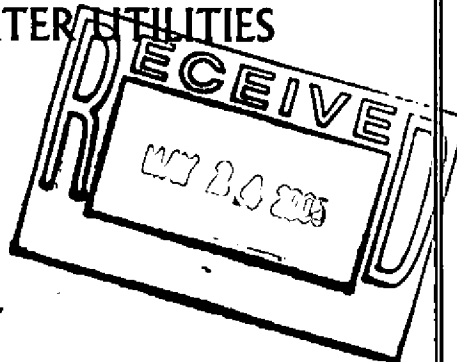


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Received _____
Examined _____

CLASS B and C
WATER UTILITIES

U# _____



2004
ANNUAL REPORT
OF

MESA CREST WATER COMPANY

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

P.O. BOX 117257 LA CANADA, CA 91012
 (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)

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
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.

PEASLEY, ALDINGER & O'BYMACHOW
AN ACCOUNTANCY CORPORATION

MATT A. PEASLEY, CPA
CHRISTIAN L. ALDINGER, CPA

2120 MAIN STREET, SUITE 265
HUNTINGTON BEACH, CALIFORNIA 92648

(714) 536-4418
FAX (714) 536-2039

ACCOUNTANT'S COMPILATION REPORT

May 18, 2005

Mesa Crest Water Company, Inc.
P.O. Box 257
La Canada Flintridge, CA 91012

We have compiled the balance sheets of Mesa Crest Water Company as of December 31, 2004 and 2003, and the related income statement for the year ended December 31, 2004, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information included on pages 4 (Schedule A-1) through 14 (Schedule A-17), pages 16 (Schedule B-1) through 20 (Schedule C-2), and pages 2 through 5 of Selected Financial Data – Class A, B, C, and D Water Companies 2004, and Class B, C, and D Water Companies Safe Drinking Water Bond Act Data.

Our compilation was limited to presenting, in the form prescribed by the Public Utilities Commission of the State of California, information that is the representation of management. We have not audited or reviewed the accompanying financial statements, and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) are presented in accordance with the requirements of the Public Utilities Commission of the State of California, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

The supplementary information contained on page 1 (General Information) and page 20 (Schedule C-3) through page 24 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

PEASLEY, ALDINGER & O'BYMACHOW
AN ACCOUNTANCY CORPORATION



Christian L. Aldinger
Certified Public Accountant

INSTRUCTIONS

FOR PREPARATION OF

SELECTED FINANCIAL DATA SHEET

FOR CLASS A, B, C AND D, WATER UTILITIES

To prepare the attached data sheets, refer to the Balance Sheet, Income Statement and supporting detail schedules in the annual report for the required data.

Please follow the instruction below:

1. Common plant allocated to water should be indicated with water plant figures in Net Plant Investment.
2. The capitalization section for those reporting on both California Only and Total System Forms should be identical and completed with Total Company Data. Be sure that Advances for Construction include California water data only.
3. Complete the operation section with California water revenues and expenses, but if necessary, remove interdepartmental revenues and expenses.
4. All other utility and nonutility revenues and expenses are netted on Line No. 38.

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

NAME OF UTILITY MESA CREST WATER COMPANY

PHONE 818-790-2071

PERSON RESPONSIBLE FOR THIS REPORT TIMOTHY FLYNN

(Prepared from Information in the 2004 Annual Report)

	1/1/2004	12/31/2004	Average
BALANCE SHEET DATA			
1 Intangible Plant	0	0	0
2 Land and Land Rights	33,838	33,838	33,838
3 Depreciable Plant	1,728,152	1,830,230	1,779,191
4 Gross Plant in Service	1,761,990	1,864,068	1,813,029
5 Less: Accumulated Depreciation	(1,218,293)	(1,266,986)	(1,242,640)
6 Net Water Plant in Service	543,697	597,082	570,390
7 Water Plant Held for Future Use	0	0	0
8 Construction Work in Progress	0	0	0
9 Materials and Supplies	0	6,274	3,137
10 Less: Advances for Construction	0	0	0
11 Less: Contribution in Aid of Construction	(62,161)	(54,023)	(58,092)
12 Less: Accumulated Deferred Income and Investment Tax Credits	(53,585)	(54,571)	(54,078)
13 Net Plant Investment	<u>427,951</u>	<u>494,762</u>	<u>461,357</u>
CAPITALIZATION			
14 Common Stock	355,000	355,000	355,000
15 Proprietary Capital (Individual or Partnership)	0	0	0
16 Paid-in Capital	0	0	0
17 Retained Earnings	124,160	90,617	107,388
18 Common Stock and Equity (Lines 14 through 17)	479,160	445,617	462,388
19 Preferred Stock	60,000	60,000	60,000
20 Long-Term Debt	229,026	215,755	222,391
21 Notes Payable	0	0	0
22 Total Capitalization (Lines 18 through 21)	<u>768,186</u>	<u>721,372</u>	<u>744,779</u>

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

NAME OF UTILITY MESA CREST WATER COMPANY PHONE 818-790-2071

	Annual Amount
INCOME STATEMENT	
23 Unmetered Water Revenue	0
24 Fire Protection Revenue	750
25 Irrigation Revenue	53,052
26 Metered Water Revenue	876,755
27 Total Operating Revenue	930,557
28 <u>Operating Expenses</u>	
29 Depreciation Expense (Composite Rate 3.05%)	44,595
30 Amortization and Property Losses	0
31 Property Taxes	5,968
32 Taxes Other Than Income Taxes	13,422
33 Total Operating Revenue Deduction Before Taxes	994,542
34 California Corp. Franchise Tax	2,525
35 Federal Corporate Income Tax	986
36 Total Operating Revenue Deduction After Taxes	998,053
37 Net Operating Income (Loss) - California Water Operations	(67,496)
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	585
39 Income Available for Fixed Charges	(66,911)
40 Interest Expense	(10,340)
41 Net Income (Loss) Before Dividends	(77,251)
42 Preferred Stock Dividends	0
43 Net Income (Loss) Available for Common Stock	(77,251)

OTHER DATA		
44 Refunds of Advances for Construction		0
45 Total Payroll Charged to Operating Expenses		115,660
46 Purchased Water		436,214
47 Power		94,267

<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections		707	707	707
49 Flat Rate Service Connections				
50 Total Active Service Connections		707	707	707

**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: N/A
Address: _____
Phone Number: _____
Date Hired: _____

2. Former Fiscal Agent:

Name: BANK OF AMERICA
Address: 900 EIGHTH STREET, SACRAMENTO, CA 95814
Phone Number: _____
Date Hired: 1985

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	\$ <u> </u>
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: 1489-2-50139
Date Opened: 1985

**CLASS B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT DATA (continued)**

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					0
3	303	Land					0
4		Total non-depreciable plant	0	0	0	0	0
5		DEPRECIABLE PLANT					
6	304	Structures					0
7	307	Wells					0
8	317	Other water source plant					0
9	311	Pumping equipment					0
10	320	Water treatment plant					0
11	330	Reservoirs, tanks and sandpipes	129,694				129,694
12	331	Water mains					0
13	333	Services and meter installations					0
14	334	Meters					0
15	335	Hydrants					0
16	339	Other equipment					0
17	340	Office furniture and equipment					0
18	341	Transportation equipment					0
19		Total depreciable plant	129,694	0	0	0	129,694
20		Total water plant in service	129,694	0	0	0	129,694

GENERAL INFORMATION

1. Name under which utility is doing business:
Mesa Crest Water Company

2. Official mailing address:
P.O. Box 257, La Canada Flintridge, CA 91012

3. Name and title of person to whom correspondence should be addressed:
Timothy Flynn Telephone: (818) 790-2071

4. Address where accounting records are maintained:
4532 Rinetti Lane, Unit C, La Canada, CA 91011

5. Service Area: (Refer to district reports if applicable):
La Canada, CA

6. Service Manager (If located in or near Service Area.) (Refer to district reports if applicable.)

Name:
Address: same as above Telephone: (818) 790-2071

7. OWNERSHIP. Check and fill in appropriate line:

- Individual (name of owner)
 - Partnership (name of partner)
 - Partnership (name of partner)
 - Partnership (name of partner)
 - Corporation (corporate name): Mesa Crest Water Company
- Organized under laws of (state) California Date: 1956

Principal Officers:

(Name) Joyce H. Flynn	(Title) President
(Name) Timothy Flynn	(Title) V.P.
(Name) F. P. Flynn	(Title) Secretary
(Name) Tom Flynn	(Title) Treasurer

8. Names of associated companies:
n/a

9. Names of corporations, firms or individuals whose property or portion of property have been acquired during the year, together with date of each acquisition:

n/a	Date:
	Date:
	Date:

10. Use the space below for supplementary information or explanations concerning this report:
n/a

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Liabilities and Other Credits

Line No.	Acct. No.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		CORPORATE CAPITAL AND SURPLUS			
2	201	Common stock	9	355,000	355,000
3	204	Preferred stock	9	60,000	60,000
4	211	Other paid-in capital	9	0	0
5	215	Retained earnings	10	90,617	124,160
6		Total corporate capital and retained earnings		505,617	539,160
7		PROPRIETARY CAPITAL			
8	218	Proprietary capital	10	0	0
9	218.1	Proprietary drawings		0	0
10		Total proprietary capital		0	0
11		LONG TERM DEBT			
12	224	Long term debt	11	215,755	229,026
13	225	Advances from associated companies	12	0	0
14		CURRENT AND ACCRUED LIABILITIES			
15	231	Accounts payable		79,925	67,888
16	232	Short term notes payable		0	0
17	233	Customer deposits		685	720
18	235	Payables to associated companies	12	0	0
19	236	Accrued taxes		0	0
20	237	Accrued interest		0	0
21	241	Other current liabilities	13	30,679	27,759
22		Total current and accrued liabilities		111,289	96,367
23		DEFERRED CREDITS			
24	252	Advances for construction	13	0	0
25	253	Other credits	8	0	0
26	255	Accumulated deferred investment tax credits	13	13,925	14,735
27	282	Accumulated deferred income taxes - ACRS depreciation	13	51,618	45,256
28	283	Accumulated deferred income taxes - other	13	(10,972)	(6,406)
29		Total deferred credits		54,571	53,585
30		CONTRIBUTIONS IN AID OF CONSTRUCTION			
31	271	Contributions in aid of construction	14	250,495	250,495
32	272	Accumulated amortization of contributions		(196,472)	(188,334)
33		Net contributions in aid of construction		54,023	62,161
34		Total liabilities and other credits		941,255	980,299

**SCHEDULE A-1
UTILITY PLANT**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Pit Additions During year (c)	Pit Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Water plant in service	1,761,990	106,118	4,040	0	1,864,068
2	103	Water plant held for future use					0
3	104	Water plant purchased or sold					0
4	105	Construction work in progress - water plant	0	9,700	xxxxxxxxxxxx		9,700
5	114	Water plant acquisition adjustments			xxxxxxxxxxxx		0
6		Total utility plant	1,761,990	115,818	4,040	0	1,873,768

* Debit or credit entries should be explained by footnotes or supplementary schedules

**SCHEDULE A-1a
Account No. 101 - Water Plant in Service**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Pit Additions During year (c)	Pit Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant	0				0
3	303	Land	33,838				33,838
4		Total non-depreciable plant	33,838	0	0	0	33,838
5		DEPRECIABLE PLANT					
6	304	Structures	11,960				11,960
7	307	Wells	0				0
8	317	Other water source plant	0				0
9	311	Pumping equipment	313,266				313,266
10	320	Water treatment plant	0				0
11	330	Reservoirs, tanks and sandpipes	481,604	88,584			570,188
12	331	Water mains	562,042	8,598	2,750		567,890
13	333	Services and meter installations	74,585				74,585
14	334	Meters	79,861	3,493	1,040		82,314
15	335	Hydrants	43,433	1,384	250		44,567
16	339	Other equipment	7,411	2,534			9,945
17	340	Office furniture and equipment	35,795	1,525			37,320
18	341	Transportation equipment	118,195				118,195
19		Total depreciable plant	1,728,152	106,118	4,040	0	1,830,230
20		Total water plant in service	1,761,990	106,118	4,040	0	1,864,068

* Debit or credit entries should be explained by footnotes or supplementary schedules

SCHEDULE A-1b
Account No. 103 - Water Plant Held for Future Use

Line No.	Description and Location of Property (a)	Date of Acquisition (b)	Approximate Date When Property will be placed in Service (c)	Balance End of Year (d)
1				
2	NONE			
3				
4				
5				
6				
7				
8				
9				
10	Total			0

SCHEDULE A-2
Account No. 121 - Non-utility Property and Other Assets

Line No.	Name and Description of Property (a)	Book Value End of Year (b)
1		
2	NONE	
3		
4		
5		
6		
7		
8		
9		
10	Total	0

SCHEDULE A-3
Account Nos. 108 and 122 - Depreciation and Amortization Reserves

Line No.	Item (a)	Account 106 Water Plant (b)	Account 106.1 SDWBA Loans (c)	Account 122 Non-utility Property (d)
1	Balance in reserves at beginning of year	1,088,599	129,694	0
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	44,595		
4	(b) Charged to Account No 272	8,138		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits (Footnote 2)			
8	Total Credits	52,733	0	0
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired	4,040		
11	(b) Cost of removal			
12	(c) All other debits (Footnote 3)			
13	Total debits	4,040	0	0
14	Balance in reserve at end of year	1,137,292	129,694	0
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE			3.05%
16				
17	(2) EXPLANATION OF ALL OTHER CREDITS:			
18				
19				
20				
21				
22				
23	(3) EXPLANATION OF ALL OTHER DEBITS:			
24				
25				
26				
27				
28				
29	(4) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION			
30	(a) Straight line	<input checked="" type="checkbox"/>		
31	(b) Liberalized	<input type="checkbox"/>		
32	(1) Sum of the years digits	<input type="checkbox"/>		
33	(2) Double declining balance	<input type="checkbox"/>		
34	(3) Other ACRS/MACRS	<input checked="" type="checkbox"/>		
35	(c) Both straight line and liberalized	<input checked="" type="checkbox"/>		

SCHEDULE A-3a
Account No. 108 - Analysis of Entries in Depreciation Reserve

Line No.	Acct No.	Depreciable Plant (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserve During Year Excl. Cost of Removal (d)	Salvage and Cost of Removal Net (Dr.) or (Cr.) (e)	Balance End of Year (f)
1	304	Structures	11,390	80			11,470
2	307	Wells	0				0
3	317	Other water source plant	0				0
4	311	Pumping equipment	284,754	11,027			295,781
5	320	Water treatment plant	0				0
6	330	Reservoirs, tanks and sandpipes	192,615	8,775			201,390
7	331	Water mains	297,402	10,650	2,750		305,302
8	333	Services and meter installations	53,719	1,611			55,330
9	334	Meters	64,384	1,823	1,040		65,167
10	335	Hydrants	28,552	1,000	250		29,302
11	339	Other equipment	3,847	868			4,715
12	340	Office furniture and equipment	38,717	3,283			42,000
13	341	Transportation equipment	113,219	13,616			126,835
14		Total	1,088,599	52,733	4,040	0	1,137,292

SCHEDULE A-4
Account No. 174 - Other Current Assets

Line No.	Item (a)	Amount (b)
1	Misc Receivable	4,338
2	Stockholder Receivable	68,020
3	Balancing Account - Overcollection	(6,249)
4	Prepaid Taxes	4,632
5	Prepaid Insurance	25,158
6	Deposits - Legal Retainer	10,000
7		
8		
9		
10	Total	105,899

SCHEDULE A-5
Accounts Nos. 180 and 253 - Unamortized debt discount and expense and unamortized premium on debt

- 1 Report under separate subheadings for Unamortized Debt Discount and Expense and Unamortized Premium on Debt, particulars of discount and expense or premium applicable to each class and series of long-term debt.
- 2 Show premium amounts in red or by enclosure in parentheses.
- 3 In column (b) show the principal amount of bonds or other long-term debt originally issued.
- 4 In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.
- 5 Furnish particulars regarding the treatment of unamortized debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year.
- 6 Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years.
- also, date of the Commissioner's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Designation of long-term debt (a)	Principal amount of securities to which discount and expense, or premium minus expense, relates (b)	Total discount and expense or net premium (c)	AMORTIZATION PERIOD		Balance beginning of year (f)	Debits during year (g)	Credits during year (h)	Balance end of year (i)
				From -- (d)	To -- (e)				
1									
2									
3	NONE								
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
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22									
23									
24									
25									
26									
27									
28									

SCHEDULE A-6
Account Nos. 201 and 204 - Capital Stock

Line No.	Class of Stock (a)	Date of Issue (b)	Number of Shares Authorized by Articles of Incorporation (c)	Par or Stated Value (d)	Number of Shares Outstanding (e)	Amount Outstanding End of Year (f)	Dividends Declared During Year	
							Rate (g)	Amount (h)
1	Common Stock		50,000.00	\$10.00	35,500.00	355,000		\$0
2	Preferred Stock		75,000.00	\$10.00	6,000.00	60,000		\$3,150
3								
4								
5								
6					41,500	415,000	Total	\$ 3,150

SCHEDULE A-7
Record of Stockholders at End of Year

Line No.	COMMON STOCK		PREFERRED STOCK	
	Name (a)	Number of Shares (b)	Name (c)	Number of Shares (d)
1	F. Patrick Flynn	35,500	F. Patrick Flynn	6,000
2				
3				
4				
5				
6				
7	Total number of shares	35,500	Total number of shares	6,000

SCHEDULE A-8
Account No. 211 - Other Paid in Capital (Corporations only)

Line No.	Type of Paid in Capital (a)	Balance End of Year (b)
1		
2	NONE	
3		
4	Total	0

SCHEDULE A-9
Account No. 215 - Retained Earnings
(Corporations Only)

Line No	Item (a)	Amount (b)
1	Balance beginning of year	124,160
2	CREDITS	
3	Net income	(30,393)
4	Prior period adjustments	
5	Other credits (detail)	
6	Total credits	(30,393)
7		
8	DEBITS	
9	Net losses	
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	3,150
12	Dividend appropriations - common stock	
13	Other debits (detail)	
14	Total debits	3,150
15	Balance end of year	90,617

SCHEDULE A-10
Account No. 218 - Proprietary Capital
(Sole Proprietor or Partnership)

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	N/A
2	CREDITS	
3	Net income	
4	Additional investments during year	
5	Other credits (detail)	
6	Total credits	0
7	DEBITS	
8	Net losses	
9	Withdrawals during year	
10	Other debits (detail)	
11	Total debits	0
12	Balance end of year	0

SCHEDULE A-11
Account No. 224 - Long Term Debt

Line No.	Class (a)	Name of Issue (b)	Date of Issue (c)	Date of Maturity (d)	Principal Amount Authorized (e)	Outstanding Per Balance Sheet (f)	Rate of Interest (g)	Interest Accrued During Year (h)	Sinking Fund (i)	Interest Paid During Year (j)
1										
2	Tank Project Loan	CDC	2003	2018	250,000	229,026	4.00%	n/a	n/a	9,439
3										
4	Less Current Portion					(13,271)				
5										
6	Total					215,755				9,439

SCHEDULE A-12
Account No. 225 - Advances from Associated Companies

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1					
2	NONE				
3					
4	Totals	0		0	0

Schedule A-13
Account No. 235 - Payables to Associated Companies

Line No.	Nature of Obligation (a)	Balance End of Year (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1					
2	NONE				
3					
4	Totals	0		0	0

SCHEDULE A-14
Account No. 241 - Other Current Liabilities

Line No.	Description (a)	Balance End of Year (b)
1	Current Portion of long term debt (schedule A-11)	13,271
2	PUC Fee Payable	2,537
3	Insurance Payable	14,871
4	Work Order Deposits	
5	Totals	30,679

SCHEDULE A-15
Account No. 252 - Advances for Construction

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	xxxxxxxxxxxxxxxx	0
2	Additions during year	xxxxxxxxxxxxxxxx	
3	Subtotal - Beginning balance plus additions during year	xxxxxxxxxxxxxxxx	0
4	Charges during year:	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
5	Refunds	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
6	Percentage of revenue basis		xxxxxxxxxxxxxxxx
7	Proportionate cost basis		xxxxxxxxxxxxxxxx
8	Present worth basis		xxxxxxxxxxxxxxxx
9	Total refunds	0	xxxxxxxxxxxxxxxx
10	Transfers to Acct. 271, Contributions in aid of Construction	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
11	Due to expiration of contracts		xxxxxxxxxxxxxxxx
12	Due to present worth discount		xxxxxxxxxxxxxxxx
13	Total transfers to Acct. 271	0	xxxxxxxxxxxxxxxx
14	Securities Exchanged for Contracts (Enter detail below)		xxxxxxxxxxxxxxxx
15	Subtotal - charges during year		0
16	Balance end of year	xxxxxxxxxxxxxxxx	0

SCHEDULE A-16
Account Nos. 255, 282, and 283 - Deferred Taxes

Line No.	Item (a)	Account 255 Investment Tax Credit (b)	Account 282 Income Tax - ACRS Depreciation (c)	Account 283 - Other (d)
1	Deferred tax - MACRS		34,825	
2	Deferred tax - ACRS		16,793	
3	Deferred tax - Balancing Acct			482
4	Deferred tax - Deferred Revenue DWR			
5	Deferred ITC's	13,925		
6	Deferred tax - NOL Carryforward			(11,454)
7	Totals	13,925	51,618	(10,972)

SCHEDULE A-17
Account No. 271 - Contributions in Aid of Construction
Instructions for Preparation of Schedule of Contributions in Aid of Construction

- 1 The credit balance in the account other than that portion of the balance relating to nondepreciable property (column d), to property retired prior to January 1, 1955 (column e), shall be written off through charges to this account and credits to Account No. 106, Accumulated depreciation of water plant, over a period equal to the estimated service life of the property involved. Upon retirement of depreciable property for which a depreciation reserve has been created through charges to this account, the cost thereof shall be credited to the appropriate plant account and concurrently charged to Account No. 106. If the property is retired prior to the service life originally estimated, the balance in this account with respect to the retired property shall be transferred to the depreciation reserve account.
- 2 That portion of the balance applicable to nondepreciable property shall remain unchanged until the property is sold or otherwise retired. Upon retirement, the cost of such nondepreciable property acquired by donation or through use of donated funds shall be credited to the appropriate plant account and charged to this account to clear the credit balance carried herein.
- 3 That portion of the balance representing donations on property retired prior to January 1, 1955 (column e), and the amount of depreciation accrued to January 1, 1955, on property in service (column f), shall not be transferred from this account or otherwise disposed of without first receiving written authorization from the Commission.

Line No.	Item (a)	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954		Property Retired Before Jan. 1, 1955 ²	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 ³
			Depreciable (c)	Non-Depreciable ¹ (d)		
1	Balance beginning of year	62,161	62,161			
2	Add: Credits to account during year					
3	Contributions received during year	0	0			
4	Other credits*	0	0			
5	Total credits	0	0			
6	Deduct: Debits to Account during year					
7	Depreciation charges for year	8,138	8,138			
8	Nondepreciable donated property retired	0	0			
9	Other debits*	0	0			
10	Total debits	8,138	8,138			
11	Balance end of year	54,023	54,023	0	0	0

* Indicate nature of these items and show the accounts affected by the contra entries

SCHEDULE B-1
Account No. 400 - Operating Revenues

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		WATER SERVICE REVENUES			
2	460	Unmetered water revenue			
3		460.1 Single - family residential			0
4		460.2 Commercial and multi-residential			0
5		460.3 Large water users			0
6		460.5 Safe Drinking Water Bond Surcharge			0
7		460.9 Other unmetered revenue	0	0	0
8		Sub-total	0	0	0
9	462	Fire protection revenue			
10		462.1 Public fire protection			0
11		462.2 Private fire protection	750	749	1
12		Sub-total	750	749	1
13	465	Irrigation revenue	53,052	62,435	(9,383)
14	470	Metered water revenue			
15		470.1 Single-family residential	758,897	726,294	32,603
16		470.2 Commercial and multi-residential	0	0	0
17		470.3 Large water users	117,858	87,913	29,945
18		470.5 Safe Drinking Water Bond Surcharge	0	0	0
19		470.9 Other metered revenue	0	0	0
20		Sub-total	876,755	814,207	62,548
21		Total water service revenues	930,557	877,391	53,166
22	480	Other water revenue	0	0	0
23		Total operating revenues	930,557	877,391	53,166

SCHEDULE B-2
Account No. 401 - Operating Expenses

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		PLANT OPERATION AND MAINTENANCE EXPENSES			
2		VOLUME RELATED EXPENSES			
3	610	Purchased water	436,214	376,544	59,670
4	615	Power	94,267	90,962	3,305
5	616	Other volume related expenses	0	0	0
6		Total volume related expenses	530,481	467,506	62,975
7		NON-VOLUME RELATED EXPENSES			
8	630	Employee labor	85,590	77,000	8,590
9	640	Materials	4,125	7,810	(3,685)
10	650	Contract work	42,200	32,248	9,952
11	660	Transportation expenses	32,304	42,933	(10,629)
12	664	Other plant maintenance expenses	2,430	1,574	856
13		Total non-volume related expenses	166,649	161,565	5,084
14		Total plant operation and maintenance exp.	697,130	629,071	68,059
15		ADMINISTRATIVE AND GENERAL EXPENSES			
16	670	Office salaries	3,570	8,840	(5,270)
17	671	Management salaries	26,500	26,000	500
18	674	Employee pensions and benefits	36,741	44,786	(8,045)
19	676	Uncollectible accounts expense	0	0	0
20	678	Office services and rentals	19,696	21,894	(2,198)
21	681	Office supplies and expenses	18,851	18,913	(62)
22	682	Professional services	21,125	11,337	9,788
23	684	Insurance	51,842	33,471	18,371
24	688	Regulatory commission expense	1,151	926	225
25	689	General expenses	9,619	2,828	6,791
26		Total administrative and general expenses	189,095	168,995	20,100
27	800	Expenses capitalized	0	0	0
28		Net administrative and general expense	189,095	168,995	20,100
29		Total operating expenses	886,225	798,066	88,159

SCHEDULE B-3
Account No. 408, 409, 410 - Taxes Charged During the Year

Line No.	Type of Tax (a)	Total Taxes Charged During Year (b)	Distribution of Taxes Charged	
			Water (c)	Nonutility (d)
1	Taxes on real and personal property	5,968	5,968	
2	State corporate franchise tax	2,525	2,525	
3	State unemployment insurance tax	393	393	
4	Other state and local taxes	1,459	1,459	
5	Federal unemployment insurance tax	197	197	
6	Federal insurance contributions act	7,171	7,171	
7	Other federal taxes	1,677	1,677	
8	Federal income taxes	986	986	
9				
10				
11	Totals	20,376	20,376	0

SCHEDULE B-4
Reconciliation of Reported Net Income for Federal Income Taxes

- 1 Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.
- 2 If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, inter-company amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
- 3 Show taxable year if other than calendar year from _____ to _____.

Line No.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 4	(30,393)
2	Reconciling amounts (list first additional income and unallowable deductions,	
3	followed by additional deductions and non-taxable income):	
4	Non-Deductible Items	2,218
5	Federal Income Tax per Books	986
6	Accrual to Cash Adjustment	13,016
7	2004 State Tax	2,525
8	Balancing Account Change	0
9	Book vs Tax Depreciation Difference	(15,418)
10	2003 State Tax	(3,374)
11	Penalties	4
12		
13	Federal tax net income	(30,436)
14	Computation of tax:	0
15	NOL Carryback	(11,454)
16		
17		

SCHEDULE B-5
Account No. 421 and 426 - Income from Nonutility Operations

Line No.	Description (a)	Revenues Acct. 421 (b)	Expenses Acct. 426 (c)
1	Interest Income	589	
2	Misc. Income	0	
3	Penalties		4
4	Prior Year Expense		0
5	Total	589	4

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	DWR loan	0
2	Computer loan	0
3	Auto loan	0
4	Insurance loan	901
5	Franchise Tax Board - Late Fee	0
6	Ford Credit - Auto Loan	0
7	PUC payable interest	0
8	Tank Project Loan - CDC	9,439
9		
10	Total	10,340

SCHEDULE C-1
Compensation of Individual Proprietor, Partners and Employees Included In Expenses

Line No.	Acct. No.	Account (a)	Number at End of Year (b)	Salaries Charged to Expense (c)	Salaries Charged to Plant Accounts (d)	Total Salaries and Wages Paid (e)
1	630	Employee Labor	2	85,590		
2	670	Office salaries	1	3,570		
3	671	Management salaries	1	26,500		
4						
5						
6		Total	4	115,660	0	0

**SCHEDULE C-2
Loans to Directors, Officers, or Shareholders**

Line No.	Name (a)	Title (b)	Amount (c)	Interest Rate (d)	Maturity Date (e)	Security Given (f)	Date of Shareholder Authorization (g)	Other Information (h)
1	F.P. Flynn	Shareholder	68,020	n/a	n/a	none	none	s/t receivable
2								
3								
4								
5								
6								
7	Total		68,020					

**SCHEDULE C-3
Engineering and Management Fees and Expenses, Etc., During Year**

Line No.	Give the required particulars of all contracts or other agreements in effect in the course of the year between the respondent and any corporation, association, partnership, or person covering supervision and/or management of any department of the respondent's affairs, such as accounting, engineering, financing, construction or operation, and show the payments under such agreements and also the payments for advice and services to a corporation or corporations which directly or indirectly control respondent through stock ownership.	
1	1. Did the respondent have a contract or other agreement with any organization or person covering supervision	
2	and/or management of its own affairs during the year? Answer: (Yes or No) NO	
3	(If the answer is in the affirmative, make appropriate replies to the following questions)*	
4	2. Name of each organization or person that was a party to such a contract or agreement.	
5		
6	3. Date of original contract or agreement.	
7	4. Date of each supplement or agreement.	
8	5. Amount of compensation paid during the year for supervision or management \$	
9	6. To whom paid	
10	7. Nature of payment (salary, traveling expenses, etc.).	
11	8. Amounts paid for each class of service.	
12		
13	9. Basis for determination of such amounts	
14		
15	10. Distribution of payments:	Amount
16	(a) Charged to operating expenses	\$
17	(b) Charged to capital amounts	\$
18	(c) Charged to other account	\$
19	Total	\$
20	11. Distribution of charges to operating expenses by primary accounts	
21	Number and Title of Account	Amount
22		\$
23		\$
24		\$
25	Total	\$
26	12. What relationship, if any, exists between respondent and supervisory and/or managing concerns?	
27		
* File with this report a copy of every contract, agreement, supplement or amendment mentioned above unless a copy of the instrument in due form has been furnished, in which case a definite reference to the report of the respondent relative to which it was furnished will suffice.		

**SCHEDULE D-1
Sources of Supply and Water Developed**

STREAMS					Flow In _____ (Unit)2			Annual Quantities Diverted(Unit) 2	Remarks
Line No.	Diverted Into *	From Stream or Creek (Name)	Location of Diversion Point	Priority Right	Diversions				
				Claim	Capacity	Max.	Min.		
1									
2									
3	N/A								
4									
5									
WELLS						Pumping Capacity (Unit) 2	Annual Quantities Pumped(Unit) 2	Remarks	
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	1 Depth to Water				
6									
7	N/A								
8									
9									
10									
TUNNELS AND SPRINGS				FLOW IN (Unit) 2		Annual Quantities Pumped(Unit) 2	Remarks		
Line No.	Designation	Location	Number	Maximum	Minimum				
11									
12	N/A								
13									
14									
15									
Purchased Water for Resale									
16	Purchased from		Foothill Municipal Water District						
17	Annual Quantities purchased		334,080		(Unit chosen) 1		ccf		
18									
19									
<ul style="list-style-type: none"> * State ditch pipeline reservoir, etc., with name, if any. 1 Average depth to water surface below ground surface 2 The quantity unit in established use for experiencing water stored and used in large amounts is the acre foot, which equals 43,560 cubic feet; in domestic use the thousand gallon or the hundred cubic feet. The rate of flow or discharge in larger amounts is expressed in cubic feet per second. In gallons per minute, in gallons per day, or in the miner's inch. Please be careful to state the unit used. 									

**SCHEDULE D-2
Description of Storage Facilities**

Line No.	Type	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
1	A. Collecting reservoirs			
2	Concrete			
3	Earth			
4	Wood			
5	B. Distribution reservoirs			
6	Concrete			
7	Earth			
8	Wood			
9	C. Tanks			
10	Wood			
11	Metal	6	3,440,000	Gallons
12	Concrete			
13	Totals	6	3,440,000	

SCHEDULE D-3
Description of Transmission and Distribution Facilities

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES

Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____

Line No.		0 to 5	6 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 75	76 to 100
1	Ditch N/A								
2	Flume								
3	Lined conduit								
4									
5	Totals								

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES - Concluded

Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____

Line No.		101 to 200	201 to 300	301 to 400	401 to 500	501 to 750	751 to 1000	Over 1000	Total All Lengths
6	Ditch N/A								
7	Flume								
8	Lines conduit								
9									
10	Totals								

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING

Line No.		1	1 1/2	2	2 1/2	3	4	5	6	8
11	Cast Iron									
12	Cast iron (cement lined)									
13	Concrete									
14	Copper									
15	Riveted steel									
16	Standard screw									
17	Screw or welded casing									
18	Cement - asbestos						3,410		14,966	7,580
19	Welded steel						425		1,560	225
20	Wood									
21	Other (specify)									
22	Totals	0	0	0	0	0	3,835	0	16,526	7,805

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - Concluded

Line No.		10	12	14	16	18	20	Other Sizes (Specify Sizes)	Total All Sizes
23	Cast Iron								0
24	Cast iron (cement lined)		100						100
25	Concrete								0
26	Copper								0
27	Riveted steel								0
28	Standard screw								0
29	Screw or welded casing								0
30	Cement - asbestos	4,570	20,376						50,902
31	Welded steel		2,375						4,585
32	Wood								0
33	Other (specify)								0
34	Totals	4,570	22,851	0	0	0	0	0	55,587

**SCHEDULE D-4
Number of Active Service Connections**

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
Single family residential	670	670		
Commercial and Multi-residential				
Large water users	8	8		
Public authorities	2	2		
Irrigation	27	27		
Other (specify)				
Subtotal	707	707	0	0
Private fire connections	3	3	3	3
Public fire hydrants			76	76
Total	710	710	79	79

**SCHEDULE D-5
Number of Meters and Services on
Pipe Systems at End of Year**

Size	Meters	Services
5/8 x 3/4 - in	134	xxxxxxxxxxxx
3/4 - in	1	135
1 - in	548	548
1-1/2 - in	12	12
2 - in	10	10
3 - in	2	2
4 - in	0	0
6 - in		
Other	3	3
Total	710	710

**SCHEDULE D-6
Meter Testing Data**

A. Number of Meters Tested During Year as Prescribed in Section VI of General Order No. 103:	
1. New, after being received . . .	0
2. Used, before repair	0
3. Used, after repair	0
4. Found fast, requiring billing adjustment	0
B. Number of Meters in Service Since Last Test	
1. Ten years or less	0
2. More than 10, but less than 15 years	0
3. More than 15 years	0

**SCHEDULE D-7
Water delivered to Metered Customers by Months and Years in Ccf (Unit Chosen):**

Classification of Service	During Current Year							Subtotals
	January	February	March	April	May	June		
Single-family residential	14,096	13,195	16,145	18,799	23,297	23,487	109,019	
Commercial and Multi-residential								
Large water users	511	400	533	2,384	6,667	6,597	17,092	
Public authorities								
Irrigation	919	806	1,010	1,600	1,744	1,926	8,005	
Other (specify) - LA Co. Sewer							0	
Total	15,526	14,401	17,688	22,783	31,708	32,010	134,116	

Classification of Service	During Current Year							Subtotals	Total	Prior Year Total
	July	August	September	October	November	December				
Single-family residential	27,161	25,986	29,198	17,413	14,212	15,475	129,445	238,464	227,971	
Commercial and Multi-residential										
Large water users	9,002	8,027	7,388	3,530	587	588	29,122	46,214	34,391	
Public authorities										
Irrigation	1,938	2,482	3,395	2,008	1,287	1,635	12,745	20,750	24,426	
Other (specify) - LA Co. Sewer								0	7	
Total	38,101	36,495	39,981	22,951	16,086	17,698	171,312	305,428	286,795	

¹ Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or miner's inch-days.

Total acres irrigated 0 Total population served 0

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