

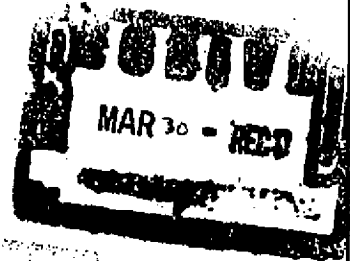
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Received _____
Examined _____

**CLASS D  
WATER UTILITIES**

U# \_\_\_\_\_

**2003  
ANNUAL REPORT  
OF**



\_\_\_\_\_  
Loren M. Berry dba

\_\_\_\_\_  
Cazadero Water Company

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

\_\_\_\_\_  
P. O. Box 423

\_\_\_\_\_  
Cazadero, CA 95421

(OFFICIAL MAILING ADDRESS)

ZIP

**TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE  
YEAR ENDED DECEMBER 31, 2003**

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2004  
(FILE TWO COPIES IF THREE RECEIVED)



PISENTI & BRINKER  
LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS  
AN INDEPENDENTLY OWNED MEMBER OF THE  
RSM McGLADREY NETWORK

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## Independent Accountants' Report

To Mr. Loren Berry  
Cazadero Water Company  
Cazadero, California

We have compiled the balance sheet of **Cazadero Water Company** (a sole proprietorship) as of December 31, 2003, and the related statement of operations for the year then ended, and related supporting schedules, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form prescribed by the Public Utilities Commission of the State of California information that is the representation of the owner. We have not audited or reviewed the financial statements and supporting schedules referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Public Utilities Commission of the State of California, which differ from accounting principles generally accepted in the United States of America. Accordingly, these financial statements are not designed for those who are not informed about such differences.

  
Santa Rosa, California  
March 23, 2004

## INSTRUCTIONS

1. One completed copy of this report (two copies if three received) must be filed NOT LATER THAN MARCH 31, following the year covered by the report, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION  
WATER DIVISION  
505 VAN NESS AVENUE, ROOM 3105  
SAN FRANCISCO, CALIFORNIA 94102-3298**

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 the last page, must be signed by an 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.
9. This report must cover a calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

## Summary of Earnings Test Year 2003

Account Number	Operating Revenue	
470	Metered	6,867
460	Unmetered	857
465	Irrigation	
462-480	Private Fire Protection/Other	24,212
	<b>Total Revenue</b>	<b>31,936</b>
	<b>Operating Expenses</b>	
610	Purchased Water	
615	Purchased Power	4,935
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	7,452
640	Materials	2,425
650	Contract Work	
	Water Testing	
660	Transportation Expense	
664	Other Plant Maintenance	2,465
670	Office Salaries	6,000
671	Management Salaries	
674	Employee Pensions and Benefits	
676	Uncollectibles	
678	Office Service and Rentals	3,000
681	Office Supplies and Expense	643
682	Professional Services	2,285
684	Insurance	1,669
688	Regulatory Expense	
689	General Expense	2,218
	<b>Subtotal</b>	<b>33,092</b>
403	Depreciation Expense	
	Ad Valorem Taxes	779
408	Payroll Taxes	
408	Taxes other than income	1,086
409	State Income Tax	1,160
410	Federal Income Tax	
	<b>Total Deductions</b>	<b>36,117</b>
	<b>Net Revenue</b>	<b>(4,181)</b>
	<b>Rate Base</b>	
	Average Plant	86,897
	Average Depreciation Reserve	39,266
	Net Plant	47,631
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work in Progress	
	Plus: Working Cash	5,515
	Plus: Material & Supplies	1,092
	<b>Rate Base</b>	<b>54,238</b>
	<b>ROR=Net Rev/Rate Base</b>	<b>(.08) or (7.71%)</b>

**CLASS D WATER UTILITIES**  
(HAVING LESS THAN 500 SERVICE CONNECTIONS)

**Loren M. Berry dba Cazadero Water Company**

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

**P.O. Box 423, Cazadero, CA 95421**

(Official mailing address)

**Cazadero, Sonoma County**

(Service area-town and county)

**GENERAL INFORMATION**

RETURN ORIGINAL  
TO COMMISSION  
NO PHOTOCOPIES

- 1 If a corporation show:  
 (A) Date of organization N/A incorporated in the State of N/A  
 (B) Names, titles and addresses of principal officers:
  
- 2 If unincorporated give the name and address of owner or of each partner:  

**Loren M. Berry, P.O.Box 106, Cazadero, CA 95421**
  
- 3 Name and telephone number of:  
 (A) One person listed above to receive correspondence: **Loren M. Berry 707-632-5225**  
 (B) Person responsible for operations and services: **Loren M. Berry 707-632-5225**
  
- 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? **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?
  
- 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: **NONE**

**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	<b>Aug-97</b>
x		<b>Monthly</b>
x		<b>2/3/1999</b>
N/A		
N/A		

**SPECIAL INSTRUCTIONS (over)**

## **SPECIAL INSTRUCTIONS**

- 1 Beginning of year balances must agree with end of year balances shown in report for previous year. Attach a supplementary statement to explain any differences.
- 2 Attach a supplementary statement to explain adjustments in Schedule B - Water Plant in Service.
- 3 Complete all schedules, using the words "None" or "Not applicable" if appropriate.
- 4 Report must be prepared legibly in ink or by typewriter.

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES  
2003

NAME OF UTILITY Cazadero Water Company

PHONE 707-632-5225

PERSON RESPONSIBLE FOR THIS REPORT Loren M. Berry

(Prepared from Information in the 2003 Annual Report)

	1/1/2003	12/31/2003	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant			
2 Land and Land Rights	675	675	675
3 Depreciable Plant	85,877	86,567	86,222
4 Gross Plant in Service	86,552	87,242	86,897
5 Less: Accumulated Depreciation	38,877	39,656	39,266
6 Net Water Plant in Service	47,675	47,586	47,631
7 Water Plant Held for Future Use			
8 Construction Work in Progress			
9 Materials and Supplies	250	1,092	671
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	47,925	48,678	48,302
<b>CAPITALIZATION</b>			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)	82,463	77,669	80,066
16 Paid-in Capital			
17 Retained Earnings			
18 Common Stock and Equity (Lines 14 through 17)	82,463	77,669	80,066
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	82,463	77,669	80,066

(Revised 2/01)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES  
2003

NAME OF UTILITY Cazadero Water Company PHONE 707-632-5225

	Annual Amount
<b>INCOME STATEMENT</b>	
23 Unmetered Water Revenue	857
24 Fire Protection Revenue	<u>          </u>
25 Irrigation Revenue	6,867
26 Metered Water Revenue	<u>          </u>
27 Total Operating Revenue	7,724
28 <u>Operating Expenses</u>	33,092
29 Depreciation Expense (Composite Rate 0.9%)	779
30 Amortization and Property Losses	<u>          </u>
31 Property Taxes	1,160
32 Taxes Other Than Income Taxes	1,086
33 Total Operating Revenue Deduction Before Taxes	36,117
34 California Corp. Franchise Tax	<u>          </u>
35 Federal Corporate Income Tax	<u>          </u>
36 Total Operating Revenue Deduction After Taxes	36,117
37 Net Operating Income (Loss) - California Water Operations	(28,393)
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	24,431
39 Income Available for Fixed Charges	(3,962)
40 Interest Expense	<u>          </u>
41 Net Income (Loss) Before Dividends	(3,962)
42 Preferred Stock Dividends	<u>          </u>
43 Net Income (Loss) Available for Common Stock	(3,962)

<b>OTHER DATA</b>		
44 Refunds of Advances for Construction	<u>          </u>	
45 Total Payroll Charged to Operating Expenses	14,538	
46 Purchased Water	<u>          </u>	
47 Power	4,935	

<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections		148	148	148
49 Flat Rate Service Connections		4	4	4
50 Total Active Service Connections		152	152	152
		<u>          </u>	<u>          </u>	<u>          </u>



**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:

Name: NONE  
Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Date Hired: \_\_\_\_\_

2. Former Fiscal Agent:

Name: NONE  
Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Date Hired: \_\_\_\_\_

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

NONE

4. Summary of the trust bank account activities showing:

Balance at beginning of year	<u>NONE</u>
Deposits during the year	<u>NONE</u>
Withdrawals made for loan payments	<u>NONE</u>
Other withdrawals from this account	<u>NONE</u>
Balance at end of year	<u>NONE</u>

5. Account information:

Bank Name: NONE  
Account Number: \_\_\_\_\_  
Date Opened: \_\_\_\_\_

6. Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service which were funded using SDWBA funds:

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		Not Applicable			
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, 2003)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	87,242	201	Common Stock (Corporations only)	
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	
4	105	Water plant construction work in progress		218	Proprietary capital	77,669
5	108	Accumulated depreciation of water plant	(39,656)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	982
7	124	Other investments		252	Advances for construction	
8	131	Cash	28,865	253	Other deferred credits	
9	141	Accounts receivable - customers	1,108	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	1,092		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	78,651		Total Equity and Liabilities	78,651

**SCHEDULE B - WATER PLANT IN SERVICE**

Line	Acct	Title of Account	Balance Beg of Year	Plt Additions During year	Plt Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					
17	303	Land	675				675
18	304	Structures					
19	307	Wells					
20	317	Other water source plant	16,042				16,042
21	311	Pumping equipment	14,896				14,896
22	320	Water treatment plant					
23	330	Reservoirs tanks and sandpipes	22,411				22,411
24	331	Water mains	15,718	458			16,176
25	333	Services and meter installations	5,887				5,887
26	334	Meters	2,675	232			2,907
27	335	Hydrants	3,951				3,951
28	339	Other equipment	215				215
29	340	Office furniture and equipment	3,943				3,943
30	341	Transportation equipment	139				139
31		Total water plant in service	86,552	690			87,242

\* 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	38,877		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	779		0.9% per PUC letter 03/06/1987
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			covered by this report \$
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.
44	Total debits			
45	Balance in reserve at end of year			
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits	39,656		

Line

**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2003)**

1	Common - (Shares , \$ par)			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 - \$			<b>Not Applicable</b>

**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							

**SCHEDULE F - INCOME STATEMENT**

9	Operating revenues	xxxxxxxxxxx
10	460 Unmetered water revenue	857
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	6,867
14	480 Other water revenue	24,212
15	Total Operating Revenue	31,936
16	Operating revenue deductions	xxxxxxxxxxx
17	Operating expenses	xxxxxxxxxxx
18	610 Purchased water	
19	615 Power	4,935
20	618 Other volume related expenses	
21	630 Employee labor	7,452
22	640 Materials	2,425
23	650 Contract work	
24	660 Transportation expenses	
25	664 Other plant maintenance expense	2,465
26	670 Office salaries	6,000
27	671 Management salaries	
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	3,000
31	681 Office supplies and expense	643
32	682 Professional services	2,285
33	684 Insurance	1,669
34	688 Regulatory commission expense	
35	689 General expenses	2,218
36	Total Operating Expenses	33,092
37	403 Depreciation expense	779
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	2,246
40	409 State corporate income tax expense	
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	36,117
43	Utility Operating Income	
44	421 Non-utility income	219
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income (loss)	(3,962)

**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
Orchard	1	12	30	40	unknown
Orchard	1	8	30	40	unknown
Hillside	1	8	70	10	unknown
Hillside	1	8	150	10	unknown

**OTHER**

Streams or springs location of diversion point	Flow in (Unit)		Annual quantities diverted (Unit)	
	Priority right	Diversions		
	Claim	Capacity	Max	Min
Purchased water (unit)			Annual quantity	
Supplier:				

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

Classification of service	Max. mo. Mo. of	Min. mo. Mo. of	Total for year
Residential & business			1,028,987
Industrial			
Public authorities			68,200
Irrigation			
Other (specify)			
Total			1,097,187

**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 & Wages Paid
48	630	Employee Labor	2	7,452		7,452
49	670	Office salaries	1	6,000		6,000
50	671	Management salaries				
51		Total	3	13,452		13,452

### SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	
Additions during year	<b>Not Applicable</b>
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	

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

Size	Meters	Services
5/8 x 3/4-in		
3/4-in	149	149
1-in	4	4
2-in	1	1
-in none		4
<b>Total</b>	<b>154</b>	<b>158</b>

### SCHEDULE L - METER-TESTING DATA

Number of meters tested during year		N/A
1	Used, before repair...	
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	141	3	144	6		6	147	3
Industrial		1	1					1
Other (specify)	7		7				7	
<b>Subtotal</b>	<b>148</b>	<b>4</b>	<b>152</b>	<b>6</b>		<b>6</b>	<b>154</b>	<b>4</b>
Fire protection (Hydrants)								
<b>Total</b>	<b>148</b>	<b>4</b>	<b>152</b>	<b>6</b>		<b>6</b>	<b>154</b>	<b>4</b>

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

### SCHEDULE N - STORAGE FACILITIES

Description	No.	Combined capacity in gallons
Concrete	3	160,000
Earth		
Wood		
Steel		
Other		
<b>Total</b>	<b>3</b>	<b>160,000</b>

### SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Description	No.	Combined capacity in gallons	Description	2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)			Totals
Concrete	3	160,000	Cast Iron							
Earth			Welded steel							
Wood			Standard screw	32,008						32,008
Steel			Cement-asbestos							
Other			Plastic							
			Other (specify)							
<b>Total</b>	<b>3</b>	<b>160,000</b>	<b>Total</b>	<b>32,008</b>						<b>32,008</b>

### DECLARATION

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

I, the undersigned owner of **Cazadero Water Company** under penalty of perjury do declare that this report has been or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, same to be a complete and correct statement of the business and affairs of the above-named respondent and the property for the period from and including January 1, 2003, to and including December 31, 2003.

Signed Sam M. Berry  
 Title Owner  
 Date 3-28-04