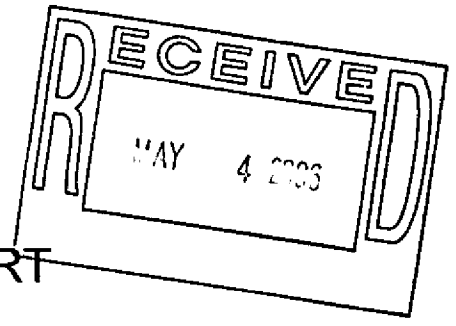


74

Received _____
Examined _____

CLASS B and C  
WATER UTILITIES

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



2005  
ANNUAL REPORT  
OF

DEL ORO WATER COMPANY, INC.

FERNDALE DISTRICT

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

DRAWER 5172, CHICO, CALIFORNIA 95927

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE  
YEAR ENDED DECEMBER 31, 2005

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2006  
(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 calander year, from Janauary 1 through December 31. Fiscal year reports will not be accepted.

# INSTRUCTIONS

## FOR PREPARATION OF

### SELECTED FINANCIAL DATA SHEET

#### FOR CLASS A, B, C AND D, 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 instruction 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.

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES  
2005

NAME OF UTILITY DEL ORO WATER CO., INC.  
FERNDALE DISTRICT

PHONE 530-894-1100

PERSON RESPONSIBLE FOR THIS REPORT JANICE HANNA

(Prepared from Information in the 2005 Annual Report)

	01/01/05	12/31/05	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant	588	588	588
2 Land and Land Rights	12,355	12,355	12,355
3 Depreciable Plant	1,460,741	1,466,801	1,463,771
4 Gross Plant in Service	1,473,684	1,479,744	1,476,714
5 Less: Accumulated Depreciation	(347,228)	(392,766)	(369,997)
6 Net Water Plant in Service	1,126,456	1,086,978	1,106,717
7 Water Plant Held for Future Use			
8 Construction Work in Progress	0	0	0
9 Materials and Supplies	1,790	1,790	1,790
10 Less: Advances for Construction	(74,997)	(73,556)	(74,277)
11 Less: Contribution in Aid of Construction	(16,562)	(13,624)	(15,093)
12 Less: Accumulated Deferred Income and Investment Tax Credits			
13 Net Plant Investment	1,036,687	1,001,588	1,019,137
<b>CAPITALIZATION</b>			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital		55,350	
17 Retained Earnings	425,840	414,187	420,013
18 Common Stock and Equity (Lines 14 through 17)	425,840	469,537	447,688
19 Preferred Stock			
20 Long-Term Debt	737,382	707,605	722,494
21 Notes Payable	155,350	0	77,675
22 Total Capitalization (Lines 18 through 21)	1,318,571	1,177,142	1,247,857

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES  
2005

NAME OF UTILITY DEL ORO WATER CO., INC.      PHONE 530-894-1100  
FERNDALE DISTRICT

		Annual Amount
<b>INCOME STATEMENT</b>		
23	Unmetered Water Revenue	<u>139,561</u>
24	Fire Protection Revenue	<u>          </u>
25	Irrigation Revenue	<u>          </u>
26	Metered Water Revenue	<u>254,445</u>
27	Total Operating Revenue	<u>394,006</u>
28	<u>Operating Expenses</u>	<u>240,838</u>
29	Depreciation Expense (Composite Rate _____)	<u>45,538</u>
30	Amortization and Property Losses	<u>          </u>
31	Property Taxes	<u>15,312</u>
32	Taxes Other Than Income Taxes	<u>7,322</u>
33	Total Operating Revenue Deduction Before Taxes	<u>309,010</u>
34	California Corp. Franchise Tax	<u>          </u>
35	Federal Corporate Income Tax	<u>          </u>
36	Total Operating Revenue Deduction After Taxes	<u>309,010</u>
37	Net Operating Income (Loss) - California Water Operations	<u>84,996</u>
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>3,208</u>
39	Income Available for Fixed Charges	<u>          </u>
40	Interest Expense	<u>(62,282)</u>
41	Net Income (Loss) Before Dividends	<u>25,922</u>
42	Preferred Stock Dividends	<u>          </u>
43	Net Income (Loss) Available for Common Stock	<u>          </u>

**OTHER DATA**

44	Refunds of Advances for Construction	<u>          </u>
45	Total Payroll Charged to Operating Expenses	<u>133,078</u>
46	Purchased Water	<u>          </u>
47	Power	<u>10,630</u>

		Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections	<u>744</u>	<u>755</u>	<u>749.5</u>
49	Flat Rate Service Connections	<u>3</u>	<u>3</u>	<u>3</u>
50	Total Active Service Connections	<u>747</u>	<u>758</u>	<u>752.5</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: N/A

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: \_\_\_\_\_

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

6. Plant amounts included in Schedule A-1a, 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		<b>NON-DEPRECIABLE PLANT</b>					
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		<b>DEPRECIABLE PLANT</b>					
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					

## GENERAL INFORMATION

1 Name under which utility is doing business: Del Oro Water Company, Inc.  
Ferndale District

2 Official mailing address:  
Drawer 5172, Chico, California ZIP 95927

3 Name and title of person to whom correspondence should be addressed:  
Janice Hanna, Director Corporate Accounting Telephone: 530-894-1100

4 Address where accounting records are maintained:  
426 Broadway, Suite 301, Chico, California 95928

5 Service Area: (Refer to district reports if applicable.)  
Ferndale, California

6 Service Manager (if located in or near Service Area): (Refer to district reports if applicable.)  
 Name: Paul J. Matulich  
 Address: Drawer 5172 Telephone: 530-894-1100  
Chico, California 95927-5272

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) Del Oro Water Company, Inc.  
 Organized under laws of (state) California

Principal Officers:  

<u>(Name)</u>	<u>Robert S. Fortino</u>	<u>(Title)</u>	<u>President</u>
<u>(Name)</u>	<u>Janice Hanna</u>	<u>(Title)</u>	<u>Secretary</u>
<u>(Name)</u>		<u>(Title)</u>	
<u>(Name)</u>		<u>(Title)</u>	

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

10 Use the space below for supplementary information or explanations concerning this report:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



**SCHEDULE A**  
**COMPARATIVE BALANCE SHEETS**  
**Assets and other Debits**

Line No.	Acct. No.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		<b>UTILITY PLANT</b>			
2	101	Water plant in service	4	1,479,744	1,473,684
3	103	Water plant held for future use	5		
4	104	Water plant purchased or sold			
5	105	Water plant construction work in progress		0	0
6		Total utility plant		1,479,744	1,473,684
7	106	Accumulated depreciation of water plant	6	392,766	347,228
8	114	Water plant acquisition adjustments			
9		Total amortization and adjustments		392,766	347,228
10		Net utility plant		1,086,978	1,126,456
11		<b>INVESTMENTS</b>			
12	121	Non-utility property and other assets	5		
13	122	Accumulated depreciation of non-utility property	6		
14		Net non-utility property			
15	123	Investments in associated companies			
16	124	Other investments			
17		Total investments			
18		<b>CURRENT AND ACCRUED ASSETS</b>			
19	131	Cash		230,555	234,844
20	132	Special accounts			
21	141	Accounts receivable - customers		31,761	33,540
22	142	Receivables from associated companies		0	100,000
23	143	Accumulated provision for uncollectible accounts			
24	151	Materials and supplies		1,790	1,790
25	174	Other current assets	7	2,751	2,742
26		Total current and accrued assets		266,858	372,916
27	180	Deferred charges	8	8,765	10,618
28		Total assets and deferred charges		1,362,601	1,509,990

**SCHEDULE A**  
**COMPARATIVE BALANCE SHEETS**  
**Liabilities and Other Credits**

Line No.	Acct. No.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		<b>CORPORATE CAPITAL AND SURPLUS</b>			
2	201	Common stock	9		
3	204	Preferred stock	9		
4	211	Other paid-in capital	9	55,350	0
5	215	Retained earnings	10	414,187	425,840
6		Total corporate capital and retained earnings		469,537	425,840
7		<b>PROPRIETARY CAPITAL</b>			
8	218	Proprietary capital	10		
9	218.1	Proprietary drawings			
10		Total proprietary capital			
11		<b>LONG TERM DEBT</b>			
12	224	Long term debt	11	744,184	784,599
13	225	Advances from associated companies	12	0	155,350
14		<b>CURRENT AND ACCRUED LIABILITIES</b>			
15	231	Accounts payable		17,751	12,022
16	232	Short term notes payable		0	0
17	233	Customer deposits		3,861	2,750
18	235	Payables to associated companies	12	31,699	32,156
19	236	Accrued taxes			
20	237	Accrued interest			
21	241	Other current liabilities	13	5,451	5,714
22		Total current and accrued liabilities		58,762	52,642
23		<b>DEFERRED CREDITS</b>			
24	252	Advances for construction	13	73,556	74,997
25	253	Other credits	8		
26	255	Accumulated deferred investment tax credits	13		
27	282	Accumulated deferred income taxes - ACRS depreciation	13		
28	283	Accumulated deferred income taxes - other	13		
29		Total deferred credits		73,556	74,997
30		<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>			
31	271	Contributions in aid of construction	14	16,562	16,562
32	272	Accumulated amortization of contributions			
33		Net contributions in aid of construction			
34		Total liabilities and other credits		1,362,601	1,509,990

**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	1,473,684	6,060			1,479,744
2	103	Water plant held for future use					
3	104	Water plant purchased or sold					
4	105	Construction work in progress - water plant	0		XXXXXXXXXXXX	0	0
5	114	Water plant acquisition adjustments			XXXXXXXXXXXX		
6		Total utility plant	1,473,684	6,060		0	1,479,744

\* 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)
1		<b>NON-DEPRECIABLE PLANT</b>					
2	301	Intangible plant	588				588
3	303	Land	12,355				12,355
4		Total non-depreciable plant	12,943				12,943
5		<b>DEPRECIABLE PLANT</b>					
6	304	Structures	3,909				3,909
7	307	Wells	20,120				20,120
8	317	Other water source plant					
9	311	Pumping equipment	100,675	1,156			101,831
10	320	Water treatment plant	436,908	2,064			438,972
11	330	Reservoirs, tanks and sandpipes	74,012				74,012
12	331	Water mains	595,743				595,743
13	333	Services and meter installations	155,184				155,184
14	334	Meters	28,885	1,987			30,872
15	335	Hydrants	7,743				7,743
16	339	Other equipment	14,084	853			14,937
17	340	Office furniture and equipment	1,743				1,743
18	341	Transportation equipment	21,735				21,735
19		Total depreciable plant	1,460,741	6,060			1,466,801
20		Total water plant in service	1,473,684	6,060			1,479,744

\* 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	<b>NONE</b>			
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	<b>NONE</b>	
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	347,228		
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	45,538		
4	(b) Charged to Account No 272	0		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits (Footnote 2)			
8	Total Credits	45,538		
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	392,766		
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE			%
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	( )		
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	( )		

**2004**

**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 Excl. Cost of Removal (d)	Salvage and Cost of Removal Net (Dr.) or (Cr.) (e)	Balance End of Year (f)
1	304	Structures	939	118			1,057
2	307	Wells	4,984	606			5,590
3	317	Other water source plant		0			
4	311	Pumping equipment	24,293	3,023			27,316
5	320	Water treatment plant	106,601	13,120			119,721
6	330	Reservoirs, tanks and sandpipes	18,336	2,223			20,559
7	331	Water mains	123,204	20,218			143,422
8	333	Services and meter installations	35,940	4,461			40,401
9	334	Meters	6,366	866			7,232
10	335	Hydrants	1,163	165			1,328
11	339	Other equipment	3,151	473			3,624
12	340	Office furniture and equipment	399	251			650
13	341	Transportation equipment	21,852	14			21,866
14		Total	347,228	45,538			392,766

**SCHEDULE A-4**

**Account No. 174 - Other Current Assets**

Line No.	Item (a)	Amount (b)
1		
2	Prepaid Insurance	2,751
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 unauthorized debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year.
- 6 Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years.

Line No.	Designation of long-term debt (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									
2	Loan Fees					10618		1853	8765
3									
4									
5									
6									
7									
8									
9									
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11									
12									
13									
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**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								
2	<b>NONE</b>							
3								
4								
5								
6							Total	

**SCHEDULE A-7**  
**Record of Stockholders at End of Year**

Line No.	COMMON STOCK	Number of Shares (b)	PREFERRED STOCK	Number of Shares (d)
	Name (a)		Name (c)	
1				
2	<b>NONE</b>			
3				
4				
5				
6				
7	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	<b>NONE</b>	
3		
4	Total	



**SCHEDULE A-9**  
**Account No. 215 - Retained Earnings**  
**(Corporations Only)**

Line No	Item (a)	Amount (b)
1	Balance beginning of year	425,839.78
2	CREDITS	
3	Net income	25,922.01
4	Prior period adjustments INVESTMENT EQUITY	55,350.07
5	Other credits (detail)	
6		
7		
8	DEBITS	
9	Net losses	
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	(37,574.97)
13	Other debits (detail)	
14	Total debits	
15	Balance end of year	469,536.89

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

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

**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)	Rate of Interest (g)	Interest Accrued During Year (h)	Sinking Fund (i)	Interest Paid During Year (j)
1	Premeir West		Sep-96	Oct-06	560,000	404,681	8.5			28,987
2	Arcata Econ. Dev		May-97	May-17	455,593	339,503	7.37			28,543
3										
4										
5										
6						744,184				57,530

**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					0
2					
3					
4	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	Paradise Pines District/Allocation Expense	31,699			0
2					
3					
4	Totals	31,699			

**SCHEDULE A-14**  
**Account No. 241 - Other Current Liabilities**

Line No.	Description (a)	Balance End of Year (b)
1		
2	Surcharge Payable	5,451
3		
4		
5	Totals	5,451

**SCHEDULE A-15**  
**Account No. 252 - Advances for Construction**

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	xxxxxxxxxxxxxxxx	74,997
2	Additions during year	xxxxxxxxxxxxxxxx	
3	Subtotal - Beginning balance plus additions during year	xxxxxxxxxxxxxxxx	74,997
4	Charges during year:	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
5	Refunds	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
6	Percentage of revenue basis	1,441	xxxxxxxxxxxxxxxx
7	Proportionate cost basis		xxxxxxxxxxxxxxxx
8	Present worth basis		xxxxxxxxxxxxxxxx
9	Total refunds	1,441	xxxxxxxxxxxxxxxx
10	Transfers to Acct. 271, Contributions in aid of Construction	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
11	Due to expiration of contracts		xxxxxxxxxxxxxxxx
12	Due to present worth discount		xxxxxxxxxxxxxxxx
13	Total transfers to Acct. 271		xxxxxxxxxxxxxxxx
14	Securities Exchanged for Contracts (Enter detail below)		xxxxxxxxxxxxxxxx
15	Subtotal - charges during year		
16	Balance end of year	xxxxxxxxxxxxxxxx	73,556

**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				
2				
3				
4				
5	Totals			0

**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 nondepreciable 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 nondepreciable property shall remain unchanged until the property is sold or otherwise retired. Upon retirement, the cost of such nondepreciable 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.	Item (a)	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954		Property Retired Before Jan. 1, 1955 (e)	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 (f)
			Depreciable (c)	Non-Depreciable (d)		
1	Balance beginning of year	16,562	16,562			
2	Add: Credits to account during year					
3	Contributions received during year					
4	Other credits*					
5	Total credits	16,562	16,562			
6	Deduct: Debits to Account during year					
7	Depreciation charges for year	0	0			
8	Nondepreciable donated property retired					
9	Other debits*					
10	Total debits					
11	Balance end of year	16,562	16,562			

\* 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 Page No. (b)	Amount (c)
1		UTILITY OPERATING INCOME		
2	400	Operating revenues	16	394,006
3		OPERATING REVENUE DEDUCTIONS		
4	401	Operating expenses	17	240,838
5	403	Depreciation expense		45,538
6	407	SDWBA loan amortization expense		
7	408	Taxes other than income taxes		22,634
8	409	State corporate income tax expense	18	
9	410	Federal corporate income tax expense	18	
10		Total operating revenue deductions		309,010
11		Total utility operating income		84,996
12		OTHER INCOME AND DEDUCTIONS		
13	421	Non-utility income	19	3,208
14	426	Miscellaneous non-utility expense	19	
15	427	Interest expense	19	(62,282)
16		Total other income and deductions		(59,074)
17		Net income		25,922

**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 [Brackets] (d)
1		<b>WATER SERVICE REVENUES</b>			
2	460	Unmetered water revenue			
3		460.1 Single - family residential	134,511	135,098	(588)
4		460.2 Commercial and multi-residential			
5		460.3 Large water users			
6		460.5 Safe Drinking Water Bond Surcharge			
7		460.9 Other unmetered revenue			
8		Sub-total	134,511	135,098	(588)
9	462	Fire protection revenue			
10		462.1 Public fire protection			
11		462.2 Private fire protection			
12		Sub-total			
13	465	Irrigation revenue	570	591	(21)
14	470	Metered water revenue			
15		470.1 Single-family residential	201,368	216,124	(14,756)
16		470.2 Commercial and multi-residential	21,690	21,865	(175)
17		470.3 Large water users	30,817	33,011	(2,194)
18		470.5 Safe Drinking Water Bond Surcharge			
19		470.9 Other metered revenue			0
20		Sub-total	253,875	271,000	(17,125)
21		Total water service revenues	388,955	406,689	(17,734)
22	480	Other water revenue	5,051	2,553	2,497
23		Total operating revenues	394,006	409,243	(15,237)

**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 [Brackets] (d)
1		<b>PLANT OPERATION AND MAINTENANCE EXPENSES</b>			
2		<b>VOLUME RELATED EXPENSES</b>			
3	610	Purchased water	0	0	0
4	615	Power	10,630	12,822	(2,192)
5	616	Other volume related expenses	5,346	5,131	215
6		Total volume related expenses	15,976	17,953	(1,977)
7		<b>NON-VOLUME RELATED EXPENSES</b>			
8	630	Employee labor	94,669	89,447	5,221
9	640	Materials	5,187	5,109	78
10	650	Contract work	2,531	1,436	1,095
11	660	Transportation expenses	6,634	7,123	(489)
12	664	Other plant maintenance expenses	500	500	0
13		Total non-volume related expenses	109,520	103,615	5,905
14		Total plant operation and maintenance exp.	125,496	121,568	3,928
15		<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>			
16	670	Office salaries	24,905	24,694	211
17	671	Management salaries	13,504	13,831	(327)
18	674	Employee pensions and benefits	20,616	15,838	4,778
19	676	Uncollectible accounts expense	1,053	1,330	(277)
20	678	Office services and rentals	9,138	9,245	(107)
21	681	Office supplies and expenses	17,388	19,528	(2,140)
22	682	Professional services	4,551	3,339	1,212
23	684	Insurance	22,754	18,300	4,453
24	688	Regulatory commission expense	0	3,466	(3,466)
25	689	General expenses	1,433	1,502	(69)
26		Total administrative and general expenses	115,341	111,073	4,268
27	800	Expenses capitalized			0
28		Net administrative and general expense			
29		Total operating expenses	240,838	232,641	8,197



**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	15,312		
2	State corporate franchise tax			
	State unemployment insurance tax	574		
4	Other state and local taxes			
5	Federal unemployment insurance tax	112		
6	Federal insurance contributions act	6,636		
7	Other federal taxes			
8	Federal income taxes			
9				
10				
11	Totals	22,634		

**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 among 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	<b>NOT PREPARED AT THIS TIME</b>	
7		
8		
9		
10	Federal tax net income	
11	Computation of tax:	
12		
13		
14		
15		
16		
17		

**SCHEDULE B-5**  
**Account No. 421 and 426 - Income from Nonutility Operations**

Line No.	Description (a)	Revenues Acct. 421 (b)	Expenses Acct. 426 (c)
1	Interest Income	3,208	
2			
3	Loan Fee Amortization		(4,753)
4			
5	Total	3,208	(4,753)

**SCHEDULE B-6**  
**Account No. 427 - Interest Expense**

Line No.	Description (a)	Amount (b)
1	Premier & Arcada Development	57,530
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	57,530

**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		94,669		94,669
2	670	Office salaries		24,905		24,905
3	671	Management salaries		13,504		13,504
4						
5						
6		Total		133,078		133,078

**SCHEDULE C-2**  
**Loans to Directors, Officers, or Shareholders**

Line No.	Name (a)	Title (b)	Amount (c)	Interest Rate (d)	Maturity Date (e)	Security Given (f)	Date of Shareholder Authorization (g)	Other Information (h)
1								
2	NONE							
3								
4								
5								
6								
7	Total							

**SCHEDULE C-3**  
**Engineering and Management Fees and Expenses, Etc., During Year**

Line No.	Give the required particulars of all contracts or other agreements in effect in the course of the year between the respondent and any corporation, association, partnership, or person covering supervision and/or management of any department of the respondent's affairs, such as accounting, engineering, financing, construction or operation, and show the payments under such agreements and also the payments for advice and services to a corporation or corporations which directly or indirectly control respondent through stock ownership.	
	NONE	
1	1. Did the respondent have a contract or other agreement with any organization or person covering supervision	
2	and/or management of its own affairs during the year? Answer: (Yes or No)	
3	(If the answer is in the affirmative, make appropriate replies to the following questions)*	
4	2. Name of each organization or person that was a party to such a contract or agreement.	
5		
6	3. Date of original contract or agreement.	
7	4. Date of each supplement or agreement.	
8	5. Amount of compensation paid during the year for supervision or management . . . . \$	
9	6. To whom paid	
10	7. Nature of payment (salary, traveling expenses, etc.).	
11	8. Amounts paid for each class of service.	
12		
13	9. Basis for determination of such amounts	
14		
15	10. Distribution of payments: <span style="float: right;">Amount</span>	
16	(a) Charged to operating expenses	\$
17	(b) Charged to capital amounts	\$
18	(c) Charged to other account	\$
19	Total	\$
20	11. Distribution of charges to operating expenses by primary accounts	
21	Number and Title of Account	Amount
22		\$
23		\$
24		\$
25	Total	\$
26	12. What relationship, if any, exists between respondent and supervisory and/or managing concerns?	
27		
* File with this report a copy of every contract, agreement, supplement or amendment mentioned above unless a copy of the instrument in due form has been furnished, in which case a definite reference to the report of the respondent relative to which it was furnished will suffice.		

**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	NONE								
2									
3									
4									
5									
WELLS						Pumping Capacity ..... (Unit) 2	Annual Quantities Pumped 1,000(Unit) 2	Remarks	
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	1 Depth to Water				
6	Van Ness	Van Ness	1	12'x175'	25'		16,528		
7									
8									
9									
10									
TUNNELS AND SPRINGS				FLOW IN ..... (Unit) 2			Annual Quantities Pumped 1,000(Unit) 2	Remarks	
Line No.	Designation	Location	Number	Maximum	Minimum				
11	Highline	SE Ferndale	6	100	25	16,807			
12	Lowline	SE Ferndale	9	200	51	35,759			
13									
14									
15									
Purchased Water for Resale									
16	Purchased from								
17	Annual Quantities purchased	NONE			(Unit chosen) 1				
18									
19									
<p>* 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.</p>									

**SCHEDULE D-2  
Description of Storage Facilities**

Line No.	Type	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
1	A. Collecting reservoirs			
2	Concrete		33,400	
3	Earth			
4	Wood			
5	B. Distribution reservoirs			
6	Concrete			
7	Earth		1,330,000	
8	Wood			
9	C. Tanks			
10	Wood			
11	Metal			
12	Concrete			
13	Totals		1,363,400	

**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.		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	Totals								

**A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES - Concluded**

Capacities in Cubic Feet Per Second or Miner's Inches (state which) \_\_\_\_\_

Line No.		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	Totals								

**B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING**

Line No.		1	1 1/2	2	2 1/2	3	4	5	6	8
11	Cast Iron					292			702	2,004
12	Cast iron (cement lined)									
13	Concrete								60	201
14	Copper									
15	Riveted steel									
16	Standard screw									
17	Screw or welded casing									
18	Cement - asbestos						7,540		21,246	13,263
19	Welded steel		583				57			50
20	Galv Iron	1,181	24				4,352	109	1,275	
21	Plastic	281		1,361			2,244		3,953	1,545
22	Totals	1,462	607	1,361		292	14,193	109	27,236	17,063

**B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - Concluded**

Line No.		10	12	14	16	18	20	Other Sizes (Specify Sizes)		Total All Sizes
								1.25		
23	Cast Iron	130								3,128
24	Cast iron (cement lined)									
25	Concrete									261
26	Copper									
27	Riveted steel									
28	Standard screw									
29	Screw or welded casing									
30	Cement - asbestos									42,049
31	Welded steel							383		1,073
32	Galv Iron							207		7,148
33	Plastic	780	64							10,234
34	Totals	910	64					590		63,893

**SCHEDULE D-4**  
**Number of Active Service Connections**

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior	Current	Prior	Current
	Year	Year	Year	Year
Single family residential	656	667		
Commercial and Multi-residential	67	67		
Large water users	6	6		
Public authorities	15	15		
Irrigation				
Other (specify)				
Subtotal	744	755		
Private fire connections			3	3
Public fire hydrants				
Total	744	755	3	3

**SCHEDULE D-5**  
**Number of Meters and Services on**  
**Pipe Systems at End of Year**

Size	Meters	Services
5/8 x 3/4 - in	730	xxxxxxxxxxxx
3/4 - in	4	748
1 - in	11	11
1.5 - in	2	2
2 - in	3	3
4 - in	3	4
6 - in	1	1
8 - in	1	1
- in		
Total	755	770

**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 . . . . .	490
2. More than 10, but less than 15 years . . . . .	135
3. More than 15 years . . . . .	129

**SCHEDULE D-7**  
**Water delivered to Metered Customers by Months and Years in 1,000 (Unit Chosen)<sup>1</sup> - Gallons**

Classification of Service	During Current Year							
	January	February	March	April	May	June	July	Subtotal
Single-family residential	3,871	3,893	3,508	3,669	4,441	4,671	5,188	29,241
Commercial and Multi-residential	479	426	349	405	480	508	526	3,173
Large water users	9	7	7	6	13	10	11	63
Public authorities	543	544	616	650	597	734	459	4,143
Irrigation								
Other (specify)								
Total	4,902	4,870	4,480	4,730	5,531	5,923	6,184	36,620
Classification of Service	During Current Year							Total Prior Year
	August	September	October	November	December	Subtotal	Total	
Single-family residential	6,896	5,927	5,123	3,815	3,787	25,548	54,789	44,230
Commercial and Multi-residential	757	590	507	436	441	2,731	5,904	4,455
Large water users	18	18	17	24	16	93	156	116
Public authorities	1,086	1,194	781	525	437	4,023	8,166	6,784
Irrigation								
Other (specify)								
Total	8,757	7,729	6,428	4,800	4,681	32,395	69,015	55,585

<sup>1</sup> 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 \_\_\_\_\_

**SCHEDULE D-8**  
**Status With State Board of Public Health**

1	Has the State or Local Health Department reviewed the sanitary condition of your water system during the past year? <b>YES</b>	
2	Are you having routine laboratory tests made of water served to your consumers? <b>YES</b>	
3	Do you have a permit from the State Board of Public Health for operation of your water system? <b>YES</b>	
4	Date of permit: 2/20/79	5 If permit is "temporary", what is the expiration date?
6	If you do not hold a permit, has an application been made for such permit?	7 If so, on what date?

**SCHEDULE D-9**  
**Statement of Material Financial Interest**

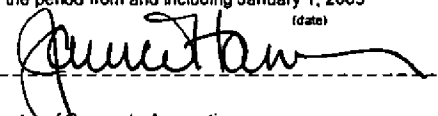
Use this space to report the information required by Section 2 of General Order No. 104-A. If no material financial interest existed during the year or contemplated at the end of the year, such fact shall be so stated. If additional space is required, attach a supplementary statement with reference made thereto.

<b>NONE</b>	

**DECLARATION**  
**Before Signing, Please Check to See That All Schedules Have Been Completed**  
(See Instruction 3 on front cover)

I, the undersigned Janice Hanna -----  
Officer, Partner or Owner  
of Del Oro Water Co., Inc./Ferndale District -----  
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, 2005  
(date)  
to and including December 31, 2005  
(date)

SIGNED  -----  
Title *Director of Corporate Accounting*

Date *March 31, 2006*

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