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Examined _____

CLASS D  
WATER UTILITIES

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

2001  
ANNUAL REPORT  
OF

DEL ORO WATER COMPANY, INC.

---

MAGALIA DISTRICT

---

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

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DRAWER 5172, CHICO, CALIFORNIA 95927-5172

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(OFFICIAL MAILING ADDRESS)

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 calander year, from Janauary 1 through December 31. Fiscal year reports will not be accepted.

**Summary of Earnings**

**Test Year 2001**

<b>Account Number</b>	<b>Operating Revenue</b>	
470	Metered	69,685
460	Unmetered	65,816
465	Irrigation	
462-480	Private Fire Protection	3,724
	<b>Total Revenue</b>	<b>139,225</b>
	<b>Operating Expenses</b>	
610	Purchased Water	16,058
615	Purchased Power	15,958
	Pump Taxes	0
	Purchased Chemicals	0
618	Other Vol. Related Expense	3,255
630	Employee Labor	10,443
640	Materials	593
650	Contract Work	3,538
	Water Testing	718
660	Transportation Expense	2,837
664	Other Plant Maintenance	1,752
670	Office Salaries	9,994
671	Mangement Salaries	5,461
674	Employee Pensions and Benefits	2,341
676	Uncollectables	455
678	Office Service and Rentals	3,262
681	Office Supplies and Expense	6,300
682	Professional Services	22,471
684	Insurance	3,030
688	Regulatory Expense	0
689	General Expense	1,699
	<b>Subtotal</b>	<b>110,165</b>
403	Depreciation Expense	43,236
	Ad Valorem Taxes	
	Payroll Taxes	0
408	Taxes other than income	3,648
409	State Income Tax	0
410	Federal Income Tax	0
	<b>Total Deductions</b>	<b>157,050</b>
	<b>Net Revenue</b>	<b>(17,824)</b>
	<b>Rate Base</b>	
	Average Plant	
	Average Depreciation Reserve	
	Net Plant	
	Less: Advances	
	Less: Contributions	
	Plus: Construction in Progress	
	Plus: Working Cash	
	Plus: Material & Supplies	
	Rate Base	
	ROR=Net Rev/Rate Base	

# CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

DEL ORO WATER COMPANY, INC.

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

DRAWER 5172, CHICO, CALIFORNIA 95927-5172

(Official mailing address)

MAGALIA, BUTTE 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 California
  - (B) Names, titles and addresses of principal officers:  
 Robert S. Fortino, President    Janice Hanna, Secretary    Drawer 5172, Chico, CA 95927
- 2 If unincorporated give the name and address of owner or of each partner:
  
- 3 Name and telephone number of:
  - (A) One person listed above to receive correspondence:    Janice Hanna, 530-894-1100
  - (B) Person responsible for operations and services:    Paul J. Matulich, 530-894-1100
- 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)  
 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:

### 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		
X		12/1/01
X		

**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  
2001

NAME OF UTILITY DEL ORO RO WATER CO., INC. PHONE 530-894-1100  
MAGALIA DISTRICT  
PERSON RESPONSIBLE FOR THIS REPORT JANICE HANNA  
(Prepared from Information in the 2001 Annual Report)

	1/1/01	12/31/01	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant			0
2 Land and Land Rights	21,077	20,674	20,875
3 Depreciable Plant	810,522	813,493	812,008
4 Gross Plant in Service	831,599	834,167	832,883
5 Less: Accumulated Depreciation	(340,257)	(383,493)	(361,875)
6 Net Water Plant in Service	491,342	450,674	471,008
7 Water Plant Held for Future Use			
8 Construction Work in Progress			0
9 Materials and Supplies	745	745	745
10 Less: Advances for Construction	( )	( )	( )
11 Less: Contribution in Aid of Construction	(138,204)	(138,204)	(138,204)
12 Less: Accumulated Deferred Income and Investment Tax Credits	( )	( )	( )
13 Net Plant Investment	353,883	313,214	333,549
<b>CAPITALIZATION</b>			
14 Common Stock			0
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			0
17 Retained Earnings	1,654	(41,566)	(19,956)
18 Common Stock and Equity (Lines 14 through 17)	1,654	(41,566)	(19,956)
19 Preferred Stock			
20 Long-Term Debt	375,515	362,481	368,998
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	377,169	320,915	349,042

(Revised 2/01)

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

2001

(continued)

NAME OF UTILITY DE LO RO WATER CO., INC. PHONE 530-894-1100  
MAGALIA DISTRICT

		Annual Amount
<b>INCOME STATEMENT</b>		
23	Unmetered Water Revenue	69,540
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	69,685
27	Total Operating Revenue	139,225
28	<u>Operating Expenses</u>	110,165
29	Depreciation Expense (Composite Rate _____)	43,236
30	Amortization and Property Losses	_____
31	Property Taxes	3,648
32	Taxes Other Than Income Taxes	0
33	Total Operating Revenue Deduction Before Taxes	(17,824)
34	California Corp. Franchise Tax	_____
35	Federal Corporate Income Tax	_____
36	Total Operating Revenue Deduction After Taxes	(17,824)
37	Net Operating Income (Loss) - California Water Operations	(17,824)
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	9,496
39	Income Available for Fixed Charges	_____
40	Interest Expense	(34,894)
41	Net Income (Loss) Before Dividends	(43,221)
42	Preferred Stock Dividends	_____
43	Net Income (Loss) Available for Common Stock	_____

**OTHER DATA**

44	Refunds of Advances for Construction	0
45	Total Payroll Charged to Operating Expenses	25,898
46	Purchased Water	16,058
47	Power	15,958

		Jan. 1	Dec. 31	Annual Average
<u>Active Service Connections</u> (Exc. Fire Protect.) _____				
48	Metered Service Connections	260	259	259.5
49	Flat Rate Service Connections	_____	_____	_____
50	Total Active Service Connections	260	259	259.5

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



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	834,167	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	(41,566)
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(258,673)	224	Long term debt	362,481
6	114	Water plant acquisition adjustments	(124,820)		Current Liabilities	17,720
7	124	Other investments		252	Advances for construction	
8	131	Cash	6,330	253	Other deferred credits	
9	141	Accounts receivable - customers	11,310	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	745		depreciation	
12	174	Other current assets	3,976	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	3,805	271	Contributions in aid of construction	138,204
14				272	Accumulated amortization of contributions	
15		<b>Total Assets</b>	<b>476,839</b>		<b>Total Equity and Liabilities</b>	<b>476,839</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					0
17	303	Land	21,077	(403)			20,674
18	304	Structures					0
19	307	Wells	40,031				40,031
20	317	Other water source plant					0
21	311	Pumping equipment	474,200	3,189			477,389
22	320	Water treatment plant	1,655				1,655
23	330	Reservoirs tanks and sandpipes	97,520				97,520
24	331	Water mains	192,147	(655)			191,492
25	333	Services and meter installations	4,970	437			5,407
26	334	Meters					0
27	335	Hydrants					0
28	339	Other equipment					0
29	340	Office furniture and equipment					0
30	341	Transportation equipment					0
31		<b>Total water plant in service</b>	<b>831,599</b>	<b>2,568</b>			<b>834,167</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	212,135		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	46,538		
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	<b>Total credits</b>	<b>46,538</b>		<b>covered by this report \$</b>
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	<b>Total debits</b>			
45	<b>Balance in reserve at end of year</b>	<b>258,673</b>		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2001)**

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

**SCHEDULE E - LONG TERM DEBT**

	Class	Date of Issue	Date of Maturity	Principal Amount Authorize	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
5	Butte Community Bank	7/14/97	8/1/03	390,000	362,481	6.75		34,184
6								
7								
8	Totals			390,000	362,481			34,184

**SCHEDULE F - INCOME STATEMENT**

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	65,816
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	69,685
14	480 Other water revenue	3,724
15	Total Operating Revenue	139,225
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	16,058
19	615 Power	15,958
20	618 Other volume related expenses	3,255
21	630 Employee labor	10,443
22	640 Materials	593
23	650 Contract work	4,256
24	660 Transportation expenses	2,837
25	664 Other plant maintenance expense	1,752
26	670 Office salaries	9,994
27	671 Management salaries	5,461
28	674 Employee pensions and benefits	2,341
29	676 Uncollectible accounts expense	455
30	678 Office services and rentals	3,262
31	681 Office supplies and expense	6,300
32	682 Professional services	22,471
33	684 Insurance	3,030
34	688 Regulatory commission expense	0
35	689 General expenses	1,698
36	Total Operating Expenses	110,164
37	403 Depreciation expense	43,236
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	3,648
40	409 State corporate income tax expense	
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deduction	157,049
43	Utility Operating Income	(17,824)
44	421 Non-utility income	9,496
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	(34,894)
47	Net Income	(43,221)

**SCHEDULE G - SOURCES OF SUPPLY AND WATER DEVELOPED WELLS**

Location	No.	Diam. Inch	Depth to water feel	Pumping capacity (g.p.m.)	Annual quantities pumped
Loomis					14,288,800
Indian					11,771,090
Balder Mine					

**OTHER**

Streams or springs location of diversion point	Flow in (Unit)		Annual quantities diverted (Unit)		
	Priority right	Diversions			
	Claim	Capacity	Max	Min	
Paradise Pines Dist					11,845,248
Purchased water (unit)					
Supplier:	Paradise Pines District			Annual quantity	

**SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS**

(If figures are available) (specify unit)

Classification of service	Max. mo. Mo. of	Min. mo. Mo. of	Total for year
Residential & business	September	February	25,848,733
Industrial	August	overmbe	3,458,400
Public authorities	September	ecembe	3,405,060
Irrigation			
Other (specify)			
Total			32,712,193

**SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION**

Line	Acct	Account	Number at end of year	Salaries Charge to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
48	630	Employee Labor		10,443		10,443
49	670	Office salaries		9,994		9,994
50	671	Management salaries		5,461		5,461
51		Total		25,898		25,898

**SCHEDULE J - 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	

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

Size	Meters	Services
5/8 x 3/4-in	257	
3/4-in		
1-in	1	
1.5-in	1	
3-in		
<b>Total</b>	<b>259</b>	<b>0</b>

**SCHEDULE L - METER-TESTING DATA**

Number of meters tested during year	
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	244						244	
Industrial	12						12	
Other (specify) Public Auth	3						3	
Subtotal	259			0			259	
Fire protection (Hydrants)								
<b>Total</b>	<b>259</b>			<b>0</b>			<b>259</b>	

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)**

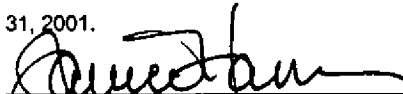
Description	No.	Combined capacity in gallons	Description	2" and under	2 1/4 to 3 1/4	4"	8"	Other sizes (specify)		Totals
Concrete			Cast Iron							
Earth			Welded steel		1%	20%	67%			12%
Wood			Standard screw							
Steel			Cement-asbestos							
Other			Plastic							
			Other (specify)							
<b>Total</b>	<b>0</b>	<b>0</b>	<b>Total</b>			<b>0</b>				

**DECLARATION**

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

I, the undersigned (officer, partner or owner) of Del Oro Water Co., Inc - Magalia District 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.



Signed  
Janice Hanna  
Title

Director of Corporate Accounting  
Date: March 25, 2002