

Received 3/21/06

34

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____

2005
ANNUAL REPORT
OF

Llano Del Rio Water Company

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

32810-165th Street East

Llano, CA

93544

(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)

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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
ATTENTION: KAYODE KAJOPAIYE
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 calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

Account Number	Operating Revenue	
470	Metered	89,991
460	Unmetered	395
465	Irrigation	32,610
462-480	Private Fire Protection (Other)	9,738
	Total Revenue	132,734
	Operating Expenses	
610	Purchased Water	4,878
615	Purchased Power	29,900
	Pump Taxes	-
	Purchased Chemicals	-
618	Other Vol. Related exp.	1,965
630	Employee Labor	31,161
640	Materials	12,254
650	Contract Work	29,389
	Water Testing	-
660	Transportation Expense	18,055
664	Other Plant Maintenance	-
670	Office Salaries	13,990
671	Management Salaries	14,693
674	Employee Pensions and Benefits	-
676	Uncollectables	-
678	Office Service and Rentals	2,100
681	Office Supplies and Expense	2,455
682	Professional Services	480
684	Insurance	3,217
688	Regulatory Expense	-
689	General Expense	3,308
	Subtotal	168,445
403	Depreciation Expense	10,974
	Ad Valorem Taxes	-
	Payroll taxes	-
408	Taxes other than income	2,376
409	State Income Tax	800
410	Federal Income Tax	-
	Total Deductions	182,595
	Net Revenue	<49,861>
	Rate Base	

	Average Plant	
	Average Depreciation Reserve	
	Net Plant	
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work in Progress	
	Plus: Working Cash	
	Plus: Material & Supplies	
	Rate Base	
	ROR=Net Rev/Rate Base	

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

Llano Del Rio Water Company
(Name under which corporation, partnership or individual is doing business)

32810-165th Street East
(Official mailing address)

Llano, CA 93544 Los Angeles County
(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 - (A) Date of organization June 21, 1956 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers: Pres. - John Blalock 32810-165th St. E. Llano, CA 93544
Secy/Treas. - James Lombardi " " " " " " " "
V. Pres. - Ruth Kampman " " " " " " " "
- 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: John Blalock 661-944-2939
 - (B) Person responsible for operations and services: John Blalock
- 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?
24hr. availability \$1200 Blalock-Eddy Ranch Vehicle Expense
- 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:
Richard Blalock Trust 10%, Blalock-Eddy Ranch 90%

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
/		
/		
/		

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 Llano Del Rio Water Company PHONE 661-944-2939

PERSON RESPONSIBLE FOR THIS REPORT Karon Blalock
(Prepared from Information in the 2004 Annual Report)

	1/1/05	12/31/05	Average
BALANCE SHEET DATA			
1 Intangible Plant			
2 Land and Land Rights	<u>15990</u>	<u>15990</u>	<u>15990</u>
3 Depreciable Plant	<u>341354</u>	<u>347224</u>	<u>344289</u>
4 Gross Plant in Service	<u>357344</u>	<u>363214</u>	<u>360279</u>
5 Less: Accumulated Depreciation	<u>252027</u>	<u>263001</u>	<u>257514</u>
6 Net Water Plant in Service	<u>105317</u>	<u>100213</u>	<u>102765</u>
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	<u>105317</u>	<u>100213</u>	<u>102765</u>
CAPITALIZATION			
14 Common Stock	<u>127250</u>	<u>127,250</u>	<u>127,250</u>
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings	<u>390057</u>	<u>439,857</u>	<u>414,964</u>
18 Common Stock and Equity (Lines 14 through 17)	<u>262,801</u>	<u>312,627</u>	<u>287,714</u>
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	<u>262,801</u>	<u>312,627</u>	<u>287,714</u>

(Revised 2/01)

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

2005
(continued)

NAME OF UTILITY Llano Del Rio Water Co. PHONE 661-944-2939

INCOME STATEMENT

	Annual Amount
23 Unmetered Water Revenue	395
24 Fire Protection Revenue	-
25 Irrigation Revenue	32,610
26 Metered Water Revenue <i>other Revenue</i>	89,991
27 Total Operating Revenue	123,006
28 <u>Operating Expenses</u>	168,445
29 Depreciation Expense (Composite Rate _____)	10,974
30 Amortization and Property Losses	-
31 Property Taxes	1,368
32 Taxes Other Than Income Taxes	1,007
33 Total Operating Revenue Deduction Before Taxes	49,860
34 California Corp. Franchise Tax	800
35 Federal Corporate Income Tax	-
36 Total Operating Revenue Deduction After Taxes	49,860
37 Net Operating Income (Loss) - California Water Operations	49,860
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	-
39 Income Available for Fixed Charges	49,860
40 Interest Expense	-
41 Net Income (Loss) Before Dividends	49,860
42 Preferred Stock Dividends	-
43 Net Income (Loss) Available for Common Stock	49,860

OTHER DATA

44 Refunds of Advances for Construction	-
45 Total Payroll Charged to Operating Expenses	-
46 Purchased Water	4,878
47 Power	29,900

Active Service Connections (Exc. Fire Protect.) _____

	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections	178	182	180
49 Flat Rate Service Connections	1	1	1
50 Total Active Service Connections	178	182	180

**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:

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:

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	363,214	201	Common Stock (Corporations only)	127,250
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	439,877
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(263,001)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	479,586
7	124	Other investments		252	Advances for construction	
8	131	Cash	19,614	253	Other deferred credits	
9	141	Accounts receivable - customers	3,712	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	6,455	283	Accumulated deferred income taxes - other	
13	180	Deferred charges Prior Period Adj.	36,000	271	Contributions in aid of construction	
14	132	Preliminary Services	965	272	Accumulated amortization of contributions	
15		Total Assets	166,959		Total Equity and Liabilities	166,959

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					
17	303	Land	15,989				15,989
18	304	Structures					
19	307	Wells					
20	317	Other water source plant	149				149
21	311	Pumping equipment	30,210	4,541			34,751
22	320	Water treatment plant	23,090				23,090
23	330	Reservoirs tanks and sandpipes	49,958				49,958
24	331	Water mains	164,665				164,665
25	333	Services and meter installations	3,305				3,305
26	334	Meters	15,004	581			15,585
27	335	Hydrants	1,980				1,980
28	339	Other equipment	52,993	748			53,741
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		Total water plant in service	357,343				363,213

* 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 108.1 SDWBA Loans
32	Balance in reserves at beginning of year	252,027	
33	Add: Credits to reserves during year		A. Method used to compute depreciation expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403	10,974	S/L 3.19%
35	(b) Charged to Account No. 272		
36	(c) Charged to clearing accounts		
37	(d) Salvage recovered		B. Amount of depreciation expense claimed or to be claimed on utility property in your federal income tax return for the year covered by this report \$
38	(e) All other credits		
39	Total credits	10,974	
40	Deduct: Debits to reserves during year		
41	(a) Book cost of property retired		
42	(b) Cost of removal		
43	(c) All other debits		C. State method used to compute tax depreciation.
44	Total debits		S/L
45	Balance in reserve at end of year	263,001	
46	(1) Explanation of all other credits		
47	(2) Explanation of all other debits		

* Investment in a mutual water company dating back to 1912. This is the par value of the stock.

Line

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 20__)

1	Common - (Shares <u>12725</u> \$ <u>10.00</u> par)	<u>127250</u>	List persons owning more than 5% of outstanding stock
2	Preferred - (Shares , \$ par)		and number of shares owned by each:
3	Dividends - Common Rate - \$		<u>Blalock-Eddy Ranch 11225</u>
4	- Preferred Rate - \$		<u>Richard Blalock Trust 1200</u>

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								
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxxx
10	460 Unmetered water revenue	<u>395</u>
11	462 Fire protection revenue	<u>-</u>
12	465 Irrigation revenue	<u>32,610</u>
13	470 Metered water revenue	<u>89,991</u>
14	480 Other water revenue	<u>9,738</u>
15	Total Operating Revenue	<u>132,734</u>
16	Operating revenue deductions	xxxxxxxxxxx
17	Operating expenses	xxxxxxxxxxx
18	610 Purchased water	<u>4,878</u>
19	615 Power	<u>29,900</u>
20	618 Other volume related expenses	<u>1,965</u>
21	630 Employee labor	<u>31,161</u>
22	640 Materials	<u>12,254</u>
23	650 Contract work	<u>29,389</u>
24	660 Transportation expenses	<u>18,055</u>
25	664 Other plant maintenance expense	<u>-</u>
26	670 Office salaries	<u>13,990</u>
27	671 Management salaries	<u>14,693</u>
28	674 Employee pensions and benefits	<u>-</u>
29	676 Uncollectible accounts expense	<u>-</u>
30	678 Office services and rentals	<u>2,100</u>
31	681 Office supplies and expense	<u>2,455</u>
32	682 Professional services	<u>480</u>
33	684 Insurance	<u>3,817</u>
34	688 Regulatory commission expense	<u>-</u>
35	689 General expenses	<u>3,308</u>
36	Total Operating Expenses	<u>168,445</u>
37	403 Depreciation expense	<u>10,974</u>
38	407 SDWBA loan amortization expense	<u>-</u>
39	408 Taxes other than income taxes	<u>2,376</u>
40	409 State corporate income tax expense	<u>800</u>
41	410 Federal corporate income tax expense	<u>-</u>
42	Total Operating Revenue Deductions	<u>182,595</u>
43	Utility Operating Income	<u>49,861</u>
44	421 Non-utility income	<u>-</u>
45	426 Miscellaneous non-utility expense	<u>-</u>
46	427 Interest expense	<u>-</u>
47	Net Income	<u>49,861</u>

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

OTHER

Streams or springs location of diversion point	Flow in (Unit)		Annual quantities diverted (Unit)	
	Priority right	Diversions		
	Claim	Capacity	Max	Min
Purchased water (unit)			Annual quantity	
Supplier:				

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			
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	<u>2</u>	<u>31,161</u>		<u>31,161</u>
49	670	Office salaries	<u>2</u>	<u>13,990</u>		<u>13,990</u>
50	671	Management salaries	<u>2</u>	<u>14,693</u>		<u>14,693</u>
51		Total	<u>6</u>	<u>59,844</u>		<u>59,844</u>

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		
3/4-in	22	
1-in	157	
-in 1 1/2	1	
-in 2	2	
Total	182	

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	164		164				164	
Industrial <i>Golf course</i>	7	1					7	1
Other <i>landscaping Lodge</i>	3						3	
Subtotal	182	1	183				182	
Fire protection (Hydrants)		22						22
Total	182	23					182	23

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"	8"	
Concrete			Cast Iron						
Earth			Welded steel			3800	9570	10150	1200
Wood			Standard screw	2220	720	600			
Steel	3	338000	Cement-asbestos					1488	
Other			Plastic	1380		400	3180	5750	3760
			Other (specify)						400
Total	3	338000	Total	1380	2220	1120	7580	15320	15398
								1600	44618

DECLARATION

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

I, the undersigned (officer, partner or owner) of Llano Del Rio Water Company (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

From and including January 1, 2005, to and including December 31, 2005

Signed

John Baloch
President

Title

3/15/05

Date