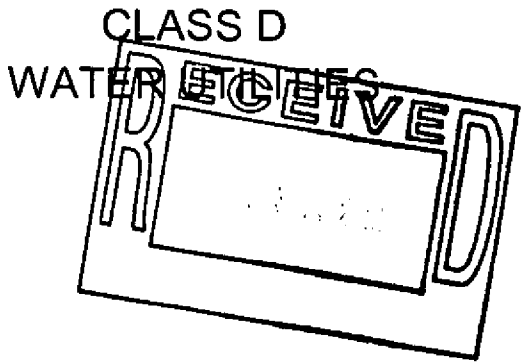


J4

Received _____
Examined _____



U# _____

2005
ANNUAL REPORT
OF

MEADOW VALLEY WATER WORKS

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

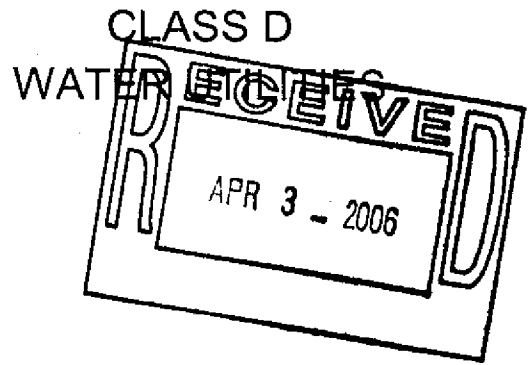
P.O. Box 37 Meadow Valley CA 95956
(OFFICIAL MAILING ADDRESS) ZIP

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)

J4

Received _____
 Examined _____



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2005
 ANNUAL REPORT
 OF

MEADOW VALLEY WATER WORKS

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

P.O. Box 37 Meadow Valley LA 95956
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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)

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 calander year, from January 1 through December 31. Fiscal year reports will not be accepted.

Account Number	Operating Revenue	
470	Metered	
460	Unmetered	
465	Irrigation	
462-480	Private Fire Protection	
	Total Revenue	
	Operating Expenses	
610	Purchased Water	
615	Purchased Power	
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	
650	Contract Work	
	Water Testing	
660	Transportation Expense	
664	Other Plant Maintenance	
670	Office Salaries	
671	Management Salaries	
674	Employee Pensions and Benefits	
676	Uncollectables	
678	Office Service and Rentals	
681	Office Supplies and Expense	
682	Professional Services	
684	Insurance	
688	Regulatory Expense	
689	General Expense	
	Subtotal	
403	Depreciation Expense	
	Ad Valorem Taxes	
	Payroll taxes	
408	Taxes other than income	
409	State Income Tax	
410	Federal Income Tax	
	Total Deductions	
	Net Revenue	
	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)

Meadow Valley Water Works
(Name under which corporation, partnership or individual is doing business)

P.O. Box 37 Meadow Valley Ca, 95956
(Official mailing address)

Meadow Valley - Plumas
(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
(A) Date of organization _____ incorporated in the State of _____
(B) Names, titles and addresses of principal officers: _____
- 2 If unincorporated give the name and address of owner or of each partner:
Robert L. Forbes P.O. Box 37 Meadow Valley Ca. 95956
- 3 Name and telephone number of: Robert L. Forbes (530) 283-2108
(A) One person listed above to receive correspondence.
(B) Person responsible for operations and services: ✓ L L
- 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) 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: NONE

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
	✓	
	✓	
	✓	
	N/A	
	N/A	

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

20__

NAME OF UTILITY _____ PHONE _____

PERSON RESPONSIBLE FOR THIS REPORT _____
 (Prepared from information in the 20__ Annual Report)

BALANCE SHEET DATA		1/1/__	12/31/__	Average
1	Intangible Plant	_____	_____	_____
2	Land and Land Rights	_____	_____	_____
3	Depreciable Plant	_____	_____	_____
4	Gross Plant in Service	_____	_____	_____
5	Less: Accumulated Depreciation	_____	_____	_____
6	Net Water Plant in Service	_____	_____	_____
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	=====	=====	=====
CAPITALIZATION				
14	Common Stock	_____	_____	_____
15	Proprietary Capital (Individual or Partnership)	_____	_____	_____
16	Paid-in Capital	_____	_____	_____
17	Retained Earnings	_____	_____	_____
18	Common Stock and Equity (Lines 14 through 17)	_____	_____	_____
19	Preferred Stock	_____	_____	_____
20	Long-Term Debt	_____	_____	_____
21	Notes Payable	_____	_____	_____
22	Total Capitalization (Lines 18 through 21)	=====	=====	=====

(Revised 2/01)

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

20_____
(continued)

NAME OF UTILITY _____ PHONE _____

INCOME STATEMENT

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

OTHER DATA

44	Refunds of Advances for Construction	_____
45	Total Payroll Charged to Operating Expenses	_____
46	Purchased Water	_____
47	Power	_____

	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average																
48	<u>Active Service Connections</u>	<table border="1" style="width: 100%; height: 100%; border-collapse: collapse;"> <tr><td style="width: 25%;"></td><td style="width: 25%;"></td><td style="width: 25%;"></td><td style="width: 25%;"></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> </table>																		
49	Metered Service Connections																			
49	Flat Rate Service Connections																			
50	Total Active Service Connections																			

**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, 20__)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	16,345.12	101	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	
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	16,983.72	224	Long term debt	483.60
6	114	Water plant acquisition adjustments			Current Liabilities	
7	124	Other investments		252	Advances for construction	
8	131	Cash		253	Other deferred credits	
9	141	Accounts receivable - customers		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		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	483.60		Total Equity and Liabilities	483.60

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	400				400
18	304	Structures					
19	307	Wells					
20	317	Other water source plant	8,102.88				8,102.88
21	311	Pumping equipment					
22	320	Water treatment plant					
23	330	Reservoirs tanks and sandpipes	7,657.64				7,657.64
24	331	Water mains					
25	333	Services and meter installations	90.00				90
26	334	Meters	1,94.60				1,94.60
27	335	Hydrants					
28	339	Other equipment					
29	340	Office furniture and equipment	100.00				100.00
30	341	Transportation equipment					
31		Total water plant in service	16,545.12				16,545.12

* 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	16,696.24		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate. 2.4%
34	(a) Charged to Account No. 403	387.48		
35	(b) Charged to Account No. 272			
36	(c) Charged to clearing accounts			
37	(d) Salvage recovered			B. Amount of depreciation expense claimed
38	(e) All other credits			or to be claimed on utility property in
39	Total credits	16,983.72		your federal income tax return for the year
40	Deduct: Debits to reserves during year			covered by this report \$ 1,701.12
41	(a) Book cost of property retired			
42	(b) Cost of removal			
43	(c) All other debits			C. State method used to compute tax
44	Total debits			depreciation.
45	Balance in reserve at end of year	16,983.72		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	
Additions during year	
Subtotal - Beginning balance plus additions during year	<i>None</i>
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	<i>None</i>	
-in		
-in		
Total		

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	
1	Used, before repair... <i>None</i>
2	Used, after repair <i>None</i>
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		<i>11</i>	<i>11</i>					<i>11</i>
Industrial								
Other (specify) <i>1 PR</i>	<i>6</i>		<i>6</i>				<i>6</i>	
Subtotal								
Fire protection (Hydrants)								
Total	<i>6</i>	<i>11</i>	<i>17</i>				<i>6</i>	<i>11</i>

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"	Other sizes (specify)	Totals
				under	3 1/4			
Concrete			Cast Iron					
Earth			Welded steel					
Wood			Standard screw					
Steel	<i>None</i>		Cement-asbestos			<i>None</i>		
Other			Plastic					
			Other (specify)					
Total			Total					

DECLARATION

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

I, the undersigned (officer, partner or owner) of *Madison Valley Water* (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 *JAN 1*, 20*05*, to and including *Dec. 31*, 20*05*

Signed *Robert L. Johnson*
 Title *Owner*
 Date *March 27, 2006*