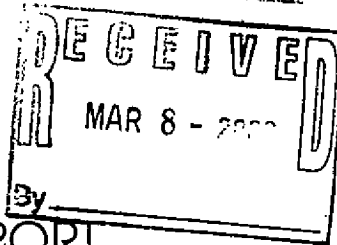


4

Received _____
Examined _____

CLASS D  
WATER UTILITIES

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



2001  
ANNUAL REPORT  
OF

*Cobb Mountain Water Company*

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

*P.O. Box 2*

*Cobb CA*

(OFFICIAL MAILING ADDRESS)

*95426*

ZIP

TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE  
YEAR ENDED DECEMBER 31, 2001

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2002  
(FILE TWO COPIES IF THREE RECEIVED)

## **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 2001**

Account Number	Operating Revenue	
470.2	Metered	3,640.02
<del>400</del> 470.1	<del>Unmetered</del> Service Charge	9,608.09
465	Irrigation	0
<del>462</del> 480	<del>Private Fire Protection</del> - Other	29.54
	<b>Total Revenue</b>	<b>13,277.65</b>
	<b>Operating Expenses</b>	
610	Purchased Water	0
615	Purchased Power	689.77
	Pump Taxes	0
	Purchased Chemicals	
618	Other Vol. Related exp.	111.57
630	Employee Labor	0
640	Materials	30.09
650	Contract Work	0
	Water Testing	379.80
660	Transportation Expense	0
664	Other Plant Maintenance	0
670	Office Salaries	0
671	Management Salaries	4,500.00
674	Employee Pensions and Benefits	0
676	Uncollectables	0
678	Office Service and Rentals	0
681	Office Supplies and Expense	644.78
682	Professional Services	505.00
684	Insurance	1,050.00
688	Regulatory Expense	0
689	General Expense	1,146.00
	<b>Subtotal</b>	<b>9,057.01</b>
403	Depreciation Expense	766.29
	Ad Valorem Taxes	0
	Payroll taxes	0
408	Taxes other than income	112.28
409	State Income Tax	<i>Paid By Owner</i>
410	Federal Income Tax	<i>Paid By Owner</i>
	<b>Total Deductions</b>	<b>878.57</b>
	<b>Net Revenue</b>	<b>3,342.07</b>
	<b>Rate Base</b>	
	Average Plant	42,407.97
	Average Depreciation Reserve	21,499.07
	Net Plant	20,908.90
	Less: Advances	0
	Less: Contributions	0
	Plus: Construction Work in Progress	4,222.39
	Plus: Working Cash	0
	Plus: Material & Supplies	1,000.30
	<b>Rate Base</b>	<b>26,131.59</b>
	<b>ROR=Net Rev/Rate Base</b>	<i>See Back of sheet</i>

The ROR calculations for small companies that are not corporations is not accurate. The owners pay the taxes from net revenue. This transaction is not reflected in the utilities accounting and appears to be considered by Water Branch only when there is a General Rate Increase. This results in a distorted ROR to be listed on the Annual Report.

The Cobb Mountain Water Company last General Rate increase was in 1994. The Commission approved a ROR of 11.72%. Water Branch used 15% for Federal taxes and 9.3% for State taxes in their calculations to determine the ROR. If Federal and State taxes were not considered, the ROR would have been 15.46%.

The utility had a net income of \$3,342 for 2001. The Federal tax at 15% would be \$501 and the State tax at 9.3% would be \$311, for a total of \$812.

The correct ROR would be  $\$3,342 - \$812 = \$2,530$   
 $\div \$26,132 = 9.68\%$ . Not  $\$3,342 \div \$26,132 = 12.79\%$  ROR as would be shown on your form.

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

*Cobb Mountain Water Company*

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

*P.O. Box 2 Cobb CA 95426*

(Official mailing address)

*Gordon Springs Subdivisions, Lake County*

(Service area-town and county)

**GENERAL INFORMATION**

RETURN ORIGINAL  
TO COMMISSION  
NO PHOTOCOPIES

- 1 If a corporation show:  
(A) Date of organization \_\_\_\_\_ incorporated in the State of \_\_\_\_\_  
(B) Names, titles and addresses of principal officers:
  
- 2 If unincorporated give the name and address of owner or of each partner: *v.B. Anderson  
P.O. Box 2 Cobb CA 95426*
  
- 3 Name and telephone number of:  
(A) One person listed above to receive correspondence: *v.B. Anderson  
(707) 928 5232*  
(B) Person responsible for operations and services:
  
- 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?
  
- 5 State the names of associated companies or persons which, directly or indirectly, or through one or more *None* intermediaries, control, or are controlled by, or are under common control with respondent:

**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		<i>6/19/01</i>
X		<i>Monthly</i>
X		<i>7/13/01</i>
	<i>N/A</i>	
	<i>N/A</i>	

**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.

Acc 311	Pumping Equipment		
	w.o. # 72	Float Control Wiring	\$ 40.65
Acc 320	Water Treatment Plant		
	w.o. # 74	Chlorine Tank.	\$ 97.14
Acc 333	Services And Meter Installations		\$ 44.74
	w.o. # 73	Valve	<u>          </u>
		Addition Totals.	\$ 182.53

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES  
20 01

NAME OF UTILITY Cobb Mountain Water Company PHONE (707) 928 5232

PERSON RESPONSIBLE FOR THIS REPORT Vincent Bruce Anderson  
(Prepared from Information in the 2001 Annual Report)

BALANCE SHEET DATA		1/1/01	12/31/01	Average
1	Intangible Plant	244	244	244
2	Land and Land Rights	2,833	2,833	2,833
3	Depreciable Plant	39,240	39,422	39,331
4	Gross Plant in Service	42,317	42,499	42,408
5	Less: Accumulated Depreciation	21,116	21,882	21,499
6	Net Water Plant in Service	21,201	20,617	20,909
7	Water Plant Held for Future Use	0	0	0
8	Construction Work in Progress	4,097	4,222	4,160
9	Materials and Supplies	937	1,000	969
10	Less: Advances for Construction	(0)	(0)	(0)
11	Less: Contribution in Aid of Construction	(0)	(0)	(0)
12	Less: Accumulated Deferred Income and Investment Tax Credits	(0)	(0)	(0)
13	Net Plant Investment	26,235	25,839	26,038
CAPITALIZATION				
14	Common Stock	0	0	0
15	Proprietary Capital (Individual or Partnership)	31,248	31,934	31,591
16	Paid-in Capital	2,939	3,386	3,163
17	Retained Earnings	3,625	3,342	3,484
18	Common Stock and Equity (Lines 14 through 17)	31,934	31,890	31,912
19	Preferred Stock	0	0	0
20	Long-Term Debt	0	0	0
21	Notes Payable	0	0	0
22	Total Capitalization (Lines 18 through 21)	31,934	31,890	31,912

(Revised 2/01)

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

20 01  
(continued)

NAME OF UTILITY Cobb Mountain Water Co PHONE (707) 928 5232

**INCOME STATEMENT**

	Annual Amount
23 Unmetered Water Revenue	9,638
24 Fire Protection Revenue	0
25 Irrigation Revenue	0
26 Metered Water Revenue	3,640
27 Total Operating Revenue	13,278
28 <u>Operating Expenses</u>	9,057
29 Depreciation Expense (Composite Rate <u>3%</u> )	766
30 Amortization and Property Losses	0
31 Property Taxes	112
32 Taxes Other Than Income Taxes	0
33 Total Operating Revenue Deduction Before Taxes	878
34 California Corp. Franchise Tax	0
35 Federal Corporate Income Tax	0
36 Total Operating Revenue Deduction After Taxes	0
37 Net Operating Income (Loss) - California Water Operations	0
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	0
39 Income Available for Fixed Charges	0
40 Interest Expense	0
41 Net Income (Loss) Before Dividends	0
42 Preferred Stock Dividends	0
43 Net Income (Loss) Available for Common Stock	0

**OTHER DATA**

44 Refunds of Advances for Construction	0
45 Total Payroll Charged to Operating Expenses	4,500
46 Purchased Water	0
47 Power	690

Active Service Connections (Exc. Fire Protect.) \_\_\_\_\_

	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections	61	61	61
49 Flat Rate Service Connections	0	0	0
50 Total Active Service Connections	61	61	61



**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: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Date Hired: \_\_\_\_\_

2. Former Fiscal Agent:

N/A

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:

N/A

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, 2001)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	42,499.19	201	Common Stock (Corporations only)	0
2	103	Water plant held for future use	0	211	Other paid-in capital (Corporations only)	0
3	104	Water plant purchased or sold	0	215	Retained earnings	3,342.07
4	105	Water plant construction work in progress	4,222.39	218	Proprietary capital	28,547.73
5	108	Accumulated depreciation of water plant	21,882.21	224	Long term debt	0
6	114	Water plant acquisition adjustments	0		Current Liabilities	554.65
7	124	Other investments	0	252	Advances for construction	0
8	131	Cash	6,385.76	253	Other deferred credits	0
9	141	Accounts receivable - customers	219.02	255	Accumulated deferred investment tax credits	0
10	142	Receivables from associated companies	0	282	Accumulated deferred income taxes - Acrs	0
11	151	Materials and supplies	1,000.30		depreciation	
12	174	Other current assets	0	283	Accumulated deferred income taxes - other	0
13	180	Deferred charges	0	271	Contributions in aid of construction	0
14				272	Accumulated amortization of contributions	0
15		<b>Total Assets</b>	<b>32,444.45</b>		<b>Total Equity and Liabilities</b>	<b>32,444.45</b>

**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	243.81				243.81
17	303	Land	2,832.71				2,832.71
18	304	Structures	4,672.66				4,672.66
19	307	Wells	0				0
20	317	Other water source plant	1,029.00				1,029.00
21	311	Pumping equipment	4,372.67	40.65			4,413.32
22	320	Water treatment plant	313.77	97.14			410.91
23	330	Reservoirs tanks and sandpipes	5,416.30				5,416.30
24	331	Water mains	12,993.95				12,993.95
25	333	Services and meter installations	1,877.24	44.74			1,921.98
26	334	Meters	3,817.00				3,817.00
27	335	Hydrants	0				0
28	339	Other equipment	4,317.16				4,317.16
29	340	Office furniture and equipment	430.39				430.39
30	341	Transportation equipment	0				0
31		<b>Total water plant in service</b>	<b>42,316.66</b>	<b>182.53</b>	<b>0</b>	<b>0</b>	<b>42,499.19</b>

\* 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	21,115.92		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate. 3%
34	(a) Charged to Account No. 403	766.29		
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	21,882.21		covered by this report \$
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired			C. State method used to compute tax
42	(b) Cost of removal			depreciation.
43	(c) All other debits			42,407.97 Average Plant 2001
44	Total debits			- 3,076.52 Accounts #301 & #303
45	Balance in reserve at end of year	21,882.21		- 13,788.38 Depreciated Plant in Service
46	(1) Explanation of all other credits			25,543.07 x 3% = \$ 766.29
47	(2) Explanation of all other debits			



**SCHEDULE J - ADVANCES FOR CONSTRUCTION**

Balance beginning of year	0
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	0

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

Size	Meters	Services
5/8 x 3/4-in	61	61
3/4-in		
1-in		
-in		
-in		
Total	61	61

**SCHEDULE L - METER-TESTING DATA**

Number of meters tested during year	
1 Used, before repair...	0
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	60		60				60	
Industrial								
Other (specify)	1		1				1	
<i>Community Center</i>								
Subtotal	61		61				61	
Fire protection (Hydrants)	0		0				0	
Total	61		61				61	

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	2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)			Total
Concrete	1	6,170	Cast Iron							
Earth			Welded steel			2313				2313
Wood			Standard screw	4427						4427
Steel	3	25,500	Cement-asbestos							
Other			Plastic			216				216
<i>Steel out of Service</i>	1	9,300	Other (specify)			65				65
			<i>Tar Coat</i>							
Total		40,970	Total	4427		2594				7,021

**DECLARATION**

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

I, the undersigned (~~officer, partner or~~ owner) of Cobb Mountain Water Company (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

From and including January 1, 2001, to and including December 31, 2001

Vincent Ben Anderson  
 Signed \_\_\_\_\_  
 Title Owner  
 Date 3/6/2002