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**CLASS D  
WATER UTILITIES**

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

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

**2009  
ANNUAL REPORT  
OF**

POINT ARENA WATER WORKS, INC.

\_\_\_\_\_

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

P. O. BOX 205

\_\_\_\_\_

POINT ARENA, CA 95468

(OFFICIAL MAILING ADDRESS)

ZIP

**TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE YEAR ENDED DECEMBER 31, 2009**

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2010

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## **INSTRUCTIONS**

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN MARCH 31, 2010**, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION  
DIVISION OF WATER AND AUDITS  
ATTN: KAYODE KAJOPAIYE  
505 VAN NESS AVENUE, ROOM 3105  
SAN FRANCISCO, CALIFORNIA 94102-3298  
[kok@cpuc.ca.gov](mailto:kok@cpuc.ca.gov)**

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 Page 12, must be signed by an authorized officer, partner, or owner.
4. The report must be prepared in ink, typed or computer generated.
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 flow 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. If inserts are needed, prepare all inserts in one separate electronic file in Microsoft Excel format and file it with the electronic file of this report.
9. This report must cover the calendar year from January 1, 2009, through December 31, 2009. Fiscal year reports will not be accepted.

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

POINT ARENA WATER WORKS, INC.

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

P. O. Box 205, Point Arena, CA 95468  
\_\_\_\_\_  
(Official mailing address)

City of Point Arena & Vicinity, Mendocino County  
\_\_\_\_\_  
(Service Area - Town and County)

Telephone Number: 707-882-1696 Fax Number: 707-882-3258

Email Address: officemgr@paww.info

**GENERAL INFORMATION**

(Attach a supplementary statement, if necessary)  
RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

1. If a corporation show:  
(A) Date of organization 2/2/1984 incorporated in the State of California  
(B) Names, titles and addresses of principal officers:

William G. Hay, Jr., President, P.O. Box 205, Point Arena, CA 95468

2. If unincorporated provide the name and address of the owner(s) or the partners:

3. Name, title, and telephone number of:  
(A) One person listed above to receive correspondence:  
(B) Person responsible for operations and services:

William G. Hay, Jr., President, (707) 882-1696

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: N/A

**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	7/25/07
X		12/29/09
X		9/1955

11. List Name, Grade, and License Number of all Licensed Operators:

William G. Hay, Jr. Grade D1 20524 Grade T1 #4175

Edward Christensen Grade D1 20525

## Excess Capacity and Non-Tariffed Services

NOTE: In D.00-07-018, D.03-04-028, and D. 04-12-023, the CPUC set forth rules and requirements regarding water utilities provision of non-tariffed services using excess capacity. These decisions require water utilities to: 1) file an advice letter requesting Commission approval of that service, 2) provide information regarding non-tariffed goods/services in each company's Annual Report to the Commission.

Based on the information and filings required in D.00-07-018, D.03-04-028, and D.04-12-023, provide the following information by each individual non-tariffed goods and services provided in calendar year 2009:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter									
Row No.	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue Derived From Non-Tariffed Goods/ Services (by account)	Total Expenses Incurred to Provide Non-Tariffed Goods/ Services (by Account)	Advice Letter and/or Resolution Number Approving Non-Tariffed Goods/ Services	Total Income Tax Liability Incurred Because of Non-Tariffed Goods/ Services (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Assets Used in the Provision of a Non-Tariffed Goods/ Services (by Account)	Regulated Asset Account Number

Point Arena Water Works, Inc.  
Not Applicable

### FOR ALL WATER COMPANIES SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) or Safe Drinking Water State Revolving Fund loan surcharge collection for the calendar year. Please use one page per loan.

1. Current Fiscal Agent:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Account Number: \_\_\_\_\_  
Date Hired: \_\_\_\_\_

2. Total surcharge collected from customers during the 12 month reporting period:

\$ _____	Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
	3/4 inch	_____	_____
	1 inch	_____	_____
	1 1/2 inch	_____	_____
	2 inch	_____	_____
	3 inch	_____	_____
	4 inch	_____	_____
	6 inch	_____	_____
	Number of Flat Rate Customers	_____	_____
	<b>Total</b>	_____	_____

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ _____
Deposits during the year	_____
Interest earned for calendar year	_____
Withdrawals from this account	_____
Balance at end of year	_____

4. Reason or Purpose of Withdrawal from this bank account:

\_\_\_\_\_  
\_\_\_\_\_

**FOR ALL WATER COMPANIES**  
**SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (Continued)**

5. Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service which were funded using SDWBA or SRF 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		<b>NON-DEPRECIABLE PLANT</b>					
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		<b>DEPRECIABLE PLANT</b>					
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					

Point Arena Water Works, Inc.

SCHEDULE A - BALANCE SHEET (AS OF DECEMBER 31, 2009)						
Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	1,590,654	201	Common Stock (Corporations only)	120,000
2	103	Water plant held for future use	3,106	211	Other paid-in capital (Corporations only)	48,865
3	104	Water plant purchased or sold		215	Retained earnings	<96,268
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	<580,617>	224	Long term debt	140,100
6	114	Water plant acquisition adjustments			Current Liabilities	282,202
7	124	Other investments		252	Advances for construction	31,187
8	131	Cash	<49,441>	253	Other deferred credits	2,617
9	141	Accounts receivable - customers	25,871	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies	19,415	282	Accumulated deferred income taxes - ACRS	
11	151	Materials and supplies			depreciation	
12	174	Other current assets	256	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	41,640	271	Contributions in aid of construction	820,457
14				272	Accumulated amortization of contributions	298,276
15		<b>Total Assets</b>	<b>1,050,884</b>		<b>Total Equity and Liabilities</b>	<b>1,050,884</b>

SCHEDULE B - WATER PLANT IN SERVICE							
Line	Acct	Title of Account	Balance Beg of Year	Plt Additions During year	Plt Retirements During year	Other Debits or (Credits)*	Balance End of year
1	301	Intangible plant	13,007				13,007
2	303	Land					
3	304	Structures	98,962				98,962
4	307	Wells	45,543				45,543
5	317	Other water source plant	22,580				22,580
6	311	Pumping equipment	214,489				214,489
7	320	Water treatment plant	18,367				18,367
8	330	Reservoirs tanks and sandpipes	129,847				129,847
9	331	Water mains	741,254	143,037			884,291
10	333	Services and meter installations	49,493				49,493
11	334	Meters	18,656				18,656
12	335	Hydrants	62,405				62,405
13	339	Other equipment	17,711				17,711
14	340	Office furniture and equipment	7,706				7,706
15	341	Transportation equipment	7,597				7,597
16		<b>Total water plant in service</b>	<b>1,447,617</b>	<b>143,037</b>			<b>1,590,654</b>

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

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT				
Line	Item	Account 106 Water Plant	Account 106.1 SDWBA Loans	
1	Balance in reserves at beginning of year	548,804		A. Method used to compute depreciation
2	Add: Credits to reserves during year			expense (Acct. 403) and rate.
3	(a) Charged to Account No. 272	16,409		S/L 2%
4	(b) Charged to Account No. 403	15,404		
5	(c) Charged to Account No. 407			B. Amount of depreciation expense claimed
6	(d) Salvage recovered			or to be claimed on utility property in
7	(e) All other credits			your federal income tax return for the year
8	Total credits	580,617		covered by this report \$
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired			
11	(b) Cost of removal			C. State method used to compute tax
12	(c) All other debits			depreciation.
13	Total debits			
14	Balance in reserve at end of year	580,617		
15	(1) Explanation of all other credits			
16	(2) Explanation of all other debits			



Point Arena Water Works, Inc.

SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2009)			
Line			
1	Common - (Shares 12,000, \$ 10 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 - \$		William G Hay, Jr. & Karen J Hay 12,000
4	- Preferred Rate - \$		

SCHEDULE E - LONG-TERM DEBTS								
Line	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
1	Wells Fargo Bank	2008	2013	190,000	140,100	7.75%	12,323	12,458
2	Bed Rock, Inc.	11/21/2000	2/1/09	37,458	-0-	9.5%		
3								
4	Total			227,458	140,100		12,323	12,458

SCHEDULE F - INCOME STATEMENT			
Line	Acct.	Operating revenues	
1	460	Unmetered water revenue	
2	462	Fire protection revenue	
3	465	Irrigation revenue	
4	470	Metered water revenue	247,740
5	480	Other water revenue	
6		Total Operating Revenue	247,740
7		Operating revenue deductions	
8		Operating expenses	
9	610	Purchased water	
10	615	Purchased power	11,153
11	618	Other volume related expenses	1,003
12	630	Employee labor	6,265
13	640	Materials	10,881
14	650	Contract work	21,033
15	660	Transportation expenses	15,275
16	664	Other plant maintenance expense	6,816
17	670	Office salaries	9,526
18	671	Management salaries	30,449
19	674	Employee pensions and benefits	
20	676	Uncollectible accounts expense	
21	678	Office services and rentals	16,102
22	681	Office supplies and expense	4,220
23	682	Professional services	54,297
24	684	Insurance	5,352
25	688	Regulatory commission expense	3,529
26	689	General expenses	1,038
27		Total Operating Expenses	196,939
28	403	Depreciation expense	15,404
29	407	SDWBA loan amortization expense	
30	408	Taxes other than income taxes	10,351
31	409	State income tax expense	800
32	410	Federal income tax expense	
33		Total Operating Revenue Deductions	223,494
34		Utility Operating Income	24,246
35	421	Non-utility income	
36	426	Miscellaneous non-utility expense	
37	427	Interest expense	12,756
38		Net Income	11,490

Point Arena Water Works, Inc.

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
Garcia River	1	24	18		cu ft
Garcia River	2	12	15		1,527,386
Whiskey Shoals	1	8	45		-
Whiskey Shoals	2	8	103		-
				Total	1,527,386
OTHER					
Streams or Springs Location of Diversion Point	Flow in Priority Right		Diversions (Unit)		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit
N/A					
Purchased water (unit)				Annual Quantity	
Supplier:					

SCHEDULE H - WATER DELIVERED TO METERED CUSTOMERS			
(If figures are available) (specify unit) cu ft			
Classification of Service	July Month of Year Feb		Annual Total
	Maximum	Minimum	
Residential	77,480	45,637	668,886
Commercial	72,852	35,670	594,019
Industrial	9,841	7,216	124,810
Fire Protection			
Irrigation			
Other (specify)			
Total	160,173	88,523	1,387,715

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
1	630	Employee Labor	1	6,265		6,265
2	670	Office salaries	1	9,526		9,526
3	671	Management salaries	1	30,449		30,449
4		Total	3	46,240		46,240

Point Arena Water Works, Inc.

<b>SCHEDULE J - ADVANCES FOR CONSTRUCTION</b>	
Balance beginning of year	31,187
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	31,187

<b>SCHEDULE K - TOTAL METERS AND SERVICES (Active and Inactive)</b>		
Size	Meters	Services
5/8 x 3/4-in	184	184
3/4-in	8	8
1-in	13	13
2 -in	9	9
6 -in	4	4
Total	218	218

<b>SCHEDULE L - METER-TESTING DATA</b>		
Number of meters tested during year		
1	Used, before repair	22
2	Used, after repair	Replaced
3	Fast, requiring refund	None
Numbers of meters in service requiring test per General Order No. 103		

<b>SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR</b>								
Classification	Active			Inactive			Total Connections*	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	124		124	21		21	145	
Industrial/Commercial	67		67	6		6	73	
Irrigation								
Fire Protection (public)								
Fire Protection (private)								
Other (specify)								
Total	191		191	27		27	218	

\* NOTE: Total connections (metered plus flat) should agree with total services in Schedule K.

<b>SCHEDULE N - STORAGE FACILITIES</b>		
Description	No.	Combined Capacity in Gallons
Concrete	1	285,000
Earth		
Wood	3	272,000
Steel		
Other		
Total	4	557,000

<b>SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)</b>							Total
Description	2" and under	2 1/4 to 3 1/4	4"	6" Other Sizes (Specify)	8"	12" Total	
Cast Iron							
Welded steel					300		300
Standard screw	150						150
Cement-asbestos		600	5,700	7,500	500		14,300
Plastic	150	760	600	14,700	4,700	10,710	31,620
Other (specify)							
Total	300	1,360	6,300	22,200	5,500	10,710	46,370

## FACILITY FEES DATA

Please provide the following information relating to Facility Fees collected for the calendar year 2009, pursuant to Resolution No. W-4110.

1. Trust Account Information:

Bank Name:	<u>Wells Fargo Bank</u>
Address:	<u>660 S. Main St., Fort Bragg, CA 95437</u>
Account Number:	<u>7601324119</u>
Date Opened:	<u>2002</u>

2. Facilities Fees collected for new connections during the calendar year:

A. Commercial

NAME	AMOUNT
<u>Point Arena High School</u>	\$ <u>16,000.00</u>
<u> </u>	\$ <u> </u>
<u> </u>	\$ <u> </u>
<u> </u>	\$ <u> </u>

B. Residential

NAME	AMOUNT
<u> </u>	\$ <u> </u>
<u> </u>	\$ <u> </u>
<u> </u>	\$ <u> </u>
<u> </u>	\$ <u> </u>

3. Summary of the bank account activities showing:

	AMOUNT
Balance at beginning of year	\$ <u>527.30</u>
Deposits during the year	<u>16,000.00</u>
Interest earned for calendar year	<u>1.14</u>
Withdrawals from this account	<u>13,911.71</u>
Balance at end of year	<u>2,616.73</u>

4. Reason or Purpose of Withdrawal from this bank account:

<u>70.00 Bank Fees</u>
<u>13,841.71 To Plant Construction</u>
<u> </u>
<u> </u>
<u> </u>

**DECLARATION**

(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)

I, the undersigned (authorized officer, partner or owner) of Point Arena Water Works, Inc. (Name of utility), under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, documents, 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 of January 1, 2009 through December 31, 2009.

William G. Hay, Jr.  
Signature

President  
Title

March 22 - 2010  
Date