

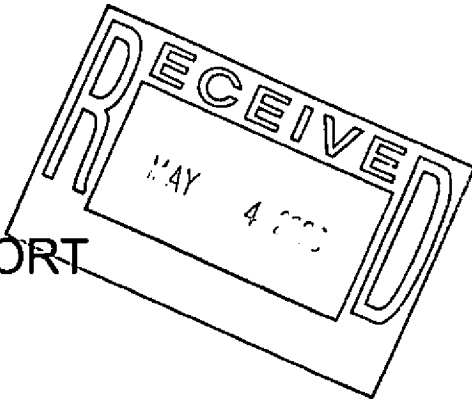
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Received _____
Examined _____

**CLASS D  
WATER UTILITIES**

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

**2005  
ANNUAL REPORT  
OF**



\_\_\_\_\_  
DEL ORO WATER COMPANY INC.

\_\_\_\_\_  
PINE FLAT DISTRICT

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

\_\_\_\_\_  
DRAWER 5172, CHICO, CALIFORNIA 95927-5172

(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.

<b>Summary of Earnings</b>		
<b>Test Year 2005</b>		
<b>Account Number</b>	<b>Operating Revenue</b>	
470	Metered	161
460	Unmetered	39,387
465	Irrigation	
462-480	Private Fire Protection	357
	<b>Total Revenue</b>	<b>39,905</b>
	<b>Operating Expenses</b>	
610	Purchased Water	819
615	Purchased Power	6,671
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related Expense	332
630	Employee Labor	16,540
640	Materials	1,970
650	Contract Work	0
	Water Testing	940
660	Transportation Expense	2,678
664	Other Plant Maintenance	
670	Office Salaries	6,341
671	Management Salaries	3,438
674	Employee Pensions and Benefits	1,418
676	Uncollectables	
678	Office Service and Rentals	2,394
681	Office Supplies and Expense	4,492
682	Professional Services	395
684	Insurance	4,397
688	Regulatory Expense	752
689	General Expense	5,854
	<b>Subtotal</b>	<b>59,432</b>
403	Depreciation Expense	1,857
	Ad Valorem Taxes	
	Payroll Taxes	1,483
408	Taxes other than income	479
409	State Income Tax	
410	Federal Income Tax	
	<b>Total Deductions</b>	<b>63,250</b>
	<b>Net Revenue</b>	<b>(23,346)</b>
	<b>Rate Base</b>	
	Average Plant	50,870
	Average Depreciation Reserve	(2,138)
	Net Plant	48,732
	Less: Advances	
	Less: Contributions	
	Plus: Construction in Progress	94,023
	Plus: Working Cash	
	Plus: Material & Supplies	
	Rate Base	142,755
	ROR=Net Rev/Rate Base	-16.4%

# 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)

BAKERSFIELD, KERN 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
6	X		
7	X		
8	X		
9			
10			

**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  
2005

NAME OF UTILITY DEL ORO WATER CO., INC. PHONE 530-894-1100  
PINE FLAT DISTRICT  
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	0	10,489	5,244
2 Land and Land Rights	822	822	822
3 Depreciable Plant	36,657	39,559	38,108
4 Gross Plant in Service	37,479	50,870	44,175
5 Less: Accumulated Depreciation	(281)	(2,138)	(1,210)
6 Net Water Plant in Service	37,198	48,732	42,965
7 Water Plant Held for Future Use			
8 Construction Work in Progress	0	94,023	47,012
9 Materials and Supplies			
10 Less: Advances for Construction	( )	( )	( )
11 Less: Contribution in Aid of Construction	( )	( )	( )
12 Less: Accumulated Deferred Income and Investment Tax Credits	( )	( )	( )
13 Net Plant Investment	37,198	142,755	89,977
<b>CAPITALIZATION</b>			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	0	72,553	36,276
17 Retained Earnings	(12,573)	(36,589)	(24,581)
18 Common Stock and Equity (Lines 14 through 17)	(12,573)	35,964	11,695
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	(12,573)	35,964	11,695

(Revised 2/01)

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

2005

(continued)

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

**INCOME STATEMENT**

	Annual Amount
23 Unmetered Water Revenue	39,744
24 Fire Protection Revenue	_____
25 Irrigation Revenue	_____
26 Metered Water Revenue	161
27 Total Operating Revenue	39,905
28 <u>Operating Expenses</u>	59,433
29 Depreciation Expense (Composite Rate _____)	1,857
30 Amortization and Property Losses	_____
31 Property Taxes	479
32 Taxes Other Than Income Taxes	1,483
33 Total Operating Revenue Deduction Before Taxes	(23,347)
34 California Corp. Franchise Tax	_____
35 Federal Corporate Income Tax	_____
36 Total Operating Revenue Deduction After Taxes	(23,347)
37 Net Operating Income (Loss) - California Water Operations	(23,347)
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	19
39 Income Available for Fixed Charges	_____
40 Interest Expense	(688)
41 Net Income (Loss) Before Dividends	(24,016)
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	26,319
46 Purchased Water	819
47 Power	6,671

	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections	_____	0	21	10.5
49 Flat Rate Service Connections	_____	198	174	186
50 Total Active Service Connections	_____	198	195	196.5

**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, 2005)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	50,870	201	Common Stock (Corporations only)	
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	72,553
3	104	Water plant purchased or sold		215	Retained earnings	(36,589)
4	105	Water plant construction work in progress	94,023	218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(2,138)	224	Long term debt	94,465
6	114	Water plant acquisition adjustments			Current Liabilities	24,084
7	124	Other investments		252	Advances for construction	
8	131	Cash	2,619	253	Other deferred credits	
9	141	Accounts receivable - customers	7,020	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	613	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	1,505	271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		<b>Total Assets</b>	<b>154,513</b>		<b>Total Equity and Liabilities</b>	<b>154,513</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	10,489			10,489
17	303	Land	822				822
18	304	Structures					0
19	307	Wells	8,003				8,003
20	317	Other water source plant					0
21	311	Pumping equipment	3,586				3,586
22	320	Water treatment plant	448				448
23	330	Reservoirs tanks and sandpipes	11,452				11,452
24	331	Water mains	11,630				11,630
25	333	Services and meter installations	730				730
26	334	Meters	344				344
27	335	Hydrants	147				147
28	339	Other equipment	317				317
29	340	Office furniture and equipment					0
30	341	Transportation equipment		2,902			2,902
31		<b>Total water plant in service</b>	<b>37,479</b>	<b>13,391</b>			<b>50,870</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	281		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	1,857		
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	1,857		covered by this report \$
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired			
42	(b) Cost of removal			C. State method used to compute tax
43	(c) All other debits			depreciation.
44	Total debits			
45	Balance in reserve at end of year	2,138		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2005)**

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

**SCHEDULE E - LONG TERM DEBT**

	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
5	Butte Community Bank	06/01/05	05/10/08	2,902	2,386	7.25		113
6	North Valley Bank	04/01/05	04/11/06	250,000	92,986	6.75		575
7								
8	Totals			252,902	95,371			688

**SCHEDULE F - INCOME STATEMENT**

9	Operating revenues	xxxxxxxxxx	
10	460 Unmetered water revenue		39,387
11	462 Fire protection revenue		
12	465 Irrigation revenue		
13	470 Metered water revenue		161
14	480 Other water revenue		357
15	Total Operating Revenue		39,905
16	Operating revenue deductions	xxxxxxxxxx	
17	Operating expenses	xxxxxxxxxx	
18	610 Purchased water		819
19	615 Power		6,671
20	618 Other volume related expenses		332
21	630 Employee labor		16,540
22	640 Materials		1,970
23	650 Contract work		940
24	660 Transportation expenses		2,678
25	664 Other plant maintenance expense		0
26	670 Office salaries		6,341
27	671 Management salaries		3,438
28	674 Employee pensions and benefits		1,418
29	676 Uncollectible accounts expense		
30	678 Office services and rentals		2,394
31	681 Office supplies and expense		4,492
32	682 Professional services		395
33	684 Insurance		4,397
34	688 Regulatory commission expense		753
35	689 General expenses		5,854
36	Total Operating Expenses		59,433
37	403 Depreciation expense		1,857
38	407 SDWBA loan amortization expense		
39	408 Taxes other than income taxes		1,962
40	409 State corporate income tax expense		
41	410 Federal corporate income tax expense		
42	Total Operating Revenue Deductions		63,252
43	Utility Operating Income		(23,347)
44	421 Non-utility income		19
45	426 Miscellaneous non-utility expense		
46	427 Interest expense		(688)
47	Net Income		(24,016)

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

Location	No.	Diam. Inch	Depth to water feet	Pumping capacity (g.p.m.)	Annual quantities pumped
Pierson					1,356,410
Sprague					3,491,100
Cold Springs					1,716,200

**OTHER**

Streams or springs location of diversion point	Flow in (Unit)		Diversion		Annual quantities diverted (Unit)
	Priority right	Claim	Capacity	Max	
Purchased water (unit)	Gallons				Annual quantity
Supplier:					
Pine Mountain District					8,875,070

**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	Gallons Total for year
	Dec	Nov	
Residential & business			95,024
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			95,024

**SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION**

Line	Acct	Account	Number at end of year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
48	630	Employee Labor	2	16,540		16,540
49	670	Office salaries		6,341		6,341
50	671	Management salaries		3,438		3,438
51		Total		26,319		26,319

**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	21	
3/4-in		
1-in		
-in		
-in		
<b>Total</b>	<b>21</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	21	174			1			200
Industrial								
Other (specify)								
Subtotal								
Fire protection (Hydrants)		10						10
<b>Total</b>	<b>21</b>	<b>184</b>			<b>1</b>			<b>210</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		4"	Other sizes (specify)		Totals
				2 1/4 to 3 1/4					
Concrete			Cast Iron						
Earth			Welded steel						
Wood			Standard screw						
Steel	5	84,374	Cement-asbestos	27200					
Other			Plastic						
			Other (specify)						
<b>Total</b>	<b>5</b>	<b>84,374</b>	<b>Total</b>	<b>27200</b>	<b>0</b>	<b>0</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. Pine Flat 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, 2005, to and including December 31, 2005.



Signed  
Janice Hanna  
Title

Director of Corporate Accounting

Date: March 31, 2006