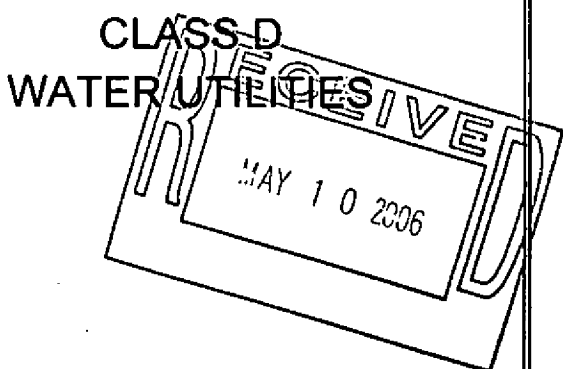


74

Received	_____
Examined	_____



U# _____

2005
ANNUAL REPORT
OF

PONDEROSA SKY RANCH WATER SYSTEM
C/O JOHN W. RICHARDSON, RECIVER

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

2941 PARK AVENUE, SUITE H
P. O. BOX 168

SOQUEL, CA 95073

(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)

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
ATTN: SEANEEN M WILSON
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	43,816
460	Unmetered	
465	Irrigation	
462-480	Private Fire Protection	
	Total Revenue	43,816
	Operating Expenses	
610	Purchased Water	0
615	Purchased Power	6,787
	Pump Taxes	0
	Purchased Chemicals	385
618	Other Vol. Related exp.	0
630	Employee Labor	7,459
640	Materials	1,944
650	Contract Work	0
	Water Testing	1,109
660	Transportation Expense	2,183
664	Other Plant Maintenance	318
670	Office Salaries	3,500
671	Management Salaries	7,150
674	Employee Pensions and Benefits	0
676	Uncollectables	2,048
678	Office Service and Rentals	1,835
681	Office Supplies and Expense	895
682	Professional Services	1,740
682	Professional Serv-Receivership	24,360
684	Insurance	0
688	Regulatory Expense	860
689	General Expense	962
	Subtotal	63,535
403	Depreciation Expense	1,888
	Ad Valorem Taxes	0
	Payroll taxes	0
408	Taxes other than income	0
409	State Income Tax	0
410	Federal Income Tax	0
	Reimbursed Expenses	(650)
	Total Deductions	64,773
	Net Revenue (Loss)	(20,957)

	Rate Base	
	Average Plant	39,384
	Average Depreciation Reserve	(1,149)
	Net Plant	38,235
	Less: Advances	0
	Less: Contributions	0
	Plus: Construction Work in Progress	(674)
	Plus: Working Cash	15,884
	Plus: Material & Supplies	0
	Rate Base	53,445
	ROR=Net Rev/Rate Base	-39.2%

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

PONDEROSA SKY RANCH WATER SYSTEM
C/O JOHN W. RICHARDSON, RECEIVER

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

2941 PARK AVENUE, SUITE H

(Official mailing address)

SOQUEL, CA 95073

(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:
 JOHN W. RICHARDSON, RECEIVER, 2941 PARK AVE, SUITE H SOQUEL, CA 95073

- 3 Name and telephone number of:
 (A) One person listed above to receive correspondence: JOHN W. RICHARDSON, RECEIVER
 (B) Person responsible for operations and services: JOHN W. RICHARDSON, RECEIVER (831) 475-2404

- 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) YES, JOHN RICHARDSON, RECEIVER
 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? John Richardson, Reciever was paid \$8,805 in 2005. This was accrued in 2004. Roy Nelson, Attorney was paid \$2,010 in 2005. Receivership costs accrued but not paid in 2005 amounted to \$29,500, which includes \$7,150 for management of the water system, \$2,350 Receiver's fees and \$20,000 engineering fees.

- 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:
 JOHN W. RICHARDSON, RECEIVER

PUBLIC HEALTH STATUS

- 6 Has state or local health department inspection been made during the year?
- 7 Are routine laboratory tests of water being made? .
- 8 Has state health department water supply permit been obtained? (Indicate date)
- 9 If no permit has been obtained, state whether application has been made and when.
- 10 Show expiration date if state permit is temporary.

Yes	No	Latest Date
	X	
X		Dec-05

- 11 List Name, Grade, and License Number of all Licensed Operators:
 Timothy R. Taylor, Grade D-1, license No. 29108

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 Ponderosa Sky Ranch Water System

PHONE (831) 475-2404

PERSON RESPONSIBLE FOR THIS REPORT John W. Richardson, Receiver

(Prepared from Information in the 2005 Annual Report)

	1/1/2005	12/31/2005	Average
BALANCE SHEET DATA			
1 Intangible Plant	0	0	0
2 Land and Land Rights	0	0	0
3 Depreciable Plant	12,949	65,819	39,384
4 Gross Plant in Service	12,949	65,819	39,384
5 Less: Accumulated Depreciation	(194)	(2,103)	(1,149)
6 Net Water Plant in Service	12,755	63,716	38,235
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	0	(1,349)	(674)
12 Less: Accumulated Deferred Income and Investment Tax Credits	()	()	()
13 Net Plant Investment	12,755	62,367	37,561
CAPITALIZATION			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)	(5,807)	24,736	9,465
16 Paid-in Capital			
17 Retained Earnings			
18 Common Stock and Equity (Lines 14 through 17)	(5,807)	24,736	9,465
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	(5,807)	24,736	9,465

(Revised 2/01)

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

2005
(continued)

NAME OF UTILITY Ponderosa Sky Ranch Water System PHONE (831) 475-2404

		Annual Amount
INCOME STATEMENT		
23	Unmetered Water Revenue	_____
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	43,816
27	Total Operating Revenue	43,816
28	<u>Operating Expenses</u>	63,535
29	Depreciation Expense (Composite Rate 3%)	1,888
30	Amortization and Property Losses	0
31	Property Taxes	0
32	Taxes Other Than Income Taxes	0
33	Total Operating Revenue Deduction Before Taxes	65,423
34	California Corp. Franchise Tax	0
35	Federal Corporate Income Tax	0
36	Total Operating Revenue Deduction After Taxes	65,423
37	Net Operating Income (Loss) - California Water Operations	(21,607)
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	650
39	Income Available for Fixed Charges	(20,957)
40	Interest Expense	0
41	Net Income (Loss) Before Dividends	(20,957)
42	Preferred Stock Dividends	0
43	Net Income (Loss) Available for Common Stock	(20,957)
OTHER DATA		
44	Refunds of Advances for Construction	0
45	Total Payroll Charged to Operating Expenses	18,109
46	Purchased Water	0
47	Power	6,787

		(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
<u>Active Service Connections</u>		_____			
48	Metered Service Connections		77	82	80
49	Flat Rate Service Connections		_____	_____	_____
50	Total Active Service Connections		77	82	80

**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:

\$ _____ N/A

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			N/A		
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	65,819	201	Common Stock (Corporations only)	
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	
4	105	Water plant construction work in progress		218	Proprietary capital	24,736
5	108	Accumulated depreciation of water plant	(2,103)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	53,378
7	124	Other investments		252	Advances for construction	
8	131	Cash	1,502	253	Other deferred credits	1930
9	141	Accounts receivable - customers	14,224	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	231	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	1,720	271	Contributions in aid of construction	1370
14				272	Accumulated amortization of contributions	(21)
15		Total Assets	81,393		Total Equity and Liabilities	81,393

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
	300	Water Plant-Resolution W-4592				51,500	51,500
16	301	Intangible plant					
17	303	Land					
18	304	Structures					
19	307	Wells					
20	317	Other water source plant					
21	311	Pumping equipment	12,949				12,949
22	320	Water treatment plant					
23	330	Reservoirs tanks and sandpipes					
24	331	Water mains					
25	333	Services and meter installations					
26	334	Meters		1,370			1,370
27	335	Hydrants					
28	339	Other equipment					
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		Total water plant in service	12949	1,370		51,500	65,819

* 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	194		A. Method used to compute depreciation expense (Acct. 403) and rate.
33	Add: Credits to reserves during year			SL, 3%
34	(a) Charged to Account No. 403	1,888		
35	(b) Charged to Account No. 272	21		
36	(c) Charged to clearing accounts			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 \$
37	(d) Salvage recovered			
38	(e) All other credits			
39	Total credits	1,909		
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired			
42	(b) Cost of removal			C. State method used to compute tax depreciation.
43	(c) All other debits			
44	Total debits	0		
45	Balance in reserve at end of year	2,103		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2005)

Line	1	Common - (Shares	\$	par)		List persons owning more than 5% of outstanding stock
	2	Preferred - (Shares	\$	par)		and number of shares owned by each:
	3	Dividends - Common	Rate - \$			
	4	- Preferred	Rate - \$			

SCHEDULE E - LONG TERM DEBT

	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
5								
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9		Operating revenues	xxxxxxxxxxx
10	460	Unmetered water revenue	
11	462	Fire protection revenue	
12	465	Irrigation revenue	
13	470	Metered water revenue	43,816
14	480	Other water revenue	
15		Total Operating Revenue	43,816
16		Operating revenue deductions	xxxxxxxxxxx
17		Operating expenses	xxxxxxxxxxx
18	610	Purchased water	
19	615	Power	6,787
20	618	Other volume related expenses	385
21	630	Employee labor	7,459
22	640	Materials	1,944
23	650	Contract work	1,109
24	660	Transportation expenses	2,183
25	664	Other plant maintenance expense	318
26	670	Office salaries	3,500
27	671	Management salaries	7,150
28	674	Employee pensions and benefits	0
29	676	Uncollectible accounts expense	2,048
30	678	Office services and rentals	1,835
31	681	Office supplies and expense	895
32	682	Professional services	26,100
33	684	Insurance	0
34	688	Regulatory commission expense	860
35	689	General expenses	962
36		Total Operating Expenses	63,535
37	403	Depreciation expense	1,888
38	407	SDWBA loan amortization expense	0
39	408	Taxes other than income taxes	0
40	409	State corporate income tax expense	0
41	410	Federal corporate income tax expense	0
42		Total Operating Revenue Deductions	65,423
43		Utility Operating Income	(21,607)
44	421	Non-utility income	650
45	426	Miscellaneous non-utility expense	0
46	427	Interest expense	0
47		Net Income (Loss)	(20,957)

SCHEDULE G - SOURCES OF SUPPLY AND WATER DEVELOPED WELLS

Location	No.	Diam. Inch	Depth to water feet	Pumping capacity (g.p.m.)	Annual quantities pumped
Well No. 1	1	6"	10'	140	

OTHER

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

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			10,657
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			15,770 Ccf

SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION

Line	Acct	Account	Number at end of year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
48	630	Employee Labor	1	7,459		7,459
49	670	Office salaries	1	3,500		3,500
50	671	Management salaries	1	7,150		7,150
51		Total	3	18,109		18,109

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	82	82
1-in		
-in		
-in		
Total	82	82

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	82		82				82	
Industrial								
Other (specify)								
Subtotal	82		82				82	
Fire protection (Hydrants)								
Total	82		82				82	

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 under				Other sizes (specify)	Totals
				2"	2 1/4"	3 1/4"	4"		
Concrete			Cast Iron						
Earth			Welded steel						
Wood			Standard screw						
Steel			Cement-asbestos						
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 Ponderosa Sky Ranch Water system (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



Title

RECEIVER
5.9.06

Date