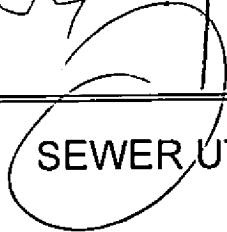


**RECEIVED**  
APR 2 - 2010  
UTILITY AUDIT, FINANCE AND  
COMPLIANCE BRANCH  
DIVISION OF WATER AND AUDITS

74



Received \_\_\_\_\_  
Examined \_\_\_\_\_

**SEWER UTILITIES**

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

2009  
ANNUAL REPORT  
OF

CYPRESS RIDGE SEWER CO.

\_\_\_\_\_

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

\_\_\_\_\_

P.O. BOX 745

\_\_\_\_\_

GROVER BEACH, CA 93483

\_\_\_\_\_

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE YEAR ENDED DECEMBER 31, 2009

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2010

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## INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN MARCH 31, 2010**, 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](mailto: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 8, 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, 2009, through December 31, 2009. Fiscal year reports will not be accepted.

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

CYPRESS RIDGE SEWER CO.

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

P.O. BOX 745, GROVER BEACH, CA 93483

(Official mailing address)

ARROYO GRANDE, CA - SAN LUIS OBISPO COUNTY

(Service area-town and county)

**GENERAL INFORMATION**

RETURN ORIGINAL  
TO COMMISSION  
NO PHOTOCOPIES

- 1 If a corporation show:  
(A) Date of organization 4/11/2008 incorporated in the State of California  
(B) Names, titles and addresses of principal officers: Charles M. Baker, President  
P.O. Box 745, Grover Beach, CA 93483
- 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: Charles M. Baker (805) 481-6686  
(B) Person responsible for operations and services: Charles M. Baker (805) 481-6686
- 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) Yes  
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? See attached
- 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:  
Rural Water Company

**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		12/2009
X		Weekly
N/A		
N/A		
N/A		

- 11 List Name, Grade, and License Number of all Licensed Operators:

Thomas LaMoreaux Grade 3 License #111-5449

Seth Hutchinson Grade 2 License #1-28592

SPECIAL INSTRUCTIONS (over)

### 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 company's 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 goods and services provided in calendar year 2009: N/A

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter									
Row No.	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue Derived From Non-Tariffed Goods/ Services (by account)	Total Expenses Incurred to Provide Non-Tariffed Goods/ Services (by Account)	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 - BALANCE SHEET (AS OF DECEMBER 31, 2009)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Plant in service	4,988,983	201	Common Stock (Corporations only)	
2	103	Plant held for future use		211	Other paid-in capital (Corporations only)	786,564
3	104	Plant purchased or sold		215	Retained earnings See Attached	(676,986)
4	105	Plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of plant	(1,023,987)	224	Long term debt	
6	114	Plant acquisition adjustments			Current Liabilities	
7	124	Other investments		252	Advances for construction	249,542
8	131	Cash	37,921	253	Other deferred credits	
9	141	Accounts receivable - customers	88,627	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	10,000	283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	4,760,000
14				272	Accumulated amortization of contributions	(1,017,576)
15		<b>Total Assets</b>	<b>4,101,544</b>		<b>Total Equity and Liabilities</b>	<b>4,101,544</b>

**SCHEDULE B - SEWER 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
1	301	Intangible plant	2,669				2,669
2	303	Land					-
3	304	Structures					-
4	307	Wells					-
5	317	Other source plant					-
6	311	Pumping equipment	10,000	39,257		145,207	194,464
7	320	Treatment plant	3,200,000				3,200,000
8	330	Reservoirs					-
9	331	Mains	1,500,000				1,500,000
10	333	Services and meter installations					-
11	334	Meters					-
12	339	Other equipment	40,000	4,136		37,714	81,850
13	340	Office furniture and equipment	10,000				10,000
14	341	Transportation equipment					-
15		<b>Total Plant in service</b>	<b>4,762,669</b>	<b>43,393</b>	<b>-</b>	<b>182,921</b>	<b>4,988,983</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 Plant	
1	Balance in reserves at beginning of year	873,636	A. Method used to compute depreciation
2	Add: Credits to reserves during year		expense (Acct. 403) and rate. S/L
3	(a) Charged to Account No. 403	6,411	
4	(b) Charged to Account No. 272	143,940	
5	(c) Charged to clearing accounts		B. Amount of depreciation expense claimed
6	(d) Salvage recovered		or to be claimed on utility property in
7	(e) All other credits		your federal income tax return for the year
8	Total credits	150,351	covered by this report \$ 22,132
9	Deduct: Debits to reserves during year		
10	(a) Book cost of property retired		
11	(b) Cost of removal		C. State method used to compute tax
12	(c) All other debits		depreciation. S/L
13	Total debits	-	
14	Balance in reserve at end of year	1,023,987	
15	(1) Explanation of all other credits	N/A	
16	(2) Explanation of all other debits	N/A	

SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2009)			
Line			
1	Common - (Shares 1,000	\$	par)
2	Preferred - (Shares	\$	par)
3	Dividends - Common	Rate - \$	
4	- Preferred	Rate - \$	

List persons owning more than 5% of outstanding stock and number of shares owned by each:  
Charles M. Baker - 1,000 shares

SCHEDULE E - LONG-TERM DEBTS								
Line	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
1	N/A							
2								
3								
4	Totals							

SCHEDULE F - INCOME STATEMENT			
Line	Acct	Operating revenues	
1	460	Unmetered revenue	350,824
2	470	Metered revenue	
3	480	Other revenue	
4		Total Operating Revenue	350,824
		Operating revenue deductions	
		Operating expenses	
5	610	Purchased water	
6	615	Power	17,563
7	618	Other volume related expenses	39,617
8	630	Employee labor	193,322
9	640	Materials	1,314
10	650	Contract work	95,515
11	660	Transportation expenses	7,349
12	664	Other plant maintenance expense	6,090
13	670	Office salaries	2,500
14	671	Management salaries	32,500
15	674	Employee pensions and benefits	30,121
16	676	Uncollectible accounts expense	
17	678	Office services and rentals	5,163
18	681	Office supplies and expense	3,100
19	682	Professional services	47,669
20	684	Insurance	28,735
21	688	Regulatory commission expense	13,968
22	689	General expenses	475
23		Total Operating Expenses	525,001
24	403	Depreciation expense	6,411
25	408	Taxes other than income taxes	15,884
26	409	State corporate income tax expense	800
27	410	Federal corporate income tax expense	-
28		Total Operating Revenue Deductions	548,096
29		Utility Operating Income	(197,272)
30	421	Non-utility income	
31	426	Miscellaneous non-utility expense	
32	427	Interest expense	(1,169)
33		Net Income	(198,441)

SCHEDULE G - 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
1	630	Employee Labor	3	193,322		193,322
2	670	Office salaries	1	2,500		2,500
3	671	Management salaries	1	32,500		32,500
4		Total	5	228,322	-	228,322

SCHEDULE H - ADVANCES FOR CONSTRUCTION	
Balance beginning of year	
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	N/A

SCHEDULE I - TOTAL METERS AND SERVICES (active and inactive)		
Size	Meters	Services
-in		
-in		
-in		
-in		
-in		
Total		N/A

SCHEDULE J - METER-TESTING DATA	
Number of meters tested during year	N/A
1 Used, before repair	
2 Used, after repair	
3 Fast, requiring refund	

SCHEDULE K - SERVICE CONNECTIONS AT END OF YEAR								
Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		367	367		23			390
Industrial								
Other (specify)								
Commercial		8	8					8
Total		375	375		23			398

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

SCHEDULE L - STORAGE FACILITIES			SCHEDULE M - 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	66,000	Cast Iron					
Earth		-	Welded steel					
Wood		-	Standard screw					
Steel		-	Cement-asbestos					
Other		-	Plastic				28000	28000
		-	Other (specify)					
		-						
Total	3	66,000	Total				28000	28000



**DECLARATION**

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

I, the undersigned (authorized officer, partner or owner) of CYPRESS RIDGE SEWER CO. (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, 2009, through December 31, 2009.

*Charles M. Baker*

3-29-10

Signature

*PRESIDENT*

Title

Date

ATTACHMENT TO ANNUAL REPORT OF CYPRESS RIDGE SEWER OPERATIONS

PAGE 5, SCHEDULE B - SEWER PLANT IN SERVICE

RURAL WATER COMPANY WAS INCORPORATED IN 1982 AND HAS OPERATED A WATER UTILITY PLANT SINCE THAT TIME. IN JUNE, 2002, RURAL WATER COMPANY WAS GRANTED A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE SEWER SERVICE TO THE CYPRESS RIDGE SUBDIVISION IN SAN LUIS OBISPO COUNTY, AND AS A RESULT, TOOK OVER THE OPERATION OF THE CYPRESS RIDGE SEWER PLANT IN JANUARY, 2003.

RURAL WATER COMPANY OPERATED BOTH THE WATER UTILITY AND SEWER UTILITY PLANT UNTIL MAY, 2008, WHEN THE SEWER OPERATION WAS TRANSFERRED TO A NEW CORPORATION, CYPRESS RIDGE SEWER COMPANY. THE SHARES OF THE NEW CORPORATION ARE OWNED BY THE SAME SHAREHOLDER AS RURAL WATER COMPANY.

UNDER DECISION 02-06-005, THE SEWER COMPANY WAS AUTHORIZED TO ESTABLISH A MEMORANDUM ACCOUNT FOR OPERATING EXPENSES FOR ITS PUBLIC UTILITY SEWER SERVICE. THE MEMORANDUM ACCOUNT REMAINS IN EFFECT.

GENERAL INFORMATION - PAGE 1, QUESTION 4

CONTRACTS IN EFFECT DURING THE YEAR

<u>NAME</u>	<u>NATURE OF PAYMENTS</u>	<u>AMOUNT</u>	<u>ACCOUNT CHARGED</u>
USA SERVICES, INC.	WASTEWATER DISPOSAL	38,382	650
LIBERTY COMPOSTING INC	WASTEWATER DISPOSAL	33,379	650
MULTI-TASK BUSINESS SYS.	BOOKKEEPING/CU ST. SERV.	12,479	682
NOSSAMAN LLP	LEGAL SERVICES	14,421	682
FRANK B & ASSOCIATES	CPUC CONSULTING	10,095	682
RURAL SPECIAL DISTRICTS INSURANCE	INSURANCE	13,200	684

ATTACHMENT TO ANNUAL REPORT OF CYPRESS RIDGE SEWER OPERATIONS (continued)

SCHEDULE A - BALANCE SHEET DETAIL

THE AMOUNT ON SCHEDULE A, BALANCE SHEET, LINE 9, ACCOUNT 141 - ACCOUNTS RECEIVABLE INCLUDES CURRENT ACCOUNTS RECEIVABLE OF \$2,324 AS WELL THE REMAINING BALANCE OF COMMISSION APPROVED SURCHARGES FOR 2004, 2005, 2006 AND 2007. THE SURCHARGE RECEIVABLES INCLUDE INTEREST AT THE 90-DAY COMMERCIAL RATE CALCULATED MONTHLY.

ACCOUNTS RECEIVABLE	\$	2,324
2004 SURCHARGE APPROVED 10/1/05		75,867
SURCHARGE COLLECTED IN 2005		(6,496)
SURCHARGE COLLECTED IN 2006		(26,700)
SURCHARGE COLLECTED IN 2007		(27,940)
SURCHARGE COLLECTED IN 2008		(21,231)
INTEREST ACCRUED ON BALANCE THROUGH 12/31/09		5,288
BALANCE 12/31/09		<u>(1,212)</u>
2005 SURCHARGE APPROVED 10/1/06		69,756
SURCHARGE COLLECTED IN 2006		(5,713)
SURCHARGE COLLECTED IN 2007		(22,994)
SURCHARGE COLLECTED IN 2008		(23,391)
SURCHARGE COLLECTED IN 2009		(23,765)
INTEREST ACCRUED ON BALANCE THROUGH 12/31/09		4,641
BALANCE 12/31/09		<u>(1,466)</u>
2006 SURCHARGE APPROVED 1/10/08		107,413
SURCHARGE COLLECTED IN 2008		(33,389)
SURCHARGE COLLECTED IN 2009		(37,779)
INTEREST ACCRUED ON BALANCE THROUGH 12/31/09		3,162
BALANCE 12/31/09		<u>39,407</u>
2007 SURCHARGE APPROVED 12/1/09		50,957
SURCHARGE COLLECTED IN 2009		(1,391)
INTEREST ACCRUED ON BALANCE THROUGH 12/31/09		8
BALANCE 12/31/09		<u>49,574</u>
TOTAL ACCOUNTS RECEIVABLE	\$	<u>88,627</u>

SCHEDULE A, BALANCE SHEET, LINE 3, ACCOUNT 215 - RETAINED EARNINGS RECONCILIATION:

BALANCE 12/31/08	\$	(712,719)
2009 NET LOSS		(198,441)
CAPITALIZATION OF UNEXPECTED EXPENSES - 2007 & 2008 COSTS		182,921
2007 APPROVED SURCHARGE		50,957
INTEREST ON SURCHARGE BALANCING ACCOUNT - 2005		36
INTEREST ON SURCHARGE BALANCING ACCOUNT - 2006		252
INTEREST ON SURCHARGE BALANCING ACCOUNT - 2007		8
BALANCE 12/31/09	\$	<u>(676,986)</u>



12/31/09

2009 BOOK DEPRECIATION SCHEDULE

PAGE 2

CLIENT 1002509

CYPRESS RIDGE SEWER CO

26-2469706

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
	TOTAL DEPRECIATION			4,986,315		0	0	0	0	0	4,986,315	873,636				150,351
	GRAND TOTAL AMORTIZATION			2,669		0	0	0	0	0	2,669	0				0
	GRAND TOTAL DEPRECIATION			4,986,315		0	0	0	0	0	4,986,315	873,636				150,351