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**CLASS D  
WATER UTILITIES**

U# WTD #292

**2010  
ANNUAL REPORT  
OF**

Interstate 5 Utility Company, Inc

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

P.O. Box 13458 Bakersfield, CA 93389

(OFFICIAL MAILING ADDRESS)

ZIP

**TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2011**

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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, 2011**, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION  
DIVISION OF WATER AND AUDITS  
ATTN: KAYODE KAJOPAIE  
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 12, must be signed by an authorized officer, partner, or owner.
4. The report must be prepared in ink, typed or computer generated.
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 flow 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, 2010, through December 31, 2010. Fiscal year reports will not be accepted.

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

Interstate 5 Utility Company, Inc.  
(Name under which corporation, partnership or individual is doing business)

P.O. Box 13458 Bakersfield, CA 93389  
(Official mailing address)

Interstate 5 and Highway 58 Interchange, Near Buttonwillow, CA Kern County  
(Service Area - Town and County)

Telephone Number: 408-499-0783 Fax Number: 408-435-8002

Email Address: jbfarrell@yahoo.com

**GENERAL INFORMATION**

(Attach a supplementary statement, if necessary)  
RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

1. If a corporation show:  
 (A) Date of organization 10/25/1972 incorporated in the State of California  
 (B) Names, titles and addresses of principal officers: Jeffrey Farrell, President  
12352 Obrad Dr. Saratoga, Ca 95070
2. If unincorporated provide the name and address of the owner(s) or the partners:

3. Name, title, and telephone number of:  
 (A) One person listed above to receive correspondence: Jeff Farrell, President 408-499-0783  
 (B) Person responsible for operations and services: Jeff Farrell, President 408-499-0783

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?  
\$375 per month Management Fee to Dardana Inc. Charged to Account 671

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:  
James P. Sears, McKittrick 5 Properties, LP, Dardana Inc. TBA Properties, LLC

**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		Weekly
x		May-98
N/A		
N/A		

11. List Name, Grade, and License Number of all Licensed Operators:  
Lou Wolfe, Grade 2 - 27376 - Distribution  
Lou Wolfe, Grade 2 - 27376 - Treatment

**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.

Not Applicable

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 2010:

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)	Revenue Account Number	Total Expenses Incurred to Provide Non-Tariffed Goods/ Services (by Account)	Expense Account Number	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

**FOR ALL WATER COMPANIES  
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA**

Not Applicable

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) or Safe Drinking Water State Revolving Fund loan surcharge collection for the calendar year. Please use one page per loan.

1. Current Fiscal Agent:

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_  
 Account Number: \_\_\_\_\_  
 Date Hired: \_\_\_\_\_

2. Total surcharge collected from customers during the 12 month reporting period:

\$ \_\_\_\_\_

Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
3/4 inch		
1 inch		
1 1/2 inch		
2 inch		
3 inch		
4 inch		
6 inch		
Number of Flat Rate Customers		
<b>Total</b>		

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ _____
Deposits during the year	_____
Interest earned for calendar year	_____
Withdrawals from this account	_____
Balance at end of year	_____

4. Reason or Purpose of Withdrawal from this bank account:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**FOR ALL WATER COMPANIES**  
**SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (Continued)**

Not Applicable

5. Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service which were funded using SDWBA or SRF funds:

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 (AS OF DECEMBER 31, 2010)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	561,152	201	Common Stock (Corporations only)	154,453
2	101.1	SDWA Plant		211	Other paid-in capital (Corporations only)	
3	103	Water plant held for future use		215	Retained earnings	64,921
4	104	Water plant purchased or sold		218	Proprietary capital	
5	105	Water plant construction work in progress		224	Long term debt	
6	108	Accumulated depreciation of water plant	(379,911)		Current Liabilities	2,895
7	114	Water plant acquisition adjustments		252	Advances for construction	
8	124	Other investments		253	Other deferred credits	
9	131	Cash	36,483	255	Accumulated deferred investment tax credits	
10	141	Accounts receivable - customers	16,510	282	Accumulated deferred income taxes - ACRS	
11	142	Receivables from associated companies			depreciation	
12	151	Materials and supplies		283	Accumulated deferred income taxes - other	
13	174	Other current assets	16,651	271	Contributions in aid of construction	245,561
14	180	Deferred charges		272	Accumulated amortization of contributions	(216,945)
15		<b>Total Assets</b>	<b>250,885</b>		<b>Total Equity and Liabilities</b>	<b>250,885</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
1	301	Intangible plant					
2	303	Land					
3	304	Structures	11,170				11,170
4	307	Wells					
5	317	Other water source plant					
6	311	Pumping equipment	59,553				59,553
7	320	Water treatment plant	2,745				2,745
8	330	Reservoirs tanks and sandpipes					
9	331	Water mains	104,164				104,164
10	333	Services and meter installations					
11	334	Meters	11,019	4,855			15,874
12	335	Hydrants	296				296
13	339	Other equipment					
14	340	Office furniture and equipment					
15	341	Transportation equipment					
16		<b>Total water plant in service</b>	<b>188,947</b>				<b>193,802</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	
1	Balance in reserves at beginning of year	145,308		A. Method used to compute depreciation
2	Add: Credits to reserves during year	2,561		expense (Acct. 403) and rate.
3	(a) Charged to Account No. 272	1,102		
4	(b) Charged to Account No. 403			
5	(c) Charged to Account No. 407			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	<b>Total credits</b>	<b>3,663</b>		<b>covered by this report \$ 2,391</b>
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.
13	<b>Total debits</b>			<b>SL: 20-25 Years</b>
14	<b>Balance in reserve at end of year</b>	<b>148,971</b>		
15	(1) Explanation of all other credits			
16	(2) Explanation of all other debits			



**SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2010)**

Line			
1	Common - (Shares 154,453	\$ 1.00	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:  
Sears Living Trust (100%)

**SCHEDULE E - LONG-TERM DEBTS**

	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	Not Applicable							
2								
3								
4	<b>Total</b>							

**SCHEDULE F - INCOME STATEMENT**

1	Acct.	<b>Operating revenues</b>	
2	460	Unmetered water revenue	38,202
3	462	Fire protection revenue	
4	465	Irrigation revenue	
5	470	Metered water revenue	22,416
6	475	Approved Total Surcharge Revenue(s)	
7	480	Other water revenue	
8		<b>Total Revenue Received</b>	<b>60,618</b>
9		<b>Less: Revenue Deductions</b>	
10		SDWBA/SRF surcharge revenue	
11		<b>Total Operating Revenue</b>	<b>60,618</b>
12		<b>Operating expenses</b>	
13	610	Purchased water	
14	615	Purchased power	27,189
15	618	Other volume related expenses	
16	630	Employee labor	
17	640	Materials	1,821
18	650	Contract work	14,438
19	660	Transportation expenses	
20	664	Other plant maintenance expense	7,937
21	670	Office salaries	
22	671	Management salaries	4,500
23	674	Employee pensions and benefits	
24	676	Uncollectible accounts expense	
25	678	Office services and rentals	7,500
26	681	Office supplies and expense	277
27	682	Professional services	4,717
28	684	Insurance	3,663
29	688	Regulatory commission expense	
30	689	General expenses	
31		<b>Total Operating Expenses</b>	<b>72,042</b>
32	403	Depreciation expense	1,102
33	407	SDWBA loan amortization expense	
34	408	Taxes other than income taxes	3,896
35	409	State income tax expense	269
36	410	Federal income tax expense	
37		<b>Total Operating Revenue Deductions</b>	<b>5,267</b>
38		Utility Operating Income	(16,691)
39	421	Non-utility income	3,865
40	426	Miscellaneous non-utility expense	
41	427	Interest expense	
42		<b>Net Income</b>	<b>(12,826)</b>

Non Utility Income includes Contribution of Aid payments for new meters (\$3,632), Interest (\$147) and Misc. Inc. (\$85.88)

**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
Interstate 5/Highway 58	1	12	250	175/260	40,000
Interstate 5/Highway 58	2	12	500	320	3,937,446
<b>Total</b>					<b>3,977,446</b>

**OTHER**

Streams or Springs Location of Diversion Point	Flow in Priority Right		(Unit) Diversions		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit
Not Applicable					
Purchased water (unit)				Annual Quantity	
Supplier:					

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

(If figures are available) (specify unit)

Classification of Service	Month of Year		Total for Year
	Maximum	Minimum	
Residential			
Commercial	453,169	188,542	3,977,446
Industrial			
Fire Protection			
Irrigation			
Other (specify)			
<b>Total</b>			

**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
1	630	Employee Labor				
2	670	Office salaries				
3	671	Management salaries	1	4500		4500
4		<b>Total</b>	1	4500		4500

**SCHEDULE J - ADVANCES FOR CONSTRUCTION**

Balance beginning of year	Not Applicable
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		
3/4-in		
1-in	5	5
2-in	8	8
3-in	7	7
<b>Total</b>	<b>20</b>	<b>20</b>

**SCHEDULE L - METER-TESTING DATA**

Number of meters tested during year		
1	Used, before repair	0
2	Used, after repair	0
3	Fast, requiring refund	0
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								
Industrial/Commercial								
Irrigation								
Fire Protection (public)								
Fire Protection (private)								
Other (specify)								
Commercial	20		20				20	
<b>Total</b>	<b>20</b>		<b>20</b>				<b>20</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	2 1/4 to	4"	6"	8"	Totals
				under	3 1/4		Other sizes (specify)		
Concrete			Cast Iron						
Earth			Welded steel						
Wood			Standard screw						
Steel			Cement-asbestos			700	700	4,720	6,120
Other			Plastic						
			Other (specify)						
Meter/Water	2	80,000	Meter/Water					7,000	7000
Clay Sewer	1	50,000	Clay/Sewer					1,880	1880
<b>Total</b>		<b>130,000</b>	<b>Total</b>			<b>700</b>	<b>700</b>	<b>13,600</b>	<b>15000</b>

**FACILITY FEES DATA**

Please provide the following information relating to Facility Fees collected for the calendar year 2010, pursuant to Resolution No. W-4110.

1. Trust Account Information:

Bank Name:	<u>ING Direct Savings</u>
Address:	<u>www.ingdirect.com</u>
Account Number:	<u>541196107</u>
Date Opened:	<u>7/22/2010</u>

2. Facilities Fees collected for new connections during the calendar year:

**A. Commercial**

<u>NAME</u>	<u>AMOUNT</u>
<u>Chase/Union 76 Station</u>	<u>\$ 2,500</u>
<u> </u>	<u>\$</u>
<u> </u>	<u>\$</u>
<u> </u>	<u>\$</u>

**B. Residential**

<u>NAME</u>	<u>AMOUNT</u>
<u> </u>	<u>\$</u>
<u> </u>	<u>\$</u>
<u> </u>	<u>\$</u>
<u> </u>	<u>\$</u>

3. Summary of the bank account activities showing:

	<u>AMOUNT</u>
Balance at beginning of year	<u>\$0.00</u>
Deposits during the year	<u>\$2,500.00</u>
Interest earned for calendar year	<u>\$10.33</u>
Withdrawals from this account	<u>\$0.00</u>
Balance at end of year	<u>\$2,510.33</u>

4. Reason or Purpose of Withdrawal from this bank account:

**DECLARATION**

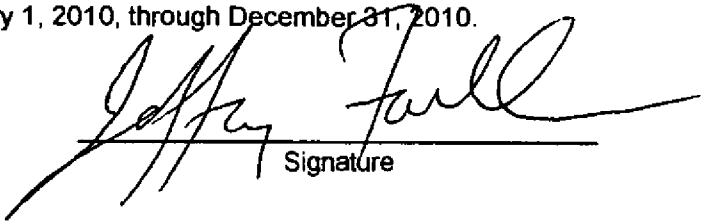
**(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)**

I, the undersigned \_\_\_\_\_ Jeffrey Farrell, President  
Officer, Partner, or Owner (Please Print)

of \_\_\_\_\_ Interstate 5 Utility Company, Inc.  
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, 2010, through December 31, 2010.

\_\_\_\_\_  
President  
Title (Please Print)

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
408-499-0783  
Telephone Number

\_\_\_\_\_  
3/14/2011  
Date