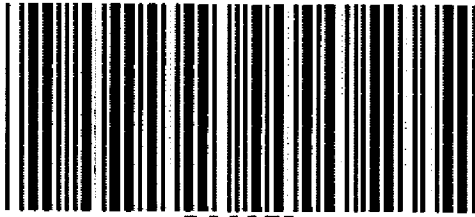

Signature

530.525.6659
Telephone Number

March 20, 2012
Date

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