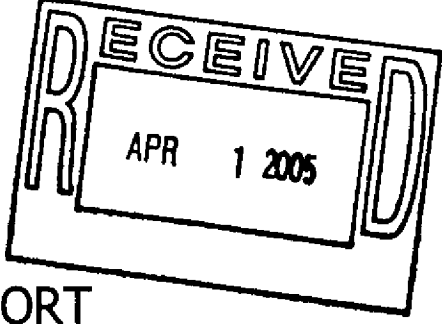


Received _____
Examined _____

CLASS D
WATER UTILITIES



U# _____

2004
ANNUAL REPORT
OF

Arroyo Center Water Company, Inc.

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

47475 Arroyo Seco Road

Greenfield, CA 93927

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2004

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2005
(FILE TWO COPIES IF THREE RECEIVED)

Account Number	Operating Revenue	
470	Metered	
460	Unmetered	40293
465	Irrigation (Assessment)	42500
462-480	Private Fire Protection	
	Total Revenue	82793
	Operating Expenses	
610	Purchased Water	
615	Purchased Power	2689
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	15370
640	Materials	
650	Contract Work	
	Water Testing & Permits	
660	Transportation Expense	
664	Other Plant Maintenance	2093
670	Office Salaries	
671	Management Salaries	
674	Employee Pensions and Benefits	900
676	Uncollectables	
678	Office Service and Rentals	9435
681	Office Supplies and Expense	739
682	Professional Services	3831
684	Insurance	6165
688	Regulatory Expense	3420
689	General Expense	280
	Subtotal	44922
403	Depreciation Expense	33
	Ad Valorem Taxes	
	Payroll taxes	1648
408	Taxes other than income	149
409	State Income Tax	1738
410	Federal Income Tax	3499
	Total Deductions	51989
	Interest Income	93
	Net Revenue	30897
	Rate Base	

	Average Plant	23384
	Average Depreciation Reserve	23384
	Net Plant	0
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work in Progress	14130
	Plus: Working Cash	16571
	Plus: Material & Supplies	
	Rate Base	30701
	ROR=Net Rev/Rate Base	1.01

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Arroyo Center Water Company, Inc.

(Name under which corporation, partnership or individual is doing business)

47475 Arroyo Seco Road, Greenfield, CA 93927

(Official mailing address)

Arroyo Seco Resort, Monterey County

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 - (A) Date of organization June 9, 1961 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers: **See Attached**

- 2 If unincorporated give the name and address of owner or of each partner: **N/A**

- 3 Name and telephone number of:
 - (A) One person listed above to receive correspondence: **Colette Titgen (831) 674-3167**
 - (B) Person responsible for operations and services: **Jeff Jenkinson (831) 674-1517**

- 4 Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No) **No**
 If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged? **N/A**

- 5 State the names of associated companies or persons which, directly or indirectly, or through one or more intermediaries, control, or are controlled by, or are under common control with respondent:
Arroyo Seco Resort, Inc.

PUBLIC HEALTH STATUS

- 6 Has state or local health department inspection been made during the year?
- 7 Are routine laboratory tests of water being made?
- 8 Has state health department water supply permit been obtained? (Indicate date)
- 9 If no permit has been obtained, state whether application has been made and when.
- 10 Show expiration date if state permit is temporary.

Yes	No	Latest Date
X		Jan 2005
X		Mar 2005
X		Jun 2004
N/A		
X		Jun 2005

- 11 List Name, Grade, and License Number of all Licensed Operators:
Robert Vanegas - Operators on Duty
Grade D1 - License # 19085

SPECIAL INSTRUCTIONS (over)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2004

NAME OF UTILITY Arroyo Center Water Company, Inc.

PHONE (831) 674-0416

PERSON RESPONSIBLE FOR THIS REPORT Brent Green, CPA

(Prepared from Information in the 2004 Annual Report)

	01/01/04	12/31/04	Average
BALANCE SHEET DATA			
1 Intangible Plant			
2 Land and Land Rights	300	300	300
3 Depreciable Plant	23384	23384	23384
4 Gross Plant in Service	23684	23684	23684
5 Less: Accumulated Depreciation	23351	23384	23368
6 Net Water Plant in Service	333	300	316
7 Water Plant Held for Future Use			
8 Construction Work in Progress	9110	14130	11620
9 Materials and Supplies			
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	9443	14430	11936
CAPITALIZATION			
14 Common Stock	10000	10000	10000
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings	22677	53574	38126
18 Common Stock and Equity (Lines 14 through 17)	32677	63574	48126
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable & Accrued Expenses	28855	39945	34400
22 Total Capitalization (Lines 18 through 21)	61532	103519	82526

(Revised 2/01)

Note: Beg balance differs from p/y ending balance as p/y was not totalled nor did it include the debt of the Company.

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES

20____
(continued)

NAME OF UTILITY Arroyo Center Water Company PHONE (831) 674-0416

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	40293
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	_____
27	Total Operating Revenue	40293
28	<u>Operating Expenses</u>	46570
29	Depreciation Expense (Composite Rate _____)	33
30	Amortization and Property Losses	_____
31	Property Taxes	149
32	Taxes Other Than Income Taxes	_____
33	Total Operating Revenue Deduction Before Taxes	46752
34	California Corp. Franchise Tax	1738
35	Federal Corporate Income Tax	3499
36	Total Operating Revenue Deduction After Taxes	51989
37	Net Operating Income (Loss) - California Water Operations	-11696
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	42500
39	Income Available for Fixed Charges	30804
40	Interest Expense	_____
41	Net Income (Loss) Before Dividends	30804
42	Preferred Stock Dividends	_____
43	Net Income (Loss) Available for Common Stock	30804

OTHER DATA		
44	Refunds of Advances for Construction	_____
45	Total Payroll Charged to Operating Expenses	15370
46	Purchased Water	_____
47	Power	2689

<u>Active Service Connections</u>		(Exc. Fire Protect.) _____	Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections				
49	Flat Rate Service Connections		63	62	62
50	Total Active Service Connections		63	62	62

**CLASS B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT DATA**

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) loan outstanding during the 12 month reporting period. (Use one sheet for each loan.)

1. Current Fiscal Agent:

Not Applicable

Name: _____
Address: _____
Phone Number: _____
Date Hired: _____

2. Former Fiscal Agent:

Name: _____
Address: _____
Phone Number: _____
Date Hired: _____

3. Total surcharge collected from customers during the 12 month reporting period:

\$ _____

4. Summary of the trust bank account activities showing:

Balance at beginning of year	\$ _____
Deposits during the year	_____
Withdrawals made for loan payments	_____
Other withdrawals from this account	_____
Balance at end of year	_____

5. Account information:

Bank Name: _____
Account Number: _____
Date Opened: _____

6. Plant amounts included in Schedule A, Account No. 101--Water Plant in Service which were funded using SDWBA funds: **Not Applicable**

Line No.	Acct. No.	Title of Account (a)	Balance Beginning of Year (b)	Plant Additions During Year (c)	Plant Retirements During Year (d)	Other Debits* or (Credits) (e)	Balance End of Year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		DEPRECIABLE PLANT					
6	304	Structures					
7	307	Wells					
8	317	Other water source plant					
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes					
12	331	Water mains					
13	333	Services and meter installations					
14	334	Meters					
15	335	Hydrants					
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant					
20		Total water plant in service					

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2004)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	23684	201	Common Stock (Corporations only)	10000
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	53574
4	105	Water plant construction work in progress	14130	218	Proprietary capital	
5	108	Accumulated depreciation of water plant	23384	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	43962
7	124	Other Investments		252	Advances for construction	
8	131	Cash	89089	253	Other deferred credits	
9	141	Accounts receivable - customers	4017	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies			depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	107536		Total Equity and Liabilities	107536

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Pit Additions During year	Pit Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					
17	303	Land	300				300
18	304	Structures					
19	307	Wells	9822				9822
20	317	Other water source plant					
21	311	Pumping equipment	12841				12841
22	320	Water treatment plant (CIP)	9110	5020			14130
23	330	Reservoirs tanks and sandpipes					
24	331	Water mains					
25	333	Services and meter installations					
26	334	Meters	721				721
27	335	Hydrants					
28	339	Other equipment					
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		Total water plant in service	32794	5020			37814

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

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 106 Water Plant	Account 106.1 SDWBA Loans	
32	Balance in reserves at beginning of year	23351		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403	33		Straight-Line
35	(b) Charged to Account No. 272			
36	(c) Charged to clearing accounts			B. Amount of depreciation expense claimed
37	(d) Salvage recovered			or to be claimed on utility property in
38	(e) All other credits			your federal income tax return for the year
39	Total credits	33		covered by this report \$ 33
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired			
42	(b) Cost of removal			C. State method used to compute tax
43	(c) All other debits			depreciation. Straight-Line
44	Total debits	0		
45	Balance in reserve at end of year	23384		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2004)

Line	1	Common - (Shares	, \$	par)	\$10,000		List persons owning more than 5% of outstanding stock
	2	Preferred - (Shares	, \$	par)			and number of shares owned by each:
	3	Dividends - Common	Rate - \$				
	4	- Preferred	Rate - \$				

SCHEDULE E - LONG TERM DEBT

	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
5								
6								
7								
8	Totals				None			

SCHEDULE F - INCOME STATEMENT

9		Operating revenues	XXXXXXXXXX
10	460	Unmetered water revenue	40293
11	462	Fire protection revenue	
12	465	Irrigation revenue	
13	470	Metered water revenue	
14	480	Other water revenue - Assessments	42500
15		Total Operating Revenue	82793
16		Operating revenue deductions	XXXXXXXXXX
17		Operating expenses	XXXXXXXXXX
18	610	Purchased water	
19	615	Power	2689
20	618	Other volume related expenses	
21	630	Employee labor	15370
22	640	Materials	
23	650	Contract work	
24	660	Transportation expenses	
25	664	Other plant maintenance expense	2093
26	670	Office salaries	
27	671	Management salaries	
28	674	Employee pensions and benefits	900
29	676	Uncollectible accounts expense	
30	678	Office services and rentals	9435
31	681	Office supplies and expense	739
32	682	Professional services	3831
33	684	Insurance	6165
34	688	Regulatory commission expense	3420
35	689	General expenses	280
36		Total Operating Expenses	44922
37	403	Depreciation expense	33
38	407	SDWBA loan amortization expense	
39	408	Taxes other than income taxes	1797
40	409	State corporate income tax expense	1738
41	410	Federal corporate income tax expense	3499
42		Total Operating Revenue Deductions	51989
43		Utility Operating Income	
44	421	Non-utility income	93
45	426	Miscellaneous non-utility expense	
46	427	Interest expense	
47		Net Income	30897

SCHEDULE G - SOURCES OF SUPPLY AND WATER DEVELOPED WELLS

Location	No.	Diam. Inch	Depth to water feet	Pumping capacity (g.p.m.)	Annual quantities pumped
Arroyo Seco River Bed	1	8	29	30	
Arroyo Seco River Bed	2	8	29	20	

OTHER

Streams or springs location of diversion point	Flow in		(Unit)		Annual quantities diverted
	Priority right		Diversions		
	Claim	Capacity	Max	Min	(Unit)
None					
Purchased water (unit)	None				Annual quantity
Supplier:					

SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS
(If figures are available) (specify unit)

Classification of service	Max. mo. Mo. of	Min. mo. Mo. of	Total for year
Residential & business			
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			Not Available

SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION

Line	Acct	Account	Number at end of year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
48	630	Employee Labor		15370		15370
49	670	Office salaries				
50	671	Management salaries				
51		Total		15370		15370

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	9110
Additions during year	5020
Subtotal - Beginning balance plus additions during year	14130
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	14130

SCHEDULE K - TOTAL METERS AND SERVICES (active and inactive)

Size	Meters	Services
5/8 x 3/4-in	None	
3/4-in		
1-in		
-in		
-in		
Total		

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	
1	Used, before repair... <u>None</u>
2	Used, after repair
3	Fast, requiring refund
Numbers of meters in service requiring test per General Order No. 103	

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		62	62					62
Industrial								
Other (specify)								
Subtotal		62	62					62
Fire protection (Hydrants)								
Total		62	62					62

NOTE: Total connections (metered plus flat) should agree with total services in Schedule K.

SCHEDULE N - STORAGE FACILITIES

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

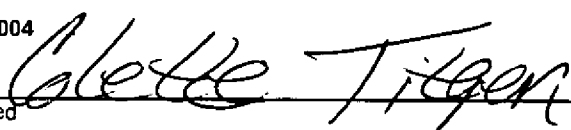
Description	No.	Combined capacity in gallons	Description	Footage				Totals
				2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	
Concrete	1	19200	Cast Iron					
Earth			Welded steel					
Wood			Standard screw	5000				5000
Steel			Cement-asbestos					
Other			Plastic					
			Other (specify)					
Total	1	19200	Total	5000				5000

DECLARATION

(BEFORE SIGNING PLEASE CHECK TO SEE THAT ALL SCHEDULES HAVE BEEN COMPLETED)

I, the undersigned (officer, partner or owner) of Arroyo Center Water Company, Inc., 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

From and including **January 1, 2004**, to and including **December 31, 2004**


 Signed _____
President
 Title
March 30, 2005
 Date

Arroyo Center Water Company, Inc.

Class D - Water Utility

Supplemental Information

LINE 1B - Names, titles and addresses of principal officers:

Name: Colette Titgen
Title: President
Address: 47530 Arroyo Seco Road
Greenfield, CA 93927

Name: Kathy Radley
Title: Treasurer
Address: 1180 Theresa Street
Seaside, CA 93955

Name: Bob Land
Title: Vice -President
Address: 723 Montecito Way
Salinas, CA 93901

Name: Brooke Atherton
Title: Secretary
Address: 7448 Skyway
Paradise, CA 95969