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CLASS D  
WATER UTILITIES

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

**RECEIVED**  
MAY 18 2011  
UTILITY AUDIT, FINANCE AND  
COMPLIANCE BRANCH  
DIVISION OF WATER AND AUDITS

2010  
ANNUAL REPORT  
OF

Lake Forest Water Company

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

5000 Windplay Dr. Suite 4, El Dorado Hills, CA 95762  
(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  
(FILE TWO COPIES IF THREE RECEIVED)

# CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

## Lake Forest Water Company

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

5000 Windplay Dr. Suite 4, El Dorado Hills, CA 95762

(Official mailing address)

## Lake Forest Subdivision 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 12/12/1995 incorporated in the State of California  
(B) Names, titles and addresses of principal officers:  
Richard Dewante 5000 Windplay Dr. Suite 4, El Dorado Hills, CA 95762
- 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: **Richard Dewante 916-337-6775**  
(B) Person responsible for operations and services: **Richard Dewante 916-337-6775**
- 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:  
Tahoe Park Water Company

### 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		Current
X		?

- 11 List name, grade, and license number of all licensed operators:  
Richard Dewante #20209  
Paul D'Olier #22037

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES  
2010

NAME OF UTILITY Lake Forest Water Company

PHONE 916-337-6775

PERSON RESPONSIBLE FOR THIS REPORT:

Richard Dewante

<b>BALANCE SHEET DATA</b>		<b>1/1/2010</b>	<b>12/31/2010</b>	<b>Average</b>
1	Intangible Plant	\$ 29,028	\$ 143,242	\$ 86,135
2	Land and Land Rights	\$ 15,000	\$ 15,000	\$ 15,000
3	Depreciable Plant	\$ 428,099	\$ 377,187	\$ 402,643
4	Gross Plant in Service	\$ 472,127	\$ 535,429	\$ 503,778
5	Less: Accumulated Depreciation	\$ 97,229	\$ 103,629	\$ 100,429
6	Net Water Plant in Service	\$ 374,898	\$ 431,800	\$ 403,349
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	\$ 374,898	\$ 431,800	\$ 403,349

<b>CAPITALIZATION</b>				
14	Common Stock			\$ -
15	Proprietary Capital (Individual or Partnership)			\$ -
16	Paid-in Capital			\$ -
17	Retained Earnings	\$ 241,707	\$ 260,392	\$ 251,050
18	Common Stock and Equity (Lines 14 through 17)	\$ 241,707	\$ 260,392	\$ 251,050
19	Preferred Stock			\$ -
20	Long-Term Debt (RMD)	\$ 124,196	\$ 124,696	\$ 124,446
21	Notes Payable			\$ -
22	Total Capitalization (Lines 18 through 21)	\$ 365,903	\$ 385,088	\$ 375,496

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES  
2010

NAME OF UTILITY Lake Forest Water Company

PHONE 916-337-6775

**INCOME STATEMENT**

	Annual Amount
23 Unmetered Water Revenue	\$ 144,512
24 Fire Protection Revenue	
25 Other Water Revenue	\$ 545
26 Metered Water Revenue	\$ 5,381
27 Total Operating Revenue	\$ 150,438
28 <u>Operating Expenses</u>	\$ 126,066
29 Depreciation Expense (Composite Rate 1.7%)	\$ 6,400
30 Amortization and Property Losses	
31 Property Taxes	\$ 4,672
32 Taxes Other Than Income Taxes	\$ 717
33 Total Operating Revenue Deduction Before Taxes	\$ 137,855
34 California Corp. Franchise Tax	\$ 1,300
35 Federal Corporate Income Tax	\$ 2,021
36 Total Operating Revenue Deduction After Taxes	\$ 141,175
37 Net Operating Income (Loss) - California Water Operations	\$ 9,263
38 Other Operating and Nonoper. Income and Exp.- Net (Exclude Interest Expense)	\$ 139
39 Income Available for Fixed Charges	\$ 9,402
40 Interest Expense	\$ 9,500
41 Net Income (Loss) Before Dividends	\$ (98)
42 Preferred Stock Dividends	
43 Net Income (Loss) Available for Common Stock	\$ (98)

**OTHER DATA**

44 Refunds of Advances for Construction	\$ 20,089
45 Total Payroll Charged to Operating Expenses	\$ 64,555
46 Purchased Water	\$ 2,366
47 Power	

		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, 2010)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	\$ 535,429	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	\$ 260,392
4	105	Water plant construction work in progress	\$ -	218	Proprietary capital	
5	108	Accumulated depreciation of water plant	\$ (103,629)	224	Long term debt	\$ 124,696
6	114	Water plant acquisition adjustments	\$ 40,398		Current Liabilities	\$ 191,873
7	124	Other investments		252	Advances for construction	
8	131	Cash	\$ 17,883	253	Other deferred credits	\$ 20,217
9	141	Accounts receivable - customers	\$ 50,131	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	\$ 216		depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	\$ 11,811
13	180	Deferred charges	\$ 68,561	271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		<b>Total Assets</b>	<b>\$ 608,989</b>		<b>Total Equity and Liabilities</b>	<b>\$ 608,989</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	\$ 29,028	\$ 62,586		\$ 51,628	\$ 143,242
17	303	Land	\$ 15,000				\$ 15,000
18	304	Structures	\$ 450				\$ 450
19	307	Wells	\$ 179,519				\$ 179,519
20	317	Other water source plant	\$ 64,945			\$ (29,917)	\$ 35,028
21	311	Pumping equipment	\$ 6,260				\$ 6,260
22	320	Water treatment plant	\$ 9,197				\$ 9,197
23	330	Reservoirs tanks and sandpipes	\$ 30,117				\$ 30,117
24	331	Water mains	\$ 87,834	\$ 715		\$ (21,710)	\$ 66,839
25	333	Services and meter installations	\$ 10,184				\$ 10,184
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	\$ 35,535				\$ 35,535
31		<b>Total water plant in service</b>	<b>\$ 472,127</b>	<b>\$ 63,301</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 535,429</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	\$ 97,229		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	\$ 6,400		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	<b>Total credits</b>	<b>\$ 6,400</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>	<b>\$ -</b>		
45	<b>Balance in reserve at end of year</b>	<b>\$ 103,629</b>	<b>\$ -</b>	
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits:			

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

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 - \$		Richard 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	R. Dewante #1 Loan	4/1/1996	04/01/11	\$ 111,000	\$ 89,696	Variable	\$ 7,600.00	\$ 7,600.00
6	R. Dewante #2 Loan			\$ 57,500	\$ 35,000	Variable	\$ 2,000.00	\$ 2,000.00
7	Assoc. Co. Loan			\$ 20,000		Variable		\$ -
8	Totals				\$ 124,696		\$ 9,600.00	\$ 9,600.00

**SCHEDULE F - INCOME STATEMENT**

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	\$ 144,512
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	\$ 5,381
14	480 Other water revenue	\$ 545
15	Total Operating Revenue	\$ 150,438
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses (DHS Fees)	\$ 832
18	610 Purchased water	\$ 64,555
19	615 Power	\$ 2,366
20	618 Other volume related expenses	\$ -
21	630 Employee labor	\$ 9,991
22	640 Materials	\$ 2,492
23	650 Contract work	\$ 2,169
24	660 Transportation expenses	\$ 5,411
25	664 Other plant maintenance expense	\$ 623
26	670 Office salaries	\$ 98
27	671 Management salaries	\$ 10,000
28	674 Employee pensions and benefits	\$ 2,678
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	\$ 2,500
31	681 Office supplies and expense	\$ 3,847
32	682 Professional services	\$ 11,800
33	684 Insurance	\$ 1,475
34	688 Regulatory commission expense	\$ 1,816
35	689 General expenses	\$ 3,413
36	Total Operating Expenses	\$ 126,066
37	403 Depreciation expense	\$ 6,400
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	\$ 3,202
40	409 State corporate income tax expense	\$ 1,300
41	410 Federal corporate income tax expense	\$ 2,021
42	Total Operating Revenue Deduction	\$ 138,988
43	Utility Operating Income	\$ 11,450
44	421 Non-utility income	\$ 139
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	\$ 9,600
47	Net Income	\$ 1,989

**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	4	450	30	4 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			N/A
Purchased water (unit)					
Supplier:				Annual quantity	
Tahoe City PUD				15,109,000 Gal.	

**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	\$ 9,991		\$ 9,991
49	670	Office salaries		\$ 98		\$ 98
50	671	Management salaries	1	\$ 10,000		\$ 10,000
51		Total	2	\$ 20,089		\$ 20,089



**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
5/8 x 3/4-in	1	
3/4-in	2	
1-in	1	
1.5-in		
2-in		
3-in		
<b>Total</b>	<b>4</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	
	4

**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				1	111
Parks			0					0
Industrial/Commerical	3		3		1	1	3	1
Other (specify) Fire			0					
Subtotal	4	111	115		1	1	4	112
Fire protection (Hydrants)			0					0
<b>Total</b>	<b>4</b>	<b>111</b>	<b>115</b>		<b>1</b>	<b>1</b>	<b>4</b>	<b>112</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)**

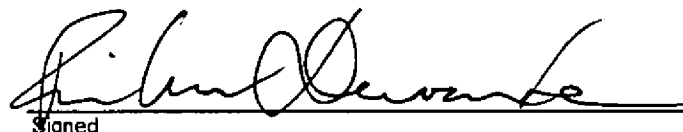
Description	No.	Combined capacity in gallons	Description	Other sizes (specify)						Totals
				2" and under	2 1/2" to 3 1/2"	4"	6"	8"	10"	
Concrete			Cast Iron							
Earth			Welded steel	2,795	1,085	4,162	490			8,532
Wood	1	100,000	Standard screw							
Steel			Cement-asbestos			862	118			980
Other			Plastic	1,255		200	160	560		2,175
			Galv Steel	400						400
			GSP Lakebed			550				550
			WSP Hwy xing			60				60
<b>Total</b>		<b>100,000</b>	<b>Total</b>	<b>4,450</b>	<b>1,085</b>	<b>5,834</b>	<b>768</b>	<b>560</b>		<b>12,697</b>

**DECLARATION**

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

I, the undersigned officer, Richard Dewante of Lake Forest Water Company 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:

January 1, 2010, to and including December 31, 2010



Signed

President

Title

Date

5/16/11