

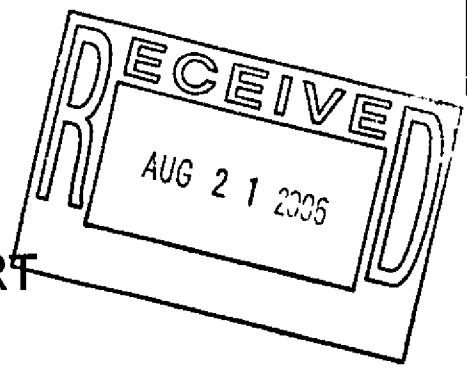
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Received \_\_\_\_\_  
Examined \_\_\_\_\_

**CLASS D  
WATER UTILITIES**

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

**2005  
ANNUAL REPORT  
OF**



SEQUOIA CREST, INC

SEQUOIA CREST WATER COMPANY

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

55124 REDWOOD DRIVE

SPRINGVILLE, CA 93265

(OFFICIAL MAILING ADDRESS)

ZIP

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

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2006  
(FILE TWO COPIES IF THREE RECEIVED)

SEQUOIA CREST WATER CO.

Account Number	Operating Revenue	
470	Metered	
460	Unmetered	46,534
465	Irrigation	
462-480	Private Fire Protection	
	<b>Total Revenue</b>	<b>46,534</b>
	<b>Operating Expenses</b>	
610	Purchased Water	
615	Purchased Power	2,569
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	
650	Contract Work	10,741
	Water Testing	3,496
660	Transportation Expense	
664	Other Plant Maintenance	3,030
670	Office Salaries	
671	Management Salaries	
674	Employee Pensions and Benefits	
676	Uncollectables	
678	Office Service and Rentals	
681	Office Supplies and Expense	18
682	Professional Services	1,847
684	Insurance	4,517
688	Regulatory Expense	1,028
689	General Expense	891
	<b>Subtotal</b>	<b>28,137</b>
403	Depreciation Expense	10,319
	Ad Valorem Taxes	
	Payroll taxes	
408	Taxes other than income	1,062
409	State Income Tax	800
410	Federal Income Tax	
	<b>Total Deductions</b>	<b>40,318</b>
	<b>Net Revenue</b>	<b>6,216</b>

SEQUOIA CREST WATER CO.

	<b>Rate Base</b>	
	Average Plant	231,499
	Average Depreciation Reserve	120,004
	Net Plant	111,495
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work in Progress	
	Plus: Working Cash	
	Plus: Material & Supplies	
	<b>Rate Base</b>	111,495
	<b>ROR=Net Rev/Rate Base</b>	0.055751

# CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

SEQUOIA CREST WATER CO.

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

55124 REDWOOD DRIVE, SPRINGVILLE, CA 93265

(Official mailing address)

SEQUOIA CREST, TULARE COUNTY

(Service area-town and county)

## GENERAL INFORMATION

**RETURN ORIGINAL  
TO COMMISSION  
NO PHOTOCOPIES**

1 If a corporation show:

(A) Date of organization 4/1/59 incorporated in the State of California

(B) Names, titles and addresses of principal officers:

Skip Rouch - President - 54773 Chinquapin Dr., Springville, CA 93265

Carla Rouch - Secretary - 55124 Redwood Dr., Springville, CA 93265

2 If unincorporated give the name and address of owner or of each partner:

3 Name and telephone number of:

(A) One person listed above to receive correspondence: Skip Rouch (559) 542-3000

(B) Person responsible for operations and services: Skip Rouch (559) 542-3000

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:

### 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		Monthly 3/06
	N/A	
	N/A	
	N/A	

**SPECIAL INSTRUCTIONS (over)**

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES  
 March 31, 2006

NAME OF UTILITY SEQUOIA CREST WATER CO. PHONE 559-542-3000

PERSON RESPONSIBLE FOR THIS REPORT Skip Rouch  
 (Prepared from Information in the 2004 Annual Report)

	3/31/05	3/31/06	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant	1,068	1,068	1,068
2 Land and Land Rights			
3 Depreciable Plant	206,894	253,967	230,431
4 Gross Plant in Service	207,962	255,035	231,499
5 Less: Accumulated Depreciation	114,844	125,163	120,004
6 Net Water Plant in Service	93,118	129,872	111,495
7 Water Plant Held for Future Use			
8 Construction Work in Progress	21,518	-	10,759
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	( )	( )	( )
13 Net Plant Investment	114,636	129,872	122,254
<b>CAPITALIZATION</b>			
14 Common Stock	4,020	4,020	4,020
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	31	31	31
17 Retained Earnings	48,543	63,523	56,033
18 Common Stock and Equity (Lines 14 through 17)	52,594	67,574	60,084
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	52,594	67,574	60,084

(Revised 2/01)

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

March 31, 2006

(continued)

NAME OF UTILITY SEQUOIA CREST WATER CO. PHONE (559) 542-3000

		Annual Amount
<b>INCOME STATEMENT</b>		
23	Unmetered Water Revenue	<u>46,534</u>
24	Fire Protection Revenue	<u>          </u>
25	Irrigation Revenue	<u>          </u>
26	Metered Water Revenue	<u>          </u>
27	Total Operating Revenue	<u>46,534</u>
28	<u>Operating Expenses</u>	<u>28,137</u>
29	Depreciation Expense (Composite Rate _____)	<u>10,319</u>
30	Amortization and Property Losses	<u>          </u>
31	Property Taxes	<u>1,062</u>
32	Taxes Other Than Income Taxes	<u>          </u>
33	Total Operating Revenue Deduction Before Taxes	<u>39,518</u>
34	California Corp. Franchise Tax	<u>800</u>
35	Federal Corporate Income Tax	<u>          </u>
36	Total Operating Revenue Deduction After Taxes	<u>40,318</u>
37	Net Operating Income (Loss) - California Water Operations	<u>6,216</u>
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>7,732</u>
39	Income Available for Fixed Charges	<u>13,948</u>
40	Interest Expense	<u>2,261</u>
41	Net Income (Loss) Before Dividends	<u>11,687</u>
42	Preferred Stock Dividends	<u>          </u>
43	Net Income (Loss) Available for Common Stock	<u>11,687</u>

**OTHER DATA**

44	Refunds of Advances for Construction	<u>          </u>
45	Total Payroll Charged to Operating Expenses	<u>          </u>
46	Purchased Water	<u>          </u>
47	Power	<u>2,569</u>

		(Exc. Fire Protect.)	4/1/05	3/31/06	Annual Average
<u>Active Service Connections</u>					
48	Metered Service Connections				
49	Flat Rate Service Connections		99	101	100
50	Total Active Service Connections		99	101	100

**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: SEQUOIA CREST, INC DOES NOT HAVE ANY  
LOANS OUTSTANDING AS OF MARCH 31, 2006.

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:

\$ \_\_\_\_\_

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: \_\_\_\_\_

SEQUOIA CREST WATER CO.

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	NONE	NONE	NONE	NONE	NONE
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	NONE	NONE	NONE	NONE	NONE
20		Total water plant in service	NONE	NONE	NONE	NONE	NONE



**SEQUOIA CREST WATER CO.  
SCHEDULE A - BALANCE SHEET (MARCH 31, 2006)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	255,035	201	Common Stock (Corporations only)	4,020
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	31
3	104	Water plant purchased or sold		215	Retained earnings	63,523
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(125,163)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	107,497
7	124	Other investments		252	Advances for construction	
8	131	Cash	4,132	253	Other deferred credits	
9	141	Accounts receivable - customers	34,733	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	6,334	283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		<b>Total Assets</b>	<b>175,071</b>		<b>Total Equity and Liabilities</b>	<b>175,071</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
16	301	intangible plant	1,068				1,068
17	303	Land	-				-
18	304	Structures	-				-
19	307	Wells	42,922	9,499			52,421
20	317	Other water source plant	1,602				1,602
21	311	Pumping equipment	11,752	5,134			16,886
22	320	Water treatment plant	-				-
23	330	Reservoirs tanks and sandpipes	71,820				71,820
24	331	Water mains	50,905	1,358			52,263
25	333	Services and meter installations	2,625				2,625
26	334	Meters	-				-
27	335	Hydrants	6,563				6,563
28	339	Other equipment	18,705	31,082			49,787
29	340	Office furniture and equipment	-				-
30	341	Transportation equipment	-				-
31		<b>Total water plant in service</b>	<b>207,962</b>	<b>47,073</b>			<b>255,035</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	
32	Balance in reserves at beginning of year	114,844		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403	10,319		Straight Line 7 - 33 Year Life
35	(b) Charged to Account No. 272			
36	(c) Charged to cleaning accounts			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			covered by this report \$ 9,919.
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			Straight Line 25 - 33 Year Life
45	Balance in reserve at end of year	125,163		MACRS & Sec 179
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SEQUOIA CREST WATER CO.  
**SCHEDULE D - CAPITAL STOCK OUTSTANDING (MARCH 31, 2006)**

Line				
1	Common - (Shares 1200	\$100. 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 - \$		SEE SCHEDULE ATTACHED
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	XXXXXXXXXX
10	460 Unmetered water revenue	46,534
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	
14	480 Other water revenue	
15	Total Operating Revenue	46,534
16	Operating revenue deductions	XXXXXXXXXX
17	Operating expenses	XXXXXXXXXX
18	610 Purchased water	
19	615 Power	2,569
20	618 Other volume related expenses	
21	630 Employee labor	
22	640 Materials	
23	650 Contract work	10,741
24	660 Transportation expenses	
25	664 Other plant maintenance expense	3,030
26	670 Office salaries	
27	671 Management salaries	
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	
31	681 Office supplies and expense	18
32	682 Professional services	1,847
33	684 Insurance	4,517
34	688 Regulatory commission expense	1,028
35	689 General expenses	4,387
36	Total Operating Expenses	28,137
37	403 Depreciation expense	10,319
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	1,062
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	40,318
43	Utility Operating Income	6,216
44	421 Non-utility income	7,732
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	2,261
47	Net Income	11,687

**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
LOGGING CAMP	1	18"	0'	43	200,000
RAIN GAUGE	1	8"	300'	6	100,000
BELOW POPPY LAKE	1	8"	200'	11	300,000

**OTHER**

Streams or springs location of diversion point	Flow in (Unit)		Annual quantities diverted (Unit)	
	Priority right	Diversions		
	Claim	Capacity	Max	Min
N/A				
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			
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total	N/A	N/A	N/A

**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				
49	670	Office salaries				
50	671	Management salaries				
51		Total	NONE	NONE	NONE	NONE

**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		101
2-in		6
2.5-in		12
6-in		8
Total	None	127

**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		101	101			0		101
Industrial								
Other (specify)								
Subtotal		101	101			0		101
Fire protection (Hydrants)		26	26			0		26
Total		127	127			0		127

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	Footage				Totals
				2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	
Concrete			Cast Iron					
Earth			Welded steel					
Wood	1	96,000	Standard screw	2,000				2,000
Steel	2	182,000	Cement-asbestos		1,000	3,000	12,500	16,500
Other			Plastic	5,300		2,500		7,800
			Other (specify)					
Total	3	278,000	Total	7,300	1,000	5,500	12,500	26,300

**DECLARATION**

(BEFORE SIGNING PLEASE CHECK TO SEE THAT ALL SCHEDULES HAVE BEEN COMPLETED)

I, the undersigned (officer, partner or owner) of Sequoia Crest, Inc. (Sequoia Crest Water Co.) (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 April 1, 2005, to and including March 31, 2006.

Signed *Shy Row*  
 Title PRESIDENT  
 Date 8/1/06

SEQUOIA CREST, INC  
SEQUOIA CREST WATER CO.  
PUC ANNUAL REPORT FOR YEAR ENDING 3/31/06

STMT 1

SCHEDULE D. CAPITAL STOCK OUTSTANDING. LINE 1 COMMON STOCK

<u>SHAREHOLDERS NAME</u>	<u>TOTAL SHARES HELD</u>
ALDEN V. MUNSON, JR	100
CHARLES MUNSON	100
MARUERITE (PEGGY) M. HOVER	100
TAMINA HUTERS	60
PATRICIA JACOBS	60
CLAUDE (SKIP) ROUCH	60
THERESA CHAMPNEYS	60
MICHAEL ROUCH	60
JERRY LEE ROUCH	100
JAMES ROUCH	100
THOMAS ROUCH	100
ROBERTS N. ROUCH JR.	60
CHARLOTTE S. THOMPSON	60
RICHARD D. ROUCH	60
TIMOTHY M. ROUCH	60
NANCY GOLDFOGEL	60
	<hr/>
TOTAL SHARES	1200