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CLASS D
WATER UTILITIES

U# _____

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UTILITY AUDIT, FINANCE AND
COMPLIANCE BRANCH
DIVISION OF WATER AND AUDITS

2011
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, 2011

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2012
(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
2011

NAME OF UTILITY Lake Forest Water Company

PHONE 916-337-6775

PERSON RESPONSIBLE FOR THIS REPORT: Richard Dewante

	1/1/2011	12/31/2011	Average
BALANCE SHEET DATA			
1 Intangible Plant	\$ 143,242	\$ 187,118	\$ 165,180
2 Land and Land Rights	\$ 15,000	\$ 15,000	\$ 15,000
3 Depreciable Plant	\$ 377,187	\$ 437,507	\$ 407,347
4 Gross Plant in Service	\$ 535,429	\$ 259,125	\$ 397,277
5 Less: Accumulated Depreciation	\$ 103,629	\$ 63,231	\$ 83,430
6 Net Water Plant in Service	\$ 431,800	\$ 195,894	\$ 313,847
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	\$ 431,800	\$ 195,894	\$ 313,847
CAPITALIZATION			
14 Common Stock			\$ -
15 Proprietary Capital (Individual or Partnership)			\$ -
16 Paid-in Capital			\$ -
17 Retained Earnings	\$ 260,392	\$ 237,938	\$ 249,165
18 Common Stock and Equity (Lines 14 through 17)	\$ 260,392	\$ 237,938	\$ 249,165
19 Preferred Stock			\$ -
20 Long-Term Debt (RMD)	\$ 124,696	\$ 34,896	\$ 79,796
21 Notes Payable			\$ -
22 Total Capitalization (Lines 18 through 21)	\$ 385,088	\$ 272,834	\$ 328,961

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2011

NAME OF UTILITY Lake Forest Water Company

PHONE 916-337-6775

	Annual Amount
INCOME STATEMENT	
23 Unmetered Water Revenue	\$ 4,404
24 Fire Protection Revenue	
25 Other Water Revenue	\$ 185
26 Metered Water Revenue	\$ 382
27 Total Operating Revenue	\$ 4,971
28 <u>Operating Expenses</u>	\$ 21,608
29 Depreciation Expense (Composite Rate 1.7%)	\$ 6,412
30 Amortization and Property Losses	
31 Property Taxes	\$ 4,672
32 Taxes Other Than Income Taxes	\$ 717
33 Total Operating Revenue Deduction Before Taxes	\$ 33,409
34 California Corp. Franchise Tax	\$ 200
35 Federal Corporate Income Tax	\$ -
36 Total Operating Revenue Deduction After Taxes	\$ 33,609
37 Net Operating Income (Loss) - California Water Operations	\$ (28,638)
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	\$ -
39 Income Available for Fixed Charges	\$ (28,638)
40 Interest Expense	\$ 9,500
41 Net Income (Loss) Before Dividends	\$ (38,138)
42 Preferred Stock Dividends	
43 Net Income (Loss) Available for Common Stock	\$ (38,138)

OTHER DATA

44 Refunds of Advances for Construction	
45 Total Payroll Charged to Operating Expenses	\$ 5,501
46 Purchased Water	\$ 2,983
47 Power	\$ 59

<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
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, 2011)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	\$ 639,625	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	\$ (380,500)	215	Retained earnings	\$ 237,938
4	105	Water plant construction work in progress	\$ -	218	Proprietary capital	
5	108	Accumulated depreciation of water plant	\$ (63,231)	224	Long term debt	\$ 34,896
6	114	Water plant acquisition adjustments	\$ 40,398		Current Liabilities	\$ 11,955
7	124	Other investments		252	Advances for construction	
8	131	Cash	\$ 40,187	253	Other deferred credits	\$ 8,737
9	141	Accounts receivable - customers	\$ 13,727	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	\$ 22,000	283	Accumulated deferred income taxes - other	\$ 11,811
13	180	Deferred charges	\$ 70,499	271	Contributions in aid of construction	\$ 61,820
14				272	Accumulated amortization of contributions	\$ 15,764
15		Total Assets	\$ 382,921		Total Equity and Liabilities	\$ 382,921

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	\$ 143,242	\$ 43,876		\$ -	\$ 187,118
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	\$ 35,028			\$ (1,500)	\$ 33,528
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	\$ 66,839			\$ 61,820	\$ 128,659
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		Total water plant in service	\$ 535,429	\$ 43,876	\$ -	\$ 60,320	\$ 639,625

* Debit \$61,820 for contributed LF Glen line never recorded; credit 1,500 for TP owned buoy.

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	\$ 103,629		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	\$ 6,412		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	\$ 6,412		covered by this report \$
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired	\$ 46,810		
42	(b) Cost of removal			C. State method used to compute tax
43	(c) All other debits			depreciation.
44	Total debits	\$ 46,810		
45	Balance in reserve at end of year	\$ 63,231	\$ -	
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits:			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2011)

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	\$ 34,896	Variable	\$ 1,872.00	\$ 1,872.00
6	R. Dewante #2 Loan			\$ 57,500	\$ -	Variable	\$ 3,000.00	\$ 3,000.00
7	Assoc. Co. Loan			\$ 20,000		Variable		\$ -
8	Totals				\$ 34,896		\$ 4,872.00	\$ 4,872.00

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	\$ 4,404
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	\$ 382
14	480 Other water revenue	\$ 185
15	Total Operating Revenue	\$ 4,971
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses (DHS Fees)	\$ -
18	610 Purchased water	\$ 2,983
19	615 Power	\$ 59
20	618 Other volume related expenses	\$ -
21	630 Employee labor	\$ 2,501
22	640 Materials	\$ -
23	650 Contract work	\$ -
24	660 Transportation expenses	\$ 221
25	664 Other plant maintenance expense	\$ 364
26	670 Office salaries	\$ -
27	671 Management salaries	\$ 3,000
28	674 Employee pensions and benefits	\$ 100
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	\$ 2,500
31	681 Office supplies and expense	\$ 600
32	682 Professional services	\$ 7,900
33	684 Insurance	\$ -
34	688 Regulatory commission expense	\$ 888
35	689 General expenses	\$ 492
36	Total Operating Expenses	\$ 21,608
37	403 Depreciation expense	\$ 7,092
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	\$ 945
40	409 State corporate income tax expense	\$ 200
41	410 Federal corporate income tax expense	\$ -
42	Total Operating Revenue Deduction	\$ 29,845
43	Utility Operating Income	\$ (24,874)
44	421 Non-utility income	\$ -
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	\$ 4,872
47	Net Income	\$ (29,746)

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) Diversions		Annual quantities diverted (Unit)
	Claim	Capacity	Max	Min	
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	\$ 2,501		\$ 2,501
49	670	Office salaries		\$ -		\$ -
50	671	Management salaries	1	\$ 3,000		\$ 3,000
51		Total	2	\$ 5,501		\$ 5,501

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		
Total	4	

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
Total	4	111	115		1	1	4	112
			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)

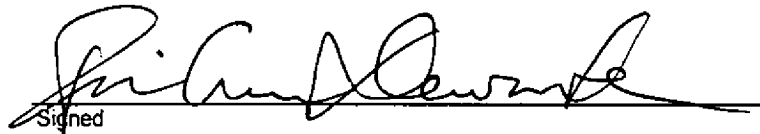
Description	No.	Combined capacity in gallons	Description	Other sizes (specify)						Totals
				2" and under	2 1/2" to 3 1/2"	4"	6"	8"	10"	
Concrete			Cast Iron							
Earth			Welded steel	2,795	1,085	4,162	490			8,532
Wood	1	100,000	Standard screw							
Steel			Cement-asbestos			862	118			980
Other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

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, 2011, to and including December 31, 2011


Signed

President

Title

Date

4/2/12