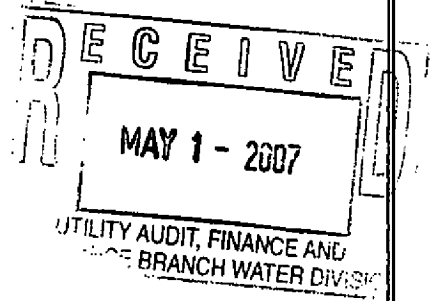


JCA

Received _____
Examined _____

**CLASS D
WATER UTILITIES**

U# _____



**2006
ANNUAL REPORT
OF**

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

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

5161 SOQUEL DR., SUITE F

SOQUEL, CA 95073

(OFFICIAL MAILING ADDRESS)

ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2006**

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2007
(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: Kayode Kajoypaiye
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, 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.
9. This report must cover a calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

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

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

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

5161 SOQUEL DR., SUITE F, SOQUEL CA 95073
(Official mailing address)

PONDEROSA SKY RANCH AND VICINITY, 10 MILES EAST OF PAYNES CREEK, TEHAMA COUNTY
(Service area-town and county)

Telephone Number: _____ Fax Number: _____ Email Address: _____

GENERAL INFORMATION

(Attach a supplementary statement, if necessary)

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 provide the name and address of the owner(s) or the partners:
JOHN W. RICHARDSON, RECEIVER, 5161 SOQUEL DR., SUITE F, SOQUEL CA 95073
- 3 Name, title, and telephone number of:
(A) One person listed above to receive correspondence: JOHN W. RICHARDSON, RECEIVER, (831) 475-2404
(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, RECEIVER WAS PAID \$9,367.30 IN 2006 FOR FEES AND EXPENSES CORRESPONDING TO YEARS 2004 AND 2005
- 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:

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		2006
X		Dec-06

- 11 List Name, Grade, and License Number of all Licensed Operators:
TIMOTHY R. TAYLOR, GRADE D-1, LICENSE No. 29108

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

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

\$ _____

N/A

3. 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	_____

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

4. Plant amounts which were funded using SDWBA funds should also be included in Schedule A, Account No. 101--Water Plant in Service

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			N/A		
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, 2006)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	68,249	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	21,438
5	108	Accumulated depreciation of water plant	(4,114)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	52,861
7	124	Other investments		252	Advances for construction	
8	131	Cash	14,083	253	Other deferred credits	17,500
9	141	Accounts receivable - customers	16,215	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	1,067	283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	3,800
14				272	Accumulated amortization of contributions	(99)
15		Total Assets	95,500		Total Equity and Liabilities	95,500

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		1,129			1,129
26	334	Meters	1,370	1,301			2,671
27	335	Hydrants					
28	339	Other equipment					
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		Total water plant in service	65,819	2,430			68,249

* 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	2,103		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 272	78		S/L - 3%
35	(b) Charged to Account No. 403	1,933		
36	(c) Charged to Account No. 407			B. Amount of depreciation expense claimed
37	(d) Salvage recovered			or to be claimed on utility property in
38	(e) All other credits			your federal income tax return for the year
39	Total credits	2,011		covered by this report \$
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
43	(c) All other debits			depreciation.
44	Total debits			
45	Balance in reserve at end of year	4,114		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2006)

Line				
1	Common - (Shares	, \$	par)	List persons owning more than 5% of outstanding stock and number of shares owned by each:
2	Preferred - (Shares	, \$	par)	
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					N/A			
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9		Operating revenues	xxxxxxxxxx
10	460	Unmetered water revenue	
11	462	Fire protection revenue	
12	465	Irrigation revenue	
13	470	Metered water revenue	46,319
14	480	Other water revenue	1,204
15		Total Operating Revenue	47,523
16		Operating revenue deductions	xxxxxxxxxx
17		Operating expenses	xxxxxxxxxx
18	610	Purchased water	
19	615	Purchased power	5,907
20	618	Other volume related expenses	113
21	630	Employee labor	13,502
22	640	Materials	998
23	650	Contract work	772
24	660	Transportation expenses	5,357
25	664	Other plant maintenance expense	142
26	670	Office salaries	5,200
27	671	Management salaries	7,150
28	674	Employee pensions and benefits	0
29	676	Uncollectible accounts expense	644
30	678	Office services and rentals	1,835
31	681	Office supplies and expense	732
32	682	Professional services	4,440
33	684	Insurance	0
34	688	Regulatory commission expense	1,420
35	689	General expenses	495
36		Total Operating Expenses	48,707
37	403	Depreciation expense	1,933
38	407	SDWBA loan amortization expense	0
39	408	Taxes other than income taxes	0
40	409	State income tax expense	0
41	410	Federal income tax expense	0
42		Total Operating Revenue Deductions	(3,117)
43		Utility Operating Income	
44	421	Non-utility income	
45	426	Miscellaneous non-utility expense	180
46	427	Interest expense	
47		Net Income	(3,297)

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 Priority right		(Unit) Diversions		Annual Quantities Diverted Unit
	Claim	Capacity	Max	Min	
Purchased water (unit)				Annual Quantity	
Supplier:					

SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS

(If figures are available) (specify unit)

Classification of service	Max mo. Mo. of	Min. Mo. Mo. Of	Total for year
Residential & business			
Industrial/Commercial			
Fire Protection			
Irrigation			
Other (specify)			
Total			

SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION

Line	Acct	Account	Number at End of year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
48	630	Employee Labor	1	13,502	820	14,322
49	670	Office salaries		5,200	0	5,200
50	671	Management salaries	1	7,150	0	7,150
51		Total	2	25,852	820	26,672

Note: Employee labor and office salaries were paid to a subcontractor, not through payroll. Management salary was accrued for Receiver John Richardson as a management fee.

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	N/A
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	113	113
1-in		
-in		
-in		
Total	113	113

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	78		78	35		35	113	
Industrial/Commercial								
Irrigation								
Fire Protection (public)								
Fire Protection (private)								
Other (specify)								
Total	78		78	35		35	113	

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	Pipe Sizes				Totals
				2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	
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, 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 calendar year.

January 1, 2006 through December 31, 2006.

Signed


RECEIVER

Title

4-30-07

Date