

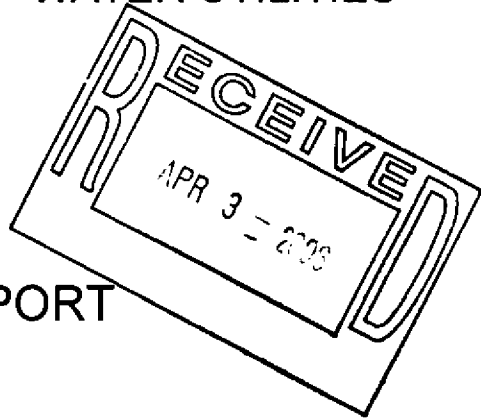
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CLASS D  
WATER UTILITIES

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



2004  
ANNUAL REPORT  
OF

Lake Forest Utility Company

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

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P. O. Box 5627 Tahoe City, CA 96145  
(OFFICIAL MAILING ADDRESS)

ZIP

TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE  
YEAR ENDED DECEMBER 31, 2004

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2005  
(FILE TWO COPIES IF THREE RECEIVED)

# CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

**Lake Forest Utility Company, Inc.**

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

**P. O. Box 5627 Tahoe City, CA 96145**

(Official mailing address)

**Tahoe Park - Skyland - Neilson Subdivisions in Placer County**

(Service area-town and county)

## GENERAL INFORMATION

RETURN ORIGINAL  
TO COMMISSION  
NO PHOTOCOPIES

- 1 If a corporation show:  
 (A) Date of organization 1/24/1990 incorporated in the State of California  
 (B) Names, titles and addresses of principal officers: Rick Dewante PO Box 5627 Tahoe City, CA 96145
- 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: Rick Dewante 916-941-8999  
 (B) Person responsible for operations and services: Rick Dewante 916-941-9000
- 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
	<b>X</b>	
<b>X</b>		<b>Current</b>
<b>X</b>		<b>?</b>

**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  
2004

NAME OF UTILITY Lake Forest Utility Company

PHONE 916-941-8999

PERSON RESPONSIBLE FOR THIS REPORT: Rick Dewante

(Prepared from Information in the 1996 Annual Report and Interim Years)

	1/1/2004	12/31/2004	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant	\$ 9,188	\$ 9,188	\$ 9,188
2 Land and Land Rights	\$ 10,000	\$ 10,000	\$ 10,000
3 Depreciable Plant	\$ 357,255	\$ 360,018	\$ 358,637
4 Gross Plant in Service	\$ 376,443	\$ 379,206	\$ 377,825
5 Less: Accumulated Depreciation	\$ 62,101	\$ 68,221	\$ 65,161
6 Net Water Plant in Service	\$ 314,342	\$ 310,985	\$ 312,664
7 Water Plant Held for Future Use			\$ -
8 Construction Work in Progress			\$ -
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	\$ 314,342	\$ 310,985	\$ 312,664
<b>CAPITALIZATION</b>			
14 Common Stock			\$ -
15 Proprietary Capital (Individual or Partnership)			\$ -
16 Paid-in Capital			\$ -
17 Retained Earnings	\$ 250,358	\$ 215,848	\$ 233,103
18 Common Stock and Equity (Lines 14 through 17)	\$ 250,358	\$ 215,848	\$ 233,103
19 Preferred Stock			\$ -
20 Long-Term Debt (RMD)	\$ 134,800	\$ 137,800	\$ 136,300
21 Notes Payable			\$ -
22 Total Capitalization (Lines 18 through 21)	\$ 385,158	\$ 353,648	\$ 369,403

(Revised 10/97)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES  
2004

NAME OF UTILITY Lake Forest Utility Company

PHONE 916-941-8999

**INCOME STATEMENT**

		Annual Amount
23	Unmetered Water Revenue	\$ 53,837
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	_____
27	Total Operating Revenue	\$ 53,837
28	<u>Operating Expenses</u>	\$ 70,911
29	Depreciation Expense (Composite Rate 1.7%)	\$ 6,120
30	Amortization and Property Losses	_____
31	Property Taxes	\$ -
32	Taxes Other Than Income Taxes	\$ 92
33	Total Operating Revenue Deduction Before Taxes	\$ 77,123
34	California Corp. Franchise Tax	\$ 200
35	Federal Corporate Income Tax	_____
36	Total Operating Revenue Deduction After Taxes	\$ 77,323
37	Net Operating Income (Loss) - California Water Operations	\$ (23,486)
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)    Non Util Income	_____
39	Income Available for Fixed Charges	_____
40	Interest Expense	\$ 11,024
41	Net Income (Loss) Before Dividends	\$ (34,510)
42	Preferred Stock Dividends	_____
43	Net Income (Loss) Available for Common Stock	\$ (34,510)

**OTHER DATA**

44	Refunds of Advances for Construction	_____
45	Total Payroll Charged to Operating Expenses	\$ 21,891
46	Purchased Water	\$ 20,071
47	Power	\$ 7,976

		Jan. 1	Dec. 31	Annual Average
	<u>Active Service Connections</u> (Exc. Fire Protect.) _____			
48	Metered Service Connections	4	4	4
49	Flat Rate Service Connections	111	111	111
50	Total Active Service Connections	115	115	115

**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: Bank of America  
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: Bank of America  
Account Number: 1489-4-50138  
Date Opened: 5/10/85

6. Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service which were funded using SDWBA 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					
				N/A			
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, 2004)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	\$ 379,206	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	\$ 215,848
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	\$ (68,221)	224	Long term debt	\$ 137,800
6	114	Water plant acquisition adjustments	\$ 40,398		Current Liabilities	
7	124	Other investments		252	Advances for construction	
8	131	Cash	\$ (12,655)	253	Other deferred credits	\$ 48,348
9	141	Accounts receivable - customers	\$ 380	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies	\$ 20,945	282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies			depreciation	
12	174	Other current assets	\$ 41,945	283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		<b>Total Assets</b>	<b>\$ 401,996</b>		<b>Total Equity and Liabilities</b>	<b>\$ 401,996</b>

**SCHEDULE B - WATER PLANT IN SERVICE**

Line	Acct	Title of Account	Balance Beg of Year	Pit Additions During year	Pit Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant	\$ 9,188				\$ 9,188
17	303	Land	\$ 10,000				\$ 10,000
18	304	Structures	\$ 450				\$ 450
19	307	Wells	\$ 179,519				\$ 179,519
20	317	Other water source plant	\$ 35,028				\$ 35,028
21	311	Pumping equipment	\$ 6,260				\$ 6,260
22	320	Water treatment plant	\$ 198				\$ 198
23	330	Reservoirs tanks and sandpipes	\$ 27,007				\$ 27,007
24	331	Water mains	\$ 62,306				\$ 62,306
25	333	Services and meter installations	\$ 9,657				\$ 9,657
26	334	Meters					\$ -
27	335	Hydrants	\$ 1,098				\$ 1,098
28	339	Other equipment	\$ 1,343				\$ 1,343
29	340	Office furniture and equipment	\$ 1,617				\$ 1,617
30	341	Transportation equipment	\$ 32,772	\$ 2,763			\$ 35,535
31		<b>Total water plant in service</b>	<b>\$ 376,443</b>	<b>\$ 2,763</b>	<b>\$ -</b>		<b>\$ 379,206</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	\$ 62,101		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	\$ 6,120		Straight line - 35 years Amort
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	\$ 6,120		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	\$ 68,221	\$ -	
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			



**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2004)**

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 - \$		Rick Dewante 100%
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	RMD Loan	4/1/1996	04/01/11	\$ 111,000	\$ 98,300.00	8.0%	\$ 7,864.00	\$ 7,864.00
6	D&S Loan				\$ 24,500.00	8.0%	\$ 1,960.00	\$ 1,960.00
7	TPSR Loan				\$ 15,000.00	8.0%	\$ 1,200.00	\$ 1,200.00
8	Totals				\$ 137,800.00		\$ 11,024.00	\$ 11,024.00

**SCHEDULE F - INCOME STATEMENT**

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	\$ 49,776
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	\$ 3,830
14	480 Other water revenue	\$ 232
15	Total Operating Revenue	\$ 53,837
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses (DHS Fees)	\$ 2,053
18	610 Purchased water	\$ 20,071
19	615 Power	\$ 7,976
20	618 Other volume related expenses	\$ 854
21	630 Employee labor	\$ 11,119
22	640 Materials	\$ 2,351
23	650 Contract work	\$ 3,568
24	660 Transportation expenses	\$ 1,837
25	664 Other plant maintenance expense	\$ 1,322
26	670 Office salaries	\$ 772
27	671 Management salaries	\$ 10,000
28	674 Employee pensions and benefits	\$ 1,588
29	676 Uncollectible accounts expense	\$ 538
30	678 Office services and rentals	
31	681 Office supplies and expense	\$ 1,327
32	682 Professional services	\$ 4,200
33	684 Insurance	\$ 1,466
34	688 Regulatory commission expense	\$ 658
35	689 General expenses	\$ 1,267
36	Total Operating Expenses	\$ 70,912
37	403 Depreciation expense	\$ 6,120
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	\$ 92
40	409 State corporate income tax expense	\$ 200
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deduction	\$ 77,323
43	Utility Operating Income	\$ (23,486)
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	\$ (11,024)
47	Net Income	\$ (34,510)

**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
Well	1	6	250	30	48 AF

**OTHER**

Streams or springs location of diversion point	Flow in		(Unit)		Annual quantities diverted
	Priority right		Diversions		
	Claim	Capacity	Max	Min	(Unit)
Lake Tahoe Spring 9523	0.73	0.73			9,125,000
Purchased water (unit)					
Supplier:					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	Aug	Nov	
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			

**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	1	\$ 11,119		\$ 11,119
49	670	Office salaries		\$ 772		\$ 772
50	671	Management salaries	1	\$ 10,000		\$ 10,000
51		Total	2	\$ 21,890		\$ 21,890

**SCHEDULE J - ADVANCES FOR CONSTRUCTION**

Balance beginning of year	\$	-
Additions during year		
Subtotal - Beginning balance plus additions during year		N/A
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
3/4 x 3/4-in		
10-in		
1-in		
1.5-in	1	
2-in		
3-in		
Total	1	

**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	
	1

**SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR**

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	1	111	112			0	1	111
Parks			0				2	2
Industrial/Commerical			0				5	6
Other (specify) Fire			0					1
			0					
Subtotal	1	111	112	0		0	1	111
Fire protection (Hydrants)			0					0
Total	1	111	112					111
			0					

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)**

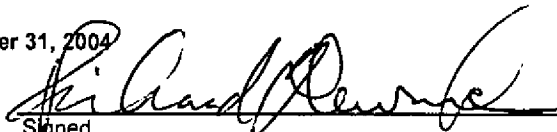
Description	No.	Combined capacity in gallons	Description	Other sizes (specify)					Totals
				2" and under	2 1/4 to 3 1/4	4"	6"	10"	
Concrete			Cast Iron				150		150
Earth			Welded steel	3230	1,755	5,513	785		11,283
Wood	1	100,000	Standard screw	1,266					1,266
Steel			Cement-asbestos						-
Other			Plastic						-
			Other (specify)						-
			Other (specify)						-
			3/4" Gal Steel	2541					2,541
Total		100,000	Total	7,037	1,755	5,513	785	0	15,090

**DECLARATION**

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

I, the undersigned (officer, partner or owner) of **Rick Dewante** (Name of utility), **Lake Forest Utility Company, Inc.** 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, 2004**, to and including **December 31, 2004**



Signed

Owner

Title **President**

Date **3/20/06**