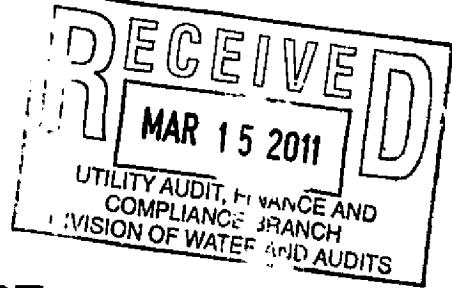


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CLASS B and C
WATER UTILITIES

U# _____



2010
ANNUAL REPORT
OF

RURAL WATER COMPANY

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

P.O. BOX 745

GROVER BEACH, CA 93483

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2010

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2011

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GENERAL INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN MARCH 31, 2011**, 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**

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 34, must be signed by an authorized 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. 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, 2010, through December 31, 2010. Fiscal year reports will not be accepted.

INSTRUCTIONS

FOR PREPARATION OF SELECTED FINANCIAL DATA SHEET FOR ALL 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 instructions 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.

GENERAL INFORMATION

1. Name under which utility is doing business: RURAL WATER COMPANY

2. Official mailing address:
P.O. BOX 745 GROVER BEACH, CA 93483

3. Name and title of person to whom correspondence should be addressed:
CHARLES M. BAKER Telephone: 805-481-6686

4. Address where accounting records are maintained:
330 JAMES WAY #130 PISMO BEACH CA 93449

5. Service Area (Refer to district reports if applicable) ARROYO GRANDE, CA

6. Service Manager (If located in or near Service Area.) (Refer to district reports if applicable.)
Name: N/A Telephone: _____
Address: _____

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) RURAL WATER COMPANY
Organized under laws of (state) CALIFORNIA Date: 5/14/1982

Principal Officers:
Name: CHARLES M. BAKER Title: PRES, SEC'Y, TREAS
Name: KATHLEEN M. BAKER Title: VICE PRES.
Name: _____ Title: _____
Name: _____ Title: _____

8. Names of associated companies: CYPRESS RIDGE SEWER COMPANY

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
Name: _____ Date: _____
Name: _____ Date: _____
Name: _____ Date: _____
Name: _____ Date: _____

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

11. List Name, Grade, and License Number of all Licensed Operators:
BUTCH KWID GRADE D-2 #15361; GRADE T-5 #4897

BALANCE SHEET AND CAPITALIZATION DATA

Calendar Year 2010

NAME OF UTILITY RURAL WATER COMPANY

Telephone: (805)481-6686

PERSON RESPONSIBLE FOR THIS REPORT CHARLES M. BAKER

	<u>1/1/2010</u>	<u>12/31/2010</u>	<u>Average</u>
BALANCE SHEET DATA			
1 Intangible Plant	1,600	1,600	1,600
2 Land and Land Rights	88,455	88,455	88,455
3 Depreciable Plant	4,345,296	4,367,201	4,356,249
4 Gross Plant in Service	4,435,351	4,457,256	4,446,304
5 Less: Accumulated Depreciation	(1,846,389)	(1,968,197)	(1,907,293)
6 Net Water Plant in Service	2,588,962	2,489,059	2,539,011
7 Water Plant Held for Future Use	-	-	-
8 Construction Work in Progress	-	-	-
9 Materials and Supplies	-	-	-
10 Less: Advances for Construction	-	-	-
11 Less: Contribution in Aid of Construction	-	-	-
12 Less: Accumulated Deferred Income and Investment Tax Credits	(2,318,369)	(2,202,055)	(2,260,212)
13 Net Plant Investment	270,593	287,004	278,799
CAPITALIZATION			
14 Common Stock	5,000	5,000	5,000
15 Proprietary Capital (Individual or Partnership)	-	-	-
16 Paid-in Capital	308,982	261,976	285,479
17 Retained Earnings	(58,782)	(105,961)	(82,372)
18 Common Stock and Equity (Lines 14 through 17)	255,200	161,015	208,108
19 Preferred Stock	-	-	-
20 Long-Term Debt	-	-	-
21 Notes Payable	-	-	-
22 Total Capitalization (Lines 18 through 21)	255,200	161,015	208,108

INCOME STATEMENT AND OTHER DATA
Calendar Year 2010

NAME OF UTILITY RURAL WATER COMPANY

Telephone: (805)481-6686

INCOME STATEMENT	Annual Amount
23 Unmetered Water Revenue	9,157
24 Fire Protection Revenue	9,838
25 Irrigation Revenue	615,385
26 Metered Water Revenue	634,380
27 Total Operating Revenue	616,175
28 <u>Operating Expenses</u>	15,381
29 Depreciation Expense (Composite Rate 3%)	-
30 Amortization and Property Losses	2,418
31 Property Taxes	2,130
32 Taxes Other Than Income Taxes	636,104
33 Total Operating Revenue Deduction Before Taxes	800
34 California Corp. Franchise Tax	-
35 Federal Corporate Income Tax	636,904
36 Total Operating Revenue Deduction After Taxes	(2,524)
37 Net Operating Income (Loss) - California Water Operations	9
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	(2,515)
39 Income Available for Fixed Charges	65
40 Interest Expense	(2,580)
41 Net Income (Loss) Before Dividends	-
42 Preferred Stock Dividends	(2,580)
43 Net Income (Loss) Available for Common Stock	(2,580)
 OTHER DATA	
44 Refunds of Advances for Construction	-
45 Total Payroll Charged to Operating Expenses	25,000
46 Purchased Water	-
47 Power	214,779

<u>Active Service Connections</u>	(Exc. Fire Protect.)	<u>150</u>	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections			932	929	931
49 Flat Rate Service Connections			-	-	-
50 Total Active Service Connections			932	929	931

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 companies 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 good and service provided in 2010: N/A

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											
Row Number	Description of Non-Tariffed Goods/Services	Active or Passive	Total Revenue Derived from Non-tariffed Goods/Services (by account)	Revenue Account Number	Total Expenses Incurred to Provide Non-tariffed Goods/Services (by account)	Expense Account Number	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

SCHEDULE A
COMPARATIVE BALANCE SHEET
Assets and Other Debits

Line No.	Acct. No.	Title of Account (a)	Schedule Number (b)	Balance End of Year (c)	Balance Beginning of Year (d)
		UTILITY PLANT			
1	101	Water plant in service			
2	103	Water plant held for future use	A-1	4,457,256	4,435,351
3	104	Water plant purchased or sold	A-1 & A-1b	-	-
4	105	Water plant construction work in progress	A-1	-	-
5		Total utility plant	A-1	-	-
6	106	Accumulated depreciation of water plant		4,457,256	4,435,351
7	114	Water plant acquisition adjustments	A-3	(1,968,197)	(1,846,389)
8		Total amortization and adjustments	A-1		
9		Net utility plant		(1,968,197)	(1,846,389)
				2,489,059	2,588,962
		INVESTMENTS			
10	121	Non-utility property and other assets			
11	122	Accumulated depreciation of non-utility property			
12		Net non-utility property	A-3		
13	123	Investments in associated companies			
14	124	Other investments			
15		Total investments			
		CURRENT AND ACCRUED ASSETS			
16	131	Cash			
17	132	Special accounts		81,128	9,003
18	141	Accounts receivable - customers		20,951	
19	142	Receivables from associated companies		(36,637)	5,393
20	143	Accumulated provision for uncollectible accounts		19,977	122,432
21	151	Materials and supplies			
22	174	Other current assets			
23		Total current and accrued assets		85,419	136,828
24	180	Deferred charges	A-5		
25		Total assets and deferred charges		2,574,478	2,725,790

**SCHEDULE A
COMPARATIVE BALANCE SHEET
Liabilities and Other Credits**

Line No.	Acct. No.	Title of Account (a)	Schedule Number (b)	Balance End of Year (c)	Balance Beginning of Year (d)
CORPORATE CAPITAL AND SURPLUS					
1	201	Common stock			
2	204	Preferred stock	A-6	5,000	5,000
3	211	Other paid-in capital	A-6		
4	215	Retained earnings	A-8	261,976	308,982
5		Total corporate capital and retained earnings	A-9	(105,961)	(58,782)
				161,015	255,200
PROPRIETARY CAPITAL					
6	218	Proprietary capital			
7	218.1	Proprietary drawings	A-10		
8		Total proprietary capital			
LONG TERM DEBT					
9	224	Long term debt			
10	225	Advances from associated companies	A-11 A-12		
CURRENT AND ACCRUED LIABILITIES					
11	231	Accounts payable			
12	232	Short term notes payable		19,956	226
13	233	Customer deposits			
14	235	Payables to associated companies		1,011	1,011
15	236	Accrued taxes	A-13	50,413	47,500
16	237	Accrued interest		7,209	14,616
17	241	Other current liabilities		-	-
18		Total current and accrued liabilities	A-14	15,000	35,000
				93,589	98,353
DEFERRED CREDITS					
19	252	Advances for construction			
20	253	Other credits	A-15	73,701	9,750
21	255	Accumulated deferred investment tax credits		6,844	6,844
22	282	Accumulated deferred income taxes - ACRS depreciation	A-16		
23	283	Accumulated deferred income taxes - other	A-16		
24		Total deferred credits	A-16	37,274	37,274
				117,819	53,868
CONTRIBUTIONS IN AID OF CONSTRUCTION					
25	271	Contributions in aid of construction			
26	272	Accumulated amortization of contributions	A-17	3,926,786	3,926,786
27		Net contributions in aid of construction		(1,724,731)	(1,608,417)
28		Total liabilities and other credits		2,202,055	2,318,369
				2,574,478	2,725,790

**SCHEDULE A-1
UTILITY PLANT**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plt Additions During year (c)	Plt Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Water plant in service	4,435,351	31,792	9,887		4,457,256
2	103	Water plant held for future use	-				-
3	104	Water plant purchased or sold	-				-
4	105	Construction work in progress - water plant	-				-
5	114	Water plant acquisition adjustments	-				-
6		Total utility plant	4,435,351	31,792	9,887		4,457,256

* 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)	Plt Additions During year (c)	Plt Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
NON-DEPRECIABLE PLANT							
1	301	Intangible plant					
2	303	Land	1,600				1,600
3		Total non-depreciable plant	88,455				88,455
			90,055	-			90,055
DEPRECIABLE PLANT							
4	304	Structures					-
5	307	Wells	77,751				77,751
6	317	Other water source plant	578,207				578,207
7	311	Pumping equipment	-				-
8	320	Water treatment plant	638,888	24,723	9,887		653,724
9	330	Reservoirs, tanks and sandpipes	34,920				34,920
10	331	Water mains	404,210				404,210
11	333	Services and meter installations	1,961,505				1,961,505
12	334	Meters	214,766				214,766
13	335	Hydrants	67,354	4,474			71,828
14	339	Other equipment	317,896				317,896
15	340	Office furniture and equipment	33,420	2,595			36,015
16	341	Transportation equipment	16,379				16,379
17		Total depreciable plant	-				-
18		Total water plant in service	4,345,296	31,792	9,887		4,367,201
			4,435,351	31,792	9,887		4,457,256

* 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	N/A			
3				
4				
5				
6				
7				
8				
9				
10	Total			

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	N/A	
3		
4		
5		
6		
7		
8		
9		
10	Total	

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	1,846,389		
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	15,381		
4	(b) Charged to Account No 272	116,314		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits (Footnote 2)			
8	Total Credits	131,695		
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired	9,887		
11	(b) Cost of removal			
12	(c) All other debits (Footnote 3)			
13	Total debits	9,887		
14	Balance in reserve at end of year	1,968,197		
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE			
16				3 %
17	(2) EXPLANATION OF ALL OTHER CREDITS:			
18	N/A			
19				
20				
21				
22				
23	(3) EXPLANATION OF ALL OTHER DEBITS:			
24	N/A			
25				
26				
27				
28				
29	(4) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION			
30	(a) Straight line			
31	(b) Liberalized			
32	(1) Sum of the years digits			
33	(2) Double declining balance			
34	(3) Other			
35	(c) Both straight line and liberalized		X	

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 Excluding Costs of Removal (d)	Salvage and Cost of Removal Net (Dr.) or (Cr.) (e)	Balance End of Year (f)
1	304	Structures					
2	307	Wells	DETAIL BY ACCOUNT IS NOT AVAILABLE - SEE ATTACHED				
3	317	Other water source plant	DEPRECIATION SCHEDULE.				
4	311	Pumping equipment					
5	320	Water treatment plant	1,830,012				
6	330	Reservoirs, tanks and sandpipes		131,695	9,887		1,951,820
7	331	Water mains					-
8	333	Services and meter installations					-
9	334	Meters					-
10	335	Hydrants					-
11	339	Other equipment					-
12	340	Office furniture and equipment	16,377				-
13	341	Transportation equipment					16,377
14		Total	1,846,389	131,695	9,887		1,968,197

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

Line No.	Item (a)	Amount (b)
1		
2	N/A	
3		
4		
5		
6		
7		
8		
9		
10		

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 debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year, also, date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years.

Line No.	Designation of Long-Term Debts (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	N/A								
3									
4									
5									
6									
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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	5/14/1982		\$10	500	5000		0
2								
3								
4								
5								
6								
7								
8								
							Total	0

SCHEDULE A-7
Record of Stockholders at End of Year

Line No.	COMMON STOCK	Number of Shares (b)	PREFERRED STOCK	Number of Shares (d)
	Name (a)		Name (c)	
1	CHARLES M. BAKER	500		
2				
3				
4				
5				
6				
7				
8				
9				
10	Total number of shares	500	Total number of shares	

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	ADDITIONAL PAID IN CAPITAL	
2		261,976
3		
4		
5		
6		
7		
8		
	Total	261,976

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

Line No	Item (a)	Amount (b)
1	Balance beginning of year	
2	CREDITS	
3	Net income	
4	Prior period adjustments	-
5	Other credits (detail)	-
6		-
7	Total Credits	-
8	DEBITS	
9	Net losses	
10	Prior period adjustments	2,580
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	
13	Other debits (detail) - Approved surcredit	
14		44,599
15	Total Debits	47,179
	Balance end of year	(105,961)

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

N/A

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

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)	Interest Rate (g)	Interest Accrued During Year (h)	Sinking Fund (i)	Interest Paid During Year (j)
1	N/A									
2										
3										
4										
5										
6										

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	N/A				
2					
3					
4					
5					
6	Totals				

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	NIPOMO COMMUNITIES SERVICES DISTRICT	50,413	0	0	0
2					
3					
4					
5					
6	Totals	50,413			

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

Line No.	Description (a)	Balance End of Year (b)
1	ACCRUED SALARIES	
2		15,000
3		
4		
5		
		15,000

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

Line No.	N/A (a)	(b)	Amount (c)
1	Balance beginning of year		
2	Additions during year		9750
3	Subtotal - Beginning balance plus additions during year		63951
4	Charges during year:		73701
5	Refunds		
6	Percentage of revenue basis		
7	Proportionate cost basis		
8	Present worth basis		
9	Total refunds		
10	Transfers to Acct. 271, Contributions in aid of Construction		
11	Due to expiration of contracts		
12	Due to present worth discount		
13	Total transfers to Acct. 271		
14	Securities Exchanged for Contracts (Enter detail below)		
15	Subtotal - charges during year		
16	Balance end of year		73701

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	FEDERAL CORPORATE INCOME TAXES			
2	STATE CORPORATE INCOME TAXES	-	-	26,409
3				10,865
4				
5	Total	-	-	37,274

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 non-depreciable 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 non-depreciable property shall remain unchanged until the property is sold or otherwise retired. Upon retirement, the cost of such non-depreciable 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.		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 (e)	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 ³ (f)
			Depreciable (c)	Non-Depreciable ¹ (d)		
1	Balance beginning of year	3,926,786	3,838,331	88,455		
2	Add: Credits to account during year	-	-	-		
3	Contributions revived during year	-	-	-		
4	Other credits*	-	-	-		
5	Total credits	-	-	-		
6	Deduct: Debits to Account during year	-	-	-		
7	Depreciation charges for year	-	-	-		
8	Non-depreciable donated property retired	-	-	-		
9	Other debits*	-	-	-		
10	Total debits	-	-	-		
11	Balance end of year	3,926,786	3,838,331	88,455		

* Indicate nature of these items and show the accounts affected by the contra entries
 Transfer to Acct. 252 Advance for construction - contract not complete at end of year.

**SCHEDULE B
INCOME STATEMENT**

Line No.	Acct. No.	Account (a)	Schedule Number (b)	Amount (c)
UTILITY OPERATING INCOME				
1	400	Operating Revenues	B-1	634,380
OPERATING REVENUE DEDUCTIONS				
2	401	Operating expenses	B-2	616,175
3	403	Depreciation expense	A-3	15,381
4	407	SDWBA loan amortization expense	pages 7 & 8	
5	408	Taxes other than income taxes	B-3	4,548
6	409	State corporate income tax expense	B-3	800
7	410	Federal corporate income tax expense	B-3	-
8		Total operating revenue deductions		636,904
9		Total utility operating income		(2,524)
OTHER INCOME AND DEDUCTIONS				
10	421	Non-utility income	B-5	9
11	426	Miscellaneous non-utility expense	B-5	
12	427	Interest expense	B-6	(65)
13		Total other income and deductions		(56)
14		Net income		(2,580)

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 (Parenthesis) (d)
WATER SERVICE REVENUES					
1	460	Unmetered water revenue			
2	460.1	Single - family residential			
3	460.2	Commercial and multi-residential			
4	460.3	Large water users			
5	460.5	Safe Drinking Water Bond Surcharge			
6	460.9	Other unmetered revenue			
7		Sub-total			
8	462	Fire protection revenue			
9	462.1	Public fire protection			
10	462.2	Private fire protection			
11		Sub-total			
12	465	Irrigation revenue			
13	470	Metered water revenue			
14	470.1	Single-family residential	584,729	667,854	(83,125)
15	470.2	Commercial and multi-residential	27,551	16,954	10,597
16	470.3	Large water users			-
17	470.5	Safe Drinking Water Bond Surcharge			-
18	470.9	Other metered revenue	18,925	13,221	5,704
19		Sub-total	631,205	698,029	(66,824)
20		Total water service revenues	631,205	698,029	(66,824)
21	480	Other water revenue	3,175	4,150	(975)
22		Total operating revenues	634,380	702,179	(67,799)

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 (Parenthesis) (d)
		PLANT OPERATION AND MAINTENANCE EXPENSES			
		VOLUME RELATED EXPENSES			
1	610	Purchased water	-	-	-
2	615	Power	214,779	199,212	15,567
3	616	Other volume related expenses	59,806	56,504	3,302
4		Total volume related expenses	274,585	255,716	18,869
		NON-VOLUME RELATED EXPENSES			
5	630	Employee labor	-	-	-
6	640	Materials	-	-	-
7	650	Contract work	-	-	-
8	660	Transportation expenses	114,081	86,674	27,407
9	664	Other plant maintenance expenses	3,306	1,839	1,467
10		Total non-volume related expenses	29,389	62,547	(33,158)
11		Total plant operation and maintenance exp.	146,776	151,060	(4,284)
			421,361	406,776	14,585
		ADMINISTRATIVE AND GENERAL EXPENSES			
12	670	Office salaries	-	-	-
13	671	Management salaries	-	7,500	(7,500)
14	674	Employee pensions and benefits	25,000	97,500	(72,500)
15	676	Uncollectible accounts expense	22,465	73,264	(50,799)
16	678	Office services and rentals	1,000	-	1,000
17	681	Office supplies and expenses	15,438	16,630	(1,192)
18	682	Professional services	12,522	9,750	2,772
19	684	Insurance	104,372	83,535	20,837
20	688	Regulatory commission expense	4,765	4,650	115
21	689	General expenses	8,759	6,712	2,047
22		Total administrative and general expenses	493	1,425	(932)
23	800	Expenses capitalized	194,814	300,966	(106,152)
24		Net administrative and general expense	-	-	-
25		Total operating expenses	194,814	300,966	(106,152)
			616,175	707,742	(91,567)

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	2,418	2,418	
2	State corporate franchise tax	800	800	
3	State unemployment insurance tax	224	224	
4	Other state and local taxes	1,085	1,085	
5	Federal unemployment insurance tax	56	56	
6	Federal insurance contributions act	765	765	
7	Other federal taxes	-	-	
8	Federal income taxes	-	-	
9	Total	5,348	5,348	

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 amount 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	
2	Reconciling amounts (list first additional income and unallowable deductions, followed by additional deductions and non-taxable income):	(2,580)
3		
4	DISALLOWED TRAVEL & ENTERTAINMENT	
5	ACCRUED MANAGEMENT SALARY	190
6	MEDICAL EXPENSE	15,000
7		4,971
8	FEDERAL VS. BOOK DEPRECIATION	
9	CUSTOMER SURCREDIT BILLED	(25,080)
10	INTEREST INCOME SEPARATELY STATED ON PASS-THRU ENTITY	(18,138)
11		(9)
12		
13		
14	Federal tax net income	
15	Computation of tax:	(25,646)
16	N/A - SUBCHAPTER S CORPORATE EARNINGS TAXED AT SHAREHOLDER LEVEL	
17		

SCHEDULE B-5			
Accounts No. 421 and 426 - Income from Nonutility Operations			
Line No.	Description (a)	Revenue Acct. 421 (b)	Expense Acct. 426 (c)
1	N/A		
2			
3			
4			
5	Total		

SCHEDULE B-6		
Account No. 427 - Interest Expense		
Line No.	Description (a)	Amount (b)
1	FINANCE CHARGE ON COMPANY CREDIT CARD	65
2		-
3		-
4		-
5		-
6		-
7		-
8		-
9		-
10	Total	

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	0	-	-	-
2	670	Office salaries	0	-	-	-
3	671	Management salaries	1	25,000		25,000
4						
5						
6		Total	1	25,000		25,000

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.	N/A							
2.								
3.								
4.								
5.								
6.								
7.	Total							

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.	Did the respondent have a contract or other agreement with any organization or person covering supervision and/or management of its own affairs during the year? Answer: Yes: <u> X </u> No: _____ (If the answer is in the affirmative, make appropriate replies to the following questions)*	
2.	Name of each organization or person that was a party to such a contract or agreement.	<u>SEE ATTACHED</u>
3.	Date of original contract or agreement:	<u>SEE ATTACHED</u>
4.	Date of each supplement or agreement:	<u>SEE ATTACHED</u>
5.	Amount of compensation paid during the year for supervision or management:	\$ <u>25,000</u>
6.	To whom paid: <u>CHARLES M. BAKER</u>	
7.	Nature of payment (salary, traveling expenses, etc.): <u>SALARY</u>	
8.	Amounts paid for each class of service:	
9.	Basis for determination of such amounts:	<u>MONTHLY SALARY</u>
10.	Distribution of payments:	Amount
	(a) Charged to operating expenses	\$ <u>25,000</u>
	(b) Charged to capital amounts	\$ _____
	(c) Charged to other account	\$ _____
	Total	\$ <u>25,000</u>
11.	Distribution of charges to operating expenses by primary accounts:	Amount
	Number and Title of Account:	
	<u>671 - MANAGEMENT SALARY</u>	\$ <u>25,000</u>
	_____	\$ _____
	_____	\$ _____
	Total	\$ <u>25,000</u>
12.	What relationship, if any, exists between respondent and supervisory and/or managing concerns? <u>MANAGEMENT SALARY PAID TO SOLE-SHAREHOLDER AND OFFICER OF RURAL WATER COMPANY</u>	
* 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								Annual Quantities Diverted(Unit) ²	Remarks
Line No.	Diverted Into *	From Stream or Creek (Name)	Location of Diversion Point	FLOW IN (Unit) ²		Diversions			
				Priority Right Claim	Capacity	Max.	Min.		
1	N/A								
2									
3									
4									
5									

WELLS						Pumping Capacity (Unit) ²	Annual Quantities Pumped(Unit) ²	Remarks
Line No.	At Plant (Name or Number)	Location	No.	Dimensions	Depth to Water ¹			
6	EL CAMPO ROAD		2		261	60 GPM	33.2	MG
7	FOWLER LANE		3		105	110 GPM	18.5	MG
8	EL CAMPO ROAD		4		225	99 GPM	28.3	MG
9	EL CAMPO ROAD		5			0 GPM	INACTIVE	MG
10	SEE ATTACHED SCH							

TUNNELS AND SPRINGS				FLOW IN (Unit) ²		Annual Quantities Pumped(Unit) ²	Remarks
Line No.	Designation	Location	Number	Maximum	Minimum		
11	N/A						
12							
13							
14							
15							

Purchased Water for Resale		
16	Purchased from	N/A
17	Annual Quantities purchased	(Unit chosen) ¹
18		
19		

* 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	No.	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	5	1182000 G	
12	Concrete			
13	Total	5	1182000 G	

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.	Description	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								
2	Flume								
3	Lined conduit								
4									
5	Total								

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES (Continued)									
Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____									
Line No.	Description	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								
7	Flume								
8	Lined conduit								
9									
10	Total								

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING										
Line No.	Description	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						972			
19	Welded steel								7324	11700
20	Wood									
21	Other (specify) PVC			350						
22	Total			350			250		3260	88059
							1222		10584	99759

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - (Continued)									
Line No.	Description	10	12	14	16	18	20	Other Sizes (Specify)	Total All Sizes
23	Cast Iron								
24	Cast iron (cement lined)								
25	Concrete								
26	Copper								
27	Riveted steel								
28	Standard screw								
29	Screw or welded casing								
30	Cement - asbestos								972
31	Welded steel								19024
32	Wood								
33	Other (specify) PVC	980							
34	Total	980							92899
									112895

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

Size	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
	5/8 x 3/4 - in	169	168	
3/4 - in	720	719		
1 - in	19	18		
2 - in	24	24		
- in				
- in				
- in				
- in				
Other				
Public Fire Hydrants			150	150
Total	932	929	150	150

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

Size	Meters	Services
5/8 x 3/4 - in	168	
3/4 - in	719	
1 - in	18	
2 - in	24	
- in		
- in		
- in		
- in		
Other		
Total	929	

**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	778 EST
2. More than 10, but less than 15 years	116 EST
3. More than 15 years	35 EST

**SCHEDULE D-7
Water delivered to Metered Customers by Months and Years in 100 CUBIC FT.(Unit Chosen):**

	During Current Year								Subtotal
	January	February	March	April	May	June	July		
Single-family residential	15095	8167	15417	21286	28338	36865	35508	160676	
Commercial and Multi-residential	2072	320	648	842	1028	1200	1068	7178	
Large water users								0	
Public authorities	52	38	96	182	408	571	531	1878	
Irrigation								0	
Other (specify) HOMEOWNER ASSOC	112	80	104	193	126	357	495	1467	
Total	17331	8605	16265	22503	29900	38993	37602	171199	

	During Current Year						Subtotal	Total	Total Prior Year
	August	September	October	November	December				
Single-family residential	34743	32123	21454	16479	7068	111867	272543	311244	
Commercial and Multi-residential	1254	1130	844	832	60	4120	11298	10363	
Large water users									
Public authorities	459	475	308	137	53	1432	3310	4283	
Irrigation									
Other (specify) HOMEOWNER ASSOC	298	278	334	53	105	1068	2535	3798	
Total	36754	34006	22940	17501	7286	118487	289686	329688	

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

Total acres irrigated: _____

Total population served: 1903

**SCHEDULE D-8
Status With State Board of Public Health**

1. Has the State or Local Health Department reviewed the sanitary condition of your water system during the past year? YES
2. Are you having routine laboratory tests made of water served to your consumers? YES
3. Do you have a permit from the State Board of Public Health for operation of your water system? YES
4. Date of permit: AUGUST 2010
5. If permit is "temporary", what is the expiration date?
6. If you do not hold a permit, has an application been made for such permit?
7. If so, on what date?

**SCHEDULE D-9
Statement of Material Financial Interest**

Use this space to report the information required by Section 2 of General Order No. 104-A. If no material financial interest existed during the year or contemplated at the end of the year, such fact shall be so stated. If additional space is required, attach a supplementary statement with reference made thereto.

PERSONS WITH MATERIAL FINANCIAL INTEREST - REFER TO LIST OF PRINCIPAL OFFICERS ON PAGE 4, LINE 7

- CHARLES M. BAKER IN HIS CAPACITY AS 100% SHAREHOLDER AND CORPORATE PRESIDENT RETAINED THE SERVICES OF LICENSED OPERATORS (SEE PAGE 4, LINE 11), RETAINED OR APPROVED THE RETENTION OF VARIOUS INDIVIDUALS OR COMPANIES TO PROVIDE VARIOUS SERVICE, MAINTENANCE, CONSULTING, BOOKKEEPING, ENGINEERING, LEGAL AND ACCOUNTING SERVICES.

- MR. BAKER IS ALSO THE 100% SHAREHOLDER AND CORPORATE PRESIDENT OF CYPRESS RIDGE SEWER CO., A REGULATED PUBLIC SEWER UTILITY ALSO LOCATED IN SAN LUIS OBISPO COUNTY.

NO OTHER MATERIAL FINANCIAL INTEREST EXISTED DURING THE YEAR OR WAS CONTEMPLATED AT THE END OF THE YEAR.

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: N/A

Name: _____
 Address: _____
 Phone Number: _____
 Account Number: _____
 Date Hired: _____

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

\$ _____	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		
	Total		

3. Summary of the bank account activities showing: N/A

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: N/A

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: N/A

Line No.	Acct. No.	Title of Account (a)	Balance Beginning of Year (b)	Plant Additions During Year (c)	Plant Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		DEPRECIABLE PLANT					
6	304	Structures					
7	307	Wells					
8	317	Other water source plant					
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes					
12	331	Water mains					
13	333	Services and meter installations					
14	334	Meters					
15	335	Hydrants					
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant					
20		Total water plant in service					

FACILITIES FEES DATA

Class B: Please provide the following information relating to Facilities Fees for districts or subsidiaries serving 2,000 or fewer customers for the calendar year (per D.91-04-068).

Class C: Please provide the following information relating to Facilities Fees collected for the calendar year, pursuant to Resolution No. W-4110.

1. Trust Account Information:

Bank Name: RABOBANK
 Address: PO BOX 1845 EL CENTRO CA 92244-1845
 Account Number: 9348128917
 Date Opened: DECEMBER, 2010

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

A. Commercial

NAME	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

B. Residential

NAME	AMOUNT
TRACT NO. 2718 WATER SYSTEM IMPROVEMENTS	\$ 20,951
_____	\$ _____
_____	\$ _____
_____	\$ _____

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ -
Deposits during the year	\$ 20,951
Interest earned for calendar year	\$ -
Withdrawals from this account	\$ -
Balance at end of year	\$ 20,951

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

DECLARATION

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

I, the undersigned CHARLES M. BAKER
Officer, Partner, or Owner (Please Print)

of RURAL WATER COMPANY
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 of January 1, 2010, through December 31, 2010.

CHARLES M. BAKER *Charles M. Baker*
Title (Please Print) Signature

800-487-4150 3-12-11
Telephone Number Date

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RURAL WATER COMPANY
ATTACHMENT TO 2010 ANNUAL PUC REPORT

SCHEDULE C-3 - ENGINEERING AND MANAGEMENT FEES AND EXPENSES DURING YEAR
CONTRACTS IN EFFECT DURING THE YEAR

Payee	Nature of payments	Amount	Account Charged
Rural Special Districts Insurance	Insurance	4,765	684
Certified Water Systems	Service & maintenance	72,356	650/664
Multi-Task Business Services	Bookkeeping services	49,084	682
Frank B. & Associates	CPUC Consulting	44,375	682
Fred H. Schott & Assoc.	Engineering	21,450	311

SCHEDULE D-1 WELLS (continued)

Location	No.	Diam. Inch	Depth to water feet	Pumping Capacity (g.p.m.)	Annual quantities pumped	
El Campo Road	6	8	240	29	14.1	MG
El Campo Road	7	8	223	43	17.3	MG
Mesa View Drive	8	12	89	262	35.6	MG
Mesa View Drive	9	8	111	160	24.8	MG
Cypress Ridge	4	10	234	138	26.3	MG
Cypress Ridge	5	8	230	48	9.5	MG
Cypress Ridge	6	8	265	70	14.9	MG
Cypress Ridge	7	8	276	70	11.9	MG
Cypress Ridge	8	8	196	0	inactive	

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RURAL WATER COMPANY

95-3752939

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 1120S																
FURNITURE AND FIXTURES																
20	FAX MACHINE	12/23/92		444							444	444	S/L	5		0
40	PRINTER	7/08/99		268							268	268	S/L	5		0
41	COMPUTER EQUIPMENT	5/17/99		845							845	845	S/L	5		0
42	FILE CABINET, PRINTER CART	9/30/99		175							175	175	S/L	5		0
43	COMPUTER	10/28/99		2,915							2,915	2,915	S/L	5		0
53	COMPUTER	11/25/02		1,811							1,811	1,811	S/L	5		0
54	BILLING SOFTWARE	1/21/02		8,793							8,793	8,793	S/L	5		0
55	SOFTWARE UPGRADE	8/21/02		500							500	500	S/L	5		0
56	SOFTWARE UPGRADE	11/21/02		626							626	626	S/L	5		0
TOTAL FURNITURE AND FIXTURE																
				16,377	0	0	0	0	0	0	16,377	16,377				0
MACHINERY AND EQUIPMENT																
7	WATER PLANT-NON CIAC	7/01/89		23,163							23,163	14,742	S/L	33		702
8	WATER PLANT-NON CIAC	10/01/89		16,501							16,501	10,125	S/L	33		500
11	NEW METER ENGINEERIN	1/10/90		1,200							1,200	720	S/L	33		36
12	SERVICES & METERS	7/21/90		1,000							1,000	583	S/L	33		30
16	HYDRANTS	7/13/92		3,485							3,485	1,855	S/L	33		106
17	PUMPING EQUIPMENT	12/15/92	6/30/10	25,887							25,887	13,393	S/L	33		392
18	SERVICES & METERS	4/15/92		699							699	373	S/L	33		21
19	TANKS	8/27/92		1,070							1,070	555	S/L	33		32
25	WATER MAIN	3/31/93		1,470							1,470	753	S/L	33		45
26	PUMPING EQUIPMENT	7/30/93		1,475							1,475	739	S/L	33		45
27	PUMPING EQUIPMENT	3/05/93		2,538							2,538	1,296	S/L	33		77

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RURAL WATER COMPANY

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IND.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
28	(3) HYDRANTS	7/30/93		5,000							5,000	2,495	S/L	33		152
29	WELL #5	1/01/95		12,276							12,276	5,580	S/L	33		372
30	HYDRANTS	3/29/95		4,882							4,882	2,183	S/L	33		148
31	WATER MAINS	1/01/95		600							600	270	S/L	33		18
39	4 - 1" METERS	6/30/99		396							396	126	S/L	33		12
44	24 - 3/4" METERS	2/21/00		1,715							1,715	511	S/L	33		52
45	12 - 3/4" METERS	5/30/00		566							566	163	S/L	33		17
46	8" WATER MAIN	3/29/01		8,391							8,391	2,223	S/L	33		254
47	PUMPING EQUIPMENT	6/25/01		10,561							10,561	2,720	S/L	33		320
48	METERS	1/12/01		10,030							10,030	2,736	S/L	33		304
49	METERS	12/28/01		4,881							4,881	1,184	S/L	33		148
50	4" WATER MAINS	4/25/01		10,184							10,184	2,678	S/L	33		309
51	8" WATER MAINS	6/25/01		34,034							34,034	8,764	S/L	33		1,031
52	METERS	12/31/02		280							280	56	S/L	33		8
57	METERS	10/31/03		2,670							2,670	500	S/L	33		81
58	METERS	6/07/04		124							124	22	S/L	33		4
59	METERS	7/01/04		1,258							1,258	209	S/L	33		38
60	METERS	10/11/04		1,551							1,551	247	S/L	33		47
61	METERS	11/29/04		120							120	20	S/L	33		4
62	SECURITY GATE PUMP STN 1	5/12/04		3,370							3,370	1,275	S/L	15		225
70	METERS	9/19/05		772							772	98	S/L	33		23
71	METERS	10/18/05		1,321							1,321	167	S/L	33		40
72	METERS	2/09/05		939							939	138	S/L	33		28
73	METERS	4/15/05		497							497	71	S/L	33		15
74	METERS	5/09/05		747							747	107	S/L	33		23
75	METERS	5/24/05		1,491							1,491	206	S/L	33		45
76	METERS	6/15/05		237							237	32	S/L	33		7

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NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONMS.	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
77	METERS	6/20/05		732							732	99	S/L	33		22
78	METERS	9/12/05		498							498	65	S/L	33		15
79	WELL #9	10/01/05		9,844							9,844	1,380.	S/L	33		298
81	METERS	3/17/06		1,220							1,220	139	S/L	33		37
82	METERS	10/18/06		1,061							1,061	101	S/L	33		32
83	PUMP CONTROL SYSTEM	12/20/06		67,508							67,508	6,138	S/L	33		2,046
85	RETIRED METERS 2006	12/31/06		1							1	-16,922	S/L	33		0
87	NON-WATER PLANT PROP. REMA	VARIOUS		177,028							177,028	149,953	S/L	33		5,364
91	METERS	2/19/07		4,937							4,937	425	S/L	33		150
92	METERS	3/20/07		125							125	11	S/L	33		4
93	METERS	3/31/07		127							127	11	S/L	33		4
95	METERS	7/21/09		2,601							2,601	33	S/L	33		79
96	METERS	7/28/09		152							152	2	S/L	33		5
97	METERS	8/26/09		1,306							1,306	13	S/L	33		40
98	PUMP MOTOR	5/22/09		4,786							4,786	85	S/L	33		145
99	WELL EQUIPMENT	12/01/09		2,740							2,740	7	S/L	33		83
100	PUMP MOTOR	11/16/09		2,293							2,293	6	S/L	33		69
101	PUMPING EQUIPMENT IMPR	9/29/09		17,850							17,850	135	S/L	33		541
102	METERS	4/14/10		1,498							1,498		S/L	33		34
103	METERS	8/06/10		1,881							1,881		S/L	33		24
104	METERS	11/16/10		1,095							1,095		S/L	33		3
105	PUMP STATION 3 REBUILD	3/26/10		6,825							6,825		S/L	33		155
106	LOPEZ HS PUMP REPLACE	6/20/10		17,898							17,898		S/L	33		271
107	RETIRED PUMPING EQUIP	6/30/10		1							1	-4,622	S/L	33		0
108	METER READING EQUIP	11/16/10		2,595							2,595		S/L	33		7
109	PUMPING EQUIPMENT REMAININ	12/15/92		16,000							16,000	8,520	S/L	33		242
TOTAL MACHINERY AND EQUIPME																
539,983 0 0 0 0 0 539,983 225,494 15,381																

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RURAL WATER COMPANY

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NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
MISCELLANEOUS																
1	VARIOUS WATER PLANT			391,998							391,998	306,477	S/L	33		11,879
2	7/01/88 WATER PLANT-TRI256	7/01/88		512,237							512,237	333,646	S/L	33		15,522
3	7/01/88 WATER PLANT-QD88-234	7/01/88		19,017							19,017	12,331	S/L	33		576
4	7/01/89 WATER PLANT-GUSTAFSON	7/01/89		30,781							30,781	19,126	S/L	33		933
5	7/01/89 WATER PLANT-CRAIG	7/01/89		990							990	615	S/L	33		30
6	7/01/89 WATER PLANT-WEST COVINA	7/01/89		37,250							37,250	23,144	S/L	33		1,129
9	10/01/89 WATER PLANT-LUCIA MAR	10/01/89		30,360							30,360	18,630	S/L	33		920
10	7/01/89 WATER PLANT-TRI256/49	7/01/89		89,134							89,134	55,371	S/L	33		2,701
13	4/10/90 WATER PLANT-COOL ET	4/10/90		28,325							28,325	16,946	S/L	33		858
14	6/21/90 WATER PLANT-WELL #6	6/21/90		24,247							24,247	14,332	S/L	33		735
15	9/30/91 WATER PLANT-FLATLEY	9/30/91		124,876							124,876	69,058	S/L	33		3,784
21	7/15/92 WATER PLANT-ROYAL OAKS	7/15/92		5,988							5,988	3,168	S/L	33		181
22	7/15/92 WATER PLANT-INDIAN HILLS	7/15/92		7,485							7,485	3,972	S/L	33		227
23	12/31/92 WATER PLANT-HUBER RANCH	12/31/92		13,602							13,602	7,004	S/L	33		412
24	6/04/93 WATER PLANT - CONE	6/04/93		49,492							49,492	24,875	S/L	33		1,500
32	5/10/95 WATER PLANT - HUBER	5/10/95		28,585							28,585	12,629	S/L	33		866
33	1/01/95 WATER PLANT - CASA TIERRA	1/01/95		50,290							50,290	22,860	S/L	33		1,524
34	6/30/97 WATER PLANT - PACE	6/30/97		25,712							25,712	9,803	S/L	33		779
35	6/30/97 WATER PLANT - NESTAR	6/30/97		20,038							20,038	7,638	S/L	33		607
36	6/30/97 HALCYON WATER MAIN	6/30/97		15,271							15,271	5,826	S/L	33		463
37	5/27/98 WATER PLANT - RUSS	5/27/98		50,701							50,701	17,792	S/L	33		1,536
38	1/31/98 WATER PLANT - WELL #8	1/31/98		38,243							38,243	13,811	S/L	33		1,199
63	1/15/99 WATER PLANT	1/15/99		158,002							158,002	52,668	S/L	33		4,788
64	10/31/00 WATER PLANT - CYPRESS	10/31/00		1,700,000							1,700,000	472,221	S/L	33		51,515
65	1/25/01 WATER PLANT	1/25/01		27,655							27,655	7,472	S/L	33		838

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RURAL WATER COMPANY

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66	WATER PLANT	1/25/01			28,538					28,538	7,713	S/L	33		885
67	WATER PLANT - PACE	5/06/02			26,880					26,880	6,248	S/L	33		815
68	WATER PLANT - PACE	6/20/02			30,396					30,396	6,908	S/L	33		921
69	WATER PLANT - DUN	9/16/02			11,535					11,535	2,537	S/L	33		350
80	WATER PLANT - WELL #9	10/01/05			55,104					55,104	6,984	S/L	33		1,670
84	WATER PLANT - HUNSTAD	6/30/06			81,000					81,000	8,592	S/L	33		2,455
86	RETIRED METERS 2006	12/31/06			1					1	-2,112	S/L	33		0
88	WATER PLANT-MOORE REMAIN	12/31/91			54,600					54,600	29,779	S/L	33		1,655
89	WATER PLANT - CRAIG REMAIN	7/15/96			17,000					17,000	6,956	S/L	33		515
90	LAND	VARIOUS			88,455					88,455					0
94	WATER PLANT-SHEPHARD	12/15/07			53,000					53,000	3,346	S/L	33		1,606
	TOTAL MISCELLANEDUS				3,926,788			0	0	3,926,788	1,608,416				116,314
	TOTAL DEPRECIATION				4,483,148			0	0	4,483,148	1,850,287				131,695
	GRAND TOTAL DEPRECIATION				4,483,148			0	0	4,483,148	1,850,287				131,695
	DEPRECIATION ASSETS SOLD				9,887			0	0	9,887	5,115				150
	DEPR REMAINING ASSETS				4,473,261			0	0	4,473,261	1,845,172				131,545